# UNIVERSAL REGISTRATION DOCUMENT 2019

*(NEW VERSION OF THE REGISTRATION DOCUMENT)*

**INCLUDING THE ANNUAL FINANCIAL REPORT 2019**

GROUPE RENAULT

# Summary



The elements of the annual financial report are identified by the AFR symbol.

TRANSPARENCE LABEL OR

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# 2019

## UNIVERSAL REGISTRATION DOCUMENT

(NEW VERSION OF THE REGISTRATION DOCUMENT)

INCLUDING THE ANNUAL FINANCIAL REPORT
APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 13, 2020

Ensuring sustainable
mobility for all,
today and tomorrow.

This Universal Registration document
is online on the website
**www.groupe.renault.com**

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on March 19, 2020, with the French financial marketsauthority as the competent authority in accordance with Regulation (EU) 2017/1129, without priorapproval pursuant to Article 9 of said regulation. The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities totrading on a regulated market if it is accompanied by a simplified prospectus and, where applicable, a summary and all the amendments made to the Universal Registration Document. The entirety thusconstituted is approved by the French financial markets authority in accordance with Regulation (EU) 2017/1129.

# MESSAGE FROM JEAN-DOMINIQUE SENARD

**Jean-Dominique Senard**
Chairman of Groupe Renault

> Groupe Renault faces multiple challenges, but we have all of the strengths

In a context of a major global health crisis, Groupe Renault is fully committed to the collective efforts to fight against the epidemic. We are mobilized to ensure the safety of our employees and preserve the Group's business. 2019 was a transition year for Groupe Renault. We have taken the time to restructure in order to better meet the challenges of the rapidly changing automotive sector. We carried out this transition in a context of economic uncertainty and market volatility which led us to reconsider our goals, in a spirit of responsibility and discernment.

2020 will be equally significant for Groupe Renault and the Alliance. Firstly, with the appointment of a new management team: from July 1, 2020, Luca de Meo will join the Group as Chief Executive Officer. Alongside him, Clotilde Delbos will take on the functions of Chief Operating Officer. Together, with support from a renewed and reinforced Executive Committee, they will form a high quality team, with proven qualities, to deliver Groupe Renault's ambitions.

2020 will also be a decisive year for the Alliance. In 2019, we laid the foundations for a new cooperation, with the creation of the Alliance Operating Board that I have the honor of chairing.

This Board will meet every month in the presence of the three Company Senior Executives. Together, we will take the decisions to strengthen the Alliance's operational effectiveness, which is essential for improving the competitiveness of each member company. With this spirit of consensus, we will build the medium term strategic plans for the three companies.

At the beginning of 2020, the Board decided to enter a new phase by presenting a new work framework to gain the maximum potential from each one's strengths. For example, it was decided that a company should take the lead in the Alliance for each key technology, that will be then spread across the Alliance partners.

This new organization for the Alliance is the foundation for Groupe Renault's success. It will enable us to face the investments required to adapt to a changing regulatory context and develop the mobility of tomorrow.

Groupe Renault faces multiple challenges, but we have all of the strengths, know-how and talents to meet them. The Group is transforming itself on a daily basis to better leverage these strengths and provide truly sustainable and inclusive mobility, everywhere and for everyone.

# MESSAGE FROM CLOTILDE DELBOS

"Rising to the challenges, together"

2019 was not an easy year. The market downturn, volatile economic conditions and the acceleration in environmental regulations affected us at a time when we were also confronted with challenges internally.

We pulled through. We succeeded in delivering on the commitments made in October by leveraging our strengths, know-how and expertise. We launched a new generation of vehicles with the New Clio and New Captur, which have contributed to our growth in Europe.

Driven by our launches, we strengthened our positions in Russia with Arkana, Brazil with Kwid and Sandero and India with Triber. In the electric vehicle segment, our sales increased by around 25% over the year, and we have just launched the New ZOE.

Lastly, we achieved a new sales record for our light commercial vehicles, as has our global access brand Dacia for the 7th consecutive year. These achievements are the result of the efforts made by all Groupe Renault's teams, and I would like to thank them sincerely.

There are still many challenges awaiting. 2019 put us to the test. 2020 will be once again a year of challenges and collective efforts.

The world has been confronted with a major health crisis since the beginning of the year. After affecting the Group's activities in China, the coronavirus (Covid-19) epidemic is today rapidly

**We succeeded in delivering on the commitments made in October**

developing in many other countries worldwide in which the Group operates.

We have joined the efforts requested by the WHO and States to help stem the propagation of the virus, by adapting our organizations and working methods.

At a time when we are doing everything we can to protect our employees and comply with the measures taken by the different governments, at the date of publication of this document, we have stopped the activity of certain of our business establishments and our plants. Given the rapid spread of the pandemic, the continuity of production activities in the Group's other plants worldwide will depend on the health situation and the government decisions in each country.

The impact of this situation on the Group's results is, at this stage, impossible to assess; we will provide information on the scale of the impact as soon as this is possible.

We plan to restart production activities as soon as conditions allow it, and will implement all appropriate measures to effectively meet commercial demand.

At the same time, we will continue to undertake the measures required to turn our performance around over the period of our strategic plan, and we know the strengths that we can count on. Firstly, we need to lay the foundations for sound, sustainable performance. We also need to meet regulatory expectations. To achieve our CAFE 2020 target, we can count on our range of electric and electrified vehicles with the arrival of the New Clio E-Tech, Captur E-Tech Plug-in, New Megane E-Tech Plug-in and the Twingo Z.E.

We aim to reduce our structural costs by at least €2 billion over the next three years. We will achieve these goals through team spirit, within Renault and with the Alliance. With the new momentum provided by our Chairman, Jean-Dominique Senard, the Alliance will play a fundamental role in getting our performance back on track.

Lastly, we can count on a new management team, comprising talents from inside and outside the Group, with the appointment of Luca de Meo. Under his management, we will set out our strategic ambitions for tomorrow.

Together, we will manage this crisis situation and define the foundations for tomorrow's sound, resilient and sustainable performance. We must take control of our destiny. I am very confident in the ability of the new management team and all Groupe Renault's teams to meet these challenges together.

**Clotilde Delbos**

Interim Chief Executive Officer
and Group Chief Financial Officer
*March 2020*

# GOVERNANCE AND GROUP EXECUTIVE COMMITTEE

*As of March 1st, 2020*

## Overview of the Board of Directors

**Jean-Dominique SENARD**
Chairman of the Board

**3** DIRECTORS representing employees

**Éric PERSONNE**

**Richard GENTIL**

**Frédéric BARRAT**

**1** DIRECTOR representing employee shareholders

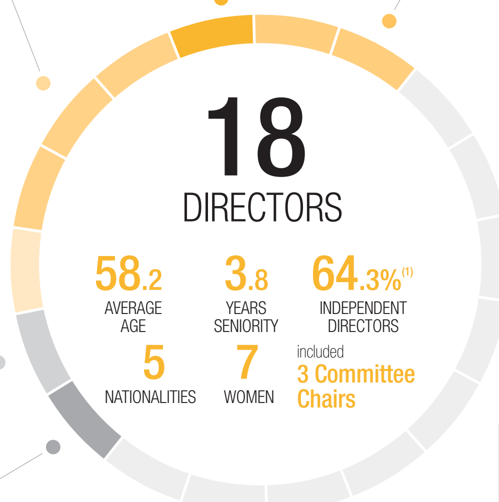
**Benoît OSTERTAG**

**1** DIRECTOR designated by order, as representative of the French State

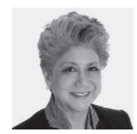
**Martin VIAL**

**1** DIRECTOR appointed by the Annual General Meeting, upon proposal of the French State

**Thomas COURBE**




**2** DIRECTORS appointed by the Annual General Meeting upon proposal of Nissan



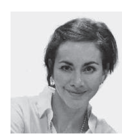
**Yu SERIZAWA**

**Yasuhiro YAMAUCHI**

**9** INDEPENDENT DIRECTORS appointed by the Annual General Meeting

**Pierre FLEURIOT***

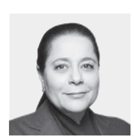
**Pascale SOURISSE**



**Catherine BARBA**

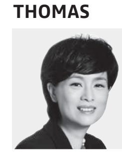
**Patrick THOMAS**

**Marie-Annick DARMAILLAC**



**Miriem BENSALAH CHAQROUN**

**Thierry DEREZ**



**Olivia QIU**

**Annette WINKLER**

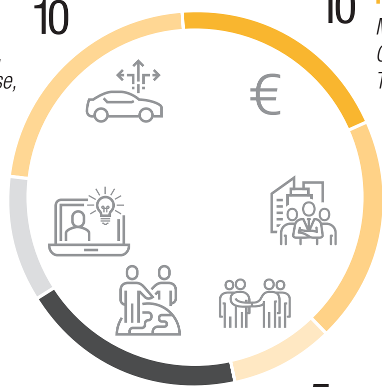
**Lead Independent Director*

## Specialized committees

| AUDIT, RISKS AND COMPLIANCE Committee | ETHICS AND CSR Committee | GOVERNANCE AND COMPENSATION Committee | STRATEGY Committee |
|---|---|---|---|
| 6 MEMBERS | 5 MEMBERS | 5 MEMBERS | 8 MEMBERS |
| 80% INDEPENDENT (1) | 66.7% INDEPENDENT (1) | 75% INDEPENDENT (1) | 66.7% INDEPENDENT (1) |

*(1) Excluding the director representing employees and the director representing employee shareholders.*

## Mapping of Boards members' skills



**AUTO INDUSTRY** 10
*MM. Barrat, Derez, Gentil, Ostertag, Personne, Senard, Vial, Yamauchi, Mmes Sourisse, Winkler*

10 **FINANCE**
*MM. Courbe, Derez, Fleuriot, Ostertag, Personne, Senard, Thomas, Vial, Mmes Serizawa, Winkler*

10 **SENIOR EXECUTIVE EXPERIENCE**
*Mmes Bensalah-Chaqroun, Qiu, Sourisse, Serizawa Winkler, MM. Derez, Fleuriot, Senard, Thomas, Yamauchi*

5 **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**
*Mmes Bensalah-Chaqroun, Darmaillac, Serizawa MM. Ostertag, Senard*

**INTERNATIONAL EXPERIENCE** 8
*MM. Senard, Yamauchi, Mmes Barba, Bensalah-Chaqroun, Qiu, Serizawa, Sourisse, Winkler*

**DIGITAL AND INNOVATION** 5
*MM. Senard, Yamauchi, Mmes Barba, Qiu, Sourisse*

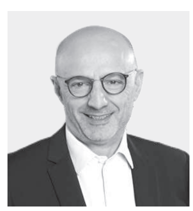
### Work of the Board of Directors

- **STRATEGY**
- **GOVERNANCE**
- **COMPENSATION**
- **FINANCE**
- **ESG**

## Overview of the Group Executive Committee


1.

2.

3.

4.

5.

6.

7

8

9

10.

1. **Clotilde DELBOS**, interim Chief Executive Officer and Group Chief Financial Officer
2. **José Vicente DE LOS MOZOS**, Group EVP, Manufacturing & Logistics
3. **Philippe GUÉRIN BOUTAUD**, Group EVP, Quality and Customer Satisfaction
4. **Ali KASSAÏ**, Group EVP, Product Planning and Programs
5. **Gilles LE BORGNE**, Group EVP, Engineering
6. **Denis LE VOT**, Group EVP, Regions, Sales and Marketing
7. **François ROGER,** Group EVP, Human Resources, Prevention & Protection and Real Estate & Facility Management
8. **Véronique SARLAT-DEPOTTE**, Alliance Global EVP Purchasing, Chairman and CEO of the Alliance Purchasing Organization
9. **Laurens VAN DEN ACKER**, Group EVP, Corporate Design
10. **Frédéric VINCENT**, Group EVP, Information Systems, Digital and Transformation

**10** MEMBERS

**2** WOMENS

**4** NATIONALITIES

LEARN MORE • 2019 Universal Registration Document, Chapter 3

# BUSINESS MODEL EFPD-A

*Data at December 31, 2019*

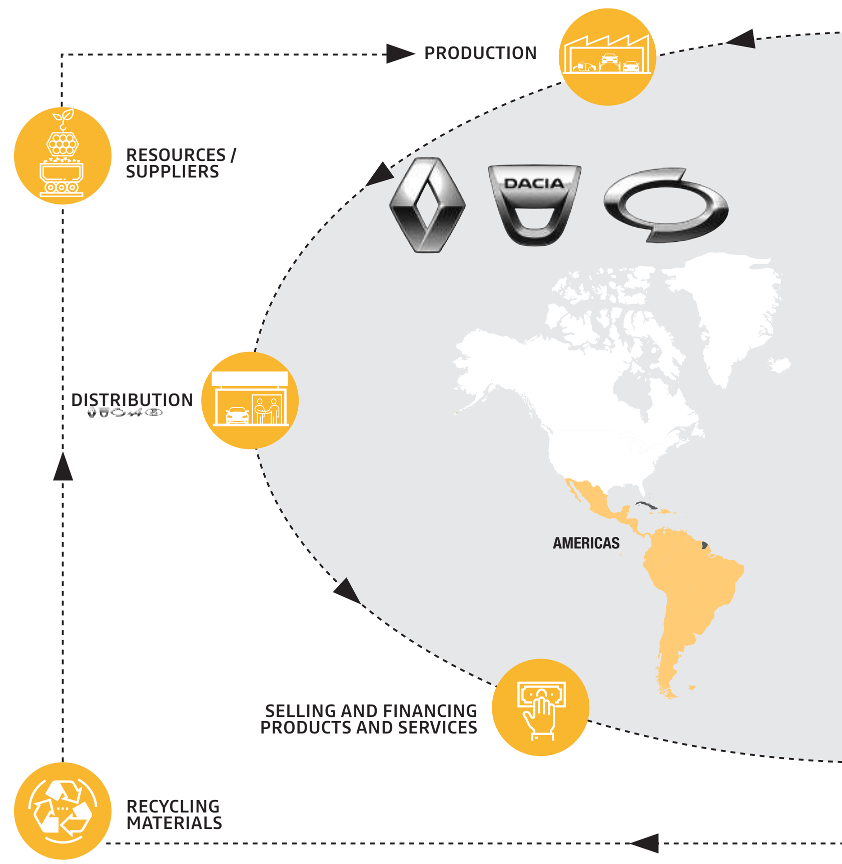
## OUR RESOURCES

| | See Section |
|---|---|
| **HUMAN**<br>**179,565** employees in 39 countries | 2.4.1 |
| **FINANCIAL**<br>Shareholders' equity: **35,3 Md€**<br>Financial debt: **59 Md€** | 4.2 |
| **INTELLECTUAL**<br>**11 773** patents' portfolio<br>**23,586** R&D engineers in **8** countries | 1.4 |
| **ENVIRONMENTAL**<br>Renewable and non-renewable resources & energies | 2.3 |
| **INDUSTRIAL**<br>**38** plants around the world | 1.1.4.4 |
| **SOCIAL AND RELATIONNAL**<br>Relationships with our stakeholders (customers, employees, suppliers and partners, investors, local communities, institutions and associations...) | 2.1.5 |

## OUR VISION

Ensure **sustainable mobility**

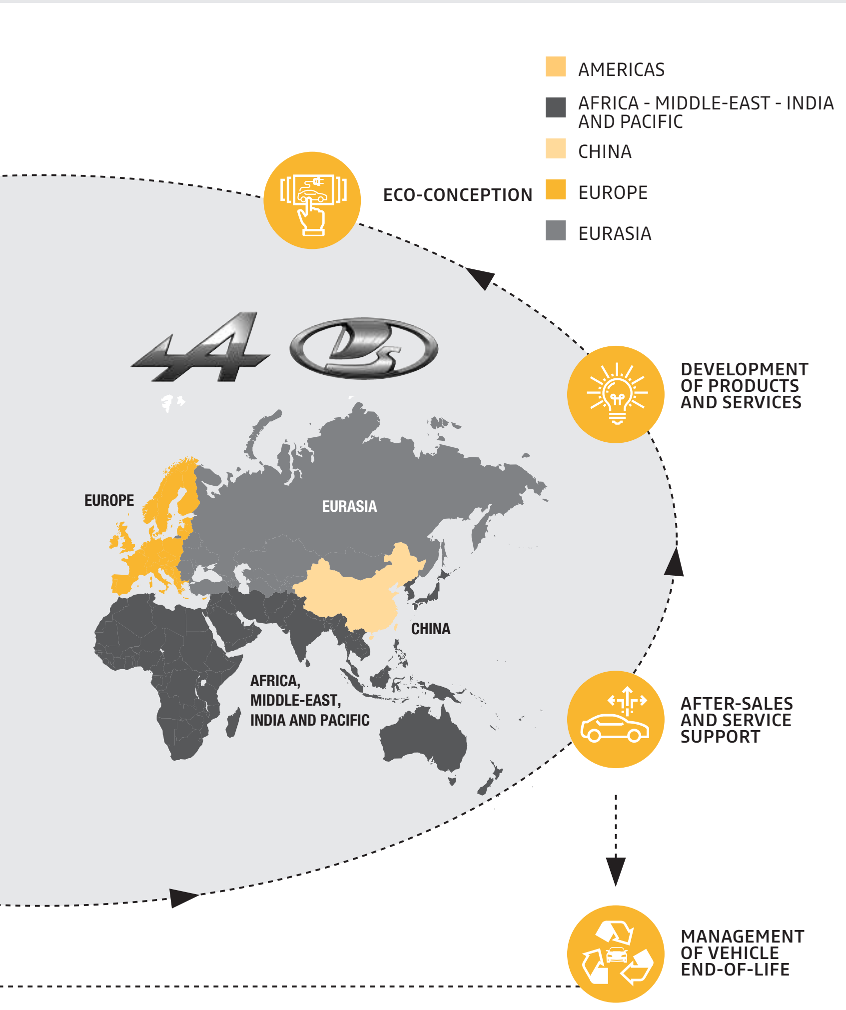
Our operations in **5 REGIONS**




## OUR MAIN ASSETS

| | See Section |
|---|---|
| • ALLIANCE (SCALE AND TECHNOLOGIES)) | 1.4.2 |
| • GEOGRAPHICAL DIVERSIFICATION | 2.4.1.1 |
| • RCI BANK & SERVICES | 1.1.5 |

## for all, today and tomorrow




| | |
|---|---|
| • ELECTRICAL VEHICLES BUSINESS UNIT | 1.1.4.1 |
| • GLOBAL ACCESS LINE UP | 2.4.4.1 |
| • LCV GLOBAL BUSINESS UNIT | 1.1.4.1 |

## OUR CREATION OF SHARED VALUE

| CUSTOMERS | See Section |
|---|---|
| Quality and customer satisfaction | 1.4.3.3 |
| Innovation for all: | 1.4.1 |
| Connectivity | |
| Autonomous driving | |
| Mobility services | |

| SHAREHOLDERS | |
|---|---|
| Sustainable performance | 1.3.1 |
| Dividend policy | 5.3.3 |

| EMPLOYEES | |
|---|---|
| **78 %** of engagement rate | 2.4.1.1 |
| **4,9 millions** hours of training delivered | 2.4.1.3 |

| ENVIRONMENTAL STANDARDS | 2.3 |
|---|---|
| Low carbon mobility and limited environmental impact over the life cycle | |
| Resource-efficient mobility (circular economy) | |

| SUPPLIERS AND PARTNERS | |
|---|---|
| More than **17 000** parts and services suppliers | 2.5.2 |
| **1 040** patents filed | 1.4 |

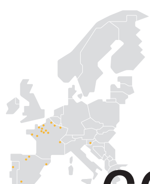
| SOCIETY | |
|---|---|
| **8 foundations** worldwide | 2.4.3.1 |
| **15** academic chairs funded | 2.2.1.1 |

# KEY FIGURES

**€55,537 M**
Group Renault 2019 revenues

**3,753,723**
vehicles sold worldwide in 2019

### BREAKDOWN OF REVENUES BY VEHICLES SOLD WORLDWIDE / 2019

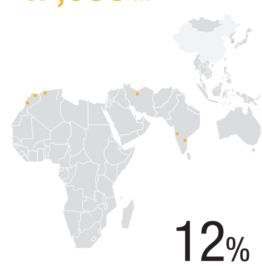
Europe
€36,516 M

66%

Eurasia
€7,421 M

13%

Americas
(without USA)
€4,435 M

8%

Africa - Middle-East -
India - Pacific
€7,038 M

12%

China
€127 M

>1%

### ALL BRANDS WORLD MARKET BY REGION / 2019 - BY VOLUME

China
24,923,351

42%

Americas
(without USA)
24,660,137

27%

Europe
17,868,111

o/w France
2,694,063
20%

Africa - Middle-East -
India - Pacific
17,967,673

20%

Eurasia
2,801,745

3%

### OPERATING MARGIN - €M

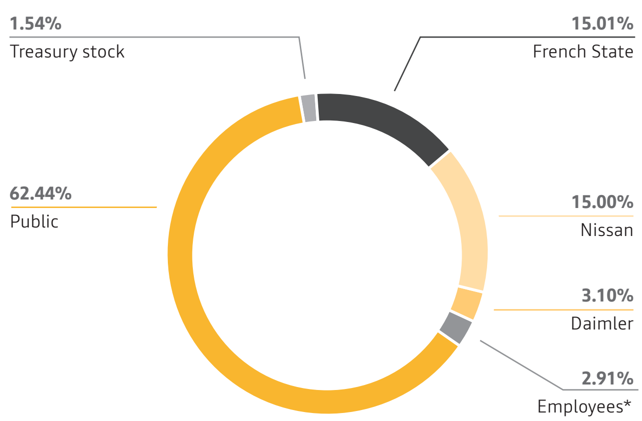
| | |
|---|---|
| 2016 | 3,282 (6.4% of revenue) |
| 2017 | 3,854 (6.6% of revenue) |
| 2018 | 3,612 (6.3% of revenue) |
| 2019 | 2,662 (4.8% of revenue) |

### AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ - €M

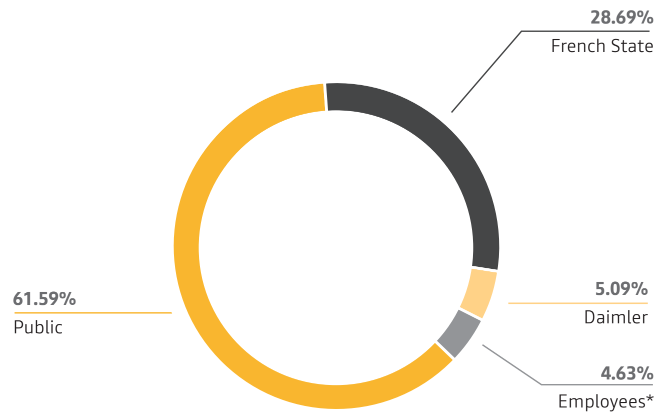
| | |
|---|---|
| 2016 | 2,416 (restated) |
| 2017 | 3,209 (restated) |
| 2018 | 3,702 |
| 2019 | 1,734 |

## Renault shareholders at December 31, 2019

### OWNERSHIP STRUCTURE AS PERCENTAGE OF SHARES




### BREAKDOWN OF EXERCISABLE VOTING RIGHTS [(1)] AS A %




### CHANGE IN DIVIDEND IN EUROS PER SHARE

| 2017 | 2018 | 2019 |
|---|---|---|
| €3.55 | €3.55 | €1.10 [(2)] |

* *The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual fund.*


Carbon footprint per vehicle [(3)]

**-17.4%**

*compared to 2010*

*(1) See chapter 5.2.6.1.*

*(2) Proposed at the Annual General Meeting of 24 April 2020.*

*(3) See chapter 2.3.3.A.*

# A 5-BRAND GROUP

A carmaker since 1898, Groupe Renault is a multi-brand group. To meet today's major technological and societal challenges and to continue its profitable growth strategy, the Group relies on its buoyant international expansion. It is banking on the complementarity of its five brands (Renault, Dacia, Renault Samsung Motors, Alpine and LADA), its trailblazing know-how in electric mobility and its unique alliance with Nissan and Mitsubishi Motors. With its Formula 1 team, Renault is making auto racing a driver of innovation and brand awareness.

## RENAULT

**2,357,093** vehicles sold in 2019 (PC + LCV)

Renault, the number-one French brand in the world, is marketed in 134 countries. As the world of mobility changes rapidly, Renault puts people first by designing products and services that fit its customers' lifestyles and needs. Renault is a warm and friendly brand that incorporates a zest for life into a new mobility that is more shared, more connected and more respectful of the planet.

## DACIA

**736,570** vehicles sold in 2019 (PC + LCV)

The Dacia brand is present in 44 countries, mainly in Europe and in the Mediterranean area. Created in Romania in 1968, the brand was purchased by Groupe Renault and relaunched in 2004 with Logan. Dacia's cars offer the best value for the money on the market. Thanks to its iconic models – Logan, Sandero and Duster – the brand has been a resounding commercial success and now has nearly 6.5 million customers.

## RSM

**79,081** vehicles sold in 2019 (PC)

Created in 2000, Renault Samsung Motors is sold exclusively in South Korea. Particularly renowned for its quality of service, RSM ranked as the leader in customer satisfaction for the eighteenth consecutive year in sales, and for the fourth consecutive year in after-sales.

## ALPINE

**4,835** vehicles sold in 2019

Alpine is Groupe Renault's premium sports brand. In 2019, Alpine launched the Alpine A110S. Developing 292 hp, this version delivers an intensely Alpine driving experience. The A110S has the brand's classic features – lightness, compactness and agility – and offers a promise: driving pleasure.

## LADA

**412,889** vehicles sold in 2019 (PC + LCV)

A historic leader in the Russian market, LADA has the largest dealer network in the country with around 300 sales points. LADA is represented by official importers in more than 20 countries with 75 sales points. With a totally new design and a network in the throes of transformation, LADA has entered a new era.

# 179,565 employees

Present in
# 134 countries

**No.1**
IN EUROPE
IN THE ELECTRIC LIGHT
COMMERCIAL VEHICLE SEGMENT

**ZOE**
THE BEST-SELLING ELECTRICAL
VEHICULE IN EUROPE SINCE 2010
LAUNCH OF THE 3RD GENERATION

## Alliance global production sites

**GROUPE RENAULT PLANTS**
- Passenger cars (PC)
- Light commercial vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

**PARTNER PLANTS**
- Passenger cars (PC)
- Light commercial vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

**LOGISTICS SITES**
- Logistics platform

**ALLIANCE SITES**
- Renault-Nissan Alliance plants

- FRANCE
- EUROPE
- EURASIA
- AFRICA, MIDDLE EAST, INDIA AND PACIFIC
- CHINA
- AMERICAS

**FRANCE SITES**
- Batilly (Sovab)
- Caudan (Fonderie de Bretagne)
- Choisy-le-Roi
- Cléon
- Dieppe (Alpine)
- Douai
- Flins
- Le Mans
- Maubeuge (MCA)
- Ruitz (STA)
- Saint-André-de-l'Eure (Sofrastock International)
- Sandouville
- Villeurbanne

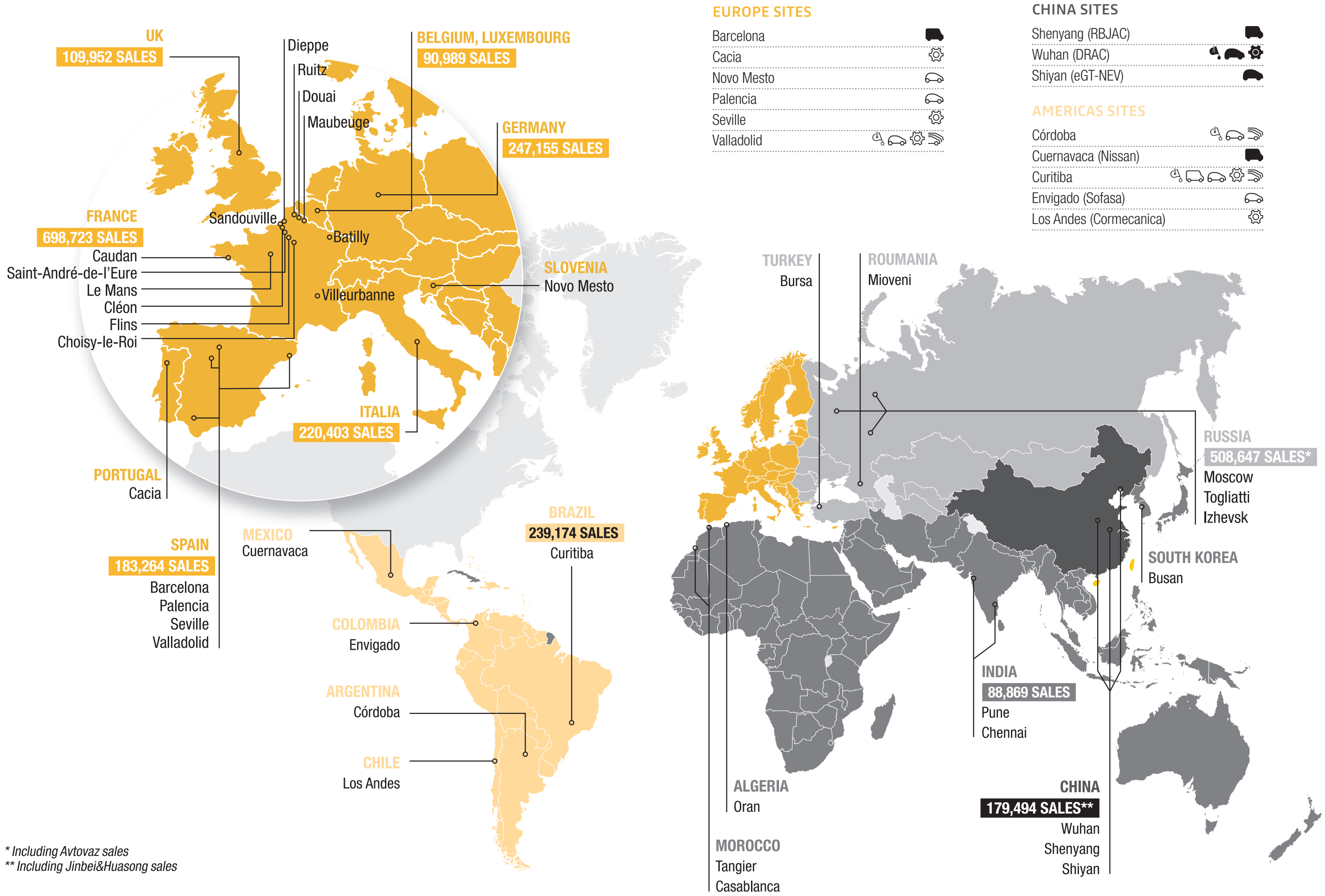
**EUROPE SITES**
- Barcelona
- Cacia
- Novo Mesto
- Palencia
- Seville
- Valladolid

**EURASIA SITES**
- Bursa (Oyak-Renault)
- Izhevsk (AVTOVAZ)
- Mioveni (Dacia)
- Moscow
- Togliatti (AVTOVAZ)

**AFRICA, MIDDLE EAST, INDIA AND PACIFIC SITES**
- Casablanca (Somaca)
- Chennai (Renault-Nissan)
- Oran
- Pune
- Tanger (Renault-Nissan)
- Busan (RSM)

**CHINA SITES**
- Shenyang (RBJAC)
- Wuhan (DRAC)
- Shiyan (eGT-NEV)

**AMERICAS SITES**
- Córdoba
- Cuernavaca (Nissan)
- Curitiba
- Envigado (Sofasa)
- Los Andes (Cormecanica)




* Including Avtovaz sales
** Including Jinbei&Huasong sales


## GROUPE RENAULT WORLDWIDE DATA AT END-2019

IN OVER
**134**
COUNTRIES

•

**179,565**
EMPLOYEES

•

**€55,537 million**
REVENUES

# 01

# GROUPE RENAULT



The elements of the annual financial report are identified by the AFR symbol.

# 1.1 OVERVIEW OF RENAULT AND THE GROUP

## 1.1.1 Management bodies as at March 2020

The Board of Directors of Renault adopted a governance method in which the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated since January 24, 2019.

A detailed explanation of the mode of governance is given in section 3.1.5.

The Chief Executive Officer relies on the Group Executive Committee (GEC) to steer the Group's strategic management. The GEC has the support of the Operations Review Committee, which has a larger number of members.

### 1.1.1.1 The Group Executive Committee

The Group Executive Committee takes strategic, financial and operational decisions within the limits of the corporate purpose and subject to the powers expressly granted by law to Board of Directors' meetings.

These decisions are reflected in the budget, product plan, major investments, and strategic plans for sites.

The members of the Group Executive Committee may attend Board meetings.

The GEC meets once a month.

As at March 2020, the GEC consists of the following members:

- the interim Chief Executive Officer and Group CFO;
- the EVP Regions, Sales & Marketing Groupe Renault;
- the EVP, Information Systems, Digital and Transformation Groupe Renault;
- the EVP, Engineering;
- the EVP, Human Resources Groupe Renault;
- the EVP, Product Planning and Programs Groupe Renault;
- the EVP, Manufacturing & Supply Chain Groupe Renault;
- the EVP, Quality and Customer Satisfaction Groupe Renault;
- the Renault-Nissan-Mitsubishi Alliance EVP, Purchasing;
- the EVP, Corporate Design Groupe Renault.

### 1.1.1.2 The Renault Operations Review

The Group's Operations Review Committee is chaired by the Chief Executive Officer and is in charge of operational decisions and reviewing performance at the regional, functional and Business Unit level:

- business KPIs;
- profitability, programs and planning;
- various reports: quality, electric vehicles, light commercial vehicles, costs, etc.

The committee meets once a month.

As at March 2020, the Operations Review Committee consists of the following members:

- the GEC members;
- the SVPs, Chairman of Europe, Eurasia, Americas, AMI-Pacific and China Regions;
- the SVP, Group Controller;
- the Alliance SVP, Product Development;
- the SVP, TdC office Groupe Renault;
- the SVP, After-Sales, Groupe Renault;
- the SVP, Electric Vehicle Division;
- the SVP, Audit, Risks and Ethics, Groupe Renault;
- the SVP Legal Affairs, Groupe Renault;
- the SVP, Corporate Strategy and Business Development, Groupe Renault;
- the SVP, Communications, Public Relations, Corporate Social Responsibility, Groupe Renault and the Renault Foundation;
- the Alliance SVP, Combustion and Electric Powertrains;
- the SVP, Transformation and Organization, Groupe Renault;
- the Chief Executive Officer, RCI Banque;
- the Alliance SVP, Light Commercial Vehicles;
- the Alliance SVP, Industrial Strategy and Supply Chain;
- the Alliance SVP, Business Development.

## 1.1.2 Key figures

### MAIN CONSOLIDATED FIGURES OVER THREE YEARS – PUBLISHED DATA (1)

| *(€ million)* | 2019 | 2018 | 2017 |
|---|---|---|---|
| Revenues | 55,537 | 57,419 | 58,770 |
| Operating margin | 2,662 | 3.612 | 3,854 |
| Share in Nissan Motors net income | 242 | 1.509 | 2,791 |
| Renault net income, Group share | -141 | 3.302 | 5,114 |
| Earnings per share *(€)* | -0.52 | 12.24 | 18.87 |
| Share capital | 1,127 | 1,127 | 1,127 |
| Shareholders' equity | 35,331 | 36,145 | 33,442 |
| Total assets | 122,171 | 114,996 | 109,943 |
| Dividends *(€)* | 1.10(2) | 3.55 | 3.55 |
| Automotive including AVTOVAZ net cash position | 1.734 | 3.702 | 2,928 |
| Operational free cash flow including AVTOVAZ | 153 | 607 | 945 |
| Total workforce at December 31, 2019 | 179,565 (of which 46,327 AVTOVAZ) | 183,002 (of which 48,678 AVTOVAZ) | 181,344 (of which 49,771 AVTOVAZ) |

*(1) This information as published is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting practices. See chapter 4, note 3 to the consolidated financial statements.*
*(2) Proposition to be submitted to the CGM on April 24, 2020.*

### OPERATING MARGIN BY ACTIVITY

| *(€ million)* | 2019 | 2018 | Variation |
|---|---|---|---|
| **Group operating margin** | **2,662** | **3,612** | |
| *% Group revenues* | *4.8 %* | *6.3%* | *-1.5 pts* |
| o/w **Automotive** excluding AVTOVAZ | 1,284 | 2,204 | |
| *% of segment revenues* | *2.6 %* | *4.3%* | *-1.7 pts* |
| o/w **AVTOVAZ** | 155 | 204 | |
| o/w Sales Financing | 1,223 | 1,204 | |

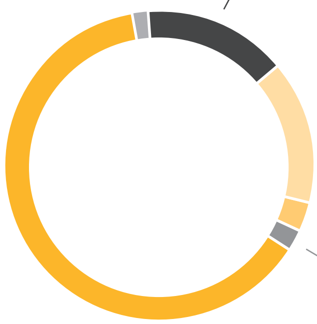
### REVENUES BY ACTIVITY

| *(€ million)* | 2019 | 2018 | Variation |
|---|---|---|---|
| **WORLDWIDE REGISTRATIONS*** *(UNITS)* | **3,753,723*** | **3,884,295*** | -3.3 % |
| **GROUP REVENUES** | **55,537** | **57,419** | -3.2 % |
| o/w Automotive excluding AVTOVAZ | 49,002 | 51,171 | -4.2 % |
| o/w AVTOVAZ | 3,130 | 3,040 | +2.9 % |
| o/w Sales Financing | 3,405 | 3,208 | +6.1 % |

* *Including sales of Jinbei & Huasong.*

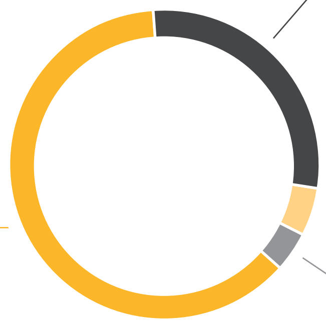
## Renault shareholders at December 31, 2019

### BREAKDOWN OF CAPITAL AS A %




(1) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual fund.

### BREAKDOWN OF EXERCISABLE VOTING RIGHTS* AS A %




(1) See section 5.2.6.1.

## Groupe Renault's 15 largest markets in 2019

### Worldwide sales

By volume and as a % of the TIV PC + LCV, including Renault, Dacia, Renault Samsung Motors, Alpine, Lada and Jinbei & Huasong.

| | | Sales | Market share *(%)* |
|---|---|---|---|
| 1 | France | 698,723 | 25.9 |
| 2 | Russia* | 508,647 | 29.0 |
| 3 | Germany | 247,155 | 6.3 |
| 4 | Brazil | 239,174 | 9.0 |
| 5 | Italy | 220,403 | 10.5 |
| 6 | Spain | 183,264 | 12.4 |
| 7 | China** | 179,494 | 0.7 |
| 8 | United Kingdom | 109,952 | 4.1 |
| 9 | Belgium+Luxembourg | 90,989 | 13.1 |
| 10 | India | 88,869 | 2.5 |
| 11 | South Korea | 86,859 | 5.0 |
| 12 | Turkey | 85,055 | 17.8 |
| 13 | Romania | 72,165 | 37.6 |
| 14 | Morocco | 70,281 | 42.4 |
| 15 | Poland | 69,090 | 11.1 |

* *Including AVTOVAZ*
** *Including Jinbei&Huasong*

## 1.1.3 2019 Sales Financing highlights

### Sales Financing

In an automotive market down 0.8% and with a decrease in Alliance brand registration volumes, RCI Bank and Services reached a record overall penetration rate excluding equity-accounted countries of 44.2%, up from 42.9% in 2018. The penetration rate increased in all group territories: +0.5 points in Europe, +3 points in the Americas, +3.6 points in Africa Middle-East India – Pacific and +2.8 points in Eurasia. RCI Bank and Services also confirmed its good integration in the sales policies of the Alliance brands, with a penetration rate of 45.7% for Groupe Renault brands (up 0.9 points on 2018) and 37% for Nissan Group brands (up 1.2 points on 2018).

The total volume of vehicle financing contracts was stable at 1,798,432 for 2019, full year generating €21.4 billion in new financing, an increase of 2.3% on 2018.

The used-vehicle financing business continued to grow, with a total of 368,409 contracts in 2019, up 3.7% on 2018. Growth is being driven by the extension of our range of services for used vehicles, and by the success of leasing offers

A pillar of the group's strategy, the services business continued its strong growth and reached a new milestone in 2019 by selling 5.1 million contracts, 5.2% more than in 2018. RCI Bank and Services thus sold 1.5 services for each vehicle registered by the Alliance brands in its business scope.

## 1.1.4 The Group's main activities

The Group's activities have been organized into two main types of operating activities, in 134 countries:

- Automotive, with the design, manufacture and distribution of products through its distribution network (including the Renault Retail Group subsidiary);
  - new vehicles, with several ranges (PC, LCV and EV [exclusively Renault]) marketed under five brands: Renault, Dacia, Renault Samsung Motors, Alpine and Lada. Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries;
  - used vehicles and spare parts;
  - the Renault powertrain range, sold B2B;
- miscellaneous services: sales financing, leasing, maintenance and service contracts.

In addition, Renault has equity investments in the following two companies:

- Renault's equity investment in Nissan;
- Renault's equity investment in AVTOVAZ.

The investment in Nissan is consolidated under the equity method in the Group's financial statements, that in AVTOVAZ is fully consolidated.

### STRUCTURE OF GROUPE RENAULT

*(as a% of shares issued)*


*(1) Indirect interest by Renault s.a.s.*

### 1.1.4.1 Automotive: brands and ranges

Groupe Renault designs, manufactures and sells passenger cars and light commercial vehicles and innovative services accessible to as many people as possible under five automotive brands: Renault, Dacia, Renault Samsung, Alpine and LADA.

## The Renault brand: an asset for the future

In a world of constantly changing mobility, Renault designs its products and services for the way its customers live and drive, with boldness and ingenuity and a strong focus on people. Renault is a warm and friendly brand that combines the joy of life and pleasure in a new mobility that is more shared, more connected and more respectful of the planet.

Established in 134 countries and distributed at 13,000 points of sale, the brand continues to expand internationally and offers a range of over 30 models, all countries combined. Proud of its French roots, Renault is continuing its international expansion. Renault's vehicle range is designed to meet local needs as effectively as possible in all locations.

This year was marked by the launches of new models, the ARKANA (Russia), the TRIBER (India) and the K-Z.E. (China), together with the renewal of the CLIO, ZOE and CAPTUR (Europe). In 2020, in addition to the renewal of the MEGANE, TALISMAN, ESPACE (Europe), KAPTUR (Russia), Renault plans to roll out an extensive electrification program for the entire range.

A pioneer and expert in electric vehicles with the Renault Z.E. range, Renault offers its customers a wide and complementary choice of energy sources and solutions. With the launch of E-TECH, the new hybrid solution available on its iconic vehicles, Renault meets the expectations of customers seeking versatility and responds to the challenges of the energy transition. In segment B, Renault is the only manufacturer to offer a full range of electric-powered vehicles, with 100% electric, hybrid and plug-in hybrid models.

With the Renault PRO+, the brand is committed to simplifying the lives of its professional customers with customized solutions.

Our iconic Renault Sport vehicles use the best technology and offer captivating emotional experiences to their customers, a complement to our commitment to Formula 1, the ultimate laboratory for our innovations and know-how around the world.

After unveiling its vision of shared mobility with the EZ-GO, EZ-PRO and EZ-ULTIMO concept cars in 2018, Renault continues to rethink the vehicle of the future – electric, autonomous and connected – to respond to the new uses and expectations of its customers around the world.

## Passenger cars (PC)

In the small car segment (A and B-segments and similar passenger cars), Renault offers a wide range of complementary models: the KWID, LOGAN, SANDERO, SANDERO Stepway, TRIBER, TWINGO, CLIO, CAPTUR and SYMBOL.

The KWID, launched in October 2015 on the Indian market, in 2017 in Brazil and Argentina and in 2019 in Mexico and Colombia, has already sold over 610,000 cars. Its success is a testament to the unique, trusted product offering designed to be affordable for as many people as possible as well as to the quality of the sales strategy that accompanied the launches: a dealer network that is motivated and fully supported by modern and efficient digital tools. KWID thus confirms its very strong potential for global expansion thanks to its position in the Top 3 in Latin America in Segment A and this year's launch of the new KWID in India.

In the small city car **Segment A**, TWINGO is gaining share thanks to its renewal in the first half of the year. More refined while keeping its fun and agility, the New TWINGO has been modernized and now has the C-Shape light signature. Both inside and out, it offers new customization options. It also has the latest connectivity innovations with the new Renault EASY CONNECT ecosystem. The new TWINGO is available with three gasoline engines, including the new SCe 75 and its EDC offer, unique in the segment. To celebrate this launch, Renault teamed up with the French activewear brand Le Coq Sportif to create an exclusive limited series. With its French flag-inspired design and extensive equipment, the New Renault TWINGO "Le Coq Sportif" has played a key role in the commercial launch's success. As a result, the TWINGO maintained its clear leadership in Segment A in France again this year (26.3% share of Segment A in 2019), well ahead of its competitors, the F500 (14% segment share) and P108 (11.2% segment share). It has even earned a position in Europe, where it now ranks fourth (7.4% 2019 Segment A share) with volumes stable.

In **Segment B** (sedans and station wagons), 2019 was marked by the launch of the new CLIO (5th generation) in Europe. The exterior design of the new CLIO is evolving to capitalize on the success of the CLIO IV, which was boosted by its attractive, unique design. The CLIO V's revolutionary interior with its Smart Cockpit incorporates the largest screens in the segment into a cabin of the highest quality. It also embodies a technological revolution. The CLIO is the flagship for the Group's strategies for connectivity (new EASY LINK connected system with Google address search), electrification (with CLIO E-TECH in 2020: Groupe Renault's first Full Hybrid) and the integration of more advanced driver assistance technologies, paving the way for autonomous vehicles (SAE Level 2 assistance technology with the Traffic and Highway Assistant). During the industrial and commercial launch period, the Clio further consolidated its leading place in Europe in the first half of the year (MS 10.9%, up 1.8 points vs. the Polo #2), before the new generation further increased the CLIO's lead on the market during the 2nd half of the year (+2.8 points vs. the Polo #2). In 2019, the CLIO thus had an exceptional performance with 344,000 vehicles sold and a Europe segment share of 11.5%. In France, the CLIO is the best-selling vehicle for the seventh consecutive year, with 154,5000 vehicles sold.

On international markets, the CLIO IV continued to grow its share, despite the volatility of the Turkish market. The CLIO is the leader in its segment in Turkey, Algeria and Morocco.

In 2019, a total of 430,000 CLIOs were sold.

The station wagon version will continue to be offered alongside the new CLIO in a selection of countries where the customer base for that type of vehicle remains large enough.

In the growing B crossover sub-segment, after a six-year run and over 1.5 million units sold worldwide to date, Renault renewed the CAPTUR at the end of 2019. The new CAPTUR is reinventing itself, while keeping the best of its classic features that made it a success worldwide. Even more versatile, customizable, and focusing on modularity, the new CAPTUR has grown 11 cm, transformed its exterior design to be more assertive and revolutionized its interior design by introducing the Smart Cockpit in a high quality cabin, in the same way as the New CLIO. This revolution also has a technological aspect: the new CAPTUR is part of the Group's strategies for connectivity (with the new EASY LINK system), autonomous vehicles (with the Traffic and Highway Assistant – SAE Level 2 assistance) and electrification. In 2020, the new CAPTUR E-TECH plug-in hybrid will be Groupe Renault's first plug-in hybrid vehicle. A vehicle with global aspirations, the new CAPTUR will be marketed in over 70 countries, including China, where the Group's ambitions are high.

Although the competitive environment is still very aggressive, the CAPTUR 1 managed to retain its leadership in 2019 in its main markets, even in its last year of marketing. In Europe, the CAPTUR 1 continues to occupy first place (with an 11.5% Segment B crossover share, with volumes up at 216,400 vehicles in 2019). The vehicle remains popular with our customers and continues to contribute significantly to the Brand's image.

The DUSTER is also a success in international markets thanks to its robustness, roominess, reliability and equipment tailored to the needs of different markets. As a result, the DUSTER represents a significant share of international PC sales (mainly in India, Russia and Latin America), with more than 1,405,000 sales since its launch, placing it in the Top 3 of the C-SUV Segment in Russia and Latin America.

In an attempt to reinforce its image as the leading SUV brand in Russia, Renault has begun a new chapter in the history of its Stepway range (SANDERO Stepway, LOGAN Stepway and DOKKER Stepway). All of these models are equipped with the new MediaNav Evolution multimedia system with Replication Smartphone AndroidAuto® and CarPlay®. This feature gives consumers the ability to interact more easily with their smartphones via the instrument panel screen.

The renewal of Segment B continues in Latin America, with the new SANDERO, LOGAN and STEPWAY phases launched in August 2019 in Brazil. These vehicles now carry updated technological content, such as the new CVT transmission, the MediaNav Evolution multimedia system with Replication Smartphone AndroidAuto® and CarPlay®.

These features offer a design that integrates stylistic elements typical of the Renault brand (front & rear light signatures and a new radiator grille).

Following Russia in 2016, the KAPTUR/CAPTUR made its entry on the various markets of Latin America and India in 2017. Produced in the Moscow, Curitiba and Chennai plants, the KAPTUR/CAPTUR, a C-segment SUV, is well matched with the DUSTER, thanks to its very attractive design and product characteristics adapted to the requirements of these markets. KAPTUR/CAPTUR confirmed its strong global expansion potential with over 226,000 sales.

Renault is the first mass-market carmaker to launch a crossover coupé. The ARKANA is the perfect fusion between the elegance of a sedan and the robustness of an SUV: an innovative and pioneering concept with Renault brand features to meet new aspirations in the Russian market. This concept has international ambitions, starting with China and South Korea. This crossover coupé is destined to become the flagship of the brand in Russia. Currently, Renault has a record market share of 8.5%, thanks to the success of the Renault KAPTUR and DUSTER. The launch of the ARKANA should enable it to reach a 10% market share.

**Segment C** represented 36.7% of the global market in 2019 and 40.3% in Europe, where Renault is in the Top 10 (behind VW, Peugeot, BMW, Ford, Opel, Skoda, Toyota and Mercedes) with a 5.1% segment share and more than 323,000 vehicles sold, a decrease of 7.7% from 2018.

For the past 10 years, the **C-SUV segment** has continued to grow steadily worldwide, with a +1.6% rise in 2019.

In Europe, the **C-SUV segment** increase was +11%, with more than 2.5 million vehicles sold, representing 41% of sales in the C-segment.

The new KADJAR arrived in showrooms in January 2019 with a restyling that makes its design more modern and even more attractive. Its interior has also changed to offer more comfort and noticeably better quality. The new KADJAR also has an efficient, competitive range of engines (gasoline & diesel) that will meet European standards in 2020.

Based on its two main strengths (exterior design and comfort), and in an increasingly competitive market, the KADJAR sold over 124,000 units worldwide in 2019.

For the KADJAR in Europe, this means sales of over 109,000 and a segment share of 4.3% in 2019. In some major markets, it performed well, as it did in France, where the model is in the Top 3 with a segment share of 8.5% and more than 28,000 registrations.

The **C-HATCH segment** fell 16.2% worldwide in 2019, while in Europe it decreased by 5.4%. The C-ESTATE segment increased by 17.9% worldwide and fell by 0.1% in Europe. In 2019, **the HATCH+ESTATE segment** accounted for 41.2% of the C-segment, in which the MEGANE is in ninth place with a segment share of 4.8% (-0.18 pt vs 2018) and more than 126,000 vehicles sold in Europe (PC).

In 2019, the MEGANE HATCH fell in France but remained in the Top 2 (32,868 vehicles sold excluding company), with a 16.2% segment share (+1.36 points vs. 2018). The MEGANE is also among the Top 5 in Spain, with a 7.1% segment share (-0.12 points vs. 2018); The MEGANE Estate is in the Top 2 in Portugal, 17.6% segment share, -2.40 points vs. 2018), second in France with a 23.0% segment share (-0.80 points vs. 2018) and third in Spain with a 9.4% segment share (-0.06 points vs. 2018).

The MEGANE Sedan is the leader in its segment in Turkey, with over 24,000 units sold in the year.

With 172,144 units sold (PC+LCV), including 126,065 in Europe (PC) and 131,356 including LCV, the MEGANE, in these three versions, is the largest sales volume in the Segment C for Renault.

The model is very popular with its buyers for its design, level of equipment and comfort. Moreover, the design continues to be the first reason for choosing the model, in a segment, where the first reason for buying is usually brand loyalty.

The New MEGANE will be launched in spring 2020, and will continue to be popular thanks to an even more attractive design and new on-board technologies. Its increasingly advanced range of engines will meet customer expectations in terms of comfort and the environment. The New MEGANE station wagon will inaugurate the first plug-in hybrid powertrain in the MEGANE's history.

With the SCENIC, Renault is holding up against its rivals **in a C-MPV segment** down 20.5% in Europe, the major market for the model. The segment represented 7.4% of Segment C in Europe in 2019.

Last year, the SCENIC attracted 77,830 customers on the continent, with a 16.8% segment share (+0.91 points vs 2018). The leader in the segment in France, Belgium and Italy, it occupies first place in the European **C-MPV** market.

In France, the SCENIC (35,810 vehicles sold) represents a segment share of 42.1% (+4.87 points vs 2018). In Belgium, the SCENIC (9,232 vehicles sold) achieved a segment share of 36.7% (+6.41 points vs 2018).

To continue increasing its attractiveness, in 2020, the SCENIC will benefit from a fresh design and updated engines that are increasingly efficient and compliant with current European standards.

The KANGOO, produced in Maubeuge (France), was slow to incorporate the new Blue dCi diesel engines in 2019 and thus fell to eighth place in the crew van segment in Europe. The KANGOO PC is marketed in 35 countries with particular success in countries such as Morocco, where the model further increased its Combispace segment share in 2019. The electric light commercial version of the KANGOO Z.E. Concept, a next-generation showcar, was unveiled and its athletic design was enthusiastically received, which bodes well for upcoming PC versions.

With its full range of high-end vehicles, Renault now covers all segments in the category: MPV with the ESPACE, sedans with the TALISMAN, also available in a station wagon version for Europe, and an SUV with the KOLEOS. These three models also ensure wide geographic coverage, accounting for approximately 60% of sales in Korea (SM6 and QM6) and China (KOLEOS).

The new Renault ESPACE launched in March 2020 adds new features to better meet the needs of high-end customers thanks to:

- its design: the new Renault ESPACE maintains its crossover silhouette and reinforces the conventions of SUVs (new, more assertive front bumper, new 20'' wheel trims, new rear ski). For the first time in the Renault range, the new Renault ESPACE has integrated MATRIX Vision LED adaptive lights that combine design and technology. Inside, the new Renault ESPACE adopts the new design interpretation of the high-end brand INITIALE Paris. This version accounts for 55% of the versions sold;
- its unique driving experience: the new Renault ESPACE still has MULTI-SENSE, with four unique driving modes, and can also be coupled to the 4CONTROL four-wheel steering chassis with active damping. The New ESPACE also has new driving aids such as the traffic and highway assistant, which is a first step towards an autonomous vehicle by combining adaptive cruise control and a lane keeping assist system;
- its connectivity: the New Renault ESPACE has the Renault EASY CONNECT ecosystem, which offers a new connected mobility experience. It incorporates the new Renault EASY LINK multimedia system, which is displayed on a 9.3-inch central screen, and has a 10.2-inch digital Driver Display on the dashboard.

Renault ESPACE offers comfort to all passengers, up to 7 seats, with its enveloping seats, brightness with its panoramic windshield, loading volume. It embodies business class comfort.

The Renault ESPACE sold 10,061 vehicles in 2019 with a 10.2% market share in its category in Europe (excluding right-hand drive vehicles). It was the leader in this category in France, Italy and the Netherlands.

The TALISMAN is in the highly competitive large sedan and station wagon segment (low-driving Segment D, representing half of Segment D in Europe). To appeal to potential clients, whether private individuals or company executives, the TALISMAN boasts four key strengths:

- sleek, assertive styling with a hint of Latin sensuality while adhering to the segment's strict rules of the three-box sedan (or station wagon). Forty-three percent of customers chose the TALISMAN for its design, making that the foremost reason for choosing it, above its main competitors;
- a spacious and comfortable cabin with front seats inspired by airline business class: high-quality workmanship and best-in-class functionality: heating, ventilation and integrated massage function;
- immersive driving pleasure: MULTI-SENSE technology to match the driver's mood. The TALISMAN is the only D-segment sedan to have 4CONTROL four-wheel steering (moreover combined with active damping), allowing it to deliver unique road handling, plus safety, agility and dynamism, and outstanding ride comfort. This feature is very popular with our customers, since it is found in 40% of the versions sold in Europe, including the S-Edition Limited Series launched this year;
- a wide and revamped range of powerful and efficient WLTP-compliant engines: two gasoline turbo engines with FAP (160 to 225hp TCe EDC) and four turbo diesel engines with SCR technology (120hp to 200hp Blue dCi with manual and automatic EDC transmission), combining pleasure and efficiency with low consumption and $CO_2$ and $NO_x$ emissions.

In 2019, the Renault TALISMAN sedan and station wagon sold 15,994 units and accounted for 4% of their category in Europe, excluding right-hand drive, luxury and premium brands, ranking eighth. The TALISMAN is also sold beyond the borders of Europe, notably in the Gulf countries, Turkey and Morocco, where it is a great success as the brand's flagship.

Sold in 88 countries, the new Renault KOLEOS is the most international high-end vehicle with 73% of sales in Asia Pacific (with 47,640 in South Korea, 11,316 in China), 14% of sales in Europe, and sales in the Americas region (4%) and Middle-East Africa (3.5%). In 2019, 80,827 vehicles were sold. The new KOLEOS has updated the following features:

- its design: an SUV with broad shoulders and muscular flanks, the new Renault KOLEOS has been enhanced with a new front bumper, grille and rear ski. Design is the first reason for choosing the new Renault KOLEOS in every region where it is sold;

- its refined interior and on-board comfort: the New RENAULT KOLEOS has adopted the new design interpretation of the high-end brand INITIALE Paris. This version accounts for 45% of the versions sold. The new Renault KOLEOS offers comfort to every passenger: in the front, with heated, massaging and ventilated seats, in the rear with unequaled habitability;
- new engines: in South Korea, the QM6 has been enhanced with an LPG engine, a unique offer in the segment; in Europe, the new KOLEOS has been enhanced with more powerful engines.

With the TRAFIC PC, Renault also stands out in passenger transport with the renewal of its Combi, Bus and SpaceClass range in mid-2019, making it possible to transport up to nine people in exceptional comfort and performance conditions: volume and modularity, without compromising on comfort or the number of seats available.

At the top of the range is SpaceClass, a veritable mobile lounge for an improved on-board experience, with up to six seats facing each other (best knee radius on the market), individual sliding, swivel and removable seats and a sliding table.

In addition to its new design, the Renault TRAFIC PC has an enlarged and renewed range of efficient engines that meet WLTP standards with a 2.0 l diesel engine boasting up to 170hp and an EDC6 automatic transmission.

Sold in over 40 countries, the Renault TRAFIC PC represents nearly 15% of TRAFIC sales worldwide, with 15,084 sales in 2019.

## Light commercial vehicles (LCVs)

Groupe Renault is continuing to develop light commercial vehicles, not only under the Renault brand but also through manufacturing partnerships with Opel, Nissan, Renault Trucks, Daimler and, since 2016, with Fiat on the TALENTO Van. The partnership with Nissan was strengthened in 2019 with the production of the NV250 van at the Maubeuge plant.

In late 2015, Renault launched the expert Renault Pro+ brand for professional customers all over the world, by highlighting the products and services dedicated to them. The specialized Renault Pro+ network is the spearhead of the expert brand. This specialized network currently comprises 633 points of sale that meet standards tailored to business customers' expectations, demonstrating its efficiency year after year. It celebrated its tenth birthday in 2019.

Groupe Renault saw excellent commercial performance in 2019. With 624,289 LCV sales (including JINBEI), or 6.04% of world market share (excluding North America), the Group set a new benchmark. International accounted for 42.9% of global LCV sales.

In non-pick-up markets in Europe, the Renault brand once again beats its record, with 319,277 sales, and remains a clear leader with 15.7% of the LCV market. Outside Europe, the Group's LCV sales held up well despite declines in the Argentinian and Turkish markets. Renault is in the Top 2 excluding pick-ups in the four largest markets in Latin America.

Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2 to 22 $m^3$ in gasoline, diesel and electric vehicles (TWIZY Cargo, ZOE Company, KANGOO Z.E. and MASTER Z.E.). Renault is the European leader in LCV EV sales, with a 42.4% market share thanks to the KANGOO Z.E., the best-seller with almost 10,077 sales (+20% growth) and the ZOE LCV.

In the small van segment (weight <2 metric tons), the KANGOO Express remains an essential benchmark in the market. The KANGOO Express and KANGOO Z.E. are in the TOP 2 in Europe, with a 16% share of the small van segment. With the KANGOO Z.E. - the electric model - doubling its sales in 2018, taking advantage of its 33 kWh battery, it now has a 36.6% market share in electric LCVs.

After 12 years on the market, the KANGOO (PC + LCV combined) sold nearly 125,880 units globally in 2019. The KANGOO Z.E. Concept was presented in an electric light commercial version, giving a taste of the future generation due to be released in 2020.

In Latin America, the new generation of the KANGOO, produced in Cordoba (Argentina) and launched in mid-2018, suffered from very unfavorable economic conditions in Argentina but gained success in new territories such as Mexico.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive by relying on a brand New TRAFIC and MASTER range that has been available since September 2019. With 212,048 units, the range of vans sold under the Renault brand had a new sales record in 2019, crossing the 200,000 unit threshold for the third year in a row. More specifically, the MASTER had a fourth consecutive record year (108,759 sales excluding Renault Trucks).

The TRAFIC is a redesigned, versatile van with a refined interior design and expressive exterior (full LED headlights and light signature) and new 2.0 l engines with up to 170hp and 380Nm and an EDC6 automatic transmission.

More comfortable, and designed to be used as a mobile office by professionals, the TRAFIC has record dimensions for usable length (4.15m), with volume ranging from 5.2 to 8.6$m^3$. The TRAFIC is available in 275 versions from vans to flatbeds to crew cabs or numerous layout variations for panelwork and windows, lengths or heights.

In 2019, the Renault TRAFIC exceeded the 100,000 annual sales milestone (102,289 units) and maintained its third place in the LCV Compact Van segment in Europe (with a 15.2% segment share).

The Renault TRAFIC is manufactured in the plant in Sandouville (France).

In the Large Van segment, the Renault MASTER offers a new, larger and more robust front end, a completely redesigned interior, new ADAS (Advanced Driver-Assistance Systems) and new, more powerful and quieter engines. It makes drivers' lives easier with new innovative equipment (extractable dashboard tablet, drawer-style glove box, induction smartphone charger, and for the first time in the segment, "rear view assist", a rear view monitoring assistant).

The Renault MASTER offers "made-to-measure" features, with over 350 versions, four lengths, three heights, vans, combis, platform and chassis cab, front and rear-wheel drive, etc., offering a working volume of between 8 and 22$m^3$.

In terms of engines, the Renault MASTER has a new range of 2.3 l dCi engines even better suited for professional uses. These engines now meet Euro 6d-temp/Euro VI (depending on the version) standards and all of them have Twin Turbo technology. They have increased power of up to 180hp and increased torque of up to 400Nm for a more dynamic and responsive driving experience. They offer a significant consumption saving of up to 1 l/100km (NEDC correlated values).

The Renault MASTER is manufactured at the Batilly plant (France) and Curitiba plant (Brazil). It is sold in nearly 50 countries. In Europe, the share of the LCV Large Vans segment stood at 14% (including sales of Renault Trucks), thus allowing the Renault MASTER to consolidate its place on the podium. Internationally, in 2019 the Renault MASTER positioned itself as a leader on strategic markets, including Brazil (47.2% segment share). The MASTER maintains its position on the podium in Morocco (25.6% segment share), Australia (15.7%) and Argentina (16.4%).

The Renault MASTER also continued its international expansion, with a particularly promising launch in October 2018 in South Korea, where 3,224 units were sold in 2019.

The pick-up market represents a potential to conquer new markets and customers, as demonstrated by the ALASKAN and OROCH, which confirm the Renault offensive: 16% higher volume than in 2018. The ALASKAN is present in the Americas, with Colombia at 3.1% segment share, in Chile and Peru but also in Europe, where the model has a 0.6% segment share at the time of the transition to the E6dTemp range.

The OROCH broke its sales record in 2019, with 36,729 units sold despite limited manufacturing volumes. It leads its segment in Argentina and Columbia, and is second in Chile and Mexico.

In Mexico, sales of the Renault OROCH grew by 78% to 7,527 units, reaching a 3.4% share of the LCV market in the first full year of the vehicle.

In Argentina, the OROCH confirms its leadership with a 36.1% segment share.

In Brazil, the OROCH is performing well, with 13,360 sales, i.e. the same level as in 2018, and an LCV market share of 3.4%.

### Renault Z.E.: a pioneer and expert on the electric market, Renault is beginning its product offensive in electric cars

In 2019, the electric market continued to grow in Europe, with volumes up +75% vs. 2018. Market growth is accelerating and more and more competitors are entering the market.

Groupe Renault remains a major player in the EV market, with a dominant position in several countries. The Group has achieved technical and commercial maturity in this segment. In 2019, Groupe Renault began the renewal and extension of its range of electric vehicles. Every year until 2022, Groupe Renault will announce the launch of at least one new electric vehicle. In 2019, the range in Europe was renewed with the launch of the new ZOE. With a new battery that increases its WLTP range by up to 395kms, a new more powerful engine and renewed design, the new ZOE marks the start of a forthcoming Groupe Renault product offensive in the European market. With this renewal, the new ZOE will strengthen its position as the best-selling electric vehicle in Europe. In addition, Renault has maintained its leadership in Europe in cumulative EV sales since 2010.

In the electric light commercial vehicle segment, the KANGOO Z.E. remained the undisputed leader in Europe for the ninth consecutive year with a 37% share of the electric segment. In late 2019, cumulative KANGOO Z.E. sales in Europe totaled 47,000 units.

Groupe Renault also continues to increase its sales internationally. In 2019, the Group sold its electric vehicles in 35 countries outside Europe. In this expansion process into new markets, the Renault TWIZY is now manufactured in Korea, the country in which the model has shown the most potential.

Since the launch of the Renault electric program, the Group has sold more than 252,000 electric vehicles in Europe and more than 273,550 electric vehicles worldwide (181,893 ZOE, 48,821 KANGOO Z.E., 10,600 FLUENCE Z.E./SM3 Z.E.,2,658 K-ZE, 29,118 TWIZY and 409 MASTER Z.E.).

Groupe Renault's good performance is part of the Alliance's overall strategy. Since 2010, the Renault-Nissan-Mitsubishi alliance has sold over 800,000 100%-electric vehicles, a performance that has kept it in first place in the global EV market.

At the global level, the 100%-electric market has risen sharply (+11% in China and +75% in Europe vs. 2018). The largest EV market in the world is China (60% of the world market). In order to meet the growing needs of that market, in October 2018, Groupe Renault introduced the Renault K-Z.E. showcar. In 2019, the introduction of the production vehicle and its first deliveries began in October. The ambitious launch of that product also means innovation for its marketing approach through several partnerships designed to widen our network coverage in that vast country.

The European market is still the second-largest EV market in the world, almost doubling its size, followed by the US market, which has grown by more than 23%. In 2019, the European market reached a new record with more than 382,000 vehicles sold. Norway is the leading European market for electric vehicles in terms of volume and market share: more than one vehicle in three sold there is electric. Germany became the second-largest European electric vehicle market, followed very closely by France.

For Groupe Renault, the largest markets are France, Germany, Norway, the United Kingdom and Sweden.

The growth of the electric market is also linked to infrastructure. The number of charging stations has been multiplied in some regions to meet growing demand from users of electric vehicles. In several countries, there is a rapid charging station network that covers almost 100% of highways.

To facilitate the use of electric vehicles, Renault continues to develop innovative connected services, With the launch of the new ZOE, Renault is launching its new MyRenault application, which combines all of the connected services linked to electric vehicles. This application also introduces new services such as a trip planner that displays charging requirements and times, a car-finding functionality and navigation that continues your trip after you get out of your vehicle.

Renault is also committed to ecosystem development that promotes – and is encouraged by – the widespread rollout of electric mobility. For example, the Group has implemented solutions with its partners that allow batteries to be reused for different purposes, like home energy storage, smart energy storage for renewable energies or even for marine use through electrification of boats.

## The Dacia brand: a focus on the basics

One of Groupe Renault's pillars, the Dacia brand dates back to 1966 with the manufacturing of Renault models in Romania under license. Upon the privatization of this state-owned enterprise, Renault acquired 51% of the capital in 1998, then 99.3% in 2004. This was the same year that the LOGAN was launched, a vehicle at the heart of a strategy to conquer emerging markets.

The result of close collaboration between Romanian and Renault Technocentre engineering teams, this program has been disrupting the automotive industry from day one, and continues to inspire it today.

By rethinking automobile design, the brand offers reliable and modern cars at an affordable price. This equation makes – and continues to make – the brand a success.

With the launch of the DUSTER, Dacia confirms its daringness and ability to break the rules by launching a livable and versatile SUV, for the price of a compact sedan.

In an increasingly segmented Western society, a growing share of consumers today are choosing to buy less but better, to pay for just what they need. This behavior expresses itself as a lesser degree of interest in the race for technological innovation and a focus on only the best of what automobiles have to offer: the freedom to move.

In fact, the positioning of the Dacia brand is based on the idea of serving the basic needs of these pragmatic customers without foregoing any modern features.

## 2019, another record year for vehicles in the Dacia range

The brand is sold in 44 countries in Europe, Northwest Africa, Turkey and Israel. Today, with iconic models such as the DUSTER and SANDERO and a strong community spirit, Dacia has already attracted over 6.3 million customers since 2004, the year in which it launched the LOGAN, Groupe Renault's first vehicle in the Dacia brand's renewal.

- the brand continues to grow (sales up +5.1% vs. 2018) and set a new sales record of 736,570 vehicles based on its full range with the DUSTER, SANDERO, SANDERO Stepway, LOGAN, LOGAN MCV, LODGY and DOKKER;
- the brand is the leader in Romania, Bulgaria and Morocco;
- in Europe, Dacia achieved a dual record in both volume (564,864 registrations at the end of 2019, +10.4%) and market share (3.2%, +0.3 points). SANDERO ranks first in the passenger car market with DUSTER is in second place.

Dacia offers a range of robust, reliable vehicles with a three-year or 100,000km warranty. Dacia has a clear commercial offering (equipment, price policy), making the purchase as simple as possible. Vehicle equipment and features, kept to a strict minimum, are easy to use and maintain, and Dacia customers enjoy unbeatable value for money. With the Dacia range, customers who previously would have purchased a used vehicle can now afford to buy new.

Two years after the launch of the new generation model, DUSTER's success story continues as it retains its position as the leader in the SUV segment in the individual market in Europe. Its unbeatable price, well thought-out features such as the multi-view camera system and hands-free card, combined with its 4x4 capacities, continue to attract more and more customers.

With a design that was revamped at the end of 2016, the LOGAN, LOGAN MCV, SANDERO and SANDERO Stepway range had another very successful year with nearly 350,000 sales. The Techroad limited series, which covers all models in the range, was launched at the start of the year and very well received, accounting for more than 10% of the brand's sales.

The Dacia LODGY MPV is a vehicle with the interior space of a large C-segment minivan sold for the price of a B-segment minivan. This vehicle is a response to the needs of families who traditionally buy used vehicles. With its Stepway version, the LODGY boasts a muscular look and a strong personality inspired by the world of crossover vehicles.

The DOKKER, the practical, versatile 5-seater Combispace, and DOKKER Van, its LCV version, had an excellent year, with record sales at over 90,000 vehicles, mainly in the Combispace segment in Europe, ranking in third place.

In addition to its commercial success, Dacia has found a way of uniting its customers around a "smart purchase".

In many countries, customers can come together to discuss and share their common values: freedom of spirit, simplicity and generosity. These community events get bigger every year. They are truly convivial moments which create a strong bond between customers and the brand. On social networks, Dacia customers are also keen to express their commitment to the brand on Facebook, with a veritable community there, which does not stop growing and welcomed its five millionth member this year.

## Renault Samsung Motors

Founded in 2000, the Renault Samsung Motors (RSM) brand is marketed exclusively in South Korea, with a range of five sedans (including one 100% electric model) and two SUVs.

- Particularly renowned for its quality of service, in 2019, RSM ranked as the leader in customer satisfaction for the eighteenth consecutive year in sales, and for the fourth consecutive year in after-sales;
- The brand's volumes were 79,081 units in 2019 with a market share of 5.2%.

In terms of sedans, the SM3 covers the C-segment and is also available as an electric version, the SM3 Z.E.

The SM6 sedan is closely derived from the Renault TALISMAN. Both vehicles were developed at the same time by the two engineering centers Renault Technologies Korea in Seoul and the Renault Technocentre in France. First marketed in March 2016, the SM6's immediate success continued into 2017 and 2018. 16,263 SM6 were sold in 2019, for a 7.8% segment share (fourth place), just behind the local brands, pending the arrival of the phase 2 SM6 next year.

The SM5 sedan is still being marketed, and it serves as an entry-level model for the SM6. Its volumes remained at good levels in 2019, with 3,200 units sold.

In the large luxury sedan segment, the brand has the SM7, featuring a V6 engine and the latest technology of the Renault-Nissan-Mitsubishi alliance. For this vehicle, 2019 volumes exceeded 3,800 units.

For SUVs, the range includes the QM3 (4,702 sales), which will be replaced by the New CAPTUR in 2020, thereby expanding the portfolio of models sold under the Renault brand in South Korea, and the QM6, launched on September 1, 2016. Sold under the Renault Samsung Motors brand, the QM6 is positioned in the D-SUV segment. In 2019, 47,640 units were sold, an increase of 44.4% compared to 2018, thanks in particular to the arrival of an LPG version, the new high-end 'Première' trim and a mid-career restyling. The QM6 maintained its third place in its category, with a 21.7% segment share (+7.85% vs. 2018) in a market dominated by local players. In December 2019, the QM6 took the segment lead for that month, breaking sales records since the launch of the model in 2016, with 7,558 sales, thus becoming number one in the segment, ahead of local brands.

Whereas the QM3 is imported from Europe, all of the other RSM brand models are manufactured at the Busan plant. Illustrating the synergies of the Alliance, this plant also produces the ROGUE model for Nissan, which is exported to North America, with a total of 69,880 units in 2019 (this model shares the RSM QM6 and Renault KOLEOS platform).

## Alpine: an enriched A110 range and competition built into its wiring

Alpine is Groupe Renault's premium sports brand. 2019 was a record year for Alpine, with more than 4,500 vehicles sold in Europe, Japan, Singapore and Australia. In 2019, Alpine added to its A110 range – a model that has received multiple press accolades, and which includes the A110 Pure and A110 Legend in its range - with the launch of the A110S. The A110S offers an intensely Alpine driving experience with a 292hp engine and a chassis built to be even more efficient.

With competition built into its wiring, Alpine completed its second single-brand championship this year, the Alpine Elf Europa Cup. Developed with its competition partner Signatech, it is making an appearance on some of the most beautiful circuits in Europe. For the most experienced drivers, Alpine offers the A110 GT4, a competition version also developed by Signatech. In 2019, Alpine announced the launch of the A110 Rally, a revival of the brand's victorious past in this sport.

The Signatech-Alpine team once again won the World Endurance Championship in the LMP2 category, with a key victory in the Le Mans 24 Hour race, the third victory out of four appearances in that legendary race.

## Lada: the transformation continues

An iconic leader in the Russian market for 50 years, LADA is Groupe Renault's fifth brand since the end of December 2016, which is the date of the takeover by Renault of the Alliance Rostec Auto B.V. joint-venture.

LADA vehicles are designed, produced and sold by AVTOVAZ, partner of Groupe Renault since 2008, leading automaker in Russia, also producing cars for the alliance Renault-Nissan-Mitsubishi for the Russian market.

With LADA Vesta launch in 2015, a new era began for the Russian brand LADA, with strong ambitions: a fully renewed range of vehicles and services accessible and adapted to local conditions, attractive new design codes and a changing network.

In 2019 LADA confirms its dynamism while introducing on markets new products such as Granta Cross, XRAY Cross & LADA Vesta with automatic transmission, and also limited editions to animate life cycle of existing vehicles. LADA is on track to maintain its leadership in Russian market and to expand abroad, mainly in CIS, Middle-East and Latin-America.

In December 2019 AVTOVAZ signed an agreement with General Motors to buy-off 50% share of the Togliatti-based JV GM-AVTOVAZ and brought back the legendary Niva model to LADA range, which will back-up the existing range.

- Thanks to the success of its renewed line up and all the efforts to develop new markets opportunities and brand sustainability, LADA sales rose by +3.6% to ~413,000 vehicles, ~362,000 of which are sold on the Russian market and ~51,000 internationally.
- The LADA brand is the leader of the Russian automotive market with a market share of 20.6% (21.7% on PC market), an improvement of 0.6 point compared to 2018 and the highest market share in the last 8 years;
- This growth is driven by the success of its models, with 3 LADA vehicles among the Top 10 most sold passenger cars in Russia, with the LADA Granta #1 (as a result of successful launch of New Granta family in 2018), LADA Vesta #2 and LADA Largus VP #7;
- LADA can rely on Russia's largest network with ~300 points of sale, nearly 90% of which have adopted the brand's new visual identification standards;
- LADA export sales are tripled in 3 years up to ~51,000 units. LADA is expending presence on its historical markets with the help of its new models. LADA is a market leader with respectively 16,281 vehicles sold in Belarus (25.2%, +5.2 pts, brand #1) and 15,364 in Kazakhstan (21.3%, with sales up 14.5%). In Uzbekistan, LADA is the second with 6,628 sales with a 150% progression;
- AVTOVAZ also produced more than 95,000 vehicles and engines for the Alliance: Renault LOGAN, LOGAN Stepway, SANDERO, SANDERO Stepway; Datsun ON-DO and MI-DO.

## 1.1.4.2 Internationalization of the Group

### GROUP INTERNATIONAL SALES

Sales excluding Europe *(%)*

| Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 (1) | 2018 (2) | 2019 (3) |
|---|---|---|---|---|---|---|---|---|---|---|
| Group sales internationally *(%)* | 37.4% | 43.1% | 50.1% | 50.5% | 46.0% | 42.5% | 43.3% | 49.2% | 50.6% | 48.2% |
| Group sales internationally *(volume)* | 983,682 | 1,172,696 | 1,277,229 | 1,326,288 | 1,247,101 | 1,194,735 | 1,379,999 | 1,850,253 | 1,963,553 | 1,807,902 |

*(1) Including the Lada brand from 2017.*
*(2) Including the Jinbei & Huasong & Jinbei & Huasong brands from 2018.*
*(3) Including AvtoVAZ Niva from December 2019.*

Since May 2019, the organization of the Regions has changed:

The Africa - Middle-East - India Region has become the Africa - Middle-East - India - Pacific Region, including the former Asia-Pacific Region without China, which now becomes a separate Region. All the other Regions remain unchanged. The 2018 data has been adjusted to take into account the new Region structure.

### ALL BRANDS WORLD MARKET BY REGION IN 2019

In volume and as a % of the TAM PC + LCV

| | In volume | In % of the TAM Worldwide PC + LCV |
|---|---|---|
| **TOTAL EUROPE** | **17,868,111** | **20.3** |
| France | 2,694,063 | 3.1 |
| G9 | 15,174,048 | 17.2 |
| **TOTAL INTERNATIONAL** | **70,352,906** | **79.7** |
| Africa – Middle-East – India Pacific | 17,967,673 | 20.4 |
| Eurasia | 2,801,745 | 3.2 |
| Americas | 5,686,261 | 6.4 |
| China | 24,923,351 | 28.3 |
| North America | 18,973,876 | 21.5 |
| **TOTAL WORLDWIDE** | **88,221,017** | **100.0** |

### GROUPE RENAULT SALES WORLDWIDE BY REGION

By volume, including Renault, Dacia, Renault Samsung Motors, Alpine, Lada and Jinbei & Huasong

| | 2019 | Change | 2018 |
|---|---|---|---|
| **TOTAL EUROPE** | **1,945,821** | **+1.3 %** | **1,920,751** |
| France | 698,723 | +1.3 % | 689,788 |
| G9 | 1,247,098 | +1.3 % | 1,230,954 |
| **TOTAL INTERNATIONAL** | **1,807,902** | **-7.9 %** | **1,963,522** |
| Africa – Middle-East – India - Pacific | 453,223 | -19.3 % | 561,860 |
| Eurasia | 750,571 | +0.4 % | 747,729 |
| Americas | 424,537 | -2.9 % | 437,081 |
| China | 179,571 | -17.2 % | 216,852 |
| **TOTAL WORLDWIDE** | **3,753,723** | **-3.4 %** | **3,884,273** |

### GROUPE RENAULT SALES WORLDWIDE BY BRAND

In volume of PC + LCV

| | 2019 | 2018 | Change |
|---|---|---|---|
| **Renault** | | | |
| Passenger cars | 1,944,934 | 2,123,615 | -8.4% |
| Light commercial vehicles | 412,159 | 408,987 | +0.8% |
| **TOTAL RENAULT** | **2,357,093** | **2,532,602** | **-6.9%** |
| **Dacia** | | | |
| Passenger cars | 690,525 | 654,996 | +5.4% |
| Light commercial vehicles | 46,045 | 45,625 | +0.9% |
| **TOTAL DACIA** | **736,570** | **700,621** | **+5.1%** |
| **Renault Samsung Motors** | | | |
| Passenger cars | 79,081 | 84,954 | -6.9% |
| **Alpine** | | | |
| Passenger cars | 4,835 | 2,094 | +130.9% |
| **Lada** | | | |
| Passenger cars | 400,256 | 385,181 | +3.9% |
| Light commercial vehicles | 12,633 | 13,211 | -4.4% |
| **TOTAL LADA** | **412,889** | **398,392** | **+3.6%** |
| **Jinbei & Huasong** | | | |
| Passenger cars | 8,449 | 13,416 | -37.0% |
| Light commercial vehicles | 153,452 | 152,194 | +0.8% |
| **TOTAL JINBEI & HUASONG** | **161,901** | **165,610** | **-2.2%** |
| **AVTOVAZ** | | | |
| Passenger cars | 1,354 | 0 | +0.0% |
| **Groupe Renault** | | | |
| Passenger cars | 3,129,434 | 3,264,256 | -4.1% |
| Light commercial vehicles | 624,289 | 620,017 | +0.7% |
| **TOTAL GROUPE RENAULT** | **3,753,723** | **3,884,273** | **-3.4%** |

## Europe Region sales

### MARKET ALL BRANDS EUROPE REGION

By volume of PC + LCV registrations

| | 2019 | 2018 | Change |
|---|---|---|---|
| Germany | 3,916,208 | 3,724,842 | +5.1% |
| France | 2,694,063 | 2,632,621 | +2.3% |
| United Kingdom | 2,687,530 | 2,734,276 | -1.7% |
| Italy | 2,102,373 | 2,093,226 | +0.4% |
| Spain + Canary Islands | 1,473,983 | 1,536,664 | -4.1% |
| Belgium-Luxembourg | 696,809 | 690,362 | +0.9% |
| Poland | 622,460 | 598,358 | +4.0% |
| Netherlands | 522,723 | 522,865 | -0.0% |
| Sweden | 410,118 | 410,596 | -0.1% |
| Austria | 372,971 | 384,837 | -3.1% |
| Switzerland | 351,900 | 336,640 | +4.5% |
| Czech Republic | 270,351 | 281,662 | -4.0% |
| Portugal | 262,251 | 267,721 | -2.0% |
| Denmark | 259,881 | 253,394 | +2.6% |
| Hungary | 184,316 | 159,654 | +15.4% |
| Norway | 181,634 | 186,836 | -2.8% |
| Ireland | 142,444 | 151,115 | -5.7% |
| Finland | 129,799 | 136,878 | -5.2% |
| Greece | 122,366 | 110,490 | +10.7% |
| Slovakia | 110,091 | 107,243 | +2.7% |
| Baltic States | 104,081 | 86,957 | +19.7% |
| Slovenia | 84,503 | 85,571 | -1.2% |
| Croatia | 72,145 | 69,190 | +4.3% |
| Serbia | 29,250 | 28,000 | +4.5% |
| Other Balkans | 27,979 | 25,000 | +11.9% |
| Greek Cyprus | 14,250 | 14,833 | -3.9% |
| Iceland | 13,137 | 19,953 | -34.2% |
| Malta | 8,495 | 9,084 | -6.5% |
| **TAM EUROPE** | **17,868,111** | **17,658,868** | **+1,2%** |

### RENAULT BRAND SALES [(1)] AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| **Renault markets** | **Sales** | **Market share** *(%)* | **Change in share** *(pts)* | **Sales** | **Market share** *(%)* |
| France | 554,975 | 20.6 | -0,2 | 547,026 | 20.8 |
| Germany | 160,793 | 4.1 | -0,1 | 158,228 | 4.2 |
| Italy | 131,796 | 6.3 | -0,5 | 142,295 | 6.8 |
| Spain + Canary Islands | 113,018 | 7.7 | -0,4 | 124,382 | 8.1 |
| United Kingdom | 78,830 | 2.9 | +0,0 | 79,216 | 2.9 |
| Belgium-Luxembourg | 66,622 | 9.6 | -0,1 | 66,918 | 9.7 |
| Poland | 37,238 | 6.0 | -0,1 | 36,604 | 6.1 |
| Portugal | 37,007 | 14.1 | -0,7 | 39,659 | 14.8 |
| Netherlands | 34,926 | 6.7 | -2,5 | 48,173 | 9.2 |
| Austria | 22,279 | 6.0 | +0,1 | 22,692 | 5.9 |
| Sweden | 19,737 | 4.8 | +0,1 | 19,426 | 4.7 |
| Switzerland | 16,162 | 4.6 | -0,3 | 16,551 | 4.9 |
| Denmark | 15,080 | 5.8 | -0,7 | 16,461 | 6.5 |
| Slovenia | 12,333 | 14.6 | -0,7 | 13,051 | 15.3 |
| Czech Republic | 12,326 | 4.6 | +0,1 | 12,556 | 4.5 |
| Ireland | 10,186 | 7.2 | +0,1 | 10,625 | 7.0 |
| Hungary | 9,917 | 5.4 | -0,1 | 8,787 | 5.5 |
| Croatia | 7,487 | 10.4 | -0,8 | 7,749 | 11.2 |
| Baltic States | 6,540 | 6.3 | -0,9 | 6,272 | 7.2 |
| Slovakia | 5,029 | 4.6 | -0,4 | 5,311 | 5.0 |
| Finland | 4,605 | 3.5 | +0,5 | 4,124 | 3.0 |
| Greece | 4,504 | 3.7 | -0,3 | 4,413 | 4.0 |
| Norway | 3,426 | 1.9 | -0,9 | 5,217 | 2.8 |
| Serbia | 2,405 | 8.2 | +0,1 | 2,281 | 8.1 |
| Other Balkans | 1,718 | 6.1 | -1,2 | 1,842 | 7.4 |
| Malta | 490 | 5.8 | -0,0 | 528 | 5.8 |
| Greek Cyprus | 488 | 3.4 | +2,9 | 84 | 0.6 |
| Iceland | 485 | 3.7 | -1,3 | 1,001 | 5.0 |
| **TOTAL RENAULT** | **1,370,402** | **7.7** | **-0,3** | **1,401,472** | **7.9** |

*(1) Excluding sales to governments.*

## DACIA BRAND SALES (1) AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| **Dacia markets** | **Sales** | **Market share** *(%)* | **Change in share** *(pts)* | **Sales** | **Market share** *(%)* |
| France | 140,568 | 5.2 | -0.2 | 141,606 | 5.4 |
| Italy | 88,499 | 4.2 | +1.0 | 66,377 | 3.2 |
| Germany | 83,518 | 2.1 | +0.1 | 74,525 | 2.0 |
| Spain + Canary Islands | 70,189 | 4.8 | +0.5 | 65,102 | 4.2 |
| Poland | 31,809 | 5.1 | +0.6 | 26,839 | 4.5 |
| United Kingdom | 30,951 | 1.2 | +0.3 | 24,249 | 0.9 |
| Belgium-Luxembourg | 23,998 | 3.4 | +0.3 | 21,781 | 3.2 |
| Czech Republic | 15,542 | 5.7 | +0.0 | 16,069 | 5.7 |
| Hungary | 12,152 | 6.6 | +0.5 | 9,713 | 6.1 |
| Austria | 9,839 | 2.6 | -0.1 | 10,387 | 2.7 |
| Switzerland | 8,547 | 2.4 | -0.2 | 8,813 | 2.6 |
| Portugal | 6,851 | 2.6 | +0.1 | 6,849 | 2.6 |
| Slovakia | 6,145 | 5.6 | +0.8 | 5,095 | 4.8 |
| Sweden | 5,001 | 1.2 | +0.1 | 4,634 | 1.1 |
| Slovenia | 4,250 | 5.0 | +1.4 | 3,139 | 3.7 |
| Croatia | 4,162 | 5.8 | +0.9 | 3,378 | 4.9 |
| Netherlands | 3,420 | 0.7 | -0.3 | 4,967 | 0.9 |
| Denmark | 3,354 | 1.3 | +0.0 | 3,157 | 1.2 |
| Baltic States | 3,263 | 3.1 | +0.6 | 2,205 | 2.5 |
| Ireland | 3,103 | 2.2 | -0.3 | 3,719 | 2.5 |
| Other Balkans | 2,431 | 8.7 | -0.0 | 2,184 | 8.7 |
| Serbia | 2,290 | 7.8 | +0.6 | 2,027 | 7.2 |
| Greece | 2,036 | 1.7 | +0.4 | 1,414 | 1.3 |
| Finland | 1,829 | 1.4 | -0.1 | 2,085 | 1.5 |
| Iceland | 700 | 5.3 | +1.7 | 717 | 3.6 |
| Norway | 165 | 0.1 | -0.0 | 263 | 0.1 |
| Greek Cyprus | 118 | 0.8 | +0.8 | 3 | 0.0 |
| Malta | 106 | 1.2 | -0.1 | 119 | 1.3 |
| **TOTAL DACIA** | **564,836** | **3.2** | **+0.3** | **511,416** | **2.9** |

*(1) Excluding sales to governments.*

### ALPINE BRAND SALES

In volume of PC

| Alpine Markets | 2019 | 2018 |
|---|---|---|
| France | 3,172 | 1,156 |
| Germany | 324 | 218 |
| Belgium-Luxembourg | 302 | 89 |
| Switzerland | 183 | 145 |
| United Kingdom | 171 | 142 |
| Italy | 62 | 35 |
| Netherlands | 57 | 52 |
| Austria | 54 | 46 |
| Spain + Canary Islands | 39 | 27 |
| Portugal | 24 | 14 |
| Sweden | 20 | 0 |
| Poland | 16 | 19 |
| Czech Republic | 4 | 2 |
| Hungary | 1 | 0 |
| Norway | 1 | 0 |
| Baltic States | 1 | 1 |
| **TOTAL ALPINE** | **4,431** | **1,946** |

### LADA BRAND SALES

In volume of PC + LCV

| Lada market | 2019 | 2018 |
|---|---|---|
| Germany | 2,520 | 2,684 |
| Slovakia | 1,023 | 652 |
| Hungary | 635 | 879 |
| Baltic States | 444 | 421 |
| Serbia | 413 | 526 |
| Other Balkans | 379 | 128 |
| Austria | 221 | 248 |
| Czech Republic | 136 | 102 |
| Belgium-Luxembourg | 67 | 25 |
| Italy | 46 | 60 |
| Poland | 27 | 18 |
| Spain + Canary Islands | 18 | 2 |
| Switzerland | 17 | 10 |
| France | 8 | 0 |
| Croatia | 6 | 4 |
| Finland | 3 | 9 |
| Slovenia | 2 | 12 |
| Sweden | 0 | 6 |
| **TOTAL LADA** | **5,965** | **5,786** |

## Sales Africa – Middle-East – India – Pacific Region

### MARKET ALL BRANDS AMI PACIFIC REGION

By sales volume PC + LCV

| Principal markets | 2019 | 2018 | Change |
|---|---|---|---|
| Japan | 5,088,912 | 5,167,100 | -1.5% |
| India | 3,528,040 | 3,976,113 | -11.3% |
| South Korea | 1,752,013 | 1,781,677 | -1.7% |
| Thailand | 1,050,577 | 1,041,689 | +0.9% |
| Indonesia | 1,040,754 | 1,151,308 | -9.6% |
| Australia | 1,034,379 | 1,121,396 | -7.8% |
| Malaya | 599,174 | 598,714 | +0.1% |
| Saudi Arabia | 530,000 | 410,699 | +29.0% |
| South Africa + Namibia | 509,468 | 525,886 | -3.1% |
| Philippines | 415,826 | 401,345 | +3.6% |
| Vietnam | 280,742 | 246,500 | +13.9% |
| Israel | 258,622 | 271,497 | -4.7% |
| Pakistan | 186,581 | 254,938 | -26.8% |
| Egypt | 170,000 | 184,456 | -7.8% |
| Morocco | 165,916 | 177,359 | -6.5% |
| **TAM AFRICA – MIDDLE-EAST – INDIA – PACIFIC** | **17,967,673** | **19,627,437** | **-8.5%** |

### RENAULT BRAND SALES [(1)] AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Renault principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| India | 88,869 | 2.5 | +0.4 | 82,368 | 2.1 |
| Algeria | 36,970 | 29.6 | +0.1 | 37,505 | 29.5 |
| South Africa + Namibia | 27,249 | 5.3 | +0.5 | 25,500 | 4.8 |
| Morocco | 24,238 | 14.6 | +0.1 | 25,769 | 14.5 |
| Egypt | 15,550 | 9.1 | -0.9 | 18,503 | 10.0 |
| Overseas departments* | 12,840 | 16.5 | -0.5 | 13,155 | 17.0 |
| Israel | 9,831 | 3.8 | -0.6 | 11,904 | 4.4 |
| Saudi Arabia | 8,839 | 1.7 | +0.2 | 6,195 | 1.5 |
| Australia | 8,634 | 0.8 | -0.1 | 10,018 | 0.9 |
| **TOTAL,RENAULT** | **280,569** | **1.6** | **-0.3** | **374,441** | **1.9** |

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

### DACIA BRAND SALES [(1)] AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Dacia principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Morocco | 46,043 | 27.8 | -0.2 | 49,649 | 28.0 |
| Algeria | 23,066 | 18.5 | -7.8 | 33,432 | 26.3 |
| Overseas departments* | 6,879 | 8.9 | +0.3 | 6,650 | 8.6 |
| Israel | 3,320 | 1.3 | -0.4 | 4,622 | 1.7 |
| Tunisia | 1,343 | 2.8 | +0.7 | 1,055 | 2.1 |
| New Caledonia | 887 | 11.4 | +1.9 | 784 | 9.5 |
| Tahiti | 665 | 9.1 | -0.2 | 665 | 9.3 |
| Mayotte | 438 | 20.6 | +0.7 | 343 | 19.8 |
| Lebanon | 316 | 1.4 | -0.5 | 648 | 1.8 |
| **TOTAL DACIA** | **89,243** | **0.5** | **-0.0** | **98,338** | **0.5** |

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

*(1) By sales volume + Brokers.*

### ALPINE BRAND SALES

By sales volume PC

| Lada market | 2019 | 2018 |
|---|---|---|
| Japan | 349 | 116 |
| Australia | 35 | 32 |
| Singapore | 15 | 0 |
| Overseas departments* | 4 | 0 |
| **TOTAL ALPINE** | **403** | **148** |

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

### LADA BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Dacia principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Egypt | 2,603 | 1.5 | +0.4 | 2,001 | 1.1 |
| Lebanon | 257 | 1.1 | -0.1 | 425 | 1.2 |
| Jordan | 97 | 0.4 | -0.2 | 122 | 0.6 |
| Tunisia | 77 | 0.2 | -0.1 | 195 | 0.4 |
| **TOTAL LADA** | **3,034** | **0.0** | **+0.0** | **3,087** | **0.0** |

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

### SAMSUNG MOTORS BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Dacia principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| South Korea | 79,081 | 5.2 | -0.3 | 84,954 | 5.5 |
| **TOTAL SAMSUNG MOTORS** | **79,081** | **0.5** | **+0.0** | **84,954** | **0.5** |

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

### JINBEI & HUASONG BRAND SALES

In volume and as a % of the TAM PC + LCV

| Jinbei & Huasong principal markets | 2019 | 2018 |
|---|---|---|
| Egypt | 500 | 0 |
| Jordan | 200 | 0 |
| Myanmar | 129 | 67 |
| South Africa + Namibia | 39 | 511 |
| Lebanon | 12 | 20 |
| Vanuatu | 10 | 0 |
| Cuba | 3 | 287 |
| **TOTAL JINBEI & HUASONG** | **893** | **892** |

## Eurasia Region Sales

### MARKET ALL BRANDS EURASIA REGION

By sales volume PC + LCV

| Principal markets | 2019 | 2018 | Change |
|---|---|---|---|
| Russia | 1,754,297 | 1,800,591 | -2.6% |
| Turkey | 479,060 | 620,937 | -22.8% |
| Romania | 191,922 | 179,397 | +7.0% |
| Ukraine | 97,608 | 86,613 | +12.7% |
| Kazakhstan | 72,081 | 58,253 | +23.7% |
| Uzbekistan | 68,000 | 61,400 | +10.7% |
| Belarus | 63,275 | 52,345 | +20.9% |
| Bulgaria | 43,767 | 42,731 | +2.4% |
| TAM EURASIA | 2,801,745 | 2,930,643 | -4.4% |

### RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Renault principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Russia | 144,989 | 8.3 | +0.7 | 137,062 | 7.6 |
| Turkey | 64,977 | 13.6 | -0.3 | 85,839 | 13.8 |
| Romania | 16,702 | 8.7 | +0.4 | 14,853 | 8.3 |
| Ukraine | 16,480 | 16.9 | +4.2 | 11,025 | 12.7 |
| Belarus | 11,895 | 18.8 | -2.8 | 11,310 | 21.6 |
| TOTAL RENAULT | 263,110 | 9.4 | +0.3 | 267,538 | 9.1 |

### DACIA BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Dacia principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Romania | 55,463 | 28.9 | -1.5 | 54,593 | 30.4 |
| Turkey | 20,006 | 4.2 | -0.6 | 29,918 | 4.8 |
| Bulgaria | 5,772 | 13.2 | +1.1 | 5,170 | 12.1 |
| Moldova | 1,232 | 17.9 | -0.2 | 1,157 | 18.1 |
| TOTAL DACIA | 82,473 | 2.9 | -0.2 | 90,838 | 3.1 |

### LADA BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Lada principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Russia | 362,356 | 20.7 | +0.7 | 360,204 | 20.0 |
| Belarus | 16,281 | 25.7 | +5.7 | 10,478 | 20.0 |
| Kazakhstan | 15,364 | 21.3 | -1.7 | 13,404 | 23.0 |
| Uzbekistan | 6,631 | 9.8 | +5.4 | 2,651 | 4.3 |
| Azerbaijan | 1,592 | 23.8 | -5.2 | 1,159 | 29.0 |
| TOTAL LADA | 403,634 | 14.4 | +1.1 | 389,153 | 13.3 |

### AVTOVAZ BRAND SALES

By sales volume PC

| AvtoVAZ Market | 2019 | 2018 |
|---|---|---|
| Russia | 1,302 | 0 |
| Kazakhstan | 32 | 0 |
| Ukraine | 13 | 0 |
| Belarus | 5 | 0 |
| Armenia | 2 | 0 |
| TOTAL AVTOVAZ | 1,354 | 0 |

## Americas Region Sales

### MARKET ALL BRANDS AMERICAS REGION

By sales volume PC + LCV

| Principal markets | 2019 | Change | 2018 |
|---|---|---|---|
| Brazil | 2,651,737 | +7.4% | 2,468,434 |
| Mexico | 1,317,727 | -7.3% | 1,421,458 |
| Argentina | 441,507 | -42.9% | 773,641 |
| Chile | 345,512 | -17.2% | 417,495 |
| Colombia | 248,689 | +1.2% | 245,622 |
| Peru | 155,697 | +5.3% | 147,916 |
| Ecuador | 120,516 | -7.9% | 130,783 |
| Porto Rico | 101,931 | +13.3% | 90,000 |
| **TAM AMERICAS** | **5,686,261** | **-5.6%** | **6,021,047** |

### RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2017 | |
|---|---|---|---|---|---|
| Renault principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| Brazil | 239,173 | 9.0 | +0.3 | 214,822 | 8.7 |
| Argentina | 63,453 | 14.4 | -0.4 | 114,348 | 14.8 |
| Colombia | 56,639 | 22.8 | +2.6 | 49,588 | 20.2 |
| Mexico | 32,890 | 2.5 | +0.5 | 27,784 | 2.0 |
| Chile | 8,719 | 2.5 | -0.7 | 13,503 | 3.2 |
| **TOTAL RENAULT** | **420,897** | **7.4** | **+0.2** | **436,162** | **7.2** |

### LADA BRAND SALES

By sales volume PC + LCV

| Lada principal markets | 2019 | 2018 |
|---|---|---|
| Bolivia | 209 | 181 |
| Chile | 47 | 185 |
| **TOTAL LADA** | **256** | **366** |

### ALPINE BRAND SALES

By sales volume PC

| Alpine principal markets | 2019 | 2018 |
|---|---|---|
| Brazil | 1 | 0 |
| **TOTAL ALPINE** | **1** | **0** |

### JINBEI BRAND SALES

By sales volume PC

| Jinbei principal markets | 2019 | 2018 |
|---|---|---|
| Chile | 1,716 | 0 |
| Peru | 908 | 178 |
| Bolivia | 552 | 222 |
| **TOTAL JINBEI** | **3,383** | **553** |

## China Region Sales

### MARKET ALL BRANDS CHINA REGION

By sales volume PC + LCV

| Principal markets | 2019 | Change | 2018 |
|---|---|---|---|
| China | 24,464,235 | -8.3% | 26,678,536 |
| Taiwan | 425,000 | +0.4% | 423,182 |
| Hong Kong | 34,116 | -12.8% | 39,139 |
| TAM ASIA – PACIFIC | 24,923,351 | -8.2% | 27,140,857 |

### RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

| | 2019 | | | 2018 | |
|---|---|---|---|---|---|
| Renault principal markets | Sales | Market share *(%)* | Change in share *(pts)* | Sales | Market share *(%)* |
| China | 21,869 | 0.1 | -0.1 | 52,734 | 0.2 |
| Hong Kong | 77 | 0.2 | -0.2 | 153 | 0.4 |
| TOTAL RENAULT | 21,946 | 0.1 | -0.1 | 52,887 | 0.2 |

### JINBEI & HUASONG BRAND SALES

By sales volume PC + LCV

| Jinbei & Huasong Markets | 2019 | 2018 |
|---|---|---|
| China | 157,625 | 163,965 |
| TOTAL JINBEI & HUASONG | 157,625 | 163,965 |

## Groupe Renault worldwide electric vehicle sales

| | 2019 | 2018 | Change |
|---|---|---|---|
| ZOE | 48,269 | 40,517 | +19.1% |
| Kangoo Z.E. | 10,349 | 8,686 | +19.1% |
| K-Z.E. | 2,658 | 0 | +100.0% |
| SM3 Z.E. | 875 | 1,235 | -29.1% |
| Master Z.E. | 296 | 113 | +161.9% |
| Fluence Z.E. | 0 | 6 | -100.0% |
| TOTAL Z.E. | 62,447 | 50,557 | +23.5% |

## Worldwide Twizy sales

| | 2019 | 2018 | Change |
|---|---|---|---|
| TWIZY | 3,273 | 3,916 | -16.4% |

### 1.1.4.3 Business-to-business powertrain activity

The powertrain business is an important sector in implementing effective industrial R&D synergies with Renault's partners, including the Nissan-MMC Alliance partners. A dedicated department oversees this B-to-B powertrain activity, both in respect of exchanges of powertrain parts with partners, and for related engineering activities. The aim of these synergies is to pool development costs, to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault. In addition to the Alliance with Nissan and Mitsubishi Motors that enables the companies to share a common range of products, an industrial system and a supplier network, this B-to-B activity seeks to promote and offer Renault's powertrain units in the context of automotive cooperations or third-party sales. They enable our partners to benefit from Renault technology and give Renault access, where useful, to its partners' developments and manufacturing capacity. This activity also serves as a basis on which to identify and set up one-off cooperation projects and to evaluate our competitiveness and level of quality compared to our competition.

#### Advantages

A modern, $CO_2$ efficient powertrain range: with its internal combustion, hybrid and electric range, Renault has once again demonstrated its commitment to taking the lead in reducing the environmental footprint of vehicles. The qualities of the Renault powertrain range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for petrol and diesel engines, as well as for gearboxes.

Nissan, Renault's partner in the Alliance, has thus relied on the latest generations of Renault engines to reduce average CO2 emissions in its range of passenger cars in Europe. Following the partnership agreement signed in 2010 between the Renault-Nissan-Mitsubishi alliance and the Daimler group, diesel engines from the Renault range also allow Mercedes to offer versions of its Class A and B with low CO2 emissions. The Renault Group is one of the most efficient manufacturers in Europe in terms of consumption and approved CO2 emissions (for more details, see chapter 2.3.3.A, Vehicle use section).

#### The organization

In Renault's Strategy, Business Development and Business Management department, dedicated teams work to detect opportunities, prepare bids, and negotiate contracts. Sensitive to the expectations of OEM customers, these teams allow for optimized responsiveness by interfacing with all Renault Engineering departments.

### 1.1.4.4 Main manufacturing sites

To meet the demands of our customers, Groupe Renault relies on an industrial footprint consisting of 38 industrial sites located around the world as close as possible to the markets in which we sell our brands' vehicles.

All Groupe Renault sites operate under common principles: making employee safety a priority, a desire to satisfy our customers, and continuous work on improving the competitiveness of our sites, in particular through convergence toward our industry 4.0 vision.

Utilization rates for production capacity, down slightly from 2018, were 97% in 2019 globally (including AVTOVAZ, which was not the case last year) and 94% in the Europe Region, based on a standard figure of 3,760 hours per year (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year). Utilization rates for production capacity are calculated using the Harbour method, *i.e.*, on the basis of two teams.

The enlarged Alliance and Renault's numerous strategic partnerships offer opportunities for synergies through the sharing of manufacturing facilities.

In 2019, for example:

- Renault-Nissan vehicles are produced by AVTOVAZ in Russia;
- Flins, Batilly, Sandouville, Moscow, Busan, Curitiba LCV and Cordoba are Renault plants that produce vehicles for Nissan. In 2019, Maubeuge became a supplier to Nissan, for which it produces a small van;
- the Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler;
- Sandouville and Batilly are two vehicle assembly plants that produce vehicles for other partners including Opel, RVI and Fiat;
- finally, in India, Renault and Nissan share a plant common to both.

As regards engines, gearboxes and chassis, the cross-use of the Alliance's plants makes it possible to offer regional manufacturing opportunities for the powertrain parts necessary for each market, while reducing investments and optimizing the use of our production capacities. The following is a selection of examples:

- for Nissan and Daimler, diesel engines are produced in the Renault plants in Cléon and Valladolid and gasoline engines in Valladolid and Pitesti;
- in Europe, Nissan's Sunderland plant produces engines for Renault. In Japan, Nissan's Yokohama plant also produces a gasoline engine for Renault;
- gearboxes are assembled for Daimler and Nissan in Cléon, for Nissan in Pitesti, Seville, Cacia and Los Andes;
- AVTOVAZ assembles engines and gearboxes for Renault and Nissan;
- As for chassis or front and rear suspensions, the Le Mans plant manufactures for Nissan, Daimler and GM as well as for Groupe Renault brands.

| Production by plant and Region | 2019 |
|---|---|
| **FRANCE** | |
| **Batilly (Sovab)** | |
| Renault MASTER | 99,328 |
| MASTER Z.E. | 342 |
| Nissan NV400 | 6,645 |
| Other | 41,804 |
| **Caudan (Fonderie de Bretagne)** | |
| Iron foundry (metric tons) | 10,612 |
| **Choisy-le-Roi** | |
| ES transmissions | 29,405 |
| ES engines | 40,974 |
| **Cléon** | |
| Transmissions | 327,776 |
| Engines | 556,716 |
| Electric engine | 100,168 |
| Aluminum foundry (tons) | 16,721 |
| **Dieppe** | |
| Alpine | 4,245 |
| **Douai** | |
| ESPACE | 8,961 |
| SCENIC | 67,597 |
| TALISMAN | 15,016 |
| **Flins** | |
| CLIO | 41,931 |
| ZOE | 64,061 |
| Nissan MICRA | 54,118 |
| **Le Mans** | |
| Rear suspensions | 1,351,450 |
| Front suspensions | 735,666 |
| Iron foundry (metric tons) | 95,754 |
| **Maubeuge** | |
| KANGOO/CITAN | 133,121 |
| KANGOO Z.E. | 13,059 |
| Nissan NV250 | 3,561 |
| **Ruitz (STA)** | |
| Automatic gearboxes | 63,836 |
| **Sandouville** | |
| Renault TRAFIC | 101,234 |
| Nissan NV300 | 7,394 |
| Other | 23,603 |
| **Villeurbanne** | |
| Front suspensions | 295,087 |

| Production by plant and Region | 2019 |
|---|---|
| EXCLUDING FRANCE | |
| **SPAIN** | |
| **Palencia** | |
| MEGANE | 77,647 |
| MEGANE STATION WAGON | 50,810 |
| KADJAR | 111,669 |
| **Seville** | |
| Transmissions | 996,394 |
| **Valladolid** | |
| TWIZY | 623 |
| CAPTUR | 199,041 |
| Other | 37,342 |
| **Valladolid Motores** | |
| Engines | 1,335,824 |
| Aluminum foundry (metric tons) | 9,621 |
| **Barcelona (Nissan group plant)** | |
| Alaskan | 473 |
| **PORTUGAL** | |
| **Cacia** | |
| Transmissions | 601,910 |
| **SLOVENIA** | |
| **Novo Mesto** | |
| CLIO | 32,578 |
| TWINGO/SMART | 43,311 |
| Other | 123,227 |
| AFRICA, MIDDLE EAST, INDIA, PACIFIC | |
| **ALGERIA** | |
| **Oran** | |
| LOGAN | 18,836 |
| SANDERO | 23,026 |
| CLIO | 18,150 |
| **SOUTH KOREA** | |
| **Busan (Renault Samsung Motors)** | |
| TALISMAN/SM6 | 16,203 |
| FLUENCE/SM3 | 2,339 |
| sm3 z.e. | 1,731 |
| LATITUDE/SM5 | 2,717 |
| KOLEOS/QM6 | 67,182 |
| SM7 | 3,198 |
| Nissan ROGUE | 69,484 |
| Twizy | 1,124 |
| Others | 50 |
| Engines | 80,287 |
| Aluminum foundry (metric tons) | 2,436 |
| **INDIA** | |
| **Chennai [Nissan group plant]** | |
| DUSTER | 8,965 |
| KWID | 64,891 |
| CAPTUR | 707 |
| TRIBER | 25,983 |

| Production by plant and Region | 2019 |
|---|---|
| **MOROCCO** | |
| **Casablanca (SOMACA)** | |
| LOGAN | 27,923 |
| SANDERO | 63,331 |
| **Tangiers** | |
| LODGY | 33,829 |
| SANDERO | 156,593 |
| DOKKER | 95,556 |
| LOGAN MCV | 17,581 |
| Others | 88 |
| **EURASIA** | |
| **ROMANIA** | |
| **Mioveni (Dacia)** | |
| LOGAN | 34,241 |
| LOGAN MCV | 17,064 |
| SANDERO | 35,188 |
| New DUSTER | 263,035 |
| Transmissions | 441,789 |
| Engines | 537,782 |
| Front suspensions | 412,585 |
| Aluminum foundry (metric tons) | 25,423 |
| **RUSSIA** | |
| **Moscou** | |
| CAPTUR | 26,700 |
| DUSTER | 40,582 |
| Nissan TERRANO | 13,690 |
| Arkana | 19,168 |
| **Togliatti (AVTOVAZ)** | |
| LOGAN | 39,179 |
| SANDERO | 33,476 |
| Lada X-RAY | 31,695 |
| Lada Largus | 57,612 |
| Lada Kalina | 18,739 |
| Lada Granta | 123,884 |
| Lada 4x4 | 25,013 |
| Datsun MI-DO | 2,971 |
| Datsun ON-DO | 19,565 |
| Transmissions | 73,033 |
| Engines | 66,363 |
| **Izhevsk (AVTOVAZ)** | |
| Lada Vesta | 128,486 |
| **TURKEY** | |
| **Bursa (Oyak-Renault)** | |
| CLIO IV | 152,599 |
| CLIO IV ESTATE | 29,342 |
| CLIO V | 122,451 |
| FLUENCE | 37,749 |
| Transmissions | 226,263 |
| Engines | 507,289 |
| Rear suspensions | 337,927 |
| Front suspensions | 350,563 |

| Production by plant and Region | 2019 |
|---|---|
| **CHINA** | |
| **CHINA** | |
| **Wuhan – DRAC [partner plant]** | |
| KADJAR | 4,340 |
| KOLEOS | 7,183 |
| CAPTUR | 1,559 |
| Others | 24 |
| **Shenyang – RBJAC [partner plant]** | |
| Jinbei Haise/Grand Haise/Granse/F50/Huasong 7 | 37,826 |
| **Shiyan (eGT-NEV) [partner plant]** | |
| City K-ZE | 3,169 |
| **AMERICAS** | |
| **ARGENTINA** | |
| **Córdoba** | |
| LOGAN | 7,251 |
| SANDERO | 4,316 |
| DOKKER | 9,313 |
| Nissan NAVARA | 9,941 |
| **Planta Fundicion Aluminio (PFA)** | |
| Aluminum foundry (metric tons) | 2,639 |
| **BRAZIL** | |
| **Curitiba** | |
| MASTER | 10,326 |
| DUSTER | 25,126 |
| DUSTER Pick-up | 35,159 |
| LOGAN | 28,818 |
| SANDERO | 52,813 |
| CAPTUR | 36,925 |
| KWID | 122,585 |
| New DUSTER | 107 |
| Engines | 314,692 |
| Aluminum foundry (metric tons) | 4,228 |
| **CHILE** | |
| **Los Andes (Cormecanica)** | |
| Transmissions | 313,566 |
| **COLOMBIA** | |
| **Envigado (Sofasa)** | |
| LOGAN | 14,170 |
| SANDERO | 25,326 |
| DUSTER | 26,540 |
| New DUSTER | 448 |
| **MEXICO** | |
| **Cuernavaca (Nissan group plant)** | |
| Alaskan | 489 |

## 1.1.4.5 The Groupe Renault sales network

### Organization of the distribution networks

Groupe Renault distributes vehicles under its brands through both primary and secondary distribution networks.

The primary network is contractually bound to Renault via a concession agreement (or agency or authorized repair center agreement, depending on the country) and comprises:

- dealers independent of Groupe Renault;
- establishments belonging to Renault through its subsidiary Renault Retail Group (RRG) or branches as described in section 1.1.4.6.

The secondary network includes mainly smaller sites, independent of Groupe Renault, and bound contractually to the primary network, most often via an agency contract, or authorized distribution or repair center contract. These sites have the role of supplementing the territorial coverage of the catchment areas of Renault's primary networks.

The main developments in our network focus on strengthening customer satisfaction, brand differentiation and adaptation for the marketing of new vehicles. This is especially true for our range of "E-TECH" vehicles – EV, PH-EV, HEV – with the spread of Expert Sites to provide all of the services related to these New Energy vehicles. At the same time, the transformation of the network made necessary by changes in customer needs and the digitalization of services is well underway in most countries. This has meant the deployment of:

- business groupings (Hubs) for the pooling of back-office services (Spare Parts Distribution), the implementation of differentiated formats (Renault EV-Shop in Stockholm and Renault City in Val d'Europe) and online commerce.
- the roll-out of new organizational methods (lean dealerships) and the strengthening of our standards (Kaizen) within our dealerships, which will optimize commercial construction (fixed costs and flows) and refocus our processes around the customer, in particular with the introduction of new digital tools.

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **Number of Renault sites*** | **Worldwide** | **o/w Europe** | **Worldwide** | **o/w Europe** |
| Primary network | 4, 871 | 2,468 | 4,938 | 2,528 |
| *o/w RRG dealers and branches* | 205 | 190 | 205 | 190 |
| *o/w Renault Pro+ specialized dealerships* | 626 | 485 | 661 | 511 |
| Secondary network | 6, 026 | 5,706 | 6,158 | 5,848 |
| **TOTAL SITES (*EXCEPT IRAN)** | **10,898** | **8,174** | **11,096** | **8,358** |

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **Number of Dacia sites** | **Worldwide** | **o/w Europe** | **Worldwide** | **o/w Europe** |
| Primary network | 2,838 | 2,456 | 2,878 | 2,485 |

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **Number of Alpine sites** | **Worldwide** | **Europe** | **Worldwide** | **Europe** |
| Primary network | 81 | 59 | 75 | 59 |

| | 2019 | 2018 |
|---|---|---|
| **Number of Renault Samsung Motors sites** | **Korea** | **Korea** |
| Primary network | 665 | 664 |

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **Number of Lada sites** | **Worldwide** | **o/w Russia** | **Worldwide** | **o/w Russia** |
| Primary network | 594 | 288 | 606 | 299 |

| | 2019 | 2018 |
|---|---|---|
| **Number of Jinbeï sites** | **China** | **China** |
| Primary network | 154 | 160 |

### 1.1.4.6 Renault Retail Group (RRG)

**A wholly-owned subsidiary of the manufacturer, RRG is Groupe Renault's leading European distributor** of vehicle sales and related services and after-sales activities.

RRG's mission is to distribute all of the Alliance's products and services (Renault, Dacia, Alpine and Nissan, in some countries) to professional and individual customers.

Activities cover new vehicles, used vehicles and spare parts and also includes maintenance, mechanics, bodywork, express repairs (Renault Minute), short-term rental (Renault Rent), Mobility services (Renault *Mobility*), financing and brokerage.

RRG has over 200 sales and service outlets in 14 european countries: Allemagne, Autria, Belgium, the Czech Republic, France, Germany, Irlande, Italy, Luxembourg, Poland, Portugal, Spain, Slovaquie et Switzerland.

| 2019 | Revenues *(€ billion)* | NV sales | UV sales |
|---|---|---|---|
| TOTAL | 10,0 | 340,256 | 208,069 |
| France | 6,1 | 189,911 | 143,847 |
| Europe | 3,9 | 150,345 | 64,222 |

| | 2019 | | 2018 | |
|---|---|---|---|---|
| Number of Renault Retail Group sites | Worldwide | o/w Europe | Worldwide | o/w Europe |
| *o/w RRG dealers and branches* | | 190 | | *190* |

#### Renault Pro+: the specialized Business customer network

Since 2009, the Renault Pro+ expert network has been tasked with supporting business customers worldwide.

The Renault Pro+ specialized network currently has 648 points of sale, all of which apply a high level of sales and after-sales standards to meet the expectations of business customers. These Renault Pro+ specialized dealerships are bound by a triple customer pledge based on:

- the specialization of sales teams and after-sales staff, with a dedicated area for business customers;
- a large range of options, including for chassis cabs, facilitated by the wide range of vehicles on display and available for test drive;
- guaranteed mobility for business customers with a dedicated after-sales team.

### 1.1.4.7 Automotive cash flow management

For Automotive, Groupe Renault has established a financial organization whose aims are to:

- automate the processing of routine cash inflows and outflows;
- meet the subsidiaries' refinancing requirements and pool surplus cash;
- centralize the handling of euro-denominated and foreign exchange transactions so as to optimize the management of currency, liquidity, interest rate, counterparty and country risk while reducing financial and administrative costs;
- centralize virtually all financing operations, including securities issuance, bank loans and credit agreements, at parent company level.

Within this framework, Renault's Financing and Treasury department, which is responsible for cash management and financing for the Group's industrial and commercial activities in Europe, has a specialized entity, Renault Finance, which it uses to:

- conduct capital market trading after intra-Group netting: forex, rates, commodities and short-term investments;
- make foreign currency payments for French and European subsidiaries;
- conduct cash pooling in the currencies of certain subsidiaries (United Kingdom, Hungary, Poland, Sweden, Switzerland, Australia and the Czech Republic).

For the euro zone, cash is centralized through a Renault SA IT platform that manages all subsidiaries' euro-denominated transactions and interfaces with the automotive sector's banks.

Outside the euro zone, Renault Finance offers certain subsidiaries access to centralized cash management tools.

#### Renault Finance

A Swiss company domiciled in Lausanne, Renault Finance is active in the international financial markets, following a set of strict risk management rules. Its arbitrage activity allows it to obtain very competitive quotes for financial products from foreign exchange markets, interest rates or raw materials. This makes it Renault's natural counterparty for most automotive market transactions. By extending this service to the Nissan group, Renault Finance has become the Alliance's trading room.

To optimize the quality of the service provided to the Alliance, Renault Finance is equipped with some of the most advanced tools on the interbank markets and has a wholly owned subsidiary in Singapore, Renault Treasury Services.

### 1.1.4.8 Nissan, AVTOVAZ, partnerships and cooperations

#### Nissan

Renault's shareholding in Nissan is described in detail in section 1.2 "The Renault-Nissan-Mitsubishi alliance".

Nissan's market capitalization at December 31, 2019 was ¥2,684 billion (€22,014 million), based on a closing price of ¥636 per Nissan share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2019, the market value of the shares held by Renault totaled €9,554 million, based on a conversion rate of ¥121.94 for €1.

Renault accounts for its shareholding in Nissan using the equity method, as described in Chapter 4, note 12 of the notes to the consolidated financial statements.

#### AVTOVAZ

In Russia, AVTOVAZ continued its recovery in 2019 and made a positive contribution to the results of Groupe Renault for the third consecutive year:

- AVTOVAZ revenues reached €3.1 billion (+3%);
- The operating margin amounted €155 million and represented 5% of revenues.

These results are the fruit of the medium-term plan approved by AVTOVAZ shareholders in 2016, which aims to achieve a return to growth and profitability. The plan's objectives included market share in Russia of at least 20% (PC) in a market expected to grow after several years of decline, cost cutting, notably through increased local integration, a revival of exports and the development of new vehicles and engines.

In parallel operations related to the restructuring of AVTOVAZ shareholding were finalized in early 2019 with the transformation of AVTOVAZ from a public to a private joint stock company further to the delisting of AVTOVAZ shares from the Moscow Stock Exchange. At the end of December 2019, Renault's stake in Alliance Rostec Auto b.v. was 67.61%, Alliance Rostec Auto b.v. holding 100% of AVTOVAZ Capital.

In December 2019, AVTOVAZ increased its stake in the GM-AVTOVAZ JV to 100%. This transaction allowed AVTOVAZ, which was already the main supplier of the JV, to take over the usage rights related to the NIVA trademark which will be used for future LADA models.

#### Strategic cooperation between Renault-Nissan alliance and Daimler AG

See paragraph "Cooperation with Daimler" in section 1.2.4.

#### Supplier relations and support

##### Autonomous vehicles

In June 2019, Groupe Renault and Nissan signed an exclusive Alliance agreement with Waymo for the study of autonomous mobility services for people and goods in France and Japan.

This agreement is designed to unite the strengths of the three partners and extend their expertise through the assessment of market opportunities and joint research on commercial, legal and regulatory issues related to mobility service offers in France and Japan. Due to its international dimension and its offers for every segment of light commercial vehicles and passenger cars, the Renault-Nissan-Mitsubishi alliance is in a perfect positioned to undertake these exploratory efforts with Waymo, a company specializing in driverless technologies with over 16 million kilometers of road experience.

##### New Mobilities and Services

For four years, Groupe Renault has been committed to the development of new shared mobility services (Renault Mobility, Zity in Madrid, Moov'in Paris), and has made targeted acquisitions and equity investments in various start-ups in the field (Karhoo, Yuso, iCabbi, Glide). In January 2019, Groupe Renault established an entity dedicated to new mobility, the World Mobility Service, which was supplemented by the creation of a subsidiary in October 2019, Renault M.A.I. (Mobility as an Industry). This subsidiary brings together all of its mobility activities under one roof to generate synergies, simplify the decision-making chain, clarify existing offers and create new ones.

#### Alliance Ventures

Created in January 2018, Alliance Ventures is a strategic venture capital fund operated by Renault-Nissan-Mitsubishi, the world's leading automotive alliance.

The fund, which was launched in 2018 with an initial investment of $200 million, is located in Amsterdam, Paris, Yokohama, Beijing, Tel Aviv and Silicon Valley, where it targets innovative technologies and economic models in the fields of new mobility, autonomous driving, connected services, electric vehicles and "Enterprise 2.0".

By leveraging the business expertise and opportunities of the world's largest automotive alliance, Alliance Ventures targets strategic investments in start-ups developing disruptive technologies or businesses.

Alliance Ventures has announced investments in a dozen start-ups, including:

- Kalray, (FR) very-high-performance processors for critical systems;
- PowerShare, (CN) an intelligent charging platform for the electric vehicle market in China;
- Shift, (US) integrated platform for buying, selling and financing used vehicles online;
- Tekion, (US) cloud applications to digitize the customer experience in dealer networks;
- The Mobility House, (DE) fleet charge management and battery energy storage solutions.

In December 2017, Groupe Renault and the **Challenges** Group decided to join forces to meet the challenges of publishing services for connected, autonomous cars. In 2019, Groupe Renault decided to not continue this business and withdrew from this equity investment by selling its 35% share of the capital to the founder of the Challenges Group in early 2020.

### Renault Venture Capital

In July 2017, a company was created with an initial capital allocation of €20 million, a wholly-owned subsidiary of Renault whose purpose is to acquire minority stakes in start-ups. RVC aims to promote Renault's embrace of open innovation and to create links with emerging businesses in the future fields of automotive products and services. This activity, which is an ideal complement to Research and Development carried out internally, create an image of proactivity focused on open innovation and joint development and will allow faster decision-making.

In 2019, RVC accordingly financed the launch of a Renault "GeoTwin" spin-off, which hopes to develop a multi-agent urban mobility platform designed to help urban communities and mobility stakeholders to plan and scale their mobility offers to make transportation in cities smoother for users.

Three other companies also joined the RVC portfolio in 2019: Devialet, (FR, high-end sound technology), AVSimulation, (FR, virtual driving simulation) and Propheese, (FR, Neurovision image technology).

RVC strengthened its commitment to the start-up Jedlix (NL), which has a solution unique in Europe to directly control the charging of vehicles without using electronic charging stations.

### Light commercial vehicles

Renault manages several agreements with Opel, Nissan, Renault Trucks, Daimler and Fiat.

In the compact van segment, under a partnership signed with GM Europe in 1996, production of the TRAFIC at the Sandouville plant and the Opel/Vauxhall VIVARO at the GM Europe plant in Luton (United Kingdom) started in 2014.

Peugeot SA took over GM's European operations (Opel/Vauxhall), including the contracts with Renault, in 2017 and decided to stop manufacturing the Opel/Vauxhall VIVARO in Luton in 2018. An end-of-cooperation agreement was signed to that end, and the last vehicles were produced in March 2019.

In 2014, Renault signed a cooperation agreement with Fiat for the manufacturing at the Sandouville plant of a compact van developed by Renault based on the TRAFIC, the TALENTO. Production and sale of the vehicle began in 2016.

Finally, under the Renault-Nissan alliance, an agreement was signed with Nissan for the manufacturing at the Sandouville plant of a compact van developed by Renault based on the TRAFIC, the NV300. Production and sale of the vehicle began in 2016.

In the large van segment, production of the MASTER and the Opel/Vauxhall MOVANO started at the Batilly plant in 2010. Movano was sold to Opel/Vauxhall as part of a commercial agreement signed at the end of 2007.

The MASTER is also distributed by the Renault Trucks network under the terms of a sales agreement entered into in 2009.

Finally, under the Renault-Nissan alliance, an agreement was signed with Nissan for the manufacturing at the Batilly plant of a van developed by Renault based on the MASTER, the NV400. Production and sale of the vehicle began in 2011.

In the van segment, as part of the strategic cooperation between the Renault-Nissan alliance and Daimler announced in 2010, Renault has developed Mercedes-Benz's new urban light commercial vehicle, the KANGOO-based CITAN. It is manufactured in the Maubeuge plant and has been marketed by Mercedes since 2012.

In addition, under the Renault-Nissan alliance, an agreement was signed with Nissan for the manufacturing at the Maubeuge plant of a small van developed by Renault based on the KANGOO, the NV250. Production and sale of the vehicle began in late 2019 to replace the NV200.

In the pick-up segment, in the context of the Renault-Nissan alliance, Renault signed an agreement with Nissan in 2015 for the development and production of a Renault pick-up, the ALASKAN, based on the Nissan NP300. This vehicle is produced in the Nissan plant in Cuernavaca, Mexico, and was launched commercially in Colombia in 2016. Since 2017, the vehicle has also been manufactured in the Nissan plant in Barcelona (Spain) and marketed in Europe under the name ALASKAN.

### Accelerating international expansion

Various agreements have been signed with local partners (manufacturers and local authorities).

#### In Turkey

Groupe Renault and Oyak, Turkey's largest professional pension fund, have renewed their partnership. Both shareholders of MAIS and Oyak Renault have declared that they will continue their cooperation for another 27 years, signing a new shareholder agreement and new side agreements on June 26, 2018.

This contract governs the largest cooperation ever in the Turkish car industry and covers Groupe Renault's industrial and commercial activities in Turkey. Oyak Renault will continue to play a key role in Groupe Renault's industrial operations for the production and export of vehicles, engines and transmissions. 2019 saw the successful industrial launch of the new CLIO V. MAIS will continue to manage sales and after-sales operations for vehicles, spare parts and services for the Renault and Dacia brands.

These new agreements do not change the distribution of the shareholders' ownership of each of the entities (MAIS: 51% Oyak Group – 49% Groupe Renault; Oyak Renault: 51% Groupe Renault, 49% Oyak Group). These new contracts demonstrate the strength of the relationship between the two partners, whose common goal is to maintain their industrial and sales leadership in Turkey.

### In China

Dongfeng Renault Automotive Company (DRAC), owned equally (50/50) by Dongfeng and Renault, continues its presence on the SUV market with the local production of the KADJAR and KOLEOS, launched in 2016, and the CAPTUR, a new vehicle launched in October 2019. DRAC is located in Wuhan, the capital of Hubei Province.

Renault Brillance Jinbei Automotive Company (RBJAC), a joint venture with CBA (China Automotive Holding Limited) since December 2017, is 49% owned by Renault and markets a range of light commercial vehicles under the Jinbei brand. The new industrialization project for the MASTER is underway, with a roll-out scheduled for 2020. RBJAC is located in Shenyang, the capital of Liaoning Province.

eGT was created in September 2017 by Renault (25%), Nissan (25%) and Dongfeng (50%). The company is based in Shiyan (Hubei Province) and is dedicated to the development of the K-ZE, an electric vehicle designed for China. The K-ZE was launched in September 2019 and the first vehicles are being sold by DRAC.

In April 2019, Renault and Nissan also created a new jointly-owned (50/50) innovation platform in Shanghai called Alliance Innovation Lab Shanghai (AIL-SH). The company is responsible for research and development in connected and autonomous vehicles. Finally, Renault opened a design center in Shanghai.

In July 2019, Renault and Jiangling Motors Corporation Group (JMCG) announced the creation of a joint venture controlled by Renault to promote the growth of the electric vehicle industry in China, following an initial agreement signed on December 20, 2018. JMEV is located in Nanchang, the capital of Jiangxi Province.

### In India

In Chennai, the Alliance continues to build its joint production site with Nissan (RNAIPL). Production began in 2010. Currently, the DUSTER, KWID and, since August 2019, the new TRIBER vehicle are produced there for Renault. In 2019, Renault sold nearly 89,000 vehicles. Renault also exports models made in India to Sri Lanka, Nepal, Bhutan and Bangladesh with the support of local importers in those countries.

In the same region, the joint venture between Renault and Nissan, RNTBCI, has provided engineering, computer, purchasing and accounting services for all of the entities in the Alliance around the world since 2008. A significant part of its services are performed on behalf of the entities of the Alliance in India, thus contributing to the commercial development of the Alliance in that country.

### In Iran

Renault maintains its presence in strict compliance with the legal restrictions set by international regulations for the country. As a result, Renault decided to drastically limit its activities in Iran. Accordingly, deliveries of KD parts to Iran ceased on August 6, 2018 and Renault Pars limited its activities to after-sales.

The Iranian business was taken out of the Group's consolidated scope in 2013.

### In South Africa

Following the cooperation agreement signed with Nissan, the LOGAN pick-ups and the SANDERO have been assembled locally in Nissan's Rosslyn factory since 2009. The NP200 LOGAN pick-up is marketed under the Nissan brand.

Since December 2013, Renault South Africa (RSA) has been 40% owned by Renault s.a.s. and 60% by Motus. Motus is the new company created at the end of 2017 to bring all automotive activities of the Imperial Group, Renault's long-standing commercial partner in the country, together under one roof. This partnership enabled the acceleration of Groupe Renault's expansion in that country from a 3.0% market share in 2014 to a 4.8% share in 2019.

In 2019, the KOLEOS was launched on the market. Renault sales in South Africa reached 27,300 vehicles.

### In Morocco

In 2019, Groupe Renault consolidated its leading position in Morocco. In March 2019, Renault bought Peugeot's share in the capital of SOMACA, and it now holds 97% of the capital. The Tangiers and SOMACA plants produced over 400,000 vehicles in 2019. Export volumes reached 310,000 vehicles. Thanks to the success of the Dacia and Renault brands, the Group recorded a 42% market share at December 31, 2019.

### In Algeria

The Oran plant is managed by Renault Algérie Production, a partnership between Renault (49%), the SNVI (Société Nationale des Véhicules Industriels, 34%) and the FNI (Fonds National d'Investissement, 17%).

Initially planned for production of 25,000 units per year, its capacity has been increased with the industrialization of a third CLIO IV car marketed since April 2018. The factory produced 60,000 vehicles in 2019, the full quota granted by the Algerian government.

## The environment

Renault Environnement, a wholly-owned subsidiary of Renault s.a.s., was founded in mid-2008. Its role is to develop new businesses around the themes of sustainable development and the environment, in line with Groupe Renault's environmental policy.

Renault Environnement has a joint-venture with SITA Recyclage, a subsidiary of Suez, to develop the recycling of ELVs (end-of-life vehicles) and the return to the market of recycled materials and re-used parts.

Through its subsidiary Gaïa and its equity investment in Boone Comenor Metalimpex, Renault Environnement also recovers automotive parts (production scrap and end-of-life parts) and metallic waste from Group sites.

For more details, see section 2.3.

# 1.1.5 Sales financing

RCI Bank and Services offers financial solutions to facilitate access to automotive mobility for Alliance customers.

Taking into account each brand's specific characteristics and anticipating new needs and uses of their customers, RCI Bank and Services supports their marketing policies and works with them to win new customers and build loyalty.

RCI Bank and Services brings together three worlds: automotive, through its historic activity, banking, through its business line, and services, through its offers. Every day in 36 countries around the world, RCI Bank and Services supports the development of the Alliance's brands and their distribution networks, by offering their customers a comprehensive range of financing products, insurance and services.

## 1.1.5.1 Customized offers for each of type of customer

For **Private** customers, we propose offers for financing and services that are appropriate for their projects and their usage patterns, to facilitate and enhance their driving experience throughout their entire automotive mobility adventure. Our solutions and services are for both new and used vehicles.

For **Professional** customers, we provide a diverse range of mobility solutions to free them from the restrictions relating to managing their fleet of vehicles and enable them to concentrate on their core business.

For the Alliance brand **networks**, we provide active support by financing inventory (new and second-hand vehicles and spare parts), as well as short-term cash requirements.

## 1.1.5.2 Savings bank activity: a pillar of corporate refinancing

The Savings business was launched in 2012 and now operates in five markets, namely France, Germany, Austria, the United Kingdom and Brazil. Savings deposits are a key instrument in the diversification of the Group's sources of refinancing for its operations. Deposits collected came to €17.7 billion, or approximately 35% of net assets at the end of[1] December 2018.

## 1.1.5.3 3,700 employees active in 36 countries

Our employees operate in 36 countries in five major Regions of the world: Europe; Americas; the AMIP region (Africa Middle East India and Pacific); Eurasia; China.

### Business activity

**RCI Bank and Services saw a further increase in its sales performance in 2019 and continues to implement its ambitions. This makes RCI Bank and Services a reliable strategic partner of the Alliance brands.**

RCI Bank and Services achieved good commercial performance with 1,798,432 contracts financed in 2019, despite a shrinking global automotive market, generating €21.4 billion in new financing, up 2.3% compared to last year.

The Group's vehicle financing penetration rate stands at 42.2%, up 1.5 points compared to the same period of the previous year. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 44.2%, versus 42.9% in 2018.

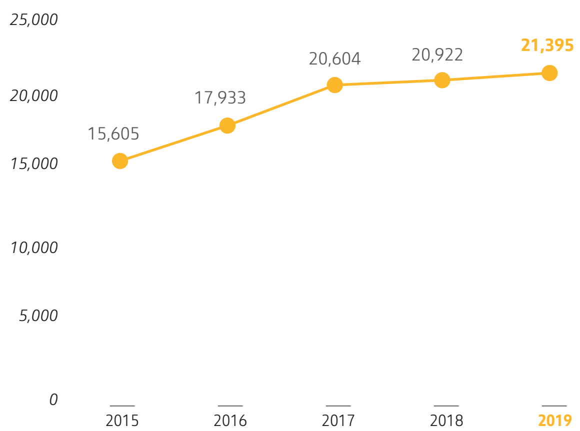
UV Financing activity continued to grow, with 368,409 applications funded, an increase of 3.7% compared to 2018.

Average performing assets (APA)(1) now stand at €47.4 billion, an increase of 6.3% compared to 2018. Of this amount, €37.2 billion was directly related to the Customers business, up 9.4%.

*(1) Net assets at year-end: total net outstandings at year-end + operational leasing operations net of depreciation, amortization and provisions.*

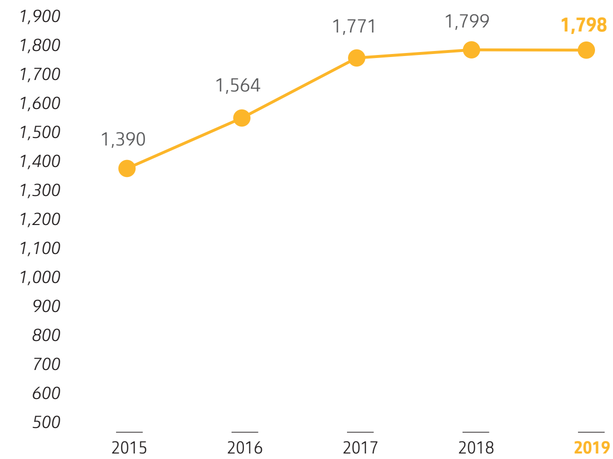
## NEW FINANCING CONTRACTS

(excluding personal loans and credits cards)
*(€ million)*



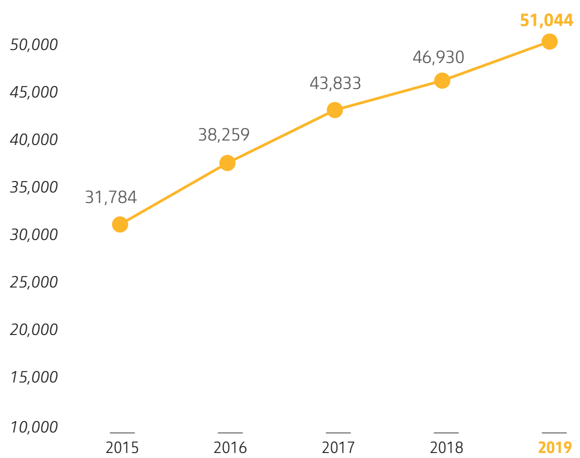

## TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS

*(thousands)*




## NET ASSETS AT YEAR END

*(€ million)*




*(1) Net assets at year-end: total net outstandings at year-end + operational leasing operations net of depreciation, amortization and provisions.*

A pillar of the Group's strategy, the Services business is intensifying, with volumes up 5.2% over the last twelve months. The number of services sold in 2019 represents 5.1 million insurance and service contracts, of which 68% were customer and vehicle use-related services.

The Europe Region posted strong commercial results, with an increase in the Financing penetration rate to 45.4%, compared to 44.9% last year.

In an uncertain economic environment (mainly in Argentina), the Financing penetration rate in the Americas region was 38.0%, up 3.0 points compared to 2018, driven by the strong performances of Brazil and Colombia, which had a penetration rate of 39.4% and 53.8% respectively.

The Financing penetration rate in the Africa – Middle-East – India – Pacific Region continued to rise to 40.9%, an increase of 3.6 percentage points compared to 2018. In Korea, more than one in two new vehicles sold by Renault Samsung Motors were financed by RCI Bank and Services, which thereby achieved an excellent commercial performance with a Financing penetration rate of 59.5%, up 2.7 points. In Morocco, the subsidiary also saw its Financing penetration rate increase by 3.5 points compared to last year, reaching 36.8%.

The Financing penetration rate in the Eurasia Region totaled 29.7%, benefiting in particular from the strong performance of Romania, which saw its Financing penetration rate leap by 7.5 points to 33.2%. This was similar to Russia, where the Financing penetration rate increased sharply by 5.5 points compared to 2018, reaching 32.2%.

## Results

Net banking income (NBI) reached €2,096 million, an increase of 8.6% compared to 2018. This growth can be explained by both the increase in Financing activities (increase in Average Productive Assets (APA) of 6.8%) and by the increase in Services activities (11.2% compared to the previous year).

Operating expenses amounted to €597 million, or 1.26% of APA, an improvement of 1 basis point over last year. With an operating coefficient of 28.5%, RCI Banque demonstrates its ability to manage its operating costs while supporting strategic projects and the growth of its activity.

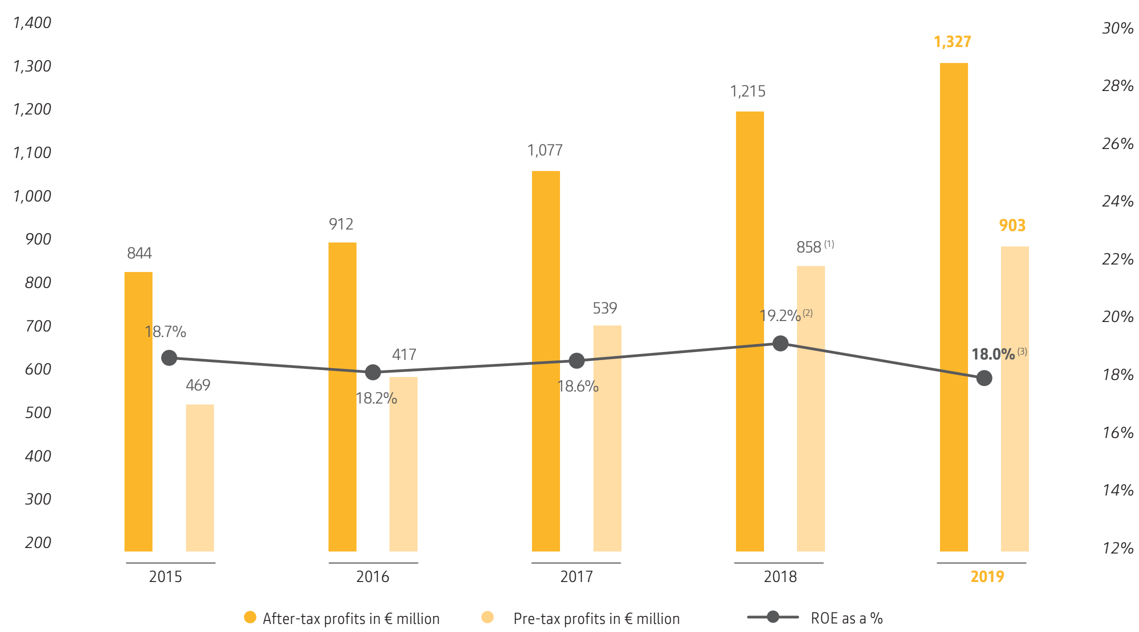
The cost of risk of Customer activity (financing of individuals and companies) remained under control at 0.47% of APA compared to 0.51% in 2018. In Network activity (dealer financing), the cost of risk was negative, as in 2018, at -0.09% of APA in 2019, compared to -0.33% the previous year. The total cost of risk was well-mangaged at 0.37% of APA compared to 0.33% in 2018, confirming the solidity of the acceptance and recovery process..

Pre-tax income stood at €1,327 million, compared to €1,215 million last year.

Consolidated net income (parent company shareholders' share) reached €903 million at the end of December, compared with €858 million in 2018.

### RESULTS

*(€ million)*




*(1) Net earnings after tax were impacted by deferred taxes of €47 M at end 2018.*
*(2) Excluding the impact of deferred taxes, ROE reached 18.1% in 2018.*
*(3) Excluding the impact of start-ups, ROE reached 17.6% in 2019 compared to 19.8% in 2018.*

## The balance sheet

Good commercial performances, especially in Europe, drove historic growth in net assets at the end of December 2019 to €51.0 billion, compared to €46.9 billion at the end of December 2018 (+8.8%).

Consolidated equity amounted to €5,702 million against €5,307 million at December 31, 2018 (+7.4%).

Deposits from individual customers in France, Germany, Austria, the United Kingdom and Brazil (savings accounts and term deposits) reached €17.7 billion at the end of December 2019 compared to €15.9 billion at the end of December 2018 and represented around 35% of net assets at the end of December 2019.

## Solvency

The total capital ratio [1] came to 16.87% as at December 31, 2019 (of which Core Equity Tier One was 14.41%) compared to 15.48% as at December 31, 2018 (including the Core Equity Tier One ratio of 15.46%). The total capital ratio increased at the end of 2019 following the issue of Tier 2 subordinated bank debt totaling €850 million. This issue strengthens RCI Banque regulatory capital in anticipation of the expected recalibration of the parameters of our internal models following the review conducted by the ECB and the application of the EBA Guidelines on the definition of defaulted receivables.

*(1) Ratio including interim profits net of forecast dividends, subject to the approval of the regulator in accordance with Article 26 (2) of Regulation (EU) No. 575/2013.*

## Financial policy

In 2019, the large central banks announced more accommodating monetary policy measures than anticipated by the market at the beginning of the year accommodating monetary measures favoring the transmis.

In the United States, the Federal Reserve lowered its key rates three times, thereby taking the Fed Funds target range to between 1.50% and 1.75%.

The European Central Bank, which in 2018 had terminated its asset purchase program, resumed that program at a monthly rate of €20 billion and announced a new long-term refinancing mechanism (TLTRO III). It also reduced the rate of its deposit facility by 0.10%, taking it to -0.50%, while introducing a 2-tier system for remunerating excess liquidity holdings, aiming to reduce the amount of deposits in the banking system at negative rates.

The Bank of England left its base rate unchanged over the period at 0.75%.

The change in tone by central banks regarding monetary policies changed investor perceptions of risk and supported the rise in stock markets[(1)] and the tightening of bond spreads[(2)].

Euro rates fell continuously until the beginning of September and retraced part of that decline toward the end of the year. After a historical low in September of -0.54%, the five-year swap rate ended the year at -0.10%, down 30 bp compared with December 2018.

RCI Banque issued the equivalent of €2.9 billion in public bond format, making a number of successive issues. The first was a five-and-a-half-year fixed rate issue for €750 million, the second a dual tranche issue for €1.4 billion (four-year fixed rate €750 million, seven-year fixed rate €650 million), and the third a three-and-a-half-year fixed rate bond for €600 million. At the same time, the company issued a five-year fixed rate CHF200 million bond, a transaction that enabled it to both diversify its investor base and fund assets in that currency.

In addition, RCI Banque issued a Tier 2 subordinated bond in the amount of €850 million. This 10-year contractual maturity bond can be redeemed after 5 years and strengthens the capital ratio.

On the secured funding segment, RCI Banque sold a public securitization backed by auto loans in Germany for €975.7 million, split between €950 million of senior securities and €25.7 million of subordinated securities.

This combination of maturities and issue formats is part of the strategy implemented by the group for a number of years to diversify its sources of funding and reach out to as many investors as possible.

Retail customer deposits have increased by €1.8 billion since December 2018 and totaled €17.7 billion at 31 December 2019, representing 35% of net assets at the end of December.

These resources, to which should be added, based on the European scope, €4.5 billion of undrawn committed credit lines, €2.4 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA) and €0.5 billion of financial assets, enable RCI Banque to maintain the financing granted to its customers for nearly 12 months without access to external sources of liquidity.

In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

The strength of the group's balance sheet is also evidenced by very low market risks (interest rate, currency and counterparty risks), which are monitored daily on a consolidated basis.

RCI Banque's overall sensitivity to the interest rate risk remained below the €50 million limit set by the group.

At December 31, 2019, a 100-basis point rise in rates would have an impact on the group's net interest income (NII) of:

- -1.0 M€ in EUR;
- -€0.5 million in BRL;
- +€0.5 million in KRW;
- +€0.9 million in GBP;
- +€0.2 million in PLN;
- -€0.2 million in CZK;
- -€0.8 million in CHF.

The absolute sensitivity values in each currency totaled €4.5 million.

The RCI Banque group's consolidated foreign exchange position[(3)] totaled €6.3 million.

*(1) Euro Stoxx 50 +24%.*
*(2) Iboxx Eur Non FIs -39bp.*
*(3) Foreign exchange position excluding equity investments in subsidiaries.*

# 1.1.6 Main Group subsidiaries and detailed organization chart (1)

## 1.1.6.1 Main subsidiaries

### Renault s.a.s.

13-15, quai Le Gallo 92512 Boulogne-Billancourt Cedex (France)

Wholly-owned subsidiary of Renault.

Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the By-laws).

Revenues at December 31, 2019: €44,999 million.

Workforce at December 31, 2019: 31,736 people.

### RCI Banque SA

15 rue d'Uzès 75002 Paris (France)

100% owned by Renault s.a.s.

Business: holding company for the sales financing and customer services entities of Renault and Nissan, primarily in Europe. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.

Net amount financed in 2019: €21.4 billion.

Total balance sheet (consolidated) at December 31, 2019: €58,080 million.

Workforce at December 31, 2019: 3,707 people.

### Renault Retail Group (France)

2, avenue Denis Papin 92142 Clamart Cedex (France)

100% owned by Renault s.a.s.

On models for which RCI Banque received a draft decision letter in 2019 following an ECB inspection of internal models (TRIMIX or IMI), the negative impact on the solvency ratio is estimated at 1.20%, part of which is the result of temporary add-ons. There may also be further adverse effects on models for which the ECB's findings have not yet been received.

Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles. 49 branches in France.

Revenues at December 31, 2019: €4,750 million.

Workforce at December 31, 2019: 8,011 people.

### Renault España

Avda. de Madrid, 72 47008 Valladolid (Spain)

99.78% owned by Renault s.a.s.

Business: Manufacturing of Renault vehicles.

Plants in Valladolid, Palencia and Seville.

Revenues at December 31, 2019: €7,614 million.

Workforce at December 31, 2019: 11,763 people.

### Renault España Comercial SA

Avda. de Madrid, 72 47008 Valladolid (Spain)

100% owned by Groupe Renault.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €2,534 million.

Workforce at December 31, 2019: 310 people.

### Renault Deutschland AG

Renault-Nissan Strasse 6-10 50321 Brühl (Germany)

60% owned by Renault s.a.s. and 40% owned by Groupe Renault b.v.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €3,512 million.

Workforce at December 31, 2019: 409 people.

### Renault Italia

Via Tiburtina 1159 00156 Roma (Italy)

100% owned by Renault s.a.s.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €2,912 million.

Workforce at December 31, 2019: 236 people.

### Revoz

Belokranska Cesta 4 8000 Novo Mesto (Slovenia)

100% owned by Renault s.a.s.

Business: manufacturing of Renault vehicles. Plant: Novo Mesto.

Revenues at December 31, 2019: €1,799 million.

Workforce at December 31, 2019: 3,113 people.

### Renault Finance SA

48, avenue de Rhodanie Case postale 1007 Lausanne (Switzerland)

100% owned by Renault s.a.s.

Business: Capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.

Total balance sheet (consolidated) at December 31, 2019: €6,183 million.

Workforce at December 31, 2019: 28 people.

### Renault U.K.

The Rivers Office Park Denham Way Maple Cross WD3 9YS Rickmansworth Hertfordshire (United Kingdom)

100% owned by Groupe Renault.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €1,558 million.

Workforce at December 31, 2019: 173 people.

(1) *Individual revenue data is measured and presented using the standards retained for the preparation of the consolidated financial statements.*

## Renault Belgique Luxembourg

281, Chaussée de Mons 1070 – Brussels (Belgium)

100% owned by Groupe Renault.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €1,310 million.

Workforce at December 31, 2019: 148 people.

## Renault do Brasil

1300 av. Renault, Borda do Campo État du Paraná São José dos Pinhais (Brazil)

99.92% owned by Groupe Renault.

Business: Manufacturing and marketing of Renault vehicles.

Revenues at December 31, 2019: €2,891 million.

Workforce at December 31, 2019: 7,328 people.

## Renault Argentina

Fray Justo Santa Maria de Oro 1744 1414 Buenos Aires (Argentina)

100% owned by Groupe Renault.

Business: Manufacturing and marketing of Renault vehicles.

Revenues at December 31, 2019 €658 million.

Workforce at December 31, 2019: 2,369 people.

## Renault Samsung Motors

61, Renaultsamsung-daero 46758, Gangseo-gu, Busan (South Korea)

80.04% owned by Groupe Renault.

Business: manufacturing and marketing of Renault Samsung Motors vehicles. Plant: Busan.

Revenues at December 31, 2019: €3,530 million.

Workforce at December 31, 2019: 4,258 people.

## Renault Algérie Spa

13, route Dar-El-Beida
Zone industrielle Oued Smar 16270 – Algiers (Algeria)

100% owned by Renault s.a.s.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €902 million.

Workforce at December 31, 2019: 670 people.

## Renault Commerce Maroc (Renault Maroc Commercial)

Place Bandoeng Casablanca 20000 – Casablanca (Morocco)

80% owned by Renault s.a.s.

Business: Marketing of Renault and Dacia brand vehicles.

Revenues at December 31, 2019: €833 million.

Workforce at December 31, 2019: 846 people.

## Renault Tanger Exploitation

Zone Franche Melloussa I 90000 – Tangiers (Morocco)

100% owned by Groupe Renault.

Business: Study and manufacturing of Renault vehicles.

Revenues at December 31, 2019: €2,794 million.

Workforce at December 31, 2019: 6,940 people.

## Oyak-Renault Otomobil Fabrikalari

FSM Mah. Balkan Cd. No 47 Umraniye BP 34770 Istanbul (Turkey)

51% owned by Groupe Renault.

Business: assembly and manufacturing of Renault vehicles. Plant: Bursa.

Revenues at December 31, 2019: €3,752 million.

Workforce at December 31, 2019: 7,031 people.

## SC Automobile Dacia SA

Str. Uzinei nr 1 115400 Mioveni (Romania)

99.43% owned by Renault.

Business: manufacturing and marketing of Renault and Dacia vehicles. Plant: Mioveni

Revenues at December 31, 2019: €5,180 million.

Workforce at December 31, 2019: 14,278 people

## CJSC Renault Russia

Volgogradskiy Prospect, 42, housing 36 109316 Moscow (Russia)

100% owned by Groupe Renault.

Business: Manufacturing and marketing of Renault vehicles.

Revenues at December 31, 2019: €1,869 million.

Workforce at December 31, 2019: 3,748 people.

## Renault India Private Limited

ASV Ramana Towers, 4th floor #37-38 Venkatanarayana Road, T. Nagar 600 017 Chennai (India)

100% owned by Groupe Renault.

Business: marketing of Renault vehicles.

Revenues at December 31, 2019: €859 million.

Workforce at December 31, 2019: 234 people.

## PAO AVTOVAZ

Yuzhnoye Shosse, 36, 445633, Togliatti, Samara (Russia)

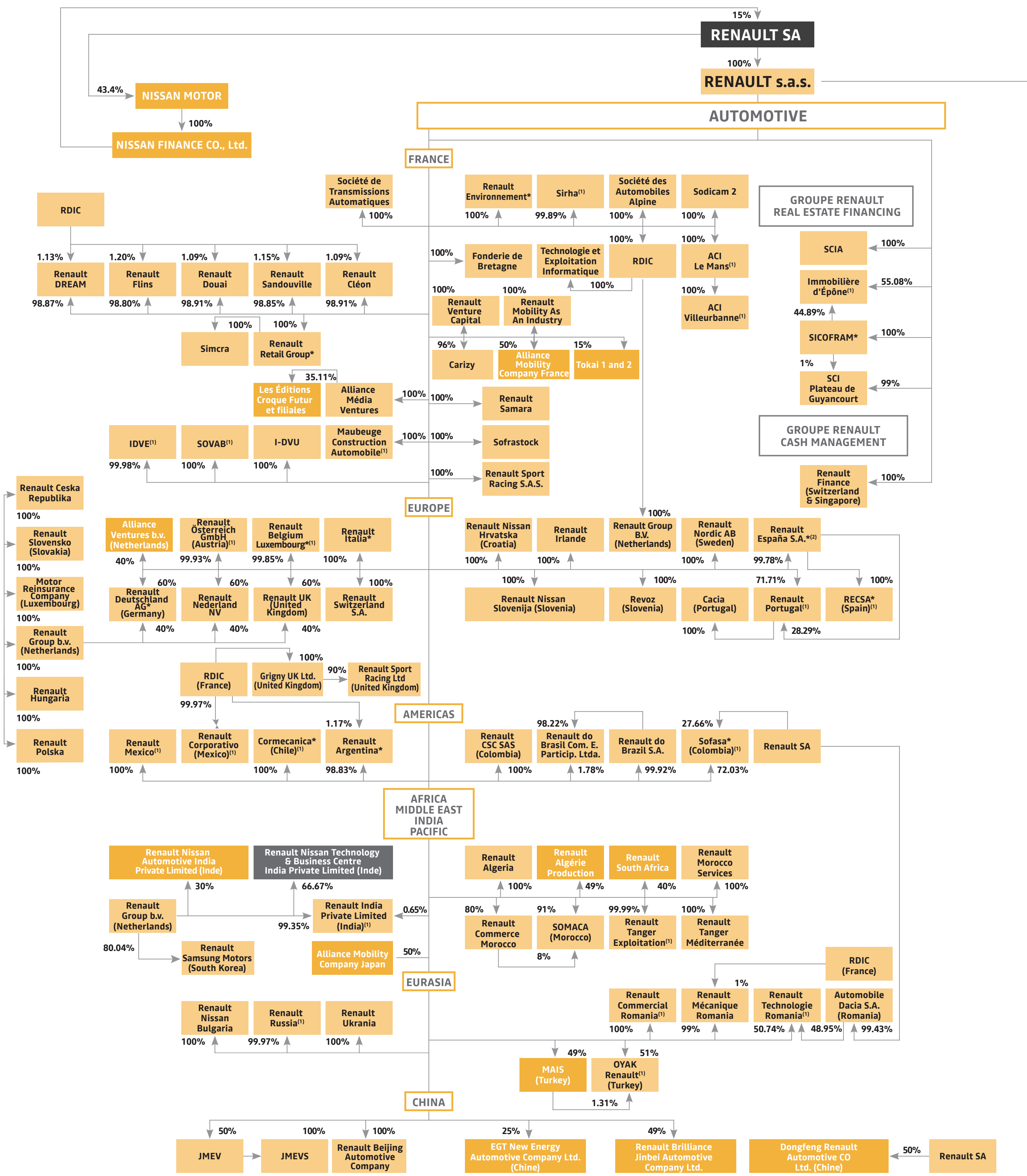
67.61% indirectly owned by Groupe Renault.

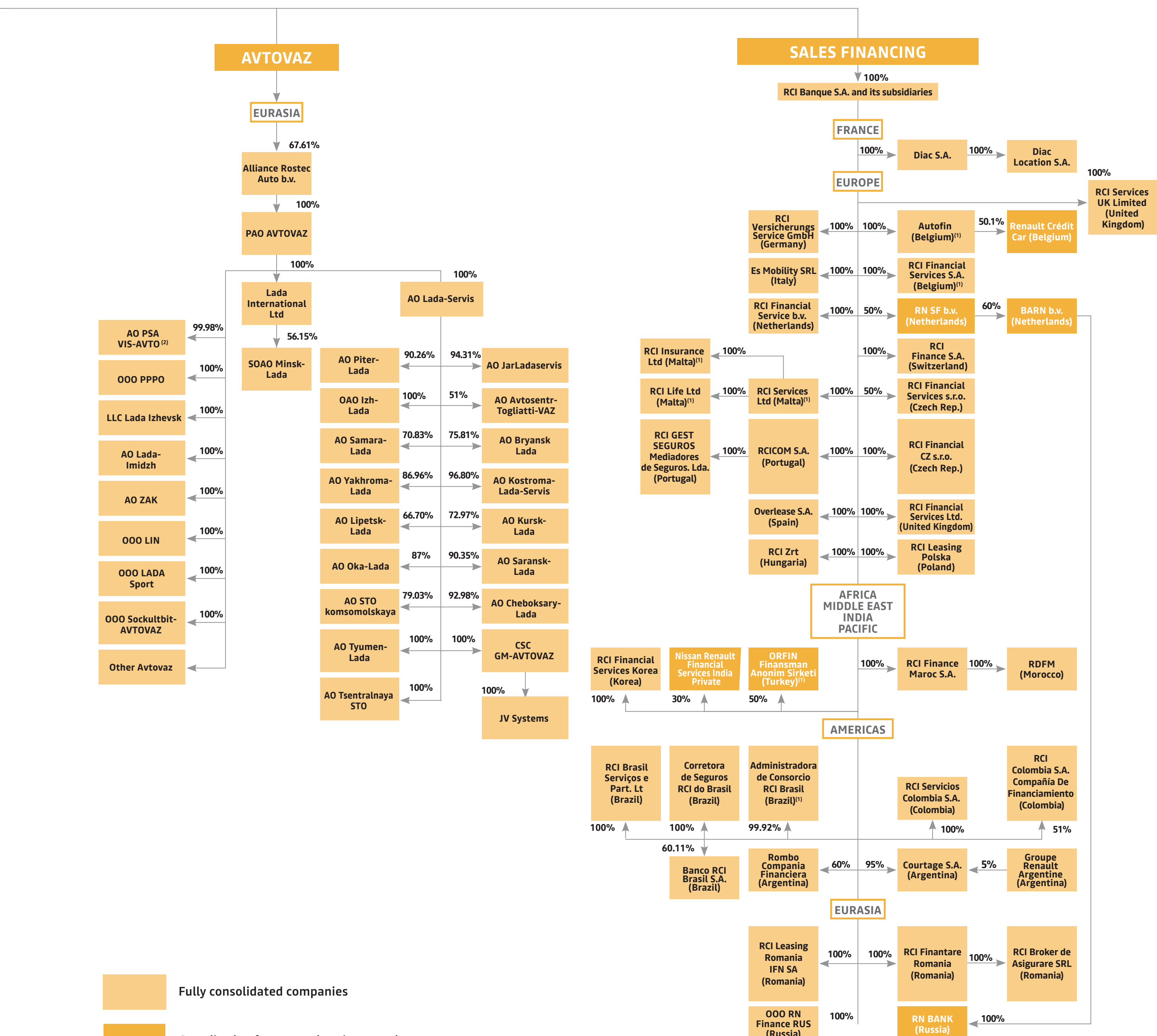
Business: Manufacturing and marketing of Lada vehicles

Revenues at December 31, 2019: €3,867 million.

Workforce at December 31, 2019: 36,323 people.

## 1.1.6.2 Detailed organization chart of the consolidated Group as of December 31, 2019






Fully consolidated companies

Contribution from associated companies

Companies consolidated according to percentage of participation of each element of the balance sheet and profit and loss account

* and subsidiaries

Percentages correspond to the share of capital held.
You are remIndiad that this may differ from the percentage ownership.

*(1) Other subsidiaries holdings of less than 1%.*
*(2) Third-party holdings of less than 1%.*

## 1.1.7 History of the Group

### 1898

**The Renault Frères company is founded.**

### 1945

The Company is nationalized and becomes the **Régie Nationale des Usines Renault** and concentrates on producing the 4CV.

### 1972

Launch of the Renault 5: **one of the Group's best-selling models ever.**

### 1984

Launch of the Renault Espace: **the first crossover van in the Company's history.**

### Novembre 1994

The French government opens Renault to outside capital, a first step toward privatization, which takes place in July 1996.

### 1998

Coinciding with Renault's 100th anniversary, the Technocentre is inaugurated in Guyancourt, France. This engineering center is intended **to bring together all the actors involved in designing the brand's new models.**

### 1999

Renault and Nissan sign an agreement serving as the basis for a **cooperation combining cross-shareholding and industrial collaboration.** Renault acquires a 36.8% stake in Nissan. The Renault-Nissan alliance is born.

### 2000

After Dacia, Renault acquires a 70.1% stake in Samsung Motors and thus forms **Renault Samsung Motors, which produces and sells vehicles in Korea.**

### 2003

The year of the MEGANE II, with five different bodies added to the two models launched in 2002, **seven models are launched in 17 months and the MEGANE becomes the best-selling car in Europe.**

### 2005-2006

Over these two years, Fernando Alonso takes the world title at the wheel of a Renault. **Thanks to these victories, the Renault F1 Team is named World Constructors' Champion.**

### 2008

Renault acquires 25% of the shares of the carmaker AVTOVAZ, a leader on the Russian market with the LADA brand.

## 2010

- Unveiled at the **Paris Motor Show, the DeZir concept car marks the resurgence of Renault's design strategy** spearheaded by Laurens van den Acker. It represents the first petal (Love) of the daisy in the life cycle, on which this strategy is based.

- The Alliance and Daimler AG sign a **long-term strategic cooperation agreement.** Daimler holds 3.1% of Renault and Nissan shares, and Renault and Nissan each hold 1.55% of the Daimler shares.

## 2013

- The **ZOE, an all-electric car,** is launched.

- 2013 is also marked by the signature of a **joint venture between Renault and the Chinese automaker Dongfeng**, forming the DRAC (Dongfeng Renault Automotive Company). This signature paves the way for **the construction of a new plant in Wuhan.**

## 2015

- **ALPINE celebrates 60 years** of motorsport passion by unveiling its new ALPINE Celebration show car, developed specially for the Le Mans race.

## 2016

- After DeZir in 2010, Renault unveils TreZor, its new concept car.
- Japanese carmaker Mitsubishi joins the Renault-Nissan alliance.

## 2017

- The Group unveils **SYMBIOZ**. This concept car illustrates the vision of Groupe Renault for the automobile and its place in society between now and 2030.
- Creation of **eGT New Energy Automotive Co. Ltd,** a new joint venture (Renault 25%, Nissan 25% Dongfeng 50%) to develop **zero-emission mobility in China.**
- Groupe Renault and Brilliance China Automotive sign an agreement for the **creation of a joint venture for the manufacture and sale of light commercial vehicles in China** in three segments and three brands – Jinbei, Renault and Huasong.

## 2018

- **The three robot vehicle concepts, EZ-GO, EZ-PRO and EZ-ULTIMO, illustrate the Group's vision for urban, shared mobility of the future.**
- **Renault celebrates its 120 YEARS OF MOBILITY: a new era dawns in the world of transport but our vision remains steadfast: provide sustainable mobility for all, today and tomorrow.**

120 RENAULT

# 1.2 THE ALLIANCE

## 1.2.1 Overview

The Alliance between the Renault and Nissan groups constitutes the most sustainable and productive multi-cultural strategic collaboration in the automotive industry. For more than 20 years, this partnership has offered a unique, pragmatic and agile model, always able to evolve and integrate new projects and partners. Extended to Mitsubishi group, it forms the largest automotive alliance in the world.

The Alliance has proven its leadership in zero-emission vehicles and is developing the innovative technologies of tomorrow's autonomous, connected and affordable vehicles.

The Alliance aims to create value for each partner and for all stakeholders (employees, customers, suppliers, etc.).

## 1.2.2 History

On March 27, 1999, Renault and Nissan Motor Co. Ltd ("Nissan") entered into the founding agreement of the Alliance, the Alliance and Equity Participation Agreement (the "AEPA").

Under the provisions of the AEPA, Renault acquired a 36.8% stake in Nissan's share capital and subscribed for share subscription warrants that enabled it to increase its stake first to 39.9% and then to 44.4% of Nissan's capital.

For its part, Nissan was given the opportunity to acquire a stake in Renault in the future.

Nissan's turnaround and the Alliance's rapid success led the partners to take a new step forward by accelerating the implementation of their financial agreements, and further institutionalizing their commercial and industrial cooperation.

Accordingly, on December 20, 2000, Renault and Nissan entered into the Alliance's second framework agreement, the "Alliance Master Agreement" (the "AMA"), which was reiterated and updated on March 28, 2002 in the "Restated Alliance Master Agreement" (the "RAMA").

Under the AMA and then the RAMA, Renault strengthened its stake in Nissan, and Nissan acquired a 15% stake in Renault's share capital:

- on March 1, 2002, Renault increased its stake in Nissan from 36.8% to 44.4%; on April 6, 2010, a share exchange agreement between Renault, Nissan and Daimler resulted in Renault's stake in Nissan decreasing from 44.4% to 43.4% at the same time as Daimler entered the capital of Renault and Nissan; and
- on March 29, 2002 and May 28, 2002, Nissan increased its stake in Renault to 15% through two capital increases reserved to Nissan Finance Co. Ltd., a wholly-owned subsidiary of Nissan.

Pursuant to Article L. 233-31 of the French Commercial Code, the Renault shares held by Nissan Finance Co. Ltd are not taken into account in the calculation of the quorum, and do not confer voting rights, *i.e.*, the voting rights attached to such shares cannot be exercised at shareholders' general meetings.

In application of the RAMA, Renault-Nissan b.v. ("RNBV") was formed on March 28, 2002. This Amsterdam-based company has been owned equally by Renault and Nissan since 2002. It was formed to coordinate the common activities on a global scale and contribute to the preparation of the Alliance's strategy and mid and long-term planning (see section 1.2.3.2 "Powers of RNBV").

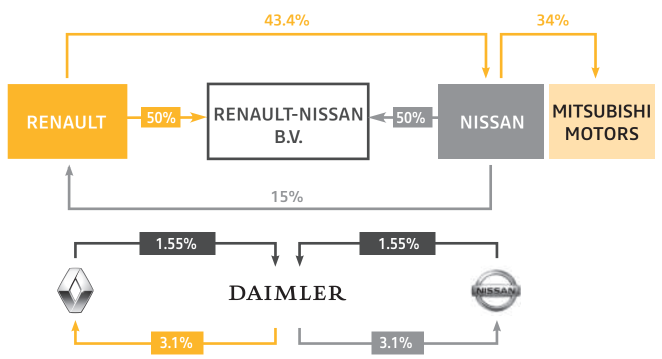
In the context of the increase by the French State's stake in the share capital of Renault in 2015 and then the introduction of double voting rights, the Board of Directors of Renault authorized, on December 11, 2015, the signing of the following agreements, which the shareholders' general meeting approved on April 29, 2016:

- a governance agreement entered into on February 4, 2016 between Renault and the French State, aimed at restricting the free exercise of the French State's voting rights for certain decisions submitted to Renault's shareholders' general meeting.

  This agreement is described in section 5.2.6.2 "Shareholders' agreements on shares and voting rights of the Company"; and
- a third amendment to the RAMA signed on December 11, 2015 between Renault and Nissan that enshrines in particular the constant practice of non-interference of Renault in the governance of Nissan.

On November 2, 2017, the French State sold the 14 million Renault shares acquired in 2015. On that occasion, and in accordance with applicable regulations, Renault bought back 1,400,000 shares (*i.e.*, 10% of the shares sold by the French State) with the aim of implementing an offer reserved for employees and former employees of the Group.

The agreements concluded between with the French State and Nissan remain in force.




On October 20, 2016, Nissan, which is 43.4% owned by Renault, acquired a 34% stake in Mitsubishi Motors, thus becoming its largest shareholder.

The acquisition of Mitsubishi Motors by Nissan enabled the expanded Alliance to consolidate its industrial position, the three manufacturers having a combined sales volume of more than 10.76 million units in 2018.

On March 12, 2019, the Alliance Operating Board was set up. This is a body that oversees the operations and governance of the Alliance between Renault, Nissan and Mitsubishi Motors and heralds a new beginning for the world's leading automotive alliance.

## 1.2.3 Functioning of the Alliance in 2019

### 1.2.3.1 The Alliance Operating Board

The Alliance Operating Board was created on March 12, 2019. It is in charge of operational coordination between Renault, Nissan and Mitsubishi Motors and will take new initiatives that will create value for their respective shareholders and employees.

This new Alliance Operating Board comprises four members, appointed by Renault (2 members, including the Chairman of the Alliance Operating Board), by Nissan (1 member), and by Mitsubishi Motors (1 member).

Mr Jean-Dominique Senard, Chairman of the Board of Directors of Renault, chairs the Alliance Operating Board, which also includes the Chief Executive Officer of Nissan, Mr Makoto Uchida, the Chief Executive Officer of Renault, Ms Clotilde Delbos, and the Chairman of the Board of Directors of Mitsubishi Motors, Mr Osamu Masuko, who have permanent seats on the Board.

The decisions of the Alliance Operating Board are made by all members by consensus, in accordance with the Alliance's "win-win" principle. The Alliance Operating Board meets monthly, and as often as the Alliance's interest requires, in Paris or Yokohama.

This new Alliance Operating Board oversees Alliance operations and governance issues involving Renault, Nissan and Mitsubishi Motors. In practice, the Board replaces RNBV in its governance functions. In any event, RNBV continues to exist, and supports the Alliance Operating Board, particularly for decisions and proposals that are delegated to RNBV pursuant to the RAMA, the Management Agreements and the by-laws of Renault s.a.s. and of RNBV.

The new Alliance Operating Board may be assisted by specific operating committees that make recommendations on new sources of value creation between the three automakers. During 2019, the Alliance Operating Board worked on programs aiming at significantly improving and accelerating the operating effectiveness of the Alliance in the interest of the three companies, including action plans whose objective is to maximize the contribution of the Alliance in order to support the strategic plan and the operating results of each company.

In December 2019, the Alliance Operating Board appointed a General Secretary, Mr Hadi Zablit, whose role is to coordinate and facilitate the major projects of the Alliance that are going to be launched to accelerate the operating efficiency of the respective companies. The Alliance General Secretary reports to the Alliance Operating Board.

On January 30, 2020, the Alliance Operating Board defined a new framework to further strengthen its business model and consolidate its governance structure. The three partner companies reaffirmed that the Alliance is essential for strategic growth and improving their respective competitiveness

This new framework will strengthen the Alliance member companies' ability to leverage on their strengths and boost their strategies. The Board also reaffirmed the key programs aimed at supporting initiatives that will enable each member to become more competitive and to increase their profitability in the context of the automotive industry's transition to new mobility services.

The Alliance Operating Board has therefore decided:

- Each of the three companies will be the reference company for a dedicated Region: Nissan for China, Renault for Europe, and Mitsubishi for South-East Asia;
- Engineering will work on a leader/follower model, expanding this scheme to platforms, powertrains and key technologies. This means one company will lead in the Alliance for the development of each key technology, which will then be shared with the Alliance partners;
- The three companies will pool their CAFE credits in Europe from 2020;
- For light commercial vehicles (LCVs), Renault will develop and manufacture the Mitsubishi light commercial vehicle at its Sandouville plant, based on the Renault TRAFIC platform which will be marketed in Oceania; and
- The three companies will concertedly announce the measures needed to improve their performance over the time horizon of their respective strategic plans.

This new scheme will enhance the effectiveness and efficiency of the Alliance projects, in order to optimize the use of resources and investments within the three companies.

### 1.2.3.2 Renault-Nissan b.v. (RNBV)

Since 2002, RNBV has had decision-making and recommendation powers that it exercises in consensus with each partner and in compliance with their interests.

These decision-making and recommendation powers are exercised in areas that affect Alliance-wide strategy and planning. RNBV's decisions and recommendations reflect the common positions of the Alliance partners. They are made in compliance with Renault's corporate interest.

Furthermore, RNBV has control over Alliance Purchasing Organization (APO), created in April 2001 under the corporate name Renault-Nissan Purchasing Organization (RNPO), of which RNBV has been the sole shareholder since June 24, 2003.

RNBV does not intervene in the operational management of Renault or Nissan and does not share in the profits or bear the associated risks. Operational decisions are made and implemented by each company to the extent that such company is affected by them, including decisions on the so-called converged activities.

This company is not consolidated due to its non-significant nature, in accordance with the accounting principles described in thenote 2-B of consolidated financial statements presented in section 4-2.

#### Powers of RNBV

In accordance with the RAMA and Article 15 of the Renault s.a.s. by-laws, Renault and Nissan have 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 pursuant to an agreement entitled *Renewal Agreement of the Management Agreement* the provisions of which are identical to those of the Management Agreement (the "*Renewal Agreement of the Management Agreement*"). Renault shareholders were informed of this at Renault's 2012 annual shareholders' general meeting.

The delegation of powers granted to RNBV will expire on April 16, 2022. The Renault shareholders will be informed of the renewal of the Management Agreement.

The list of powers delegated to RNBV is restrictive and has not changed since the creation of the Alliance.

First and foremost, RNBV has decision-making powers that cover:

- adoption of 3-, 5- and 10-year plans (strategic Company projects, with quantified data);
- approval of product plans (phase of strategic projects corresponding to the design, manufacturing and sale of current or future products, vehicles and components);
- decisions concerning the sharing of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- principles of financial policy, including:
  - discount rates used for profitability studies and hurdle rates, applicable to future models and investments,
  - risk management rules and the policy applicable to them,
  - financing and cash management rules,
  - debt leverage strategy;
- management of common subsidiaries, and the creation, modification, steering and disbandment of Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These teams operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific area of activity; and
- any other subject or project assigned to RNBV on a joint basis by Nissan and Renault.

RNBV also has the exclusive power to propose a set of decisions to Renault and Nissan. Both manufacturers remain free to follow those proposals or not.

These proposals relate to:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes for management;
- significant changes in scope involving total amounts of \$100 million or more;
- strategic investments exceeding \$500 million; and
- strategic cooperations between Nissan or Renault and third parties.

#### Governance of RNBV

The functioning of the Management Board of RNBV is described in Articles 14 et seq. of the RNBV Articles of Association.

A French translation of the RNBV Articles of Association is available on the Renault website.

The composition of the Management Board of RNBV has always followed a principle of balance in the representation of Renault and Nissan. In practice, decisions and recommendations from RNBV are always made by consensus between the two shareholders.

Pursuant to the RNBV Articles of Association and the RAMA, the Management Board was composed on December 31, 2019 of ten members:

- five members are appointed by Renault, the "R Members", including Renault's Chief Executive Officer who holds the title of "Chairman and CEO", *i.e.*, Chairman of the Management Board of RNBV;
- five members are appointed by Nissan, the "N Members", including Nissan's Chief Executive Officer who holds the title of Vice-Chairman, *i.e.*, Vice-Chairman of the Management Board.

The Chairman and the Vice-Chairman of the Management Board of RNBV have four votes each, and the other members of the Management Board have one vote each. In the event of a tie, the Chairman has a casting vote.

All decisions of the Management Board are made by simple majority of the votes of the members present or represented.

Pursuant to the RNBV Articles of Association, the Management Board has the power to represent RNBV vis-à-vis third parties. Likewise, the Chairman and the Vice-Chairman each have the power to represent RNBV vis-à-vis third parties.

All decisions affecting the Alliance are made in the common interest of Renault and of Nissan. In the event that a member of the Management Board finds itself in a situation where there is a conflict of interest in the decision-making process, he or she shall abstain from taking part in the decision.

The decisions and recommendations initiated by RNBV are prepared by Renault and Nissan managers. They reflect the common position of the Alliance partners in strategic and planning matters, within the Alliance.

Renault representatives within RNBV, as well as Renault's management and administrative bodies, ensure that all decisions initiated by RNBV are made in compliance with Renault's corporate interest.

In addition, RNBV's decisions and recommendations are submitted to the management and administrative bodies of Renault, which ensure their compliance with Renault's corporate interest. Thus, no strategic option with regard to Renault, including under powers delegated to RNBV, is taken without Renault executives or Board of Directors, depending on circumstances, having expressed an opinion.

As part of this review, the members of Renault's Board of Directors, including its independent members, have all the information they need on the questions submitted to them.

The implementation of the orientations defined by RNBV and all of the resulting operational decisions remain within the exclusive competence of Renault, which is represented by its Board of Directors and the executives authorized to represent the Company.

Beyond the areas falling within RNBV's competence, Renault is entirely free to conduct its activities, and all decisions relating to the operational, commercial, financial and social management of the company are made by its management and administrative bodies acting autonomously and independently.

## 1.2.4 Strategic cooperations

The Alliance has demonstrated its ability to cooperate with various partners. These strategic cooperations make it possible to increase economies of scale, accelerate growth in new regions, gain access to new technologies, share costs and jointly fund research and development of next-generation vehicles and engines. Existing and potential partners of the Alliance especially appreciate its ability to deepen collaboration over several business cycles.

The Alliance's most significant strategic collaboration is by far the one with the premium manufacturer Daimler. This partnership began in April 2010. This strategic cooperation is strengthened by cross-shareholdings: Daimler holds 3.1% of Renault's and Nissan's share capital, while Renault and Nissan each hold 1.55% of Daimler's share capital.

This co-operation is managed by a Cooperation Committee co-chaired by Mr Jean-Dominique Senard, Chairman of the Alliance Operating Board, and Mr Ola Kaellenius, Chairman of the Management Board of Daimler AG and CEO of Mercedes-Benz AG, comprises the senior executives of Renault, Nissan, Mitsubishi Motors and Daimler. This committee, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. No specific areas of potential collaboration are excluded. When teams suggest projects that could benefit all partners, they then launch feasibility studies. If senior executives and Board members of all companies agree, then the project is approved.

Cooperation between the Alliance and Daimler has intensified since 2010. In 2018, Mitsubishi Motors was fully integrated into the cooperation with Daimler.

It now covers a number of projects developed on three continents. The key projects in which Renault is currently participating are as follows:

- in addition to the thermal versions of the TWINGO and Smart, an electric version of the Smart 2 and 4-seater was launched in 2017, and an electric version of the TWINGO is currently under development. The electric engines are being built at the Renault plant in Cléon. The battery of the electric Smart is produced by a Daimler subsidiary, "Deutsche ACCUmotive", in Kamenz, Germany, and the Twingo battery will be produced in Novo-Mesto (Slovenia);
- Renault developed a small light commercial vehicle based on KANGOO for Daimler. This vehicle has been manufactured in the Renault Maubeuge plant since 2012. The successors of the KANGOO and CITAN are currently under development;
- the Alliance and Daimler AG are jointly developing a new direct-injection turbocharged small gasoline engine family (1l and 1.3l). These new, more compact engines feature state-of-the-art technology enabling improvements in fuel economy, as well as significant reductions in emissions. The new engines debuted in Daimler, Renault and Nissan vehicles in late 2017;
- the Mercedes-Benz one-ton pick-up, which shares its architecture with the Nissan NP300 NAVARA and the Renault ALASKAN, is built by Nissan in its Barcelona plant;
- the Q30 and QX30, high-end compact vehicles marketed under the Infiniti brand and based on Daimler architecture, are manufactured at the Nissan plant in Sunderland, United Kingdom. Production of the Q30 began in November 2015 and that of the QX30 in early 2016. Nissan decided to stop this production in June 2019;
- in early 2018, production of Infiniti QX50 compact premium segment and Mercedes-Benz Class A vehicles started at the shared plant in Aguascalientes (COMPAS) as a joint venture between Daimler and Nissan.
- in 2019, Groupe Renault and Nissan signed an exclusive agreement with Waymo on autonomous mobility services for people and property, in France and Japan.

## 1.2.5 The Alliance's financial indicators

### 1.2.5.1 Synergies

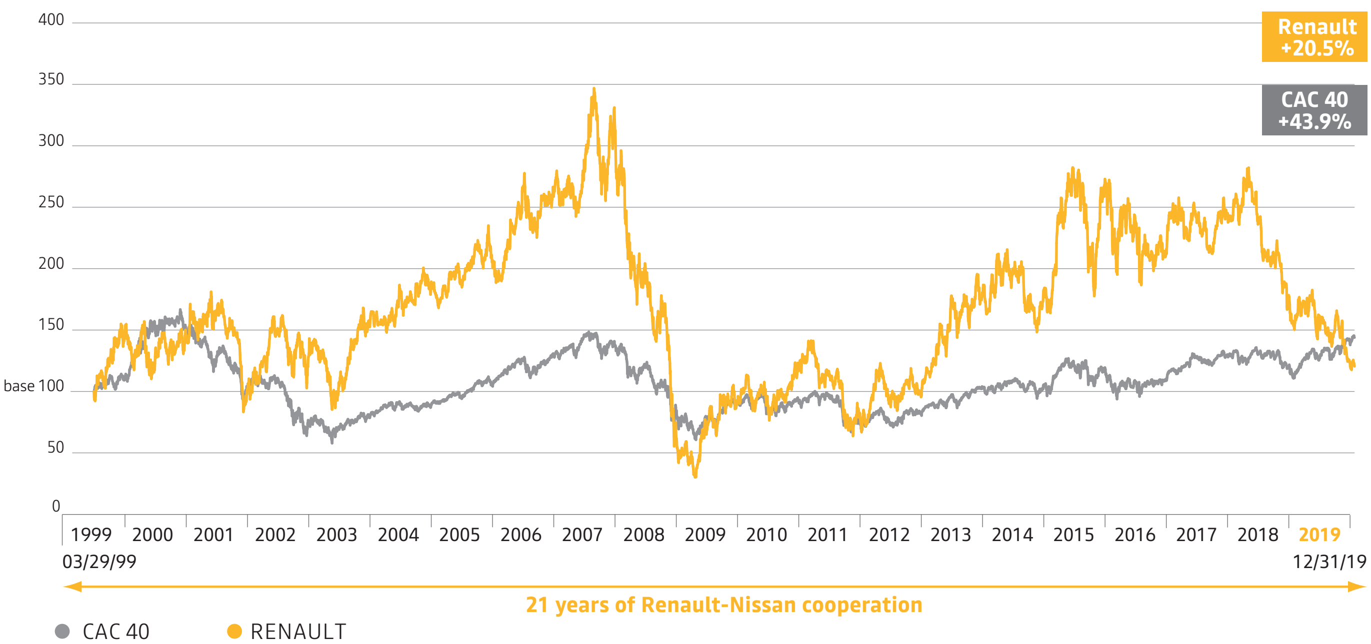
The profound changes in the governance of Renault, of Nissan and of the Alliance in 2019 and the revision of the objectives of the mid-term plans scheduled for 2020 have affected the calculation of the Alliance's synergies.

Alliance members are currently working on a new calculation methodology that will provide a better understanding of the impact of these synergies on the economic performance of each of its members, including Renault.

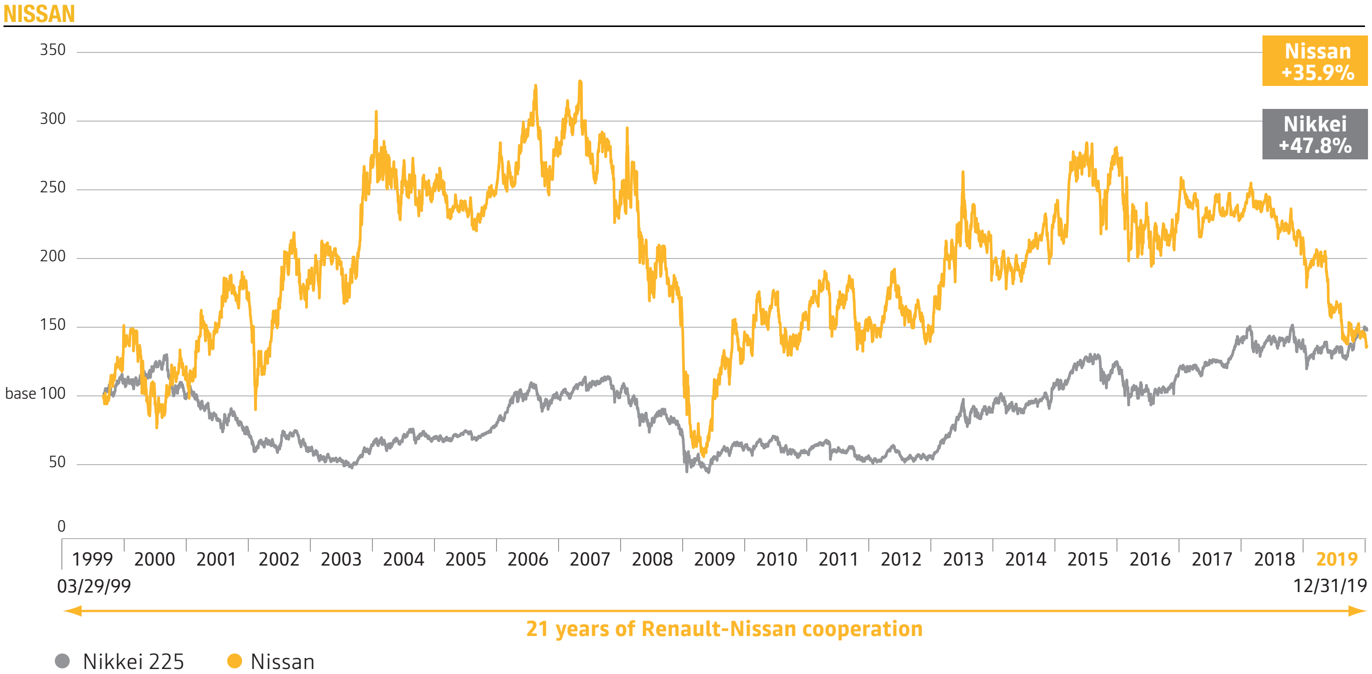
In this context, the relevance of the amount of synergies, calculated according to the old methodology, does not seem sufficient to be published, particularly in this document.

### 1.2.5.2 Renault and Nissan shares since the creation of the Alliance in 1999

RENAULT




NISSAN



**STOCK MARKET CAPITALIZATION OF AUTOMOTIVE MANUFACTURERS IN MARCH 1999 AND DECEMBER 2019**

| *(€ million)* | March 29, 1999 | Ranking | December 31, 2019 | |
|---|---|---|---|---|
| Toyota | 96,736 | 1 | Toyota | 206,334 |
| Daimler | 81,541 | 2 | VW | 87,628 |
| Ford | 59,848 | 3 | Daimler | 52,818 |
| GM | 52,518 | 4 | BMW | 47,160 |
| Honda | 39,961 | 5 | GM | 46,586 |
| VW | 22,159 | 6 | Honda | 46,017 |
| BMW | 16,277 | 7 | Ford | 32,262 |
| Fiat | 13,522 | 8 | Hyundai | 23,411 |
| Nissan | 9,049 | 9 | Nissan | 22,008 |
| Renault | 8,393 | 10 | Fiat | 20,446 |
| PSA | 6,615 | 11 | PSA | 19,273 |
| Hyundai | 678 | 12 | Renault | 12,474 |

## 1.2.5.4 Value of joint operations

Groupe Renault made purchases from Nissan in 2019 for approximately €1,896 million (€2,184 million in 2018), comprising around €1,046 million of vehicles (€1,068 million in 2018), €655 million of components (€884 million in 2018), and €195 million of services (€223 million in 2018) (see note 12 J of the Renault consolidated financial statements).

## 1.2.5.5 Alliance production sites worldwide

**GROUPE RENAULT PLANTS**
- Passenger cars (PC)
- Light commercial vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

**PARTNER PLANTS**
- Passenger cars (PC)
- Light commercial vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

**LOGISTICS SITES**
- Logistics platform

**ALLIANCE SITES**
- Renault-Nissan Alliance plants

- FRANCE
- EUROPE
- EURASIA
- AFRICA, MIDDLE EAST, INDIA AND PACIFIC
- CHINA
- AMERICAS

**FRANCE SITES**
- Batilly (Sovab)
- Caudan (Fonderie de Bretagne)
- Choisy-le-Roi
- Cléon
- Dieppe (Alpine)
- Douai
- Flins
- Le Mans
- Maubeuge (MCA)
- Ruitz (STA)
- Saint-André-de-l'Eure (Sofrastock International)
- Sandouville
- Villeurbanne

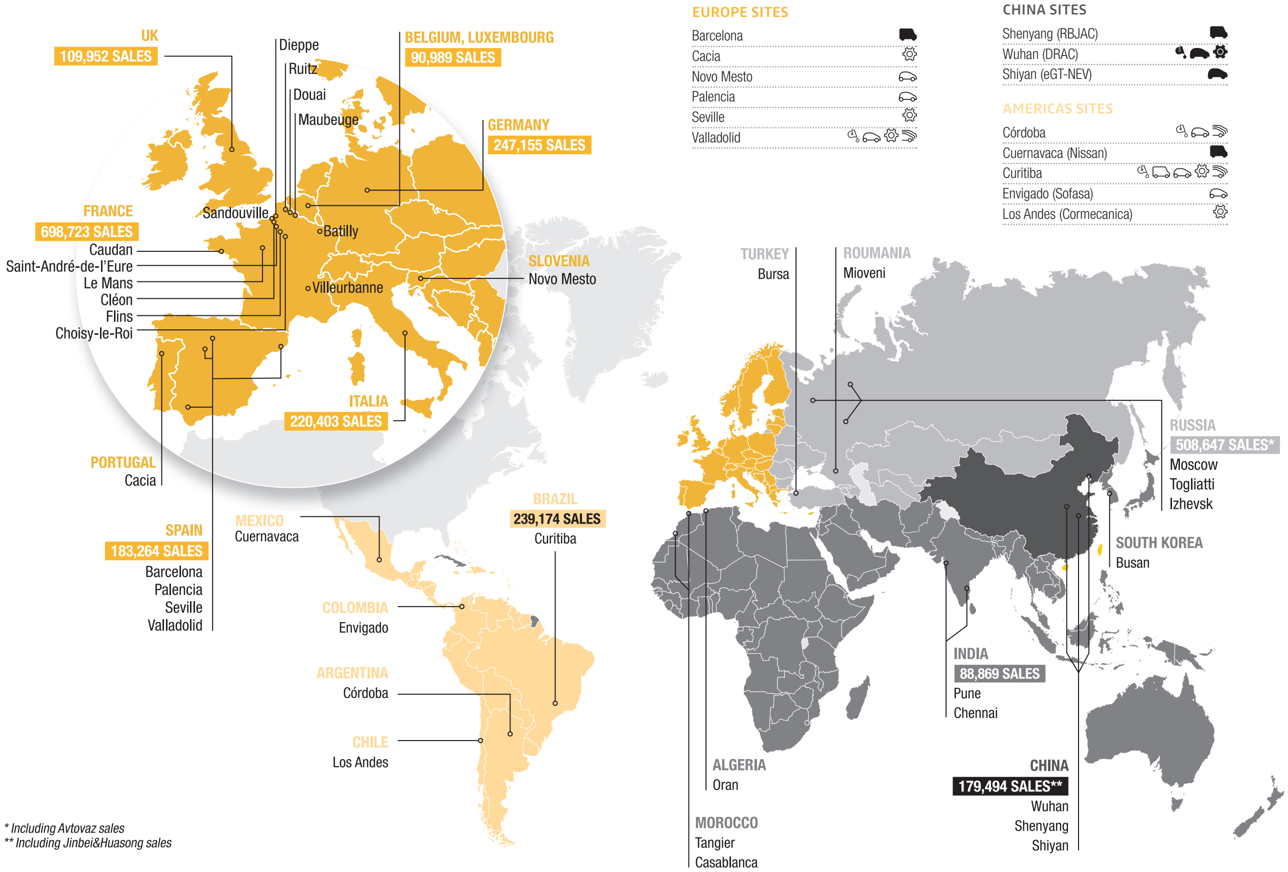
**EUROPE SITES**
- Barcelona
- Cacia
- Novo Mesto
- Palencia
- Seville
- Valladolid

**EURASIA SITES**
- Bursa (Oyak-Renault)
- Izhevsk (AVTOVAZ)
- Mioveni (Dacia)
- Moscow
- Togliatti (AVTOVAZ)

**AFRICA, MIDDLE EAST, INDIA AND PACIFIC SITES**
- Casablanca (Somaca)
- Chennai (Renault-Nissan)
- Oran
- Pune
- Tanger (Renault-Nissan)
- Busan (RSM)

**CHINA SITES**
- Shenyang (RBJAC)
- Wuhan (DRAC)
- Shiyan (eGT-NEV)

**AMERICAS SITES**
- Córdoba
- Cuernavaca (Nissan)
- Curitiba
- Envigado (Sofasa)
- Los Andes (Cormecanica)




* Including Avtovaz sales
** Including Jinbei&Huasong sales

## 1.2.6 Nissan 2019 results

Nissan's financial statements are prepared pursuant to Japanese accounting standards, which differ from the standards used by Renault. The statements include intermediate operating results and some Nissan-specific indicators. In order to measure the contribution to Renault's results, Nissan's financial statements are restated, as described in chapter 4, note 12 to the consolidated financial statements. Nissan's financial year starts on April 1st and ends on March 31 of the following year.

### 1.2.6.1 Nissan 2019 financial year after nine months

Nissan's net income for the nine months ended December 31, 2019 fell by 87.6% to ¥39.3 billion. Operating profit reached ¥54.3 billion for the period, representing a 0.7% margin on net revenues of ¥7.51 trillion. Globally, Nissan sold 3.7 million vehicles in the first nine months of the 2019 financial year, a 8.1% decrease compared to last year.

### 1.2.6.2 Nissan's contribution to Renault's 2019 consolidated net income

Nissan's contribution to Renault's earnings in 2019 was €242 million, compared to €1,509 million in 2018, recorded in the financial statements as a share of the net income of companies accounted for by the equity method (see chapter 4, note 12 of the consolidated financial statements).

# 1.3 EARNINGS REPORT – 2019

## KEY FIGURES

| | 2019 | 2018 | Change |
|---|---|---|---|
| Worldwide Group sales (1) *(million vehicles)* | 3.75 | 3.88 | -3.4% |
| Group revenues *(€ million)* | 55,537 | 57,419 | -1,882 |
| Group operating profit *(€ million)* | 2,662 | 3,612 | -950 |
| *(% revenues)* | 4.8% | 6.3% | -1.5 pts |
| Group operating income *(€ million)* | 2,105 | 2,987 | -882 |
| Contribution from associated companies *(€ million)* | (190) | 1,540 | -1,730 |
| *o/w Nissan (€ million)* | 242 | 1,509 | -1,267 |
| Net income *(€ million)* | 19 | 3,451 | -3,432 |
| Net income, Group share *(€ million)* | (141) | 3,302 | -3,443 |
| Earnings per share *(€)* | (0.52) | 12.24 | -12.76 |
| Automotive operational free cash flow (2) *(€ million)* | 153 | 607 | -454 |
| Automotive net cash position (3) *(€ million)* | 1,734 | 3,702 | -1,968 |
| Sales Financing, average performing assets *(€ billion)* | 47.4 | 44.4 | +6.8% |

*(1) Worldwide Group sales include Jinbei&Huasong sales.*
*(2) Automotive operational free cash flow: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.*
*(3) 2019 figures include the impacts of the application of IFRS 16 "Leases" from January 1, 2019. The figures for 2018 have not been restated.*

## Overview

In 2019, **Groupe Renault** sales volumes totaled 3,753,723 vehicles, down -3.4%. Groupe Renault maintains a market share of 4.25% in a market down -4.8%.

Worldwide sales of the Group's **electric vehicles** rose +23.5% to 62,447 vehicles.

In the **light commercial vehicle** segment, the Group volumes rose +0.7% to reach a new sales record.

**Group revenues** reached €55,537 million (-3.3%), including €3,130 million for AVTOVAZ (+3.0%). Excluding currency impact, Group revenues would have been down -2.7%.

**Automotive excluding AVTOVAZ revenues** decreased -4.2% to €49,002 million.

This decline was due to a negative volume effect of -1.4 points notably linked to lower sales in Argentina, Turkey and Algeria.

Sales to partners were down -3.4 points due to lower vehicle production for Nissan and Daimler, as well as the decline in demand for diesel engines in Europe and the sharp drop in our CKD[1] business in China and the end of this activity in Iran.

The currency effect, negative by -0.7 points, was mainly due to the sharp devaluation of the Argentinian peso and the Turkish lira.

The price effect, positive by +1.7 points, stemmed from efforts to offset these currency devaluations and price increases in Europe, notably related to regulatory costs. Since the fourth quarter, the price effect has benefited from a more ambitious pricing policy, particularly in Europe with New CLIO.

*(1) CKD: Complete Knock Down*

The **Group's operating margin** amounted to €2,662 million and represented 4.8% of revenues compared to 6.3% in 2018.

**Automotive excluding AVTOVAZ operating margin** was down -€920 million to €1,284 million, which represented 2.6% of revenues compared to 4.3% in 2018.

The change can be explained by the following:

- volume effect had a negative impact of -€582 million, including sales to partners;
- mix/price/enrichment effect was negative -€587 million because of enrichment (regulatory and on new products) and the decrease in the diesel sales in Europe;
- the Monozukuri effect was positive by +€547 million. It benefited from purchasing performance, increase in the capitalization rate of R&D but has been penalized by an increase in the depreciation;
- raw materials weighed for -€324 million largely on higher prices for precious metals and steel;
- the improvement of +€121 million of G&A stemmed from the company's effort to limit its costs and included positive non-recurring effects;
- currencies impacted by +€24 million due to the positive effect of the depreciation of the Turkish lira on production costs which compensated for the negative impact of the Argentinian Peso.

The **AVTOVAZ operating margin contribution** amounted to €155 million, compared to €204 million in 2018 after lower positive non-recurring effects for about €70 million.

**Sales Financing** contributed €1,223 million to the Group's operating margin, compared to €1,204 million in 2018. This +1.6% growth was due to the increase in average performing assets, reflecting RCI Banque's strong commercial momentum, despite a negative currency effect of -€26 million and a rise in losses of mobility services activities also for -€26 million.

**Other operating income and expenses** amounted to -€557 million (compared to -€625 million in 2018) coming from nearly -€240 million of restructuring charges, notably related to the early retirement program in France and impairments for about -€300 million notably in China and Argentina.

The **Group's operating income** came to €2,105 million, compared to €2,987 million in 2018.

Net financial income and expenses amounted to -€442 million, compared to -€353 million in 2018 despite an almost stable cost of funding. The deterioration in other financial income and expenses is due to lower dividends received from non-consolidated entities and miscellaneous expenses.

The **contribution of associated companies** came to -€190 million, compared to +€1,540 million in 2018. Nissan contributed positively for +€242 million while the contribution of the other associated companies (-€432 million) was heavily penalized by the weak performance of our Chinese joint-ventures also leading to impairments.

**Current and deferred taxes** showed an expense of -€1,454 million including -€753 million due to the discontinuation of the recognition of deferred tax assets on tax losses in France.

**Net income** amounted to €19 million, and net income Group share to -€141 million (-€0.52 per share compared to €12.24 per share in 2018).

**Automotive operational free cash flow, including AVTOVAZ** for €28 million, was positive at €153 million. It is the result of a strong increase in investments, an €350 million increase in dividends received from RCI and a positive change in working capital requirements excluding AVTOVAZ for €1,027 million excluding sales with buy-back commitments.

The Automotive activity at December 31, 2019 held +€15.8 billion of **liquidity** and a **net cash position** of + €1.7 billion.

At December 31, 2019, **total inventories** (including the independent network) represented 68 days of sales, compared to 70 days at end December 2018.

A **dividend** of €1.10 per share, compared to €3.55 per share in 2018, will be submitted for approval at the Shareholders' Annual General Meeting.

The shares would be traded ex-dividend on April 30, 2020 and dividends paid out from May 5, 2020.

## 2020 outlook

In the context of the coronavirus (Covid-19) pandemic and in compliance with the measures taken by the various governments at the date of publication of the Universal Registration Document, Goupe Renault has halted the activity of some of its commercial establishments and plants.

Given the speed of the pandemic's evolution, the continuity of the Group's commercial and production activities around the world will depend on the sanitary situation and government decisions in each country. Due to this level of uncertainties, the impact of this situation on the Group's results is, to date, impossible to assess. The Group will clarify the magnitude of this impact as soon as it is in a position to do so.

The Group plans to restart commercial and production activity in the countries concerned as soon as conditions permit and will implement all appropriate measures to respond effectively to commercial demand.

# 1.3.1 Sales performance

## Overview

- **Groupe Renault** consolidates its positions in its core markets and maintains its global market share.
- Groupe Renault maintains a market share of 4.25% in a market down 4.8%. Sales volumes totaled 3,753,723 vehicles, down 3.4%.
- Over the last quarter, the Group recorded an increase in sales thanks to the success of New CLIO in Europe, Arkana in Russia and Triber in India.
- The Group is consolidating its positions in its core markets: **Europe** grew by 1.3%, in **Russia** it confirmed its solid leadership with 29% market share, in **Brazil** Renault became the fourth brand, gaining two positions, and in **India**, Renault is the only brand to have gained in passenger car volume.
- For the Group, 2020 will mark a new stage in its electric offensive with the launch of TWINGO Z.E. and the deployment of its new E-TECH hybrid and plug-in hybrid offers.
- The attractiveness of new products to customers will enable the Group to continue to improve its price positioning initiated in 2019.
- In a falling global automotive market, RCI Bank and Services achieved a good commercial performance with 1,798,432 contracts financed at the end of 2019.

As of May 2019, the scope of the Regions has changed: the Africa Middle East India Region becomes Africa Middle East India Pacific Region, including the former Asia-Pacific Region without China which becomes now a separated Region. All other Regions remain unchanged. 2018 data are adjusted with new Regions structure.

## Groupe Renault's top fifteen markets

| Sales | | Volumes 2019 (1) *(units)* | PC/LCV market share 2019 *(%)* | Change in market share on 2018 *(points)* |
|---|---|---|---|---|
| 1 | France | 698,723 | 25.9 | -0.3 |
| 2 | Russia (2) | 508,647 | 29.0 | +1.4 |
| 3 | Germany | 247,155 | 6.3 | 0.0 |
| 4 | Brazil | 239,174 | 9.0 | +0.3 |
| 5 | Italy | 220,403 | 10.5 | +0.5 |
| 6 | Spain | 183,264 | 12.4 | +0.1 |
| 7 | China (3) | 179,494 | 0.7 | -0.1 |
| 8 | United-Kingdom | 109,952 | 4.1 | +0.3 |
| 9 | Belgium+Luxembourg | 90,989 | 13.1 | +0.2 |
| 10 | India | 88,869 | 2.5 | +0.4 |
| 11 | South Korea | 86,859 | 5.0 | -0.1 |
| 12 | Turkey | 85,055 | 17.8 | -0.9 |
| 13 | Romania | 72,165 | 37.6 | -1.1 |
| 14 | Morocco | 70,281 | 42.4 | -0.2 |
| 15 | Poland | 69,090 | 11.1 | +0.5 |

*(1) Preliminary figures (excluding TWIZY sales).*
*(2) Including AUTOVAZ sales.*
*(3) Including Jinbei&Huasong.*

### 1.3.1.1 Automotive

#### 1.3.1.1.1 Group sales worldwide by region, by brand & by type

| Passenger cars and light commercial vehicles *(units)* (1) | 2019 (2) | 2018 | Change *(%)* |
|---|---|---|---|
| **GROUP** | **3,753,723** | **3,884,273** | **-3.4** |
| **EUROPE REGION** | **1,945,821** | **1,920,751** | **+1.3** |
| Renault | 1,370,571 | 1,401,574 | -2.2 |
| Dacia | 564,854 | 511,445 | +10.4 |
| Alpine | 4,431 | 1,946 | +++ |
| Lada | 5,965 | 5,786 | +3.1 |
| **AFRICA MIDDLE EAST INDIA & PACIFIC REGION** | **453,223** | **561,860** | **-19.3** |
| Renault | 280,569 | 374,441 | -25.1 |
| Dacia | 89,243 | 98,338 | -9.2 |
| Renault Samsung Motors | 79,081 | 84,954 | -6.9 |
| Alpine | 403 | 148 | +++ |
| Lada | 3,034 | 3,087 | -1.7 |
| Jinbei&Huasong (3) | 893 | 892 | +0.1 |
| **EURASIA REGION** | **750,571** | **747,729** | **+0.4** |
| Renault | 263,110 | 267,538 | -1.7 |
| Dacia | 82,473 | 90,838 | -9.2 |
| Lada | 403,634 | 389,153 | +3.7 |
| Jinbei&Huasong (3) | 0 | 200 | -100.0 |
| AVTOVAZ | 1,354 | 0 | +++ |
| **AMERICAS REGION** | **424,537** | **437,081** | **-2.9** |
| Renault | 420,897 | 436,162 | -3.5 |
| Alpine | 1 | 0 | +++ |
| Lada | 256 | 366 | -30.1 |
| Jinbei&Huasong (3) | 3,383 | 553 | +++ |
| **CHINA REGION** | **179,571** | **216,852** | **-17.2** |
| Renault | 21,946 | 52,887 | -58.5 |
| Jinbei&Huasong (3) | 157,625 | 163,965 | -3.9 |
| **BY BRAND** | | | |
| Renault | 2,357,093 | 2,532,602 | -6.9 |
| Dacia | 736,570 | 700,621 | +5.1 |
| Renault Samsung Motors | 79,081 | 84,954 | -6.9 |
| Alpine | 4,835 | 2,094 | +++ |
| Lada | 412,889 | 398,392 | +3.6 |
| Jinbei&Huasong (3) | 161,901 | 165,610 | -2.2 |
| AVTOVAZ | 1,354 | 0 | +++ |
| **BY VEHICLE TYPE** | | | |
| Passenger cars | 3,129,434 | 3,264,256 | -4.1 |
| Light commercial vehicles | 624,289 | 620,017 | +0.7 |

*(1) TWIZY is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, South Korea, Guatemala, Ireland, Lebanon, Malaisia and Mexico where TWIZY is registered as a passenger car.*
*(2) Preliminary figures.*
*(3) Jinbei & Huasong includes the brands Jinbei JV, Jinbei not JV (Shineray and Huarui) and Huasong.*

In 2019, Groupe Renault sold 3,753,723 vehicles worldwide, down 3.4% (-130,550 vehicles of which -183,000 in the Iranian, Argentinean and Turkish markets) in a market that declined by 4.8%.

Group Market share now stands at 4.25%.

With 2,357,093 vehicles sold in 2019 (-6.9% compared to last year), the Renault brand accounted for 63% of the Group's volumes. Dacia and Lada brands increased by +5.1% and +3.6% respectively.

The **Dacia** brand set a new sales record for the seventh consecutive year in Europe, with 564,854 vehicles sold (+10.4%). Sales of the Alpine brand have more than doubled this year.

Jinbei&Huasong's sales fell by -2.2% and Renault Samsung Motors by -6.9%.

Worldwide sales of the Group's **electric vehicles** rose 23.5% to 62,447 vehicles. New ZOE, launched at the end of 2019, will be the flagship of the electric range in 2020. In the light commercial electric vehicle segment, KANGOO Z.E. remains the undisputed leader, with a growth of 19.2% to 10,349 vehicles. In China, the Group launched Renault City K-ZE in November and recorded 2,658 sales in two months.

In the light **commercial v**ehicle segment, the Group volumes rose 0.7% to reach a new sales record. This record was achieved thanks to the performance of the Renault brand in Europe, which rose 3.6% in a market that grew by 2.8%.

Renault Pro+ maintained its two European leaderships once again in terms of sales volumes for vans and light commercial vehicles, as well as sales of electric light commercial vehicles.

### Europe

**In Europe**, sales rose 1.3% in a market up 1.2%.

CLIO is the leader in the B-segment, with 45% of New CLIO sales in the top-of-the-range version. CLIO IV is maintained in the range to provide a broader customer offering. CAPTUR remains the leading SUV in its category. ZOE saw its volumes grow by 19.1% (47,027 vehicles).

The Dacia brand sold 564,854 vehicles (+10.4%). This increase was driven by the performance of DUSTER and SANDERO.

### Outside Europe

**In Russia**, Groupe Renault led the way with a market share of 29%, up 1.4 points. Sales rose 2.3% in a market that contracted by 2.6%.

Lada sales rose 0.6% to 362,356 vehicles, confirming its leading position with a 20.7% market share. Lada Granta and Lada Vesta confirmed their position as the best-selling vehicles in Russia.

The Renault brand also grew by 5.8% to 144,989 vehicles sold, thanks to the successful launch of Arkana in the second half.

**In Brazil**, sales volumes rose 11.3% to 239,174 vehicles and market share reached a record of 9% (+0.3 points) thanks to the good results of KWID. The market remained dynamic and grew by 7.4%.

**In India**, the Group's strategy is beginning to bear fruit. Renault is the only brand to make progress in 2019 in the passenger cars segment. Sales rose 7.9% in a market that contracted by 11.3%. The increase was mainly due to the successful launch of Triber and the success of New KWID. Market share reached 2.5%, up 0.45 points compared to 2018.

Triber, the compact vehicle with unparalleled flexibility for transporting up to seven people, launched in August, has already recorded 24,142 sales, with more than half of these in the premium version. TRIBER is positioned in a segment that is expected to account for nearly 50% of the Indian market by 2022.

Outside of the core countries, the Group is the leader in Africa, Turkey, Colombia and Romania.

## 1.3.1.1.2 Sales and production statistics

### 1.3.1.1.2.1 Group sales worldwide

Consolidated global sales by brand and geographic areas as well as by model are available in the regulated information of the Finance section on Groupe Renault website.

https://group.renault.com/en/finance-2/regulated-information/Monthly sales

### 1.3.1.1.2.2 Group worldwide production

| **Passenger cars and light commercial vehicles** *(units)* | **2019** [1] | **2018** | **Change** *(%)* |
|---|---|---|---|
| **Group global production** [2] | **3,662,802** | **3,846,603** | **-4.8** |
| *O/w produced for partners:* | | | |
| Nissan | 196,682 | 253,949 | -22.6 |
| Daimler | 49,969 | 71,998 | -30.6 |
| GM | 26,796 | 24,098 | +11.2 |
| Fiat | 23,031 | 25,035 | -8.0 |
| Renault Trucks | 15,580 | 15,802 | -1.4 |

| **Produced by partners for Renault** | **2019** [1] | **2018** | **Change** *(%)* |
|---|---|---|---|
| Nissan - Chennai | 100,546 | 90,262 | +11.4 |
| Other Nissan | 962 | 1,972 | -51.2 |
| China JVs - DRAC, RBJAC, e-GT-NEV | 54,101 | 90,226 [3] | -40.0 |
| Pars Khodro, Iran Khodro - Iran | - | 91,000 | --- |

*(1) Preliminary figures.*
*(2) Production data concern the number of vehicles leaving the production line.*
*(3) Production volumes have been adjusted for an amount of +42,468 units for a correction of error on RBJAC.*

#### 1.3.1.1.2.3 Geographical organization of the Groupe Renault by region – Countries in each region

**AT DECEMBER 31, 2019**

| Europe | Africa Middle East India and Pacific | | Eurasia | Americas | China |
|---|---|---|---|---|---|
| Albania | Abu Dhabi | Madagascar | Armenia | Argentina | China |
| Austria | Algeria | Malawi | Azerbaijan | Bermuda | Hong Kong |
| Baltic States | Angola | Malaysia | Belarus | Bolivia | |
| Belgium-Lux. | Australia | Mali | Bulgaria | Brazil | |
| Bosnia | Bahrain | Martinique | Georgia | Chile | |
| Cyprus | Bangladesh | Mauritania | Kazakhstan | Colombia | |
| Czech Rep. | Benin | Mauritius | Kyrgyzstan | Costa Rica | |
| Croatia | Brunei | Mayotte | Moldova | Curacao | |
| Denmark | Burkina Faso | Morocco | Mongolia | Dominica | |
| Finland | Cambodia | Mozambique | Romania | Dominican Rep. | |
| France Metropolitan | Cameroon | Nepal | Russia | Ecuador | |
| Germany | Cape Verde | New Caledonia | Tajikistan | Guatemala | |
| Greece | Cuba | New Zealand | Turkey | Mexico | |
| Hungary | Djibouti | Oman | Ukraine | Netherlands Antilles | |
| Iceland | Dubai | Palestine | Uzbekistan | Panama | |
| Ireland | Egypt | Philippines | | Paraguay | |
| Italy | Ethiopia | Qatar | | Peru | |
| Macedonia | French Guiana | Rep. Democratic Congo | | Trinidad & Tobago | |
| Malta | Gabon | Saint-Pierre & Miquelon | | Uruguay | |
| Montenegro | Ghana | Saudi Arabia | | | |
| Netherlands | Guadeloupe | Senegal | | | |
| Norway | Guinea | Seychelles | | | |
| Poland | India | Singapore | | | |
| Portugal | Indonesia | South Africa + Namibia | | | |
| Serbia | Iraq | South Korea | | | |
| Slovakia | Israel | Sudan | | | |
| Slovenia | Ivory Coast | Tahiti | | | |
| Spain | Japan | Tanzania | | | |
| Sweden | Jordan | Thailand | | | |
| Switzerland | Kenya | Togo | | | |
| United Kingdom | Kuwait | Tunisia | | | |
| | La Réunion | Uganda | | | |
| | Laos | Vietnam | | | |
| | Lebanon | Zambia | | | |
| | Liberia | Zimbabwe | | | |

## 1.3.1.2 Sales financing

### 1.3.1.2.1 New financing and services

RCI Bank and Services once again posted an increase in its sales performance for 2019 and continues to deploy its strategic ambitions. RCI Bank and Services is thus a true strategic partner of the Alliance's brands.

In a falling global automotive market, RCI Bank and Services achieved a good commercial performance with 1,798,432 contracts financed at end-2019, generating €21.4 billion in new financings up +2.3% compared to last year.

The Group's financing penetration rate thus stands at 42.2%, an increase of 1.5 points compared to last year.

Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate amounts to 44.2%, compared with 42.9% in 2018. The used vehicle financing business continues to grow with 368,409 contracts financed, up +3.7% compared to 2018.

In this context, average performing assets (APA) now stand at €47.4 billion, showing a 6.8% increase compared to last year. Of this amount, €37.2 billion are directly related to the Customers business, up 9.4%.

**RCI BANQUE FINANCING PERFORMANCE**

| | 2019 | 2018 | Change *(%)* |
|---|---|---|---|
| **Number of financing contracts** *(thousands)* | **1,798** | **1,799** | **-0.0** |
| *Including UV contracts (thousands)* | *368* | *355* | *+3.7* |
| **New financing** *(€ billion)* | **21.4** | **20.9** | **+2.3** |
| **Average Productive assets** *(€ billion)* | **47.4** | **44.4** | **+6.8** |

**PENETRATION RATE BY BRAND**

| | 2019 *(%)* | 2018 *(%)* | Change *(points)* |
|---|---|---|---|
| Renault | 42.7 | 42.0 | +0.7 |
| Dacia | 44.7 | 43.4 | +1.3 |
| Renault Samsung Motors | 59.2 | 56.1 | +3.0 |
| Nissan | 36.5 | 34.2 | +2.4 |
| Infiniti | 29.9 | 22.9 | +7.0 |
| Datsun | 23.9 | 22.9 | +1.0 |
| **RCI Banque** | **42.2** | **40.7** | **+1.5** |

**PENETRATION RATE BY REGION**

| | 2019 *(%)* | 2018 *(%)* | Change *(points)* |
|---|---|---|---|
| Europe | 45.4 | 44.9 | +0.5 |
| Americas | 38.0 | 35.0 | +3.0 |
| Africa Middle East India and Pacific* | 40.9 | 37.3 | +3.6 |
| Eurasia | 29.7 | 27.0 | +2.8 |
| **RCI Banque** | **42.2** | **40.7** | **+1.5** |

* *Organizational change within the Groupe Renault regions since May 1, 2019: The creation of the new region “Africa Middle East India and Pacific” results for RCI in the regrouping of the former Regions “Africa Middle East India” and “Asia-Pacific” including now Algeria, Morocco, India and South Korea.*

Pillar of the Group’s strategy, the services business continued to develop with an increase of 5.2% over the last twelve months. The volume of services sold for 2019 represents 5.1 million insurance and service contracts, of which 68% are customer and vehicle use-related services.

**RCI BANQUE SERVICES PERFORMANCE**

| | 2019 | 2018 | Change |
|---|---|---|---|
| Number of services contracts (Thousands) | 5,092 | 4,839 | +5.2% |
| **Penetration rate on Services** | **150.3%** | **136.5%** | **+13.8 pts** |

### 1.3.1.2.2 International development and new activities

In line with its refinancing diversification strategy, RCI Bank and Services is pursuing the development of its savings activity - for the first time outside Europe – with the launch of a savings product for individual customers in Brazil, in March 2019. It is the first finance company to do so in the Brazilian market. RCI Bank and Services now has a deposit collection activity in five markets: France, Germany, Austria, the United Kingdom and Brazil.

Thanks to its banking license from the Prudential Regulation Authority (PRA) obtained in March 2019 and the creation of RCI Bank UK Limited, RCI Bank and Services now has a full banking subsidiary in the UK. RCI Bank and Services is able to continue to exercise its deposit collection activity in the UK market, despite the Brexit.

## 1.3.2 Financial results

### Summary

| (€ million) | 2019 | 2018 | Change |
|---|---|---|---|
| **Group revenues** | **55,537** | **57,419** | **-3.3%** |
| **Operating profit** | **2,662** | **3,612** | **-950** |
| Operating income | 2,105 | 2,987 | -882 |
| Net Financial income & expenses | (442) | (353) | -89 |
| **Contribution from associated companies** | **(190)** | **1,540** | **-1,730** |
| *O/w Nissan* | *242* | *1,509* | *-1,267* |
| **Net income** | **19** | **3,451** | **-3,432** |
| **Automotive operational free cash flow** (1) | **153** | **607** | **-454** |
| **Automotive Net cash position** (2) | **+1,734** | **+3,702** | **-1,968** |
| Shareholders' equity | 35,331 | 36,088 (3) | -757 |

*(1) Automotive operational free cash flow: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.*
*(2) 2019 figures include the impacts of the application of IFRS 16 "Leases" from January 1, 2019. The figures for 2018 have not been restated.*
*(3) Shareholder's equity at December 31, 2018, has been adjusted by an amount of -€57 million due to correction of an error concerning operations in the Americas Region, with a corresponding entry in provisions for risks on taxes other than income taxes.*

## 1.3.2.1 Comments on the financial results

### 1.3.2.1.1 Consolidated income statement

**OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES**

| | 2019 | | | | | 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (€ million) | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year |
| Automotive excluding AVTOVAZ | 10,916 | 13,875 | 9,662 | 14,549 | 49,002 | 11,646 | 15,221 | 10,057 | 14,247 | 51,171 |
| AVTOVAZ | 767 | 790 | 791 | 782 | 3,130 | 716 | 761 | 627 | 936 | 3,040 |
| Sales Financing | 844 | 858 | 843 | 860 | 3,405 | 793 | 820 | 800 | 795 | 3,208 |
| **TOTAL** | **12,527** | **15,523** | **11,296** | **16,191** | **55,537** | **13,155** | **16,802** | **11,484** | **15,978** | **57,419** |

| | Change | | | | |
|---|---|---|---|---|---|
| (%) | Q1 | Q2 | Q3 | Q4 | Year |
| Automotive excluding AVTOVAZ | -6.3 | -8.8 | -3.9 | +2.1 | -4.2 |
| AVTOVAZ | +7.1 | +3.8 | +26.2 | -16.5 | +3.0 |
| Sales Financing | +6.4 | +4.6 | +5.4 | +8.2 | +6.1 |
| **TOTAL** | **-4.8** | **-7.6** | **-1.6** | **+1.3** | **-3.3** |

**Group revenues** reached €55,537 million (-3.3%), including €3,130 million for AVTOVAZ (+3.0%). Excluding currency impact, Group revenues would have been down -2.7%.

**Automotive excluding AVTOVAZ revenues** decreased -4.2% to €49,002 million.

This decline was due to a negative volume effect of -1.4 points notably linked to lower sales in Argentina, Turkey and Algeria.

Sales to partners were down -3.4 points due to lower vehicle production for Nissan and Daimler, as well as the decline in demand for diesel engines in Europe and the sharp drop in our CKD[(1)] business in China and the end of this activity in Iran.

The currency effect, negative by -0.7 points, was mainly due to the sharp devaluation of the Argentinian peso and the Turkish lira.

The price effect, positive by +1.7 points, stemmed from efforts to offset these currency devaluations and price increases in Europe, notably related to regulatory costs. Since the fourth quarter, the price effect has benefited from a more ambitious pricing policy, particularly in Europe with CLIO.

*(1) CKD: Complete Knock Down.*

#### OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

| *(€ million)* | 2019 | 2018 | Change |
|---|---|---|---|
| **Automotive division excluding AVTOVAZ** | **1,284** | **2,204** | **-920** |
| *% of division revenues* | *2.6%* | *4.3%* | *-1.7 pts* |
| **AVTOVAZ** | **155** | **204** | **-49** |
| *% AVTOVAZ revenues* | *5.0%* | *6.7%* | *-1.8 pts* |
| **Sales Financing** | **1,223** | **1,204** | **+19** |
| **TOTAL** | **2,662** | **3,612** | **-950** |
| *% of Group revenues* | *4.8%* | *6.3%* | *-1.5 pts* |

The **Group's operating margin** amounted to €2,662 million and represented 4.8% of revenues compared to 6.3% in 2018.

**Automotive excluding AVTOVAZ operating margin** was down -€920 million to €1,284 million, which represented 2.6% of revenues compared to 4.3% in 2018.

The change can be explained by the following:

- volume effect had a negative impact of -€582 million, including sales to partners;
- mix/price/enrichment effect was negative -€587 million because of enrichment (regulatory and on new products) and the decrease in the diesel sales in Europe;
- the Monozukuri effect was positive by +€547 million. It benefited from purchasing performance, increase in the capitalization rate of R&D but has been penalized by an increase in the depreciation;
- raw materials weighed for -€324 million largely on higher prices for precious metals and steel;
- the improvement of +€121 million of G&A stemmed from the company's effort to limit its costs and included positive non-recurring effects;
- currencies impacted by +€24 million due to the positive effect of the depreciation of the Turkish lira on production costs which compensated for the negative impact of the Argentinian Peso.

**The AVTOVAZ operating margin contribution** amounted to €155 million, compared to €204 million in 2018 after lower positive non-recurring effects for about €70 million.

**Sales Financing** contributed €1,223 million to the Group operating margin, compared to €1,204 million in 2018.

This +1.6% increase is the result of growth in outstanding loans, with average earning assets rising +6.8% to €47.4 billion in 2019. Also noteworthy is the growing contribution of the margin on services, which now stands at nearly €643 million, or 31% of Net Banking Income.

The total cost of risk, which includes the application of IFRS 9, remains under control at 0.42% of average performing assets, compared to 0.33% last year. The cost of risk on Customer activity (personal and business financing) improved significantly to 0.47% of average performing assets in 2019 vs. 0.51% in 2018, confirming a robust acceptance and collection policy. The cost of risk on the Networks business (dealer financing) represented an income of +0.09% in 2019 vs. an income of +0.33% in 2018 (substantial write-backs of provisions in 2018).

**Other operating income and expenses** amounted to -€557 million (compared to -€625 million in 2018) coming from nearly -€240 million of restructuring charges, notably related to the early retirement program in France and impairments for about -€300 million notably in China and Argentina.

**The Group's operating income** came to €2,105 million, compared to €2,987 million in 2018.

**Net financial income and expenses** amounted to -€442 million, compared to -€353 million in 2018 despite an almost stable cost of funding. The deterioration in other financial income and expenses is due to lower dividends received from non-consolidated entities and miscellaneous expenses.

The contribution of **associated companies** came to -€190 million, compared to + €1,540 million in 2018. Nissan contributed positively for +€242 million while the contribution of the other associated companies (-€432 million) was heavily penalized by the weak performance of our Chinese joint-ventures also leading to impairments.

**Current and deferred taxes** showed an expense of -€1,454 million including -€753 million due to the discontinuation of the recognition of deferred tax assets on tax losses in France.

**Net income** amounted to €19 million, and net income Group share to -€141 million (-€0.52 per share compared to €12.24 per share in 2018).

### 1.3.2.1.2 Automotive operational free cash flow

**AUTOMOTIVE OPERATIONAL FREE CASH FLOW**

| *(€ million)* | 2019 | 2018 | Change |
|---|---|---|---|
| Cash flow after interest and tax (excluding dividends received from publicly listed companies) | +4,144 | +4,386 | -242 |
| Change in the working capital requirement | +1,829 | +781 | +1,048 |
| Tangible and intangible investments net of disposals | -4,846 | -4,166 | -680 |
| Leased vehicles and batteries | -1,002 | -509 | -493 |
| **Operational free cash flow excluding AVTOVAZ** | **+125** | **+492** | **-367** |
| **Operational free cash flow AVTOVAZ** | **+28** | **+115** | **-87** |
| **Automotive operational free cash flow** | **+153** | **+607** | **-454** |

In 2019, the **Automotive operational free cash flow including AVTOVAZ** segment reported positive operational free cash flow of €153 million, of which €28 million of AVTOVAZ operational free cash flow. Excluding AVTOVAZ segment, the change is resulting from:

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of + €4,144 million. It benefited from a higher dividend from RCI at €500 million compared to €150 million in 2018;
- a positive change in the working capital requirement of €1,829 million (of which €802 million in working capital requirements related to sales with a buyback commitment);
- property, plant and equipment and intangible investments net of disposals of -€4,846 million, an increase of €680 million compared with 2018;
- investments related to vehicles with buy-back commitments and leased batteries for -€1,002 million.

### 1.3.2.1.3 Capex and research & development

**TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT**

| **2019** *(€ million)* | Tangible and intangible investments net of disposals excluding capitalized development costs and leased vehicles and batteries | Capitalized development costs | Total |
|---|---|---|---|
| Automotive excluding AVTOVAZ | 2,921 | 1,925 | 4,846 |
| AVTOVAZ | 75 | 60 | 135 |
| Sales Financing | 10 | 0 | 10 |
| **TOTAL** | **3,006** | **1,985** | **4,991** |

| **2018** *(€ million)* | Tangible and intangible investments net of disposals excluding capitalized development costs and leased vehicles and batteries | Capitalized development costs | Total |
|---|---|---|---|
| Automotive excluding AVTOVAZ | 2,476 | 1,695 | 4,171 |
| AVTOVAZ | 62 | 22 | 84 |
| Sales Financing | 19 | 0 | 19 |
| **TOTAL** | **2,557** | **1,717** | **4,274** |

Total gross investment in 2019 is up compared to 2018, with Europe accounting for 66% and the rest of the world for 34%:

- in **Europe**, the investments made are mainly devoted to renewing the AB range (New CLIO and CAPTUR), the light commercial vehicles range (KANGOO and MASTER), adapting the industrial tool to changes in demand for engines (including electrification and hybridization), and applying Euro 6 regulations;
- **outside Europe**, investments targeted mainly the renewal of the AB range (New CLIO in Turkey), the C range (new vehicle Arkana in Russia, XM3 in South Korea), the Global Access range (successor of LOGAN and SANDERO in Romania and Morocco, and of DUSTER in Brazil) and the light commercial vehicles (successor of DOKKER in Morocco) and the industrialization of the engines of these vehicles.

## RESEARCH AND DEVELOPMENT EXPENSES RECORDED IN THE INCOME STATEMENT

Analysis of Research and Development costs:

| *(€ million)* | 2019 | 2018 | Change |
|---|---|---|---|
| R&D expenses | -3,697 | -3,516 | -181 |
| Capitalized development costs | 1,985 | 1,717 | +268 |
| *Capitalization rate* | *53.7%* | *48.8%* | *+4.9 pt* |
| Amortization of capitalized development costs | -946 | -799 | -147 |
| **Gross R&D expenses recorded in the income statement*** | **-2,658** | **-2,598** | **-60** |
| Of which AVTOVAZ | -6 | -23 | +17 |

* *Research and Development expenses are reported net of research tax credits for the vehicle development activity. Gross R&D expenses: R&D expenses before expenses billed to third parties and others.*

The capitalization rate increased from 48.8% in 2018 to 53.7% in 2019, in connection with the progress of the projects.

The rise in research and development expenses is explained by efforts to respond to new issues for connected, driverless and electric vehicles, and ensure that engines comply with new regulations applicable, particularly in Europe.

The increase in capitalized development expenses is mainly explained by the resumption of capitalization since the second half-year of 2018 for electric vehicle development expenses, and the achievement of the technical milestone marking the start of capitalization for significant projects (*i.e.* the formal decision to begin development and industrial production).

## NET CAPEX AND R&D EXPENSES IN% OF REVENUES

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding development costs capitalized) | 3,006 | 2,557 |
| CAPEX invoice to third parties and others | -213 | -219 |
| **Net industrial and commercial investments excluding R&D capitalized (1)** | **2,793** | **2,338** |
| *% of Group revenues* | *5.0%* | *4.1%* |
| **R&D expenses** | **3,697** | **3,516** |
| *O/w billed to third parties and others* | *-521* | *-475* |
| **Net R&D expenses (2)** | **3,176** | **3,041** |
| *% of Group revenues* | *5.7%* | *5.3%* |
| **Net CAPEX and R&D expenses (1) + (2)** | **5,969** | **5,379** |
| *% of Group revenues* | *10.7%* | *9.4%* |

Net Capital expenditures and R&D expenses amounted to 10.7% of Group Revenues in 2019, compared with 9.4% in 2018, up 1.3 points.

### 1.3.2.1.4 Automotive net cash position at December 31, 2019

**CHANGE IN AUTOMOTIVE NET CASH POSITION** *(€ million)*

| | |
|---|---|
| **Automotive Net cash position at December 31, 2018** | **+3,702** |
| 2019 operational free cash flow | +153 |
| Dividends received | +625 |
| Dividends paid to Renault's shareholders and minority shareholders | -1,120 |
| Financial investments and others | -887 |
| Impact of the application IFRS 16 "Leases" | -739 |
| **AUTOMOTIVE NET CASH POSITION AT DECEMBER 31, 2019** | **+1,734** |

Beyond the Automotive segment reported positive operational free cash flow of +€153 million, the €1,968 million decrease in the **net cash position** of the Automotive segment compared with December 31, 2018 is mainly due to:

- the usual mismatch between dividends received from Nissan (paid in two times, one in the first half and the other in the second half) and dividends paid by Renault in June;
- the application of IFSR 16 for -€739 million;
- financial investment and others for -€887 million notably related to impacts of changes in the scope of consolidation and investments in mobility and autonomous driving.

**AUTOMOTIVE NET CASH POSITION**

| *(€ million)* | 12/31/2019 | 12/31/2018 |
|---|---|---|
| Non-current financial liabilities | -7,927 | -6,196 |
| Current financial liabilities | -3,875 | -3,343 |
| Non-current financial assets - other securities, loans and derivatives on financial operations | +64 | +55 |
| Current financial assets | +1,174 | +1,409 |
| Cash and cash equivalents | +12,298 | +11,777 |
| **AUTOMOTIVE NET CASH POSITION** | **+1,734** | **+3,702** |

In 2019, **Renault** issued two Eurobonds of €1 billion and €500 million (maturity six and eight years respectively) via its EMTN program.

The Automotive segment's liquidity reserves (including AVTOVAZ) stood at €15.8 billion as of December 31, 2019. This reserve consisted of:

- €12.3 billion in cash and cash equivalents;
- €3.5 billion in undrawn committed credit lines.

At December 31, 2019, **RCI Banque** had available liquidity of €9.6 billion, consisting of:

- €4.5 billion of undrawn confirmed credit lines;
- €2.4 billion of central-bank eligible collateral;
- €2.2 billion of high-quality liquid assets (HQLA);
- €0.5 billion of financial assets.

# 1.4 RESEARCH AND DEVELOPMENT

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Net R&D expenses *(€ million)* (1) | 3,176 (2) | 3,043 (2) | 2,609 (2) | 2,284 | 1,990 |
| Group revenues *(€ million)* as published | 55,537 | 57,419 | 58,770 | 51,243 | 45,327 |
| R&D spend ratio | 5.7% | 5.3% | 4.60% | 4.50% | 4.40% |
| R&D headcount, Groupe Renault | 23,586 (2) | 23,451 (2) | 19,721 | 18,120 | 16,605 |
| Groupe Renault patents | 1,040 | 816 | 683 | 565 | 479 |
| of which co-owned Renault and Nissan | 484 | 375 | 235 | | |
| o/w AVTOVAZ | 99 | 35 | 33 | | |

*(1) = R&D expenses – R&D expenses billed to third parties and others.*
*(2) Value including AVTOVAZ.*

## 1.4.1 The car of the future

The automotive industry is experiencing a revolution, and the car of the future will be electric, autonomous and shared. This implies developing technologies and processes, finding partnerships and operating choices. To meet these challenges, Groupe Renault is adapting by innovating, by collaborating with new players (including start-ups), and by defining new working methods.

### Research into connected vehicles and electric vehicles

Vehicles are increasingly connected to the world around them. In 2019, several projects combining connectivity and electric vehicles were begun.

### RENAULT EZ-FLEX, the experimental, electric, connected and modular light commercial vehicle

Conceived and designed for urban deliveries, it analyzes data supplemented by feedback from business professionals to better understand urban delivery needs on a daily basis. It is 100% electric for sustainable mobility with a range of 150km. It is a compact vehicle with an excellent load volume/length ratio thanks to a compact cabin, designed to make it easier for drivers to get in and out of the vehicle frequently. Exceptional maneuverability: a turning radius of 4.5m. Designed for the different ways customers want to use the vehicle, it can be tailor-made, with an interchangeable rear module. Innovative, it has a new smartphone-inspired Human Machine Interface (HMI). Connected, the HMI offers vehicle-related services and can embed applications designed for different professional activities.

With this two-year experiment, Renault is launching a new approach to prepare and design the cars of the future. A fleet of 10 vehicles has been launched, and two of them have been loaned for testing in a large city and by a delivery professional.

- in the city of Montpellier, one is being used to carry out urban deliveries for the local authority;
- the second vehicle is being tested by La Poste for parcel deliveries in the Paris region.

### The need for testing

Field Operational Tests (FOTs) for Robot-Taxis enable interdependent aspects to be investigated:

- technological advances;
- usage scenarios;
- user experience;
- business models, etc.

To explore the complexity of these various aspects in full, FOTs must be designed progressively for the acquisition of data with increasing levels of difficulty.

These tests, which can be compared to working in “Agile” mode, provide the building blocks for becoming a mobility operator in line with the 2022 MTP objectives. They enable the study of:

- autonomous mobility service acceptance, collection of new data, the interaction of vehicles and their environment;
- the ideal vehicle: its size, number and positions of passengers, interior space, accessibility, speed, etc.;
- the technological aspects of autonomous driving (perception, positioning, etc.);
- additional necessary information from the infrastructure to ensure connectivity and safety;
- local operating methods;
- the service platform.

They also make it possible to acquire skills and experience to better understand the new ecosystem surrounding mobility.

## Rouen Normandy Autonomous Lab in 2019

The goal is to test and develop an on-demand driverless transportation service that still has human supervision. Autonomous vehicles can carry passengers along verified routes, on which connected equipment communicates with the fleet at key points such as roundabouts, traffic lights and crosswalks.

Groupe Renault and Transdev have equipped the vehicles with cameras, laser scanners (LiDAR), a differential GPS system and HD mapping that guarantees a 360° view and precise localization. Vehicles create a real-time 3D representation of their environment, which allows them to detect, localize and identify moving and immobile objects around them and thereby take the best decisions. Seventeen stopping points were recorded through sensors strategically positioned on the infrastructure along the route.

Several additional lines of research focus on this connected vehicle theme, and their aim is to develop intelligent systems that, for example, allow driver preferences and emotions to be taken into account when making suggestions concerning the route or environment, or allow drivers to participate in the extended perception of autonomous vehicle through giving information about the environment.

This thinking guided the establishment of the very first FOTs in 2018 in Rouen, followed by Saclay. This same thinking will govern the extension of these FOTs in 2019/2020, with the constant aim of tackling complementary aspects (suburban vs. urban journeys, traffic lights recognized by camera vs. connected lights, etc.) and add to our field of action (crossings, roundabouts, stop signs, etc.).

On May 15, 2019, the **Paris Saclay Autonomous Lab** was inaugurated with three vehicles:

- ZOE Cab;
- EZ POD;
- I-Cristal.

The purpose of the **Paris-Saclay Autonomous Lab** is to invent and test various services for smarter, autonomous electric public and private mobility, in addition to the transport offers available in the Paris-Saclay region.

This involves implementing and testing a complete autonomous transport system consisting of autonomous vehicles, a supervision system, a connected infrastructure and customer applications in order to define the conditions for the roll-out of an autonomous mobility service on a larger scale.

This experiment will be gradually opened up to a panel of users with autonomous and electric vehicles, namely three Renault ZOE Cab prototypes and a Transdev-Lohr i-Cristal shuttle bus.

Groupe Renault, the Transdev Group, SystemX IRT, VEDECOM and the University of Paris-Saclay are behind the **Paris-Saclay Autonomous Lab** project launched under the name EVAPS (Eco-Mobility by Autonomous Vehicle in the Paris-Saclay Region). The project receives support from ADEME's Investissements d'Avenir de l'Etat and from the Paris-Saclay Public Planning Institute, the Urban Community of Paris-Saclay, the Department of Essonne and Ile-de-France Mobilités.

## Simulation tools for autonomous vehicles

### ELID²: exploring new uses for autonomous vehicles

To invent the cockpits of the autonomous vehicles of the future, Renault has been using a new research tool: ELID² (Experience Life in Delegation), an innovative, customizable demonstrator.

Based on the design of an ESPACE V cockpit, ELID² looks like the front part of a vehicle and is coupled with a simulator to represent an autonomous driving situation. Everything has been designed so that while in the demo car, the driver or front-seat passenger feels like he/she is in a self-driving vehicle on the road and can perform normal activities in the car. This means that if the driver wants to relax and watch a movie, the seat can recline and a screen rise from the dashboard. They can also share their film with the passenger or choose other activities such as writing emails or surfing the Internet.

ELID² can be fully customized. All of its features (dashboard, screens, steering wheel, seats, etc.) can be changed easily. The demo model will thus be able to evolve over the next few years and take into account new areas of research or technological development.

This research tool is used by ergonomists to test cockpit solutions and study the behavior of occupants during the main phases of autonomous driving: activation of autonomous mode, autonomous driving, and resumption of manual driving.

### Renault R-NEST: using stimulation to fight hypovigilance at the wheel

The Renault R-NEST project (Renault Research Tool for NEuroscience STudies) was developed by the Groupe Renault Research department as a neurophysiology research tool and demo model for these types of system. The purpose of this research is to help reduce accidents caused by driving fatigue.

The demo model consists of a static driving module. It has two cameras (3D and 2D) that capture and record driver reactions and measure a large amount of data (heart rate, head position and movement, etc.). Analysis of these parameters makes it possible to determine the driver's overall condition, by recognizing his or her state of alertness, for example.

If hypovigilance is detected, Renault R-NEST acts to protect driver and user safety whether or not the car is in motion by offering reactivation or relaxation scenarios. For example, "binaural stimulation" is studied in this context. This consists of applying slightly different auditory frequencies to each ear; the brain perceives this difference and is stimulated in function. For example, when driving, the system will inform the driver and offer him or her countermeasures such as music containing "infrasounds", which have the effect of reactivating concentration, giving the driver time to park safely in a parking lot and thus avoid an accident by falling asleep at the wheel. The aim is to determine the effectiveness of these methods, which are still at a very early stage (research), to decide whether or not to continue to the R&D phase.

The benefits could be physiological (the brain is more "awake"), behavioral (subject reaction rates are higher) and subjective (the driver feels less tired).

## Research into electric vehicles (EVs)

With a 10-year lead over most of its competitors, Groupe Renault is both a pioneer in electric mobility and the leader in Europe. This is the result of continuous work by the Group's teams to maintain this lead at a time when competitors are making inroads in the field, thus affirming the electric vehicle as a strategic choice. Our four priorities in this competition are:

- continually enriching our offer by expanding our current range of five vehicles and introducing new products to reach eight 100% electric vehicles by 2022;
- increasing battery range: technology in this area is advancing at a rapid rate. The marketing of the new ZOE at the end of 2016 with its 400km NEDC range and the Renault Medium-Term Plan, with its projected range of greater than 600km in 2022, are examples of this. Nevertheless, the choice of autonomous cars by customers will increasingly become a rational choice that will have to be covered with several different levels based on budgets and customer driving profiles;
- making EV technology more competitive: this involves both reducing the cost of batteries and reducing the cost of electronic power components, which will be less expensive and less bulky while still performing better. The Renault Medium-Term Plan, with its projected reduction of 30% on the cost of batteries and 20% on the cost of electronic power components, is an example of this;
- developing technologies to make battery charging easier and more efficient: the improvement of battery chargeability and the development/standardization of so-called "fast" chargers will be a key factor for the electric vehicles of the future. Research is also being carried out on inductive charging (static and dynamic) and robotic charging, which could allow users to recharge their EV batteries without having to connect an electric cable to a charger.

## Contactless dynamic charge: inductive electric charging on the go

Renault is working on a dynamic inductive charging project, which will allow the batteries in its electric vehicles to be charged while driving.

Coils of conductive materials (copper, aluminum, etc.) are inserted into the road. Powered by an alternating current, these loops emit a magnetic field that is captured by a receiving loop located under the car. When the vehicle passes over a coil beneath the road, the electromagnetic field creates an inductive electric current in the receiver coil. This inductive current is used either directly for traction or to recharge the battery. In this way, the road supplies the car with energy while driving.

Driving over the coils would keep electric vehicles charged permanently and automatically. The energy can either be used for driving, in all or part, or to charge the battery. The energy transmitted to the vehicle is proportional to the time spent driving on the equipped part of the road.

A stretch of test road has been developed with loops and an artificial sidewalk that conceals the electronic equipment required. Each coil is managed separately and can transfer the energy needed to the vehicle. In this experiment, the test vehicle is a Twizy, which receives 2 kW on a continuous basis. This is the first stage.

## New battery technologies for electric vehicles

At the end of 2018, Alliance Ventures, the Renault-Nissan-Mitsubishi venture capital fund, announced its participation in the last financing round by Enevate Corporation. Based in Irvine (California), this company specializes in the design of lithium-ion batteries. This is the latest investment by Alliance Ventures, which was launched this year to support the most innovative start-ups in next-generation systems for the automotive industry. The silicon-dominated lithium-ion batteries developed by Enevate offer ultra-fast charging capabilities and high energy density, at a reduced cost. They could potentially offer the shortest charging time out of all of the lithium-ion battery technologies currently available on the market.

Alliance Ventures has also invested in Ionic Materials, a promising US company that is developing a polymer material whose properties could contribute to the development of so-called "solid state" cells. This investment coincides with the implementation of a research and development cooperation agreement between Ionic Materials and the Alliance. Based in Massachusetts, Ionic Materials is developing a polymer material that can be used as a substitute for the liquid electrolyte in "traditional" Li-ion cells and thus help improve the performance and economic efficiency of high-energy density batteries for automotive and many other applications.

## Partnerships

Reinventing the automobile for the twenty-first century: a low-energy consumption vehicle, considerably lighter weight, connected and able to substitute in all or part for driver activities; this is a challenge that can only be met collectively. For Renault, collaborative R&D agreements contribute to accelerating the development of the technologies required to meet these challenges, and also to developing skills and cost-sharing. Such contracts are key to speeding up the introduction of innovations into vehicle projects.

## Cooperation

In the competitive industrial world, performance and frugality are indispensable and inseparable to continue the race at the head of the pack.

To open up toward the outside world, to capture the diverse knowledge and know-how of our manufacturing and academic partners at the highest level, combining these with ours, multiplies our capacity for innovation ten-fold, and enables costs to be shared.

This method of collaborative innovation is encouraged by the public financers, both French and European. Public aid, such as subsidies and repayable advances, is an additional lever that helps accelerate our innovation.

In this framework, Renault has always prioritized cooperative initiatives as part of its R&AE activities. These initiatives are an effective way of expanding our strategic plan. Renault's cooperation budget is relatively stable at a multi-year figure of €216 million and covers cooperation both in France and Europe.

Cooperation provides an opportunity to share costs and to access financial assistance for faster innovation. Ongoing collaborative projects were awarded financial assistance of €8.4 million in 2019, broken down into €7.1 million in subsidies and €1.3 million in repayable advances.

## In 2019

A portfolio of 85 subsidized projects was managed in 2019 (46% of the projects were more than 50% funded, with 25% fully funded by financial backers). 21 French and European projects were submitted over the year: seven were accepted, seven were still being processed and seven were rejected.

Renault remains extremely active in its "Investing in the Future Program".

The projects submitted under the Investing in the Future Programs 1 and 2 are still underway. They include:

- EVAPS: Ecomobility through Autonomous Vehicles in the Paris-Saclay region;
- HPP: High-Pressure Pulsed;
- COCTEL: development of a hybrid powertrain.

The major autonomous vehicle project (SAM: Safety and Acceptability of autonomous driving and Mobility: designing high-performing automated systems, and safe operation for autonomous vehicles), submitted as part of the Investing in the Future Program 2, begain the testing initially planned. Renault's research costs were €43 million over the project period, while €11 million in French State aid was awarded by ADEME for budgeted activities.

Renault is also participating in two French National Research Agency (ANR) academic projects that were submitted in 2019:

- OFELIE: Simulation of soot particles in direct injection engines: reduction of consumption by increasing torque.
- BIOSIM: Multidimensional simulation of injection of bioethanol-gasoline mix in vehicle engines.

| Name of Project | Description | Project start date | Project end date | Financing programs | Sponsor | Topic |
|---|---|---|---|---|---|---|
| GREAT | 65 charging points, multistandard and interoperable, in Europe | 01/01/2015 | 03/31/2020 | CEF | EC | Charging Network |
| SCOOP@F - Phase II | French Pilot Cooperative System – V2X – autonomous vehicle preparation. | 01/01/2016 | 12/31/2019 | CEF | EC | New mobility |
| ENABLE-S3 | Testing of highly automated safe and secure systems emphasizing transport platforms and health-related components. | 06/01/2016 | 05/31/2019 | H2020-ECSEL | EC | Safety |
| DENSE | Development of sensors combining three functions of radars, lidars, and cameras operating in all weather conditions for autonomous vehicles. | 06/01/2016 | 12/31/2019 | H2020-ECSEL | CE | Electronics |
| EMPHYSIS | Development of a quasi-automated, standardized process for porting models created for digital simulation to embedded codes. | 12/01/2016 | 05/31/2020 | EUREKA | EC | Powertrain |
| L3PILOT | Development of a level 3 autonomous vehicle with demo model. | 09/01/2017 | 08/31/2021 | H2020-ART- 02-2016 | EC | New mobility |
| ULTRA-E | Rollout of 20 high-power chargers | 03/01/2016 | 12/31/2018 | CEF | CE | Charging Network |
| C-ROADS | Improvement and extension of knowledge about Car2X | 09/01/2016 | 12/31/2020 | CEF | EC | New mobility |
| EVAPS | Developing and testing of Autonomous Mobility Services with electric vehicles | 03/01/2017 | 02/29/2020 | PIA2 Véhicule Routier et Mobilité du Futur | ADEME | New mobility |
| HsEMAC | High-speed electric mobility in Europe | 07/01/2017 | 12/31/2020 | CEF | EC | Charging Network |
| CONCORDA | Preparing European highways for automated driving with appropriate services and connected technologies. | 10/01/2017 | 06/30/2020 | 2016-EU-TM-0327-S | EC | New mobility |
| HPP HAUTE PRESSION PULSEE | High-Pressure Pulsed: weight-reduction technology that implements development of welding, crimping, magnetic molding and electro-hydraulic molding systems between steel and aluminum. | 05/20/2017 | 02/20/2020 | PIA | ADEME | Process |
| INCIT-EV | Improving the experience of EV users and accelerating the development of electromobility through the roll-out of innovative recharging solutions throughout Europe. | 01/01/2020 | 12/31/2023 | H2020-LC-GV- 2019 | EC | New mobility |
| SAM | Design of high performance, functionally safe automated systems for autonomous vehicles | 10/16/2019 | 04/15/2023 | AMI Testing for autonomous road vehicles | ADEME | New mobility |
| 5Gcroco | Fifth generation cross-border control (5G test connection) | 01/01/2019 | 12/31/2021 | H2020-ICT- 2018-2020 | EC | Electronics |

### At European level

Renault has submitted 14 projects under European financing programs, including Horizon 2020, ECF and EUREKA. These projects primarily cover batteries and charging networks, autonomous vehicles, safety and connectivity.

The following projects attracted the largest subsidies in 2019:

| Project | Description |
|---|---|
| 5Gcroco | Fifth generation cross-border control |
| ELSA | Use of second life batteries. |
| REWARD | Studying the best possible architecture for 2-stroke diesel motors |
| Vision xEV | Development of tools and approved methods to support the tasks of component development and system integration for all types of powertrains/electric vehicles/hybrid vehicles |

### Outlook 2020

Collaborative projects remain a way for Renault and its partners to share engineering knowledge. We are therefore continuing to develop new collaborative projects in both France and Europe. We forecast some €6 million in terms of financial assistance (for all French and European programs combined), including €600,000 in repayable advances.

## The PSA-Renault Research and Study economic interest grouping (EIG)

### Focus on the LAB

The PSA-RENAULT Research and Study economic interest grouping (a form of cooperative venture) houses the cooperation projects between the two manufacturers in shared fields of interest. Historically, the two main lines of work were related to the **LAB** (created in 1969) and the **Groupement Scientifique Moteur** (created in 1980). The LAB's main areas of work are the analysis of road accidents, biomechanics and the study of driver behavior. The LAB's work includes collaborative projects or European initiatives (such as the INDID and PEARS projects). It also studies the paradigm shift in road safety caused by the arrival of connected and/or autonomous vehicles (AutoConduct project, SAM), as well as critical scenarios in driving databases such as U-Drive and MOOVE.

The LAB celebrated its 50th anniversary on October 9, 2019: *"Road safety is a major issue for carmakers. And we have the opportunity to benefit from the expertise of the LAB, which is a unique global reference," said Sophie Schmidtlin.*

### Focus on the GSM (Groupement Scientifique Moteur)

The GSM's main areas of work are combustion and post-treatment systems to improve customer consumption and pollutant emissions. More specifically, GSM focuses its studies on the analysis of fine particles and their consequences on the environment and on secondary aerosols.

### Focus on the IRTs

The work carried out on composite and metallic materials at the Jules Vernes and M2P Technological Research Institutes (IRTs) is also conducted jointly with the two automotive manufacturers Renault and PSA within the context of this EIG. Various projects are carried out jointly with the two manufacturers and other partners to optimize the costs related to research projects and share knowledge. Subjects covered include vehicle weight, materials resistance, etc.

## Research activities at the most prestigious universities, other universities, the CNRS (French National Scientific Research Center), etc.

Renault continues its research activities with the academic world, the most prestigious universities, and other universities.

Joint research activities are mainly carried out as part of subsidized collaborative projects, work conducted within IRTs and ITEs (energy transition institutes), and as part of studies involving doctoral students under industrial research training agreements (CIFREs). Renault hosted about 90 doctoral students under CIFREs in 2018. Slightly over 40 new topics have been proposed since June 2018. The authorization issued to Renault for the scientific validation of subjects by the ANRT since June 2017 makes it possible to streamline the validation and recruitment procedures for young doctoral students. Activities to promote the work of doctoral students were initiated in 2018 in the form of presentations within the company of the research conducted by the students.

In addition, the framework agreement, which is still in force with the CNRS, makes it possible to facilitate the contractualization process for each of the support contracts signed with the laboratory hosting our doctoral students. It also makes it possible to investigate new areas of collaborative research and innovation with these laboratories for the future.

## Strategic agreement with the CEA

The two previous agreements (batteries and strategic cooperation) signed in 2010 expired at the end of 2014. The partnership between Renault and the CEA (French Atomic and Alternative Energy Commission) was renewed under a single agreement covering all vehicle technical areas for a period of five years starting January 1, 2015. It brings together all collaborations between Renault and the CEA under one agreement focused on joint laboratories located on various CEA sites managing all CEA teams involved in Renault projects. The current agreement will be renewed at the end of 2019 for five years.

2019 represented total activity of €6.9 million and involved research, advanced engineering and business projects relating to such topics as electrical and power electronics architecture, electric vehicles, second-life batteries, 3D printing and mechatronics and quality control of processes in our plants.

In addition, in 2019, Renault collaborated with a CEA robotics start-up to improve productivity in our assembly plants.

### Research and teaching chairs

Established under sponsorship agreements or agreements of a more competitive nature, research and teaching chairs are created to more quickly solve complex problems relating to innovation (technology, management and Human Resources, mobility ecosystems, etc.) in partnership with the best academic teams and in association with other economic and industrial players.

They make it possible to benefit from advances in upstream research through work with scientific teams conducting cutting-edge research on the subject, with research being conducted as part of theses that are started at the same time.

These chairs make it possible to participate in the definition of teaching programs from which our employees can then benefit so that the company can be more efficient when it incorporates innovations.

They are also a means of building ties and synergies with the other economic and industrial partners that participate in them.

In return, these chairs allow academic teams to receive support for research programs, create ties with industrial R&D and promote the results of their teams.

The Steering Committee, which brings together various company functions, enables us to support the development of proposals for new chairs, prioritize these proposals and regularly ensure the good progress of the programs initiated.

In 2019, two new chairs were announced and work began sucessfully in line with objectives:

- "Supply Chain of the Future" with the École des Ponts, in which the LOUIS VUITTON, MICHELIN & CASINO groups are participating;
- "ALBUM: Advanced Lattice-Boltzmann Understandings" with the University of Aix Marseille and the CNRS for the improvement of aerodynamic simulation of rotating systems, alongside SAFRAN and AIRBUS.

Work that had been planned on "Window glazing of the future and smart surfaces" will now be conducted as part of VEDECOM.

The other chairs active in 2019 dealt with the following subjects:

- Cybersecurity;
- Design of Usage-Oriented Urban Systems;
- Automotive distribution and services;
- Road Safety Management;
- In-car Lighting Systems;
- Electrified propulsion performance in vehicles;
- Operational excellence and managerial innovation;
- Inter-cultural management;
- Social business.

With two new chairs announced in 2019, Renault remains part of the group of economic and industrial players that lead support and participation in research and teaching chairs.

## 1.4.2 2019 New Products

### Associated innovations and technologies

2019 saw the launch of the first two vehicles based on the new Alliance CMF-B platform: the New Clio and New Captur.

The New Renault Clio inaugurates a new generation of modular platform, called CMF-B, that is unique within the Alliance. Developed from 2014 at the Guyancourt Technocentre, it has 85% new parts compared to the previous generation Clio's platform.

This new CMF-B platform brings numerous benefits to the New Clio. It has a lighter architecture compared to the previous platform with up to 50 kg in savings especially in body, axle and hood parts. It also adopts a streamlined base for improved aerodynamics of around 20 thousandths of Cx. Two measures of progress in terms of consumption and $CO_2$ emissions. The New Clio also improves acoustic comfort, notably thanks to better engine compartment insulation. The gain is around 1.5 to 2 dB between 0 and 130 km/h.

To offer the best in terms of safety, the New Clio's CMF-B platform has been completely redesigned when it comes to the car chassis, side panels and bulkhead, notably through the use of steel with high elastic limits and structural adhesive to increase bonding between sheets. This enables a higher level of safety for the occupants. This safety is reinforced by the New Clio's innovative equipment thanks to the new architecture of its CMF-B platform: adaptive driver airbags, large volume curtain airbags, seat belt pre-tensioners with force reducers, ISOFIX fittings with the new iSize standard, etc. The new electric and electronic architecture of the new CMF-B platform enables the New Clio to offer the most comprehensive and modern range of equipment and driving aids in its segment, from front cameras and radars in all versions, to the Traffic and Highway Assistant (level 2 autonomy). Lastly, this new platform was designed to enable vehicle electrification and the arrival of E-TECH hybrid technology in the New Clio range.

## New CLIO

Presented at the Geneva Motor Show, the New Renault Clio is synonymous with versatility, proving its ability to move easily in both urban and open road conditions. It gains in comfort and agility with the introduction of the new modular CMF-B platform developed by the Alliance and its new finely-tuned chassis.

The New CLIO is at the heart of the Group's strategy to reinforce synergies within the Alliance.

### An interior revolution

Driving position quality and ergonomics were priorities for the New Clio's interior design teams. High end materials, soft touch dashboard and door panel upholstery and central console contours, refined treatment of furniture: the passenger compartment is getting an upgrade in terms of quality. More compact to free up space, the New Clio's all-new "Smart Cockpit" focuses on the driver and includes more technology. Its wave design accentuates the impression of width. With the largest screens in its category, it serves a resolutely modern ergonomy for a more immersive driving experience. Lastly, the New Clio democratizes unique innovations in the segment such as electric parking brakes, particularly useful in urban areas.

### A modern, more expressive exterior design

Sleeker and more dynamic from all angles, the New CLIO retains the sensuous curves of the previous generation. It gains in expressiveness whilst retaining its sleek profile. At the front, the hood includes ribbed bodywork for a sculpted effect. The grille is enlarged and the front bumper enhanced with a more expressive grille for more efficient engine cooling. In terms of size, the New Clio is 12 mm shorter (length 4,050 mm width 1,798 mm) but gains in passenger space. The body is 8 mm lower (height 1,440 mm) and up to 48 mm at the end of the spoiler to increase aerodynamics and sportiness. The 17-inch wheels (depending on the version) accentuate the vehicle's dynamic impression. Details such as the shark fin antenna, 100% LED headlamps, flush tailgate and chrome surround for the side windows contribute to the New Clio's modern exterior style and, as with the interior, to improving quality.

### A new range of engine technologies including Renault's first E-TECH hybrid

In addition to the gasoline 1.0 SCe engine (3 cylinders; 5-speed manual gearbox; 65 and 75hp) and diesel 1.5 Blue dCi engine (adapted to new pollution standards with the integration of the selective catalytic reduction (SCR) system; in two versions: 85hp/220 Nm and 115hp/260), the New Clio benefits from three new engines:

#### 1) TCe 100, the highest level of versatility

Unique in the Renault range, the 1.0 TCe (3 turbocharged cylinders) is the latest engine resulting from the Alliance's synergies. It includes the latest technologies such as a turbocharger with electrically controlled waste valves, an exhaust manifold partially integrated into the cylinder head, dual hydraulic variable valve timing on the intake side and specific steel coating for cylinders (Bore Spray Coating). With 100hp and 160 Nm torque, this new generation engine gains 10hp and 20 Nm compared to the TCe 90 that it replaces, whilst reducing consumption and $CO_2$ emissions. With emissions calculated from 100 g/km*, the New Clio TCe 100 is positioned as best in its category for the gasoline version. This engine also provides optimal driving pleasure, thanks to torque gains from low speeds for more responsive driving.

The TCe 100 is initially offered on New Clio in combination with a manual 5-speed gearbox. It will also be combined with a latest generation X-TRONIC automatic gearbox. Suited to European uses, it offers maximum flexibility for urban use. It also benefits from the D-STEP function to reproduce the behavior of a multi-transmission gearbox for varied trips and for brisk acceleration. The TCe 110 engine will also be offered in a dual LPG fuel version for maximum savings and reduced polluting emissions.

#### 2) E-TECH, the hybrid according to Renault to combine efficiency and driving pleasure

For over 30 years, the Clio has embodied the everyday, modern car that offers the best in automotive technology to the greatest number. The New Clio is no exception to this tradition with the offer from 2020 of a "full hybrid" engine called E-TECH. A first for Groupe Renault, which has built on its know-how as a pioneer and European leader in electric mobility to offer a unique hybrid experience for the New Clio. This E-TECH technology was developed and patented by Renault engineering. It uses components designed within the Alliance, such as its new generation 1.6 liter gasoline engine specifically redesigned for this purpose. It is accompanied by two electric engines, an innovative multi-mode gearbox and a 1.2 kWh battery.

#### 3) TCe 130 FAP, for maximum driving pleasure

The 1.3 TCe FAP engine appears on the New Clio after having proven itself on the Captur, Megane, Scenic and Kadjar. Offered in its 130hp 240 Nm version, it is combined with the automatic 7-speed EDC gearbox and replaces the TCe120 to head up the range of engines on the New Clio. This latest generation engine highlights all of the dynamic qualities of the New Clio, for a more exciting driving experience in all situations. The dual clutch EDC gearbox makes driving more flexible and enjoyable, while contributing to reducing consumption and $CO_2$ emissions. To make driving even more pleasurable, the New Clio TCe 130 EDC FAP will be equipped with paddle shifters.

### Renault EASY DRIVE: the most comprehensive driving aids on the market

The New Clio offers the most comprehensive driving aids in its category to make driving easier, reinforce safety and make trips more serene. They are available in three families: Driving, Parking (under the Renault EASY DRIVE label) and Safety. Among the developments that enrich the New Clio's offering are the 360° camera and active Emergency Brake Assist with cyclist and pedestrian detection, which are two firsts in Renault's range. The culmination is the Traffic and Highway Assistant, a unique service in the versatile city car segment.

### Renault EASY CONNECT: an enriched offer and a new connected multimedia system

Groupe Renault continues its strategy of deploying connectivity and related services on all of its vehicles. New Clio benefits from an enriched version of the Renault EASY CONNECT offering. It notably includes the all-new Renault EASY LINK multimedia system, along with the MY Renault application. The aim of this offer, which brings together a universe of applications, platforms and connected services, is to facilitate new connected mobility uses, both inside and outside of the vehicle: remote vehicle management, more precise trips that are easier to program, integration of the driver's and passenger's connected universe into the car. Thanks to this new ecosystem, the Renault EASY CONNECT offering will be adapted to each user and will be gradually enhanced with new services for all multimedia equipment on which it is deployed.

### Life on board: a new experience with MULTI-SENSE and BOSE premium

In order to offer a better on-board experience, the New Clio stands out with its "Smart Cockpit" for more immersive driving and services that contribute to the comfort and well-being of its occupants. For the first time, MULTI-SENSE adjustments, already present in higher segment vehicles (the Megane, Talisman, Espace, etc.) are offered on the Clio. We also find the BOSE premium sound system, which appeared in the last generation, in a completely new version, for an even richer sound experience.

## New CAPTUR

The New Renault Captur, presented at the Frankfurt Motor Show. A pioneer in the urban SUV segment, 1.5 million Capturs have been sold in over 90 countries since its launch in 2013. It rapidly became the best-seller in its segment, both in France and Europe.

In an extremely competitive market, the New CAPTUR is reinventing itself by highlighting the DNA that made it such a success. Its look is being transformed into a modern, athletic and dynamic SUV. Still just as modular, it becomes more roomy thanks to an interior revolution that lets it change dimension both in technological and qualitative terms. Its features are worthy of a higher segment model.

The New CAPTUR is the second car to be based on the new Alliance CMF-B platform and benefits from the same new technology as its sister, the New CLIO. Among the CAPTUR's unique innovations and technologies.

### E-TECH plug-in HYBRID TECHNOLOGY

True to its tradition of being a pioneer in the market, in 2020, the New Captur will be the first accessible model in its segment to offer rechargeable hybrid technology. Called E-TECH Plug-in, it was developed within the Alliance. Benefiting from its expertise as the European leader in electric mobility, Renault is rolling out the hybrid to a wider audience by offering a unique driving experience accessible to all. Through a popular, iconic model such as the New Captur, this E-TECH Plug-in technology will be offered in the longer term from the intermediate finish model. Focusing on customer expectations, it will offer the best autonomy in electric mode and the best performance on the market for a general public rechargeable hybrid model. Renault engineering has filed over 150 patents for the New Captur's E-TECH Plug-in technology. It uses components designed within the Alliance, like its new generation 1.6 liter gasoline engine specifically redesigned for this purpose, and equipped with a particle filter to reduce pollutant emissions. It is accompanied by two electric engines, an innovative multi-mode dog clutch gearbox (an architecture synonymous with better energy efficiency, and the result of the Renault F1 Team's experience) and a 9.8 kWh battery. Similar to the technology equipping the New Clio E-TECH, the innovative E-TECH Plug-in technology on the New Captur offers maximum electrical efficiency in use: systematic start in electric mode, silence and comfort when driving, cutting-edge dynamic reactivity for unrivalled driving pleasure, reduced energy losses.

Thanks to a braking system borrowed directly from the electric vehicle and Renault's expertise in energy management from F1, the excellent performance of the E-TECH Plug-in engine enable it to recover and restore a maximum of energy for fast battery recharging during plug-in phases. With its ability to operate in electric mode for 45 kilometers at up to 135 km/h in mixed road mode (WLTP) and around 65 km in urban use (WLTP City), the New Captur has unrivalled versatility: it can operate without consuming fuel on everyday trips and take you on long trips at the weekend and vacations without autonomy issues. Thanks to its specific storage, ability to continuously regenerate energy and its two electric engines, the New Captur operates on long trips as an E-TECH hybrid model and retains the major advantages of this system: electric starting and reduced consumption.

### TCe 155 FAP, for maximum driving pleasure

The 155hp 270 Nm version of the 1.3 TCe FAP engine is designed for drivers who want to take advantage of the dynamic qualities of the New Captur and its new CMF-B platform chassis. The driving experience is improved with the automatic dual-clutch 7-speed gearbox. The paddle shifters located behind the steering wheel and the MULTI-SENSE Sport mode provide even more sportiness and driving pleasure for those seeking such sensations. This 155hp/270 Nm version of the 1.3 TCe engine is the result of specific calibration work compared to the 150hp/250 Nm version that it replaces. This has enabled optimized consumption and $CO_2$ emissions as part of the WLTP protocol.

## New ZOE: electric mobility reinvented

The New ZOE is even more high-performance thanks notably to its improved power and range. Its design gives it even more character. And it provides a range of high-tech equipment for driving and on-board comfort. The pleasure of 100% electric driving takes on a new dimension! The launch of the third generation of Renault's flagship 100% electric vehicle is a major milestone in the Group's strategy to develop electric vehicles on a large scale.

From a technical viewpoint, the New ZOE offers both more autonomy, with a 52 kWh battery (Z.E. 50) which takes its range up to 390 kilometers in WLTP* cycle, a 20% increase, and more recharging options, thanks to the introduction of direct current (DC) recharging, providing AC recharging up to 22 kW and DC up to 50 kW.

At the same time, it provides even more driving pleasure with its high performance 100 kW (R135) technology along with a new "E-Shifter" electronic gear stick.

Lastly, Renault has provided the New ZOE with innovative new equipment and the Renault EASY CONNECT connectivity services. From driving aids to the 10-inch driver screen, not forgetting the Renault EASY LINK multimedia system, and the new driving mode that facilitates urban driving, everything is designed to provide greater everyday simplicity and pleasure.

The New ZOE is the first industrial application worldwide of a fabric made of 100% recycled carded yarn from the circular economy.

## TRIBER

Renault has revealed a new ultra-modular, modern model in Delhi with a completely unprecedented "price/value" ratio. TRIBER is a world first specifically designed for the Indian market but with international ambitions. A unique combination of attractive design, robustness, compactness, roominess and flexibility, Triber is a versatile vehicle that succeeds in comfortably seating up to 7 adults in a length of under 4 meters.

## ARKANA

The Renault ARKANA is the first Alliance model in Russia, based on the B0+ platform (Duster & Kaptur in Russia). It has an all-new TCe 150 turbo (150hp) gasoline engine combined with a new generation X-TRONIC CVT and a smart all-wheel drive system. The Multi-Sense customized driving experience offers a choice of three driving modes according to road conditions (Sport, Eco, My Sense).

## New MASTER and New TRAFIC

Since their launch in 1980, the MASTER and TRAFIC have imposed themselves as must-have models in the light commercial vehicle segment with over 4 million units sold. To meet new customer uses, the New Master and New Trafic are asserting themselves as much through their design as their mechanics and equipment, with a stylish imposing design, including new Full LED headlights that are more technological, dynamic and high performance.

## New MASTER

### More power with the 2.3 dCi engine

The New Master has a new range of 2.3 dCi engines that are even more suited to professional use. These engines now meet Euro 6d-temp/Euro 6d standards (depending on vehicle volume or mass) and are equipped with Twin Turbo technology. They have increased power of up to 180hp and 400 Nm for a more dynamic and responsive driving experience. They provide significant consumption savings of up to 1l/100 km (NEDC correlated values). These engines may be coupled, depending on the version, with a 6-speed manual gearbox or a 6-speed automatic gearbox. They benefit from the latest pollution reduction technologies, including the Selective Catalytic Reduction (SCR) system.

### MASTER Z.E. the 100% electric version

It offers 120 km in real autonomy, suited to last mile daily deliveries or other professional uses in urban areas: the New Master Z.E. has a high energy efficiency R75 electric engine with power of 57 kW (76hp equivalent) and a 33 kWh battery (Z.E. 33). A full recharge of the Master Z.E. takes six hours with the 32A/7.4 kW Wall Box.

### The largest mobile office in its category

The New MASTER has the largest storage volumes in its category (up to 105 liters). For more practicality, the cockpit has been redesigned as "Easy Life", with a number of innovations. High performance connected multimedia solutions: R-LINK Evolution - Media Nav Evolution. Special care has been taken with the Human Machine Interfaces (HMI) of the dashboard to improve the driving experience on board the New Master.

## New TRAFIC

### 2.0 dCi engine and automatic gearbox

**2.0 dCi engine.** The New Trafic has a new range of 2.0 dCi engines that are even better suited to professional use. These engines now meet Euro 6d-temp standards. With a variable geometry turbocharger, they have increased power and torque of up to 170hp and 380 Nm. They provide consumption savings of up to 0.6 l/100 km (NEDC correlated values) in 145hp. They continue to benefit from the latest pollution reduction technologies such as the Selective Catalytic Reduction (SCR) system.

**Automatic EDC gearboxes** Another new feature of the New Trafic, the engines can now be coupled with a dual-clutch EDC6 automatic gearbox, for the two higher powers, offering a fast, precise response to gear changes.

On-trend equipment for easier on-board life New connected mobile office The New Renault Trafic becomes a true connected mobile office. A new foldable 3-button key or hands-free Renault card, with Single Door Opening (SDO) option to facilitate access. A new polypropylene finish for easier cleaning of the loading area.

**Useful technologies assisting the driving experience.** The driving aids on the New Trafic provide comfort, ergonomy and safety. They include the "Wide View Mirror" that more than doubles the rear right side visibility angle. "Front and Rear Park Assist" with reversing camera, "Trailer Swing Assist". Full LED headlights also improve night safety. They provide 50% more light in full headlight mode and 34% in dipped beam, compared to halogen headlights, along with a longer life.

## Groupe Renault introduces hydrogen into its range of light commercial vehicles

- Building on its experience in light commercial vehicles, as a pioneer and leader in electric light commercial vehicles in Europe, Groupe Renault is expanding its range of offers with the Renault KANGOO Z.E. Hydrogen at the end of 2019 and the Renault MASTER Z.E. Hydrogen in 2020.
- The hydrogen fuel cell provides additional energy, giving up to three times more autonomy compared to 100% electric vehicles, with a recharge time of only five to ten minutes.

Hydrogen is seen at Renault as a complementary solution to its electric and hybrid strategy.

## K-ZE

The Renault City K-ZE, unveiled at the Shanghai motor show press conference, is Groupe Renault's sixth electric vehicle (EV). This segment A city car, with an SUV design, is the first EV to be sold in China.

The Renault City K-ZE is fitted with a 33 kW engine with a potential torque output of 120 Nm. It is fitted with a dual recharging system that is compatible with both public charging equipment and Wallbox-type systems. If connected to a fast charging station, it will only take 50 minutes to charge to 80% of its range.

The Renault City K-ZE will be produced in China under the eGT New Energy Automotive Co., Ltd. joint venture created by the Renault-Nissan-Mitsubishi alliance and local manufacturer Dongfeng. It was designed using the Alliance's CMF-A common platform for small city cars.

## E-TECH (HEV & PHEV)

The automotive industry is in a state of flux. There have never been so many new and disruptive technological developments (Electric, Autonomy, Connectivity), while user needs and demands are different from one model to another and one market to another. In an increasingly strict regulatory environment and strong expectations from our individual and business customers (low consumption, no surcharge on purchase and use), hybrid vehicles firstly meet multiple usage needs that are complementary to those of electric vehicles. They are also preparing customers for the mass arrival of electric vehicles on the market.

Electric vehicles are the core of Groupe Renault's strategy**.** We are pioneers in Europe, with almost 10 years of expertise.

We have applied all of our electrical know-how to hybrids to offer a unique and pleasurable driving experience ("fun to drive"), with a real hybrid engine, not merely an electrified combustion engine, thus making the electric experience and its benefits more widespread.

This can be seen in such features as:

- 100% electric starting
- Acceleration worthy of an electric vehicle
- Excellent energy efficiency, One Pedal dynamic braking similar to an electric vehicle and a high battery recharging capacity.

The Renault E-TECH hybrid engine has a modular design. It comes in two varieties: E-TECH for full hybrids (HEV) and E-TECH Plug-in for plug-in full hybrids (PHEV), to meet low-consumption and emissions needs for all of our customers (hybrids for all).

On the CLIO E-TECH, this can be seen in:

- 100% electric driving up to 80% of the time in towns and cities
- Up to 40% less consumption in towns and cities

On the Captur E-TECH Plug-in, this can be seen in:

- 100% electric journeys of up to 45 km
- 100% electric journeys of up to 65 km in towns and cities

We combine the best of our current product knowledge with the best of the hybrid technology developed by Groupe Renault, notably through our commitment to and our experience in Formula 1. These engines will be offered on accessible vehicles, the core market, offer good value for money and have the lowest cost of use (Clio, Captur, Megane) starting in the first half of 2020.

### Hybrid engines

This new engine is an integral part of the Groupe Renault strategic plan, whose vision is to provide sustainable mobility, accessible to as many people as possible, while complying with new standards now and in the future.

This plan introduces a major electrification of the range with eight 100% electric models (five new models and three new editions) and 12 electrified models (includes hybrids and plug-in hybrids). In addition, it provides for a total of 12 100% electric vehicles.

The Renault E-TECH technology is DHT (Dedicated Hybrid Transmission). It is based on an intelligent multimode transmission architecture[3], both dog clutch and clutchless, that is optimized to reduce friction. To that transmission, two electric engines (e-machine, the main engine, and HSG, the high-voltage starter whose power varies depending on the hybrid version) and a gasoline engine1 (1.6 atm 67 kW/91hp) are directly attached. The gasoline/HSG combination and the main electric engine can drive the wheels independently. The three engines can also drive the wheels simultaneously. Together, they form a compact powertrain that is common to E-TECH and E-TECH Plug-in vehicles.

- Renault's extensive experience in electric vehicles has made it possible to develop sophisticated management for the three sources of traction to offer everyone who drives our hybrid vehicles a genuine electric experience, with up to 65 km of 100% electric driving in towns and cities;
- More electrical efficiency thanks to the absence of a clutch and a smart transmission that limits energy losses. This system also maximizes the recovery of energy during the braking and deceleration phases;
- The gasoline engine is still normally aspirated and therefore cheaper and less complex than a turbocharged engine, because it is used in its optimal way;
- Renault's E-TECH technology is an innovation that optimizes energy consumption without compromising driving. Our two slogans are Fun to drive and EV feeling.

# 1.4.3 Performance levers

## CMF-B: a new generation modular platform for segment B

Introduced in 2013 as a source of increased competitiveness and synergies, CMF (Common Module Family) extends the standardization of architecture to a growing number of vehicles developed within the Renault-Nissan alliance. CMF has already generated an average 30-40% reduction in product/process engineering costs per model and a 20 to 30% reduction in parts costs for the Alliance. By 2022, 70% of Alliance vehicles and 80% of Groupe Renault vehicles will be manufactured on Common Module Family platforms.

After the CMF-C/D and CMF-A families, which respectively cover versatile family vehicles and economic mini city cars aimed at high-growth markets, the new CMF-B family designed for compact vehicles welcomes the New CLIO and New CAPTUR this year.

Under development since 2014 at the Technocentre in Guyancourt (France) and used jointly by the Nissan and Renault groups, CMF-B will include more than 15 Alliance models by 2022, with a target of 4 million vehicles.

The CMF-B platform has been completely renewed (85% new parts) compared to the CLIO IV platform. Its production was launched in 2019 at the Bursa, Valladolid, Sunderland and Novo Mesto plants and it will ultimately be produced at 18 Alliance plants around the world. This platform allows the electrification of vehicles and integrates the specific features of hybrid and rechargeable hybrid engines. It is designed to accommodate advanced driving assistance leading to the first levels of driving autonomy.

Its architecture is designed to facilitate body swapping from one model to another to optimize the efficiency of plant production lines.

In addition, it is inaugurating a dual platform strategy that makes it possible to offer product responses tailored to different markets in terms of services and economics. For example, the same bodywork can be offered on localized platforms with controlled development costs. This is the approach that Groupe Renault initiated with the CAPTUR and KAPTUR, with an even greater degree of interchangeability.

## System engineering

Following the roll-out of 43 systems since 2013, a number of developments are in the pipeline in order to anticipate future stages of complexity. The model-based System design is similar to the launch of CAD (Computer-Aided Design) for geometric architecture, but based on different viewpoints such as functional architecture. Organizing the car's System and Software under a Platform (similar to a physical Platform) means that innovative updates can be efficiently developed and rapidly introduced into the Product and Services range. Revised processes supported by a continuous digital supply chain and adjustments to Agile techniques will enable cross-functional and empowered teams to work in iterative and incremental cycles, based on modular reference architecture. They will also optimize vehicle and off-board platform development costs by re-using as many design components as possible, and by streamlining approvals.

## Processes for robust design

### Synchronization of milestones in project planning and development phases (S3/CF)

The roll-out of the V3P approach and the strengthening of quality sequencing during the upstream phases has resulted in a complete rethink of the process of introducing innovations into vehicle projects. In order to incorporate more research and engineering project innovations upstream, better synchronization of these innovations with vehicle and parts project timetables was required, ensuring that they were integrated at the correct stage of the development cycle and that they were sufficiently advanced.

A highly-prescriptive and entirely unified Renault/Nissan innovation management process (Alliance Project Review) was applied, ensuring robust transfer of technology from R&AE (Research & Advanced Engineering) to development. Handover is completed at the CF (Concept Freeze) stage of the vehicle project, *i.e.*, the stage at which the vehicle's concept and technical elements are selected, determining the balance between cost and value to meet customer expectations.

In 2018, the process was further improved by taking into account the impact of innovations on vehicle platforms and on electric and electronic architecture, to ensure that innovations with a high architecture impact are applied to projects as effectively as possible.

### Customer satisfaction plan: from reliability to customer satisfaction

The 2022 customer satisfaction plan was defined in 2018 as part of the launch of the "Drive the Future" strategic plan.

The objective is clear: building customer confidence in Groupe Renault's brands so that by 2022, we will have a long-term position among the top three in terms of quality and customer satisfaction.

Customers need to feel that we are attentive to their expectations. Groupe Renault's sustainability and growth depends on their satisfaction in terms of products and services and on improving our image with future buyers.

This is expressed in the form of OaO (Overall Opinion) or good opinion, which measures the image of brands and models that customers have when they want to buy a new vehicle within two or three years in a given country. A high level of trust makes it easy to position products at profitable prices, build customer loyalty and win new customers.

To achieve the ambitions of OaO and those of the Customer Satisfaction Plan more generally, seven areas of focus have been defined:

- Attractive Quality is based on design, perceived quality and marketing through the way it makes the product and its innovations desirable;
- Initial Quality is the quality of the vehicles before their first acquisition. This is measured by the level of customer complaints. Reducing the number of complaints is essential, as is handling them more quickly to provide customers with a product experience that meets their expectations;
- Durability: A car that ages well, that you can keep longer, is the assurance that it can be resold used at a good price. Durability is an important criterion for customers and encourages them to remain loyal to a brand. Durability combines reliability (the absence of breakdowns) with the vehicle's ability to age well (keeping the vehicle roadworthy while controlling maintenance costs);
- The aim of Sales Quality is to enable Renault to become the leading volume manufacturer for the best customer experience when new vehicles are sold;
- After-Sales Quality offers customers a reliable after-sales partnership and meet their mobility needs in all conditions;
- Agile and "end-to-end" processes/digital transformation: the CSP's ambitions in this area imply disruptions in processing speed and in the overall coverage of the customer experience. Agile methods are based on adapting to the customer's needs to achieve customer satisfaction. Digital transformation is a key point;
- Customer satisfaction/skills development oriented mindset: this is consideration of the customer satisfaction needed in all employee actions and decisions, as well as at all levels of the company. This means looking for what can be improved at the company level (e.g. project governance, cost- or process-oriented indicators) and at the individual level (empowerment, commitment and personal development).

### The expertise network that serves all of the Group's functions

Since 2010, the expertise network structures and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and customer satisfaction. It impacts the Group, assists all functions and actively participates in the enrichment of their ecosystems.

The 51 areas of strategic expertise are established in all major business activities, with a strong concentration in engineering. In 2019, four strategic areas of expertise were reconfigured, including command controls, electrification, Manufacturing and commerce. These developments within the network make possible in-depth integration of new technologies into business activities and functional adaption of the structures of the areas of expertise in question. This has resulted in an increase of 140 employees in the network between 2016 and 2019. Currently, however, the number of employees is stabilizing.

**The network is structured into four levels:**

- **the Expert Fellow**, a member of the Renault Management Committee. Responsible for defining the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network in order to structure production both at the strategic level using roadmaps and the operational level regarding technical or methodological innovations, support for projects or quality issues. The collaborative work carried out by working groups contributes to a dynamic of shared progress for the affected business activities as regards the Company's main challenges, which are largely technical. The network can thus be described as an agile organization that serves the inter-business sector. Participation in regulatory and standardization bodies and their consistency is also one of the network's deliverables;
- **51 Expert Leaders**, each reporting to a Business Vice-President who oversees their roadmap. Expert leaders have responsibility for one area of strategic expertise. They structure and guide their internal network of experts and use an external network consisting of universities, other manufacturers, associations, incubation structures, etc., to enable the Company to work in an "extended" way and expand it through involvement in collaborative or investment efforts;
- **237 Experts**, responsible for secondary fields of expertise, oversee benchmarks, identify relevant partners and invest in the protection of know-how through patents. They are responsible for promoting standards and processes;
- **490 Consultants**, responsible for specific business activities, who improve the state of the art by being "the benchmark" in their practice, thus building standards, capitalizing on them and imprinting them with their experience.

Thanks to its cross-functional nature, this expansion of the expertise network makes it possible to show the way forward via a set of coherent roadmaps, accelerate the enhancement of knowledge through innovation and the performance of operations, thus allowing the business activities to excel in their various areas of expertise. The network's intervention methods are adapted to the increasingly agile functions.

Finally, within the Alliance, Renault and Nissan expertise networks review the common skills structure, coordinate regularly to work in synergy on the roadmaps and their implementation on analog scopes, analysis and treatment of identified risks, and support for common developments.

## Reinforcement of the innovation momentum

### Open Innovation at Renault

The creation of Open Innovation Labs is part of the Renault-Nissan Alliance's innovation culture and strategy: they enable innovation opportunities to be cultivated based on an open ecosystem comprising start-ups, universities, investors and first- and second-tier suppliers, and a local economy such as local authorities, associations, customers and markets.

These labs bring together the three pillars of Open Innovation in one place:

- the socialization of knowledge (events, conferences, think tanks, meetups);
- creativity and innovative design methods (design thinking, Fablab);
- and the levers of the new economy (acceleration of start-ups, open and collaborative approach, platforms).

Renault continued its innovation strategy by inaugurating Alliance Innovation Labs in Shanghai (China) and Tel Aviv (Israel) in 2019.

The Tel Aviv Alliance Innovation Lab identifies, defines and produces prototypes with Israeli start-ups mainly in the areas of cybersecurity, sensors for ADAS and autonomous vehicles, and data/smart cities.

The reinforcement of the innovation network is based on numerous actions:

- increased technical and scientific synergies within the Alliance to benefit from shared processes;
- sharing of collaborative projects co-financed with European partners;
- further expansion of the internal 'Creative Labs' network to increase the creativity of Renault employees;
- broadening of connections with local eco-systems in order to be closer to new trends in these markets, through emerging start-ups;
- access to the best performing cutting-edge technologies through the strategic partnership with the CEA; creation of an autonomous vehicle project platform in Saclay;
- sharing of research efforts with French partners in industrial and academic Technological Research Institutes (VeDeCom, SystemX);
- identification, activation and support for Research skill clusters in the RTX according to the specific local features and talents associated with new communications and information technologies;
- broadening of the exchange network with actors in future mobility, based on Renault's strategic focuses (electric vehicle, new mobility, connectivity and new associated services).

## 1.4.4 R&D: a unified international organization

Key areas such as engineering, manufacturing and supply chain purchasing, quality and total customer satisfaction, after-sales and business development have been merged within the Renault-Nissan-Mitsubishi alliance since April 2018.

In Engineering, this organization enables optimization of synergies in vehicle and service development.

The vehicle ranges are grouped into a single Alliance team that provides platform-by-platform development under a common management.

### Alliance Engineering

The new Alliance Engineering department is currently composed mainly of nine major entities:

- 6 Functional departments:
  - the Research and Advanced Engineering department,
  - the Customer Service, Testing and Digital Simulations department,
  - the Combustion and Electric Powertrain Development department,
  - the Vehicle Platforms and Components department,
  - the Electric/Electronic and Systems department,
  - the Connected Vehicles department;
- 2 Alliance Project Development departments tasked with overseeing vehicle development according to a distribution of projects by platform. These two departments themselves include:
  - two departments for the development of Segment A and B vehicles,
  - one department for the development of Segment C and D vehicles,
  - one department for the development of electric vehicles,
  - one department for the development of light commercial vehicles;
  - and the Vehicle Development department, which is tasked with designing items specific to the development of Groupe Renault products such as, for example, cabins and bodywork. The Transformation and Performance department is a cross-functional department. This department promotes the quality and uniformity of our products worldwide and brings together skills management, specification/resource fulfillment, and process and standards management activities.

### Renault international engineering centers (RTX)

Groupe Renault's engineering centers are located all over the world in countries such as Spain, Romania, Korea, India, Russia and the United States. Thanks to their knowledge of local and regional markets, they are tasked with adapting vehicles to customer needs and expectations, local regulatory constraints and national economic situations.

Through the application of a skills upgrading policy that continues from year to year, Groupe Renault continuously increases the responsibility of engineering centers for cross-functional activities and enables them to take charge of vehicle project design at an increasingly early stage in the process. This upskilling also enables the most mature RTX to move from regional to more global responsibilities.

# 1.5 INTERNAL CONTROL AND RISK MANAGEMENT

## 1.5.1 Group internal control and risk management system

### 1.5.1.1 Objectives of the internal control and risk management systems

Groupe Renault has adopted organizational structures and procedures to contain the risks inherent in its activities and to limit their negative impact. The internal control and risk management systems are implemented in all corporate functions, all activities and all Regions. The main objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that the Company's objectives will be achieved. In order to mediate between the opportunities and risks, Groupe Renault's global risk management system aims to reduce the impact and/or probability of events having a significant influence on the control of operations or the fulfillment of objectives. The internal control and risk management systems identify and assess risks by measuring the level of risk factor control and the efficacy of management plans.

### 1.5.1.2 Regulatory framework of the internal control and risk management systems

Since 2007, Groupe Renault has taken into account the reference framework and implementation guidelines of the French Financial Markets Authority (AMF), which were updated in July 2010, and the recommendations of the Audit Committee working group report published in July 2010.

The AVTOVAZ group has management autonomy and has implemented an internal control system and risk management system in accordance with Russian legislation and the organization described in this section; any variations are indicated and explained.

With regard to sales financing, RCI Banque has defined its own internal control framework in accordance with banking and financial regulations. This system is outlined in section 1.5.3 "Sales Financing". RCI Banque is subject to controls by the French Prudential Supervisory Authority (ACPR) and the European Central Bank (ECB).

### 1.5.1.3 Deployment and organization of the internal control and risk management systems

The Group comprises three operating segments: the Automotive division of Groupe Renault, excluding AVTOVAZ, the AVTOVAZ group, and Sales Financing.

The Automotive division of Groupe Renault, excluding AVTOVAZ, is structured around three axes: Regions, Corporate Functions and Programs. They help set the business strategy and implement it on a daily basis:

- the "Regions" axis develops the business in the field. The Regions are responsible for optimizing the business and generating profitable revenues;
- the "Corporate Functions" axis groups together all of the business functions, with global responsibility. Corporate Functions define the policies, and supply the appropriate standards, methods and skills to the Programs and Regions;
- the "Programs" axis is responsible for the life-cycle of the vehicles and services at a global level. Programs develop the vehicle ranges and services and manage their profitability.

This structure does not exist for the AVTOVAZ group.

Sales financing has its own internal control and risk management systems and organization, as outlined in section 1.5.3

The overall control system is based on the three lines of defense represented in the diagram below:


The internal control and risk management systems help to control operations and fulfill Group objectives:

- the internal control system aims to control processes so as to provide reasonable assurance on the efficacy, preservation of assets, compliance and reliability of financial, accounting and management information;
- the risk management system identifies and assesses major risks likely to hinder the business' ability to fulfill its objectives in order to maintain these risks at a level judged acceptable by Senior Management;
- as part of its duties, Internal Audit assesses the functioning of the internal control and risk management systems, and issues recommendations for improvement.

The first two lines of defense report on internal control and risk management issues to dedicated committees: the Risks and Internal Control Committee (*Comité des risques et du contrôle interne*, CRCI) and the Ethics and Compliance Committee (*Comité d'éthique et de conformité*, CEC) presented in section 2.5.1. They occasionally report to the Executive Committee and the Operations Review Committee as part of thematic presentations. The aim of the Risks and Internal Control Committee is to regularly validate and assess the efficiency of the internal control and risk management systems.

The second and third line of defense present the results of their work to the Audit, Risks and Compliance Committee (CARC), whose duties are defined in section 3.1.6.

In the course of their duties, the statutory auditors assess the internal control of the preparation and processing of accounting and financial data and, when necessary, issue recommendations.

In terms of scope, the internal control system applies to the parent company and all significant entities, fully consolidated companies in particular. The risk management policy is applied at Group level for major risks. It is also rolled out at operating entity level (countries, commercial and/or industrial subsidiaries), for vehicle programs and global functions.

## 1.5.1.4 Guidelines for the internal control system

### Internal delegations and separation of offices

In addition to command-line structures, the Group has set up a staff reporting system so that corporate function managers can provide leadership for their function correspondents throughout the Group.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to personnel via the intranet. Decision requests are tracked in a workflow that implements the rules specifying the persons to be involved, in accordance with internal control procedures or documented in the minutes of the committees responsible for making the decision.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and limits on the hedging of raw materials and currency risks, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision was made by the Chief Executive Officer of Renault until October 11, 2019, then by the Acting Chief Executive Officer of Renault until the end of 2019.

The principle of separation of offices and tasks is required at all hierarchical and functional levels within the Group, and within the computer systems, to facilitate independent control and to separate tasks and functions corresponding to operations, the protection of property and their booking for accounting purposes.

### Group ethics and corporate functions criteria

The "Corporate Functions" define and issue the policies and standards to be deployed, which are then rolled out as procedures and operating methods to ensure that processes at operational level function in accordance with the principles outlined in the code of ethics, the Guide for preventing corruption and influence peddling and the dedicated Codes of Ethics.

The Internal Control department distributes guidelines (Minimum Control Standards & Control Basic Rules) that list the main themes to be controlled and incorporated into the operational staff's control activities.

### 1.5.1.5 Main actors in internal control and risk management

In accordance with the AMF's general internal control principles and respecting the principle of the separation of offices, the Renault internal control system is implemented in accordance with the three lines of defense set out in section 1.5.1.3:

- at line one are:
  - operational management, which adapts and applies within its scope of responsibility the internal control and risk management principles and methods defined at Group level,
  - employees, who are expected to comply with the internal control system established for their work areas and with the code of ethics Groupe Renault and the Guide for preventing corruption and influence peddling as well as their own dedicated Codes of Ethics;
- at line two, this system is permanently monitored to evaluate its proper application and efficiency. This monitoring is performed by:
  - the Internal Control department using self-assessment questionnaires and compliance tests. It also sees that action plans are carried out if any shortcoming is observed,
  - the Risk Management department: as both project leader for mapping the Group's major risks, and adviser and support for risk mappings by programs, operating entities in Regions (whether industrial or commercial), global functions, or for more specific mapping needs,
  - the Group Performance and Control department coordinates and leads this process in the field, supported by its representatives in the entities and Regions. It ensures that all personnel comply with management rules and assists operational staff in the coordination of their action plans and monitoring,
  - the departments, known as "Corporate Functions", represent the business functions and are responsible on a global scale for establishing policies, standards and methods;
- at the third level is the Internal Audit department, which conducts an independent and objective assessment of corporate governance, risk management and control processes, as defined within the Group. Through its recommendations, Internal Audit contributes to the improvement of operational security and the optimization of the overall performance of the company. At the end of each assignment, Internal Audit distributes a final report and summary note, which are systematically distributed to the audited functions/regions/projects, the Chief Executive Officer and the Chairman of the Group. The summary note includes an opinion issued by Internal Audit that aims to give an overall assessment on the level of control of the audited activities: satisfactory (green), some improvements needed (yellow), substantial improvements needed (orange), insufficient (red).

The Internal Audit department monitors all Groupe Renault entities and activities excluding the financial branch (RCI), which has its own Internal Audit structure. It can also audit functions that have converged with Nissan. For entities in partnership with Renault, Internal Audit may intervene if the partner so agrees. For activities entrusted to third parties, intervention by Internal Audit is possible if the contract's audit clause so provides.

Audit plans are made on an annual basis. They are verified by Senior Management and approved by the Audit, Risks and Compliance Committee. Annual audit plans are revised as necessary to take into account additional requests.

Internal Audit missions make it possible to:

- assess the compliance of processes and their application with the rules, standards, laws and;
- regulations in force;
- assess the effectiveness of processes and the performance of transactions;
- verify the quality of the controls performed by the operational department and the support and control functions;
- suggest areas for improvement or progress in the form of recommendations;
- fight against fraud and corruption;
- verify the effective implementation of the recommendations.

Following the recommendations made in the audit report, an action plan defined by the audited entities is approved by the audit function. Recommendations have three levels of criticality (high, medium, low, identified respectively as A, B and C). The Internal Audit department ensures that the recommendations are implemented. Every six months, it prepares a progress report on A and B recommendations for the Group Executive Committee and the Audit, Risks and Compliance Committee.

The Internal Audit department is certified by the French Institute of Audit and Internal Control (IFACI)[1], in accordance with the standards for the professional practice of internal auditing (*référentiel professionnel de l'audit interne*, RPAI) comprising 25 general requirements divided into 100 detailed requirements across five categories: positioning, steering, audit processes, GRC (governance, risks and compliance) assessment program and professionalism.

*(1) French Institute for Audit and Internal Control (Institut français de l'Audit et du Contrôle interne).*

## 1.5.2 Implementation of internal control and risk management objectives

### 1.5.2.1 Implementation of objectives

The internal control system aims to ensure the proper functioning of the internal processes implemented through a framework of methods and procedures. The operating processes are guided by QCD (Quality/Cost/Delivery) indicators, for which the risks have been analyzed as part of the entity mapping projects, self-assessment questionnaires and performance reviews.

#### Internal Control

Each year, the Internal Control department runs an internal control campaign in which self-assessment questionnaires are sent to the Group's main entities. The CEOs of the entities validate these self-assessments and commit to defining and implementing action plans to remedy any internal control shortcomings identified. These action plans are subject to annual monitoring by the Internal Control department. The results of these self-assessments are presented to the Audit, Risks and Ethics Committee once a year.

Compliance tests are conducted on the basis of a sample of entities by the internal controllers of the Internal Control department to verify the quality of the self-assessments.

Entities with lower risk levels (entities not fully consolidated or unconsolidated entities) are subject to separate internal control systems.

#### Risk management

The Group applies a risk management method based on one hand on identifying and assessing risks of any kind, which are then mapped, and, on the other hand, on carrying out action plans to deal with these risks, and specifically their net impact and/or probability of occurrence, by means of: elimination, prevention, protection or transfer. This method applies to the Group, entities, vehicle programs and global functions. The mapping of major Group risks (descending and ascending) is presented to the Risks and Internal Control Committee, the Group Executive Committee and the Audit, Risks and Ethics Committee, which validate it.

The major risk factors to which the Group is exposed are described in section 1.6.

To carry out its duties, the Risk Management department relies, in particular, on two networks:

- one comprising managers mainly from the performance and control function, for the operating entities (countries, commercial and/or industrial subsidiaries) and global functions, and from the quality assurance function, for the programs. These managers are known as Operational Risk managers (RMO). They work with the Risk Management department on the operational implementation of risk management systems within the entities, the programs and global functions;
- the other made up of experts who manage a specific area of risks. These may be risks common to all companies or specific to one of Groupe Renault's segments of activity. These experts are known as Expert Risk managers (RME) and consult on the standardized risk management plans in their area of expertise.

To draw up the audit plan for the Company's major risks, which is validated by Senior Management and approved by the CARC, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the Risk Management department with insight on the effective level of control of major risks.

### 1.5.2.2 Assessment and outlook

#### Internal Control

The work of the Internal Control department in 2019 included:

- continued action to improve the corruption prevention system and support for the operational staff affected;
- performance of awareness-raising actions and training in the risks of external fraud, such as "CEO fraud" and "change in bank details fraud";
- the roll-out of internal control training and of the analysis method for the separation of tasks with standard grids for the main processes at risk;
- definition of preventive and detection controls based on a Data Analytics unit;
- review of the rules for delegation of authority, in particular following changes in the Group's method of governance.

The "tone at the top" in terms of internal control was reaffirmed by the distribution of a letter signed by the CFO that positioned internal control as an essential performance feature of the company.

The priorities in 2020 will be to continue these underlying actions begun in previous years.

#### Training actions

The main corporate functions have set up schools to raise the professional standards of their staff. These schools reflect their strong belief in employee training as a way to enhance performance and to better satisfy Senior Management expectations.

The Internal Control department has launched a program of specific and further training for operational managers within the entities, with more than 455 managers and 43 executive committees being trained over the last four years.

### Risk Management

In 2019, the Risk Management department focused its activities on:

- updating the mapping of the Group's major risks. This exercise was carried out in light of the Group's medium-term strategic plan, so that the latter could in particular continuously integrate action plans to address the risks identified;
- the strengthening of treatment plans and processes to improve the control of the major risks identified previously;
- assistance to operating entities in the implementation of country, industrial site and commercial subsidiary risk mappings, carried out with the operational risk managers of the relevant entities;
- assistance to the Program or Project departments in creating risk mapping for projects;
- assistance to the global functions.

In addition, awareness-raising actions for Group employees about risk culture and the fundamentals of risk management were continued by the Risk Management department (communication and training, in particular through e-learning modules).

In 2020, the Risk Management department's activities will continue to focus on these priority issues.

## 1.5.3 General framework for internal control and risk management within the RCI Banque group

RCI Banque has a global internal control system which aims to identify, analyze and manage the main risks identified in relation to the Company's objectives. The RCI Banque group's Internal Control Committee has validated the general framework for this system, which is described in the Internal Control Charter.

This Charter defines the system applicable to the French and foreign companies over which RCI Banque has effective control and specifies in particular:

- the general arrangements for managing internal control;
- the local arrangements for subsidiaries, branches and joint-ventures;
- the special arrangements for various functional areas.

Risk control at RCI is overseen on three levels by separate functions:

- the first line of control is exercised by the operational functions in charge of day-to-day risk management as part of the activities in their area of expertise. These functions decide and are responsible for taking risks in the conducting of transactions and the objectives assigned to them. They exercise this responsibility in accordance with the management rules and the risk limits defined by the corporate functional departments.

  The Corporate Functional departments are in charge of risk definition, rules, management methods, measurement and monitoring at the corporate level. Each department, in its area of expertise, manages and oversees the risk management system via guidelines and country objectives. Risk is monitored by periodic dedicated committees in both the subsidiaries and centrally. These departments rely on local representatives for risk measurement and exposure monitoring and ensure that limits are respected at the group level;
- the second line of defence includes:
  - the Internal Control department and the internal controllers for the Group entities, which control the level of compliance of transactions with the management rules defined in the procedures. More specifically, they verify the relevance of the first line of control,
  - the Risk and Banking Regulations department, which oversees the deployment of the Group's risk governance policy, verifies the efficiency of risk management by the functional departments and of compliance with the limits and alert thresholds established and ensures that the Risk Committee of the RCI Board of Directors is notified when those thresholds are exceeded,
- the third line of defense is the internal audit function, which aims to provide assurance to RCI Banque's Board of Directors and senior management about the degree of control over transactions and the oversight exercised by the first two lines.

The risk management system covers all the macro processes of the RCI Banque group and includes the following tools:

- the list of the main so-called critical and significant risks for which a pilot, appetite level, alert thresholds and limits are defined (Risk Appetite Framework). For each risk, a detailed analysis is performed that identifies the components of the risk and the management and oversight principles that keep it in line with the risk appetite level. These elements are reviewed at least once a year in connection with the RCI Banque group business model and strategy;
- the mapping of operational management rules contributes to risk management; it is deployed in all of the RCI Banque group's consolidated subsidiaries. This mapping is updated regularly by the central business activity departments. The level of control of operational management rules is assessed annually by the process owners in all subsidiaries;
- the incident collection database helps to identify malfunctions that correspond to predefined criteria and enables the corrective and preventive measures required to control risks to be put in place. This database is used for internal and regulatory reporting purposes. The system sets thresholds for immediately communicating incidents to RCI's Executive Committee, RCI's Board of Directors Groupe Renault's Ethics and Compliance Committee (CEC), the French Prudential Supervisory Authority (ACPR) and the European Central Bank.

## Bodies and actors involved in internal control and risk management

- The RCI Banque Board of Directors, as supervisory body, has the following responsibilities:
  - it decides on the bank's business strategy and monitors the implementation, by Executive Directors and the Executive Committee, of supervisory procedures to ensure effective and prudent management,
  - it approves and periodically reviews the strategies and policies for taking on, managing, monitoring and reducing risk,
  - it examines the governance model, periodically assesses its effectiveness, and ensures that corrective action is taken to remedy any shortcomings,
  - it oversees the publication and communication processes and checks the quality and reliability of information due to be published and disclosed by the Company.

As such, the Board devotes at least one meeting a year to a review of the internal control system, in order to sign off on the annual report on internal control submitted to the French Prudential Supervisory Authority (ACPR).

The Board of Directors is assisted in its duties by five specialized committees:

  - the Audit and Accounts Committee meets three times a year. It is responsible for preparing, presenting and monitoring the financial statements, overseeing the statutory audit of the separate and consolidated financial statements, monitoring the independence of the statutory auditors and the definition of their non-auditing services, recommending the appointment of the statutory auditors and monitoring their rotation, verifying the effectiveness of internal control and risk management systems, reviewing the audit plan, analyzing the audits carried out and reviewing investments in unconsolidated companies,
  - the Risk Committee meets four times a year. Its role includes examining the risk map and signing off on the definition of risks, and analyzing and authorizing RCI group risk limits in line with the Board's risk appetite and with a view to assisting the Board in terms of oversight. It is also responsible for analyzing action plans in the event that limits or notification thresholds are exceeded, and for examining pricing systems for products and services. In parallel with the Compensation Committee, it also has the task of examining whether the compensation policy is compatible with the Company's risk exposure, So that it can advise the Board of Directors, this Committee is also responsible for the analysis and approval of the internal control report, compliance with capital (ICAAP) and liquidity (ILAAP) regulations, the recovery plan, and significant aspects of the rating and estimating processes derived from the Company's internal credit risk models,
  - the Compensation Committee meets at least twice a year. It examines the compensation policy for company officers and the Head of Risk Management annually and prepares decisions for the Board of Directors regarding the compensation of individuals who have an impact on risk and risk management,
  - the Compensation Committee meets at least twice a year. It has the task of recommending directors to the Board of Directors. It is also in charge of the annual review of the Board of Directors, including its structure, membership, gender diversity and breadth of directors' knowledge, skills and experience. It submits nominations to the Board for Executive Directors, the Chief Executive Officer, Deputy Chief Executive Officers and the holders of key positions,
  - the Strategy Committee meets at least four times a year. Its role is to analyze the roll-out of the strategic plan, as well as reviewing and signing off on various strategic projects and challenges.
- The Executive Committee, the group's Senior Management body, directs the RCI Banque's policy and strategy.

The Senior Management relies on the following committees to oversee the Group's risk management:

  - the Financial Committee, which reviews the following topics: economic analysis and forecasts, cost of funds, liquidity risks, interest rate risk and counterparty risk in the different areas and subsidiaries of the group. The balance sheet and income statement of RCI Holding are also analyzed to make the necessary adjustments to intra-Group transfer pricing,
  - the Credit Committee, which approves commitments exceeding the authorization limits of subsidiaries and the Group Head of Commitments,
  - the Performance Committee, for "Customer and Network Risks", which evaluates the quality of customer origination and benchmarks subsidiaries' performance in terms of recovery. Within the dealership network, changes in the outstanding portfolio and inventory turnover are reviewed, together with changes in dealer and portfolio classification,
  - the Regulatory Committee, which reviews major regulatory changes, prudential supervision and action plans, and validates internal rating models and the associated management policy,
  - the Internal Control, Operational Risk and Compliance Committee, which oversees the group's entire internal control system, monitors quality and related procedures, and adapts resources, systems and procedures. It defines, manages and monitors the principles of the operational risk management policy and compliance control system. It also keeps track of action plans. This committee also exists within each RCI Banque group subsidiary,
  - the New Product Committee, which approves new products before they are marketed, by ensuring the compliance of the new products with the group's commercial policy, the group's budget requirements, locally applicable legislation, and group risk governance;
- Process owners have been appointed for each macroprocess and are responsible for risk management in their respective areas of expertise in line with group standards, defining and updating the corresponding procedures and first-level controls.

- Regulatory Monitoring Officers are responsible for monitoring, analyzing and informing operational staff of any regulatory changes impacting RCI Banque as part of the compliance control system put in place to ensure good corporate governance.
- The Group Regulatory Compliance Officer for the RCI Banque Group reports to the Chief Executive Officer. This Officer is the guarantor of RCI Banque's compliance in areas such as the fight against money laundering and terrorist financing, ethics, professional whistle-blowing, prevention of corruption, legal, tax and regulatory oversight and the related control plan.
- The Director of the Internal Control department (*Département du Contrôle Interne*, DCI), who reports to the Risk Management Director, is responsible for the permanent control of the organization and direction of the general internal control system for the entire Group. In terms of internal control supervision in the RCI Banque group subsidiaries, the Director of the Internal Control department is supported by Internal Controllers who report to him/her functionally. The Internal Controllers report hierarchically to the CEO of the subsidiary. Similarly, the Director of the Internal Control department is supported by employees within the central functions to manage the internal control supervision system within the RCI Banque group departments.
- The Director of the Risk and Banking Regulation department (*Département Risques et Règlementation Bancaire*, DRRB), who reports to the Risk Management Director, ensures the deployment of the Risk Governance Policy within the Group and ensures its consistency with the Risk Appetite Framework (RAF) defined by the Board of Directors; ensures the reliability of risk measurement indicators, the completeness of risk management systems for each risk and the effective exercise of such management; controls, more specifically, the effectiveness of the reporting and alert feedback channels from the subsidiaries to the corporate departments and prepares a summary report on the risks for the management bodies and the Risks Committee of the Board of Directors, as appropriate; verifies the adequacy of the corrective measures developed in the event of failures and their effective implementation by the management functions; plays a central role in monitoring the group's compliance with applicable prudential regulations.
- The Audit and Periodic Control Director for the RCI Banque group reports to the Chief Executive Officer. He/she is independent of the Permanent Control department and works with the different subsidiaries based on an annual audit plan validated by the Audit and Accounts Committee. Audits result in written reports including recommendations that are submitted to the Internal Control Committee and the Audit and Accounts Committee. These findings and recommendations are presented in the annual report on internal control.

# 1.6 RISK FACTORS

The Group comprises three operating divisions: Groupe Renault Automotive excluding AVTOVAZ (hereafter known as “Automotive”), the AVTOVAZ group and Sales Financing (RCI Banque group). Each of them has its own risk management system, which is used to keep the risks related to its activities under control.

For Automotive, the global risk management system is based on collaboration between the Risk Management department at head office, operational risk managers in operating entities, global functions and projects, and expert risk managers within certain business functions. This network of different levels strengthens the risk management system and provides it with the means to be proactive in controlling risks. The methodological corporate activities framework implemented is described in sections 1.5.1 and 1.5.2.

For the AVTOVAZ group, the risk management system is unique, based on methodologies that are the subject of discussions with Groupe Renault with a view to gradual harmonization and increasing maturity. A summary of the main risk factors identified by the AVTOVAZ group is presented in section 1.6.2.

For the Sales Financing segment (RCI Banque group activities), the comprehensive risk management system is organized in accordance with banking regulations (see section 1.5.3). A detailed description of this system is available in the RCI Banque group’s annual report. In this document, the risk factors and management procedures and principles are briefly outlined.

It should be noted that the Group’s major risk mapping is updated every year, in close collaboration with the preparatory work and implementation of the medium-term strategic plan, so that the plan integrates the appropriate action plans designed to respond to the operational or strategic risks identified.

In this context, this chapter describes the main risk factors currently identified by the Group’s operating segments, as well as the key elements of the associated control systems.

Although the risk factors described below are identified by the Group as significant factors that could, at the horizon of its medium-term strategic plan, have a negative impact on its image, its assets, the conduct of its activities and the achievement of its objectives, it cannot be ruled out that other risk factors currently considered insignificant or not identified could in the future adversely affect the Group.

## 1.6.1 Risk factors for Automotive

As indicated in 1.5.2, major risks are notably assessed through impact and probability of occurrence, the product of these two terms defining criticality. In this section, presented risk factors are those whose criticality is rated at high level on the Group’s risk scale, unless otherwise indicated. They are listed according to the three categories of the current analysis typology:

- Risks related to strategy and governance;
- Risks related to operations;
- Risks related to cross-group functions.

For each of these categories, the risk factor deemed preeminent is described, below, at the beginning of the relevant paragraph.

### 1.6.1.1 Risks related to strategy and governance

#### Risk of performance failure of the Alliance

The Group’s membership of the Renault-Nissan-Mitsubishi alliance brings an essential contribution to the success of the Group and its strategic plan. It is accompanied by governance and specific requirements for which changes and implementation difficulties could lead to disturbances that unfavorably impact the conduct of the Group’s strategy and its performance.

In 2019, an Alliance Operating Board was put in place, aiming in particular to improve the effectiveness of the Alliance, guided by a deep common understanding of the future work of the Alliance. The members of this Board are in agreement on the programs aiming to significantly improve and accelerate the operating effectiveness of the Alliance in the interest of the three companies, in particular by action plans whose objective is to maximize the contribution of the Alliance in order to support the strategic plan and the operating results of each company.

At the end of 2019, a General Secretary of the Alliance was appointed in order to coordinate and support several large projects within this framework.

### Risk of inadequate ability to change the business model

Against a background of deep and sustained transformation of the markets and the automotive industry, the Group could be faced with an inadequate ability to change, within a suitable timeframe, its business model, to anticipate and adapt to changes and possible disruptions of markets, mobility offers and related value chains.

This could lead to lower revenues than the objectives over the affected portions of the Group's commercial offering, harm its competitive positioning and its ability to prepare for its future, beyond the deadlines of the current strategic plan.

The Group's strategic plan aims to make this risk an opportunity by mobilizing in particular (if necessary through the use of new organizations) the resources of the Group, the Alliance, RCI Banque, targeted partnerships and acquisitions, implemented to structure a strong and innovative sustainable, electric, autonomous and connected mobility offer.

### Risk of imperfect robustness of compliance system (laws and regulations)

Because of the growing and changing complexity of its international business, Renault is subject to more and more numerous, complex and dynamic laws and regulations, in particular in the areas of automobile, environment, competition, labor law and new technologies.

The Group could therefore find itself exposed to a change in laws or regulations that it inadequately anticipated or incorrectly took into account. Moreover, the authorities or courts may also change the application or interpretation of existing laws and regulations at any time.

These differences in anticipation or failure to account for such changes in laws or regulations could result, for the Group and its senior executives, in possible criminal, administrative or financial penalties, that could also lead, for the Group, to a change in its capacity to carry out its operating activities, its revenues, its profits or its image.

Concerning such legal and regulatory changes, Renault requires its subsidiaries to comply with the regulations of the countries in which the company conducts its business and takes part in ongoing discussions with the national or regional authorities in charge of the specific regulation of the products in the automotive sector, in order to anticipate changes and guarantee compliance of the Group with laws and regulations.

The Group also continuously strengthens its structured approach to analyze and ensure the robustness of its regulatory compliance in a sustainable and anticipative manner, over a scope of regulated domains, including in particular: "competition", "fight against fraud and corruption", "environment", "occupational health, safety, work environment", "technical regulations", etc.

This approach is managed by the Ethics and Compliance department, under the supervision of the Ethics and Compliance Committee (CEC), and is based on three types of agents:

- the departments that set specifications (Technical Regulations department, Legal department, HSEE department, etc.), provide regulatory oversight in their respective fields, transpose regulatory criteria into internal standards and deploy them within their networks;
- the operational entities ensure regulatory compliance via their processes, based on directives and with the support of the relevant functional departments, in accordance with local regulations;
- the Ethics and Compliance department defines the methods and evaluates the regulatory compliance systems, with the support of the Legal department.

### Risk of stalling of AVTOVAZ operational recovery momentum

The Group could encounter difficulties reaching its objectives, in particular financial objectives, associated with the strategy for empowering the AVTOVAZ group, in the context of a weakening of the Russian automotive momentum and measures of local public support, a context which could slow the growth of sales, burden the implementation of action plans for restoration of the operating effectiveness and margins and tighten the financial situation.

Specific action plans are in place, in close liaison with the Group, as part of the continuation of the operational recovery of the AVTOVAZ group and in the context, specifically, of the implementation of the Special Investment Contract signed at the end of 2018 by AVTOVAZ with the Russian Government for a stronger industrial localization, the enhancement of local R&D activities and the development of exports. These aim, in particular, to increase the resiliency of the enterprise to market fluctuations, by improving the operating efficiency in compliance with the standards of Groupe Renault.

## 1.6.1.2 Risks related to operations

### Risk of operational disruption induced by the COVID-19 pandemic

The progressive development, since the end of December 2019, of the COVID-19 coronavirus disease worldwide has resulted in significant health threats in certain countries where the Group operates and is accompanied by the gradual implementation of public measures, in different countries and at their borders. This situation could disturb, or even prevent, the opening of points of sale or after-sales in our distribution networks as well as the operation of industrial sites, in schedules and with timespans that remain difficult to anticipate.

These elements could, in the current state of visibility and analysis and depending on their persistence, mainly lead to impacts on the health and availability of Group personnel, as well as on financial performance (turnover, cash flow and cash position), due to temporary disturbances or interruptions in the operational activities of the Group and those of some of its partners (engineering, supply chain, production, trade in particular).

The Group is fully mobilized, in particular through a comprehensive crisis management system, in order to protect the health of its employees, in close relationship with public authorities, preserve its assets and its ability to operate, adapt to changes in the situation, and anticipate, by appropriate measures, the return to a more normative context for its personnel, its activities and commercial demand.

## Risk linked to insufficiently adequate products or services

In the continuously changing environment of the automotive markets, regulations, customer expectations and technologies, the Group is exposed to a risk of an inadequate match between its product and services offering and the expectations of different markets, that could adversely impact its sales, revenues or income statement.

Specific risks have been identified relating to:

- the enhancement of the technological content of vehicles and related ecosystems, especially with regard to vehicle connectivity and related services and the development of autonomous vehicles;
- continual increases in the cost of vehicles resulting from more stringent regulations, the accounting of which through corrective changes in sale prices could prove excessively difficult, thus weakening the economic balance and the future of certain products;
- the specific and strong ambition of the Group with respect to electric vehicles, in the context of intense, complex and uncertainly scheduled industrial and market dynamics, in particular conditioned by regional regulations (CAFE for example, in Europe), and potentially skewed by aid policies;
- the current transition of the powertrain offer, in terms of technologies (gasoline, diesel, electrical hybridization of combustion engines, electrical) and mix. In particular, the choice of hybridization technology, which is particularly sensitive to costs and offers differentiated customer and $CO_2$ performances, could turn out to be imperfectly adapted or paced, depending on the products and markets, thus potentially going against the overall technological and economic optimization defined by the Group for its CAFE trajectory.

The definition of the Group's future products is based on customer studies and analyses of automotive competitors, so that market expectations and developments and industry trends can be identified. It is also increasingly informed, on a global scale, by anticipatory technology watch by all of the Group's development stakeholders, of the automotive industry and beyond.

The development of new models or bodies is decided based on such work and an assessment of the expected profitability, calculated on the lifecycle projected from forecast revenues (sales volumes, market shares, sales prices) and costs (overall project entry ticket, unit costs).

Wherever reference assumptions are strongly questioned (declining markets, aid policies, segments or volumes, higher investment or unit costs), the Group may have to recognize impairment on fixed assets (investment and capitalized development expenses, depreciated over the life of the vehicle) or book a provision to cover the contractual indemnities to be paid, if any, due to the failure to meet a minimum purchase volume.

In concrete terms, the Program departments manage the project risks and in particular simulate the projected impacts of changes in assumptions, which they present, at each development milestone, to the Group's Senior Management in order to highlight project resilience to environmental changes and decide on possible countermeasures to address identified risks.

From a more general perspective, to ensure the robustness of the product plan and keep risks under control, the Group:

- maximizes the distribution of the same model in different markets, which reduces its exposure to possible fluctuations in one of these markets;
- offers a varied, balanced Product portfolio that meets customer expectations in different segments and markets, so as to reduce the risk of dependency on a single market, segment or customer type;
- offers a diversified and adaptable engine portfolio (gasoline, diesel, electric, etc.) to meet customer expectations in different markets and enable potential changes in the engine mix to be supported;
- develops, with its Alliance partners, a limited number of standardized technical platforms to maximize economies of scale for component volumes and costs and facilitate their reuse from one region to another.

## Risk of insufficiently competitive quality of products and services

The quality of the Group's products and services could be insufficiently competitive in the face of heightened competition, which would adversely affect the satisfaction of its customers or partners, and negatively affect its sales, revenues, costs or reputation.

This risk is considered within the stringent environment of major evolutions of the automotive technologies implemented by the Group as part of its strategic plan.

Control of this risk was enhanced by a specific Customer Satisfaction plan that is managed by the Quality and Customer Satisfaction department; it relies in particular on quality assurance systems implemented within the Group's operating activities as well as on functional safety organization and activities and general product safety, aiming to protect against the risks linked to the physical integrity of people involved in road use, starting with the users of the Group's products and services.

In addition, the Group has set up a market monitoring system that allows it to very quickly learn about sources of customer dissatisfaction and act accordingly, through such measures as enhanced recall processes in order to ensure the correction of quality problems, especially those that could have potential regulatory or safety consequences.

## Risks related to geographic location and economic conditions

The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks, that could result in adverse impacts on manufacturing and commercial operations, sales, revenues, the income statement or balance sheet: changes in economic conditions, political or regulatory instability, social unrest, protectionism, nationalizations, fluctuations in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls.

All decisions regarding the geographical location of manufacturing operations are taken in a context of an overall Group growth strategy that mitigates the risk of instability through a global industrial approach in order to ensure a diversification of risks. Manufacturing investments represent a major part of the Group's exposure to political risks. Country risk related to manufacturing and financial investment is in principle not hedged, but the risk of non-achievement of objectives is included in the expected profitability calculation. From an operational standpoint, the Group continuously increases the local integration of its production facilities to reduce political and foreign exchange risks and thus make them more competitive.

In general, the geographic breakdown of the Group's sales makes it possible to limit the global impacts of regional hazards and take advantage of opportunities. The Group hedges against the risk of non-payment for most payments originating from high-risk countries. The main exceptions relate to intra-group sales, sales to industrial partners and to certain countries for which there is no possible hedging. Residual country risk is regularly monitored.

In order to centrally manage the risk of non-payment and put in place hedges on competitive terms, the Group has designed a "hub and spoke" invoicing system. Manufacturing subsidiaries sell their exported production to Renault s.a.s., which sells it on to commercial subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company. Some sales between countries covered by customs agreements do not use this system, however.

These general principles are illustrated and complemented by specific actions:

### Europe

The Group's activities remain highly dependent on the European market, which accounts for about half of the Group's sales.

### Americas

In a volatile political and economic environment that has had a significant impact on exchange rates, particularly in Argentina, the Americas Region has deployed an industrial, commercial and organizational action plan that has offset most impacts of external origin. Subsidiaries benefit from an optimized structure that, if necessary, makes it possible to handle new turbulence in 2020 or benefit fully if there is an economic recovery.

### Africa, Middle-East, India, Pacific

Shipments of components to Iran have been completely halted since early August 2018 following the reinstatement of US sanctions. Restrictions on foreign exchange allocations by the central bank have also led to the shutdown of built-up imports.

In Algeria, the evolution of the context and measures under which the Group is able to carry out its local production are the subject of particular attention.

### Eurasia

In Russia, the Group manages the fluctuations of the economic environment very closely. Stronger local integration also remains a priority at all production sites.

In Turkey, the economic situation increased the volatility of the automotive market and the Group's local sales. The devaluation of the currency, however, creates export opportunities in terms of volume and profitability.

The risk regarding debt owed by Renault Ukraine to Renault s.a.s. is partially covered by credit insurance.

## Risk of supply chain performance failure

The Group's activity relies to a large extent, for its Products business, on a complex supply chain system, upstream and downstream of its production sites. Different components of this supply chain could fail, potentially leading to technical, scheduling or financial inefficiencies, even interruptions of production and/or delivery of vehicles to the distribution networks and end customers, with negative impacts on Group's sales, revenues, profits or even customer satisfaction.

These potential failures could be either internal, due to the underlying interdependence of the Group's industrial networks, or external, and break down under the following types:

- failure in supply of raw materials;
- supplier default;
- failure in supply or transport systems.

### Failure in supply of raw materials

Risks identified concern potential restrictions on the supply of raw materials due to an imbalance between supply and demand, sourcing issues or geopolitical disturbances, and the prices of raw materials for which variations may be sudden and major.

Certain raw materials are considered strategic, since any restriction in the supply chain could impact production conditions. In order to keep internal management bodies informed in this regard, a strategic area of expertise called "Energy and Raw Materials Strategy" was put in place by the Group in 2010.

In particular, Groupe Renault has developed a methodology to objectively classify the critical nature of raw materials based on:

- price change risks:

  Renault uses several means to guarantee price stability over the financial year. The first consists of contracting purchasing prices at fixed prices over periods covering several months for materials not indexed on the financial markets. The second is to hedge risks linked to indexed materials.

  In order to closely monitor changes in raw material prices and examine future trends, a joint Alliance ad hoc committee, the Raw Materials and Currencies Committee (RMCC) has been tasked with defining the guidelines to be used as a reference. In addition, a Raw Materials Operational Committee deals more specifically with operational issues relating to the purchasing of raw materials for Renault.

- risks related to supply with impact regarding the Group's product strategy:

  To identify the materials on which Renault is the most exposed and prepare upstream strategies to secure resources, a criticality matrix is used to evaluate objective criteria. These might include supply and demand scenarios for the materials concerned, the number and exposure of producers and Renault's capacity to recycle and replace them if necessary.

  The Group has been recognized for its commitment to the development of channels to recycle materials from the dismantling of end-of-life vehicles. All of these operations help secure the Group's supplies of materials (recycled polypropylene, aluminum, copper, platinum, palladium, rhodium, etc.). They are led by Renault Environnement, in particular through its subsidiary Indra (a joint-venture with Suez Environnement): collection and processing of parts and materials, through its subsidiaries Gaïa (automotive sector) and Boone Comenor Metalimpex (metal waste), through innovative partnerships.

  The expertise developed by Renault on criticality analysis methodology has become a benchmark. The Group remains strongly involved in associated national and international initiatives through cross-functional "sector" committees alongside public authorities. This enables a holistic, forward-looking approach to risk management, with public authorities providing support for priority actions.

## Supplier default

The risks identified by the Group concern the temporarily insufficient compliance by its suppliers with their commitments, particularly quality standards applicable to supplies, timely production capacity and delivery as well as possible manifestations of vulnerabilities related to their operational, financial or social and environmental responsibility performance.

The Group applies a full risk control system concerning all aspects of the supplier relationship: design and development – manufacturing, logistics and quality – economic and financial sustainability.

Supplier risk control is based on the following main systems, which rely on the coordinated action of several departments (management and control of supplier risk, financial analysts' network) working closely together with the operating purchasing managers of the Alliance Purchasing Organization (APO) as well as with other departments that could be impacted (in particular Engineering, Manufacturing and Supply Chain):

- prevention policy aimed at making suppliers responsible for their own risks, particularly with regard to their supply chain;
- the use of Renault-Nissan-Mitsubishi standards for the processes of design, validation and compliance with the specifications of the products being developed: control of risks linked to the compliance of the products designed and developed by suppliers is based on the Alliance New Product Quality Procedure (ANPQP) with which all suppliers comply;
- an Alliance Data Repository process to ensure supply capacity risk management in serial manufacturing, with a two-year horizon;
- processes for detection of non-compliance relating to the quality of parts delivered and their traceability: quality control of mass-produced products is based on a management system common to Renault, Nissan and Mitsubishi based on the model of ISO TS 16949;
- supplier risk monitoring on operational, financial and CSR (in particular health/safety, social and environmental risks) aspects: annual multi-criteria rating of suppliers that assesses the quality of shareholding and management, the competitiveness of sites, their investment capacity, technological risks, and strategy and commercial dependence on major customers. Financial risks are monitored by a network of analysts who assess the risk of default by suppliers using a common grid of Renault-Nissan-Mitsubishi criteria and compare their conclusions with those of the rating agencies, Banque de France scores, recommendations of credit insurers, etc. Finally, supplier CSR risks may, in particular, be identified through risk mapping of specific risks, supplemented by an annual audit program;
- a system to implement action plans in the event that supplier non-compliance or risk is detected.

In addition to the prevention and detection of risks "subject to human control", the prevention policy also covers risks "beyond human control", such as natural disasters. Renault, Nissan and Mitsubishi thus deploy a Business Continuity Plans program.

These risks are presented and handled in Purchasing Risk Committees at Group level and for each local Purchasing department. These multi-disciplinary bodies, in which all the functions affected participate (financial, legal, audit, logistics, communication, public affairs and Human Resources), are chaired by the Purchasing department. The Purchasing Risk Committee determines the action plans to be implemented in collaboration with suppliers in order to reduce their risks, improve their competitiveness and ensure the long-term security of the supply chain.

## Failure in supply or transport systems

In the Alliance's supply chain, teams of specialists are responsible for the prevention of the aforementioned risks. These preventive methods include:

- demand sensing via a sales and operational activities planning process;
- supply capacity management in conjunction with the Alliance Purchasing Organization & Supply Chain Quality department;
- supply chain capacity management for carriers and vehicle compounds;
- risk detection and mitigation via a "control tower" type organization;
- implementation of an operational team in the event of a crisis inherent to the aforementioned external factors;
- IT teams to counter events such as cyberattacks;
- implementation of crisis exercises.

The maturity of these systems is still variable; audits are in place to guarantee compliance, as well as reinforcement and implementation of digital processes in the Group's various entities.

The protection system, implemented in addition to prevention, is based on:

- an end-to-end vision of risks;
- risk management at the appropriate levels of the organization;
- the development of cross-functional working methods to adopt a consistent approach in the different regions.

This overall prevention and protection system aims to give the Group proper control over its risks, both on a daily basis and in the long term.

### Risk of accidental harm to the physical integrity of the operating sites

The Group's operating sites, whether manufacturing sites, engineering and testing centers, logistics platforms or even commercial sites are exposed to the risk of industrial accidents, fires, explosions and machine breakdowns. A certain number of facilities are also subject to risks of natural disasters (earthquakes, flooding, submersions, etc.).

The materialization of any one of these risks could harm the physical integrity of the sites in question, lead to major disturbances to their capacity to operate, potentially damaging the assets and/or the overall performance of the Group (sales, revenues, the income statement or balance sheet) due in particular to manufacturing interdependencies that could be far-reaching, as well as possible adverse impacts on the people employed at these sites or the site environments.

For many years, the Group has focused on controlling these risks.

For more than 25 years, the Company has thus, in consultation with its insurers, put in place an ambitious and rigorous prevention policy that covers personal safety as well as that of property and business continuity.

As a result, most existing industrial plants have achieved a high level of prevention and protection, recognized via the "Highly Protected Risk" (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year across nearly 60 sites. More than 94% of the assets in the industrial, engineering and logistics scope covered by Groupe Renault "property damage and business interruption" insurance program have been awarded the HPR label by the Group's insurance companies, thus attesting to the results obtained. This high degree of control over risks, which is recognized by insurers, has a direct positive impact on the terms at which the Group is able to buy insurance cover.

Furthermore, the Group has been working for several years to increase its resilience capacity in the face of natural disasters through regular updates of risk and stakes assessments, protection programs for people and property, monitoring and crisis management systems and business continuity plans. For example, a specific plan is being rolled out to optimize procedures covering major seismic risks (Chile, Turkey, Romania, Colombia, Slovenia, Morocco, etc.). This multi-year program is based on actions to strengthen buildings and facilities, training of staff on the steps to be taken in the event of an earthquake, the establishment of specific means of communication, the organization of crisis management systems, research and preparation of solutions to ensure business continuity and a customized insurance program.

## 1.6.1.3 Risks related to cross-group functions

### Risk of failure of information systems

The Group's activities depend permanently and to an increasing extent on the proper functioning of its IT systems. The main risks that could adversely affect the Group's IT systems or those related to the connected services offered to its customers are related to:

- incidents that could affect the continuity of services hosted in our infrastructures and those of our partners;
- cybercrime: global computerized attacks or attacks targeting the Group's interests or, as a side effect, national interests. Such attacks may aim to access sensitive data (*i.e.*, products, services or personal information), steal or alter it, cause a denial of service or bring down the Group's intranet;
- non-compliance with IT standards or practices required by legislation, external authorities or contracts with suppliers.

The materialization of these risks could have major financial impacts related to the temporary suspension of the Group's activities – of all types – (revenues, earnings) or to penalties. Adverse impacts could also affect the Group's image, the confidence of third parties and customers toward the Group and its brands.

In addition, the Group's increased marketing of connected vehicles and services is accompanied by the emergence of risks of a comparable nature, for which insufficiently robust and sustainable management could lead to adverse impacts on safety and the reliability of data, services or vehicles.

The general control of these risks is provided by:

- **at operational level:**
  - deployment of the Group's security policies and continuous enrichment of the process of defining security requirements according to the level of criticality of the applications and data handled,
  - deployment of an adaptable action plan based on a security master plan and annual risk mapping that includes:
    - regular protection upgrades to the Group's IT network,

- compliance checks carried out jointly by Renault's Information Systems department, the Protection and Prevention department and the Internal Audit department,
- awareness-raising activities for employees and partners,
- supervision and management of security incidents,
- coordination of a global network of IT security experts in charge of implementing the Group's Information Systems Security Policy and rolling out best practices Group-wide.
- **at organizational and governance level:**
  - the Risk and Internal Control Committee chaired by a member of the Group Executive Committee;
  - Governance Committees coordinated by the Group IT Security department, which carry out inspections at operational level to check the effective application of IT security procedures, in line with the Information Systems Security Policy and best practices.

Given the Group's main business trends, its digitalization and changing threats, the major actions to optimize risk management are currently focused on the following aspects:

- enhanced protection of our digital borders, systems and sensitive data, whether stored on our intranet or in the cloud by partners and/or suppliers;
- enhanced supervision of the Group's intranet;
- compliance with the requirements of the General Data Protection Regulation;
- the implementation of a "records management" policy to reinforce the selective and secure storage of documents, in particular digital documents, which are of interest to the Group in the medium and long-term;
- the development of connected vehicle cybersecurity and related services to ensure the safety and security of vehicles and connected services in compliance with regulations;
- renewing of insurance coverage for cybersecurity.

## Risk of insufficiently adequate match of skills and ambitions

The Group could face, in the context of major and sustained transformation of markets, technologies and the automotive industry, an inadequate match of its skills and the ambitions in its mid-term strategic plan, which could lead to adverse impacts on its personnel costs, its capacities for innovation, design, production, distribution and on the quality of its products and services.

The control system implemented is based on a structured approach to the management of skills, including managerial skills, centered on two main activities that allow the Group to support the changes in our job functions, and to reach our operating objectives: the identification of the required skills for each job function, training and development of our workers in these key skills.

This system has been gradually developed with the following guidelines:

- strengthening of the Human Resources department in aspects related to Strategic Workforce Planning and Learning & Development;
- creation of job skills standards, enabling targeted evaluations;
- creation of a cross-functional skills reference guide, linked to the five Renault Way principles;
- definition of training priorities to be relayed in all Groupe Renault countries;
- progressive deployment of LEARNING@ALLIANCE to increase the visibility of all face-to-face and digital trainings;
- roll-out of a system for specific assistance in the Renault Way principles called "Renault Way Team Experience";
- introduction of a new online course for developing first-time managers, directly connected with the five Renault Way principles;
- regular monitoring of key training indicators.

The Human Resources department works in close collaboration with the various operational departments to support the development of business activities based on a structured skills management approach and the resulting definition of training priorities in consultation with the business lines.

The involvement of "functional academies" and Learning & Development teams in countries makes it possible to develop a consistent and relevant training program and to share training priorities with managers and employees at all levels of the organization.

In 2018, Groupe Renault developed a new reference system for cross-functional skills (comprising 11 core skills) that strengthened employee skills development and growth, due, in particular, to a digital training offer accessible at LEARNING@ALLIANCE, and organized according to a formalized pathway.

By the end of 2019, the Renault Way Team Experience had been rolled out to 11,000 managers and their teams. This three-day seminar (two days followed by a feedback day) is designed to help managers translate the five principles of the Renault Way into concrete collaborative daily actions and behaviors within their teams.

## Legal risks

Groupe Renault is exposed to four main types of legal risks, for which the evaluation and potential impacts are set out below:

### Disputes, governmental or legal proceedings, arbitration

Renault is involved in various governmental, legal and arbitration proceedings as part of its activities in France and internationally.

To the best of Renault's knowledge, over the last 12 months there has been no dispute or governmental or legal proceeding other than those described below or arbitration process underway or likely to occur and that could have a significant impact on its financial position, activities or results. Each event was reviewed regularly in particular during approval of the financial statements. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risks (see note 20 A "Provisions" to the consolidated financial statements).

It should be noted, however, that, concurrently with the works of the independent technical commission ("Royal" commission in 2016), the Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF) conducted investigations concerning the automotive industry. These investigations concerned the practices relating to the Nitrogen Oxide emissions ($NO_x$) of a dozen car manufacturers selling diesel vehicles in France, including Renault. The DGCCRF decided to communicate its conclusions relating to Renault on this matter to the public prosecutor who, on January 12, 2017, opened judicial investigations against Renault on the grounds of "deceit in respect of the material qualities and on the checks carried out, these facts having led to the products being harmful to human and animal health". Renault contests the existence of any infringement and intends to prove its compliance with French and European regulations in the legal investigation. Moreover, Renault, which at this stage is not a party to the proceeding, is therefore not in a position to assess the possible impact of this ongoing proceeding on the Group.

### Intellectual property

Renault uses various patents, trademarks, designs and models. Each year, Renault files several hundred patents, trademarks, designs and models (see section 1.4), some of which are the subject of fee-paying licenses granted to third parties. The Group may also be confronted with patents held by third parties, which could bring about a risk in the use of technical solutions developed, a risk in part mitigated by paying licenses negotiated with these third parties. Risks may also exist with respect to third parties holding trademarks or models similar to those filed by Renault.

Groupe Renault's performance depends in particular on the robustness of the legal framework protecting its patents and other intellectual property rights. For example, Renault cannot guarantee that its intellectual property rights will not be misused or contested by third parties. Such infringements or challenges, as well as attacks counterfeiting patents, trademarks, drawings or models by third parties could have an adverse impact on the business activity, earnings, and image of the Group.

### Identified risks arising from non-compliance with contractual commitments

Identified risks arising from non-compliance with contractual commitments are, where applicable, described in the section on disputes, governmental or legal proceedings and arbitration. Renault is not aware of any other identified risks arising from non-compliance with contractual commitments that could have a significant impact on its financial position or profitability;

### Legal and regulatory changes

The risk of non-compliance with laws and regulations is described in 1.6.1.1.

Finally, the control of legal risks is also based on an internal control system organized around three guiding principles:

- management of the Group's legal function, which is organized around a central function and employees in the Group's main countries. These employees report on a hierarchical and/or functional basis;
- employees of the legal function are proactive in anticipating legal risks upstream and adapting the corresponding procedures (advisory consultations, information from the central legal function, etc.);
- regulatory monitoring by Groupe Renault in collaboration with the different countries concerned.

## Financial risks

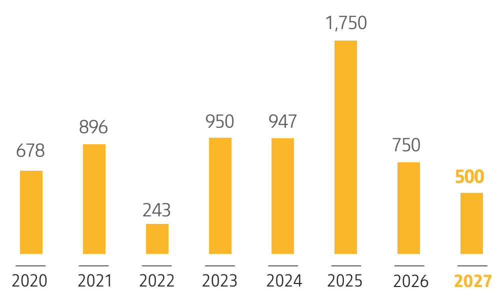
The Group is exposed to four main types of financial risks, for which evaluation, potential impacts and principles of control are specified below:

- The Group's Automotive operating segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for growth. For this, Automotive borrows regularly from banks and on capital markets to refinance its gross debt and ensure its liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access;
- It is also exposed to foreign exchange risk with respect to its manufacturing and commercial activities, with potential adverse impacts on the following financial aggregates: operating margin, working capital requirement, financial income, share in the net income of associated companies, shareholder's equity and net cash position;
- Debt, financial investments and their repayment conditions result in interest rate risk affecting the Group's financial position;
- Lastly, the Group enters into transactions on the financial and banking markets for the placement of its surplus cash and the management of currency risk, interest rate risk and payment flows, which may give rise to counterparty risk.

## Liquidity risk

Under its cash centralization policy, Renault ensures most of the refinancing for the Automotive division in the capital markets, mainly through long-term financial instruments (bonds and private placements), short-term funding such as NEU CP (Negociable EUropean Commercial Paper), bank loans or in the form of financing provided from public or parastatal institutions.

### RENAULT SA - MATURITY SCHEDULE FOR REDEMPTION OF BONDS, BANK AND EQUIVALENT DEBT (EXCLUDING REDEEMABLE SHARE & NEU CP) AT DECEMBER 31, 2019 (1)




A redemption schedule of the Automotive's financial liabilities is presented in note 23-D to the consolidated financial statements.

Renault has an EMTN bond program with €7 billion ceiling, a bond program under the Shelf Registration scheme on the Japanese market with a ceiling of ¥200 billion and a NEU CP program for a ceiling of €2.5 billion as of December 31, 2019.

The contractual documentation covering these funding schemes, including bank loans, does not contain any clause that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios.

Some funding agreements, in particular for capital market fundings, contain some market standard clauses (*pari passu*, negative pledge, cross default).

Renault also has committed credit lines with banking institutions none of which were used in 2019. They also constitute a liquidity reserve for the Automotive division (see note 23-C of the notes to the consolidated financial statements). The contractual documentation for the committed credit lines contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Liquidity risk management is based on an internal model that defines the level of the liquidity reserve that the Automotive division must maintain to finance its activity and its growth. The liquidity reserve level of the Automotive division is subject to close monthly monitoring, through an internally approved periodic review and reporting.

In view of its available cash and committed credit lines not drawn as of December 31, 2019, the Automotive division has sufficient financial resources to honor its commitments for the next 12 months (see note 25-B1).

Renault SA moreover is subject to financial ratings by several rating agencies. Any revision of these ratings could limit and/or increase the cost of access to capital markets.

### RENAULT SA RATINGS

| Agency | Rating/Perspective | Revision | Previous rating/Perspective |
|---|---|---|---|
| Moody's | Ba1 / NP / Stable Outlook | 02/18/2020 | Baa3 / P-3 / Stable Outlook |
| S&P | BBB- / A-3 / Credit Watch with Negative implications | 02/19/2020 | BBB- / A-3 / Negative Outlook |
| Fitch | BBB- / NR / Negative Outlook | 02/28/2020 | BBB / NR / Negative Outlook |
| R&I | A- / Stable Outlook | 11/8/2018 | BBB+ / Positive Outlook |
| JCR | A- / Stable Outlook | 9/4/2019 | A- / Positive Outlook |

## Foreign exchange risk

Exchange rate fluctuations may have an impact on six Group financial aggregates (see note 25-B2 to the consolidated financial statements):

- operating margin;
- working capital requirement (WCR);
- financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net cash position.

This risk is monitored or centralized within the Financing and Treasury department of the Automotive division. Foreign currency transactions are mainly carried out by Renault Finance for currencies tradable on international markets.

**Operating margin:** this is the main exposure to foreign exchange risk of the Automotive division. The Group estimates that, based on the structure of its results and its operating cash flows for 2019, a 1% appreciation in the euro against all other currencies would have an impact of -€43 million on its annual operating margin, before any hedging.

These hedges require formal authorization from the Finance Department or Senior Management, and the results are then reported to Senior Management.

*(1) Nominal amounts valued at December 31, 2019 in € millions*

#### RENAULT – ANNUAL NET AUTOMOTIVE OPERATING CASH FLOWS (EXCLUDING AVTOVAZ) IN FOREIGN CURRENCIES AS OF DECEMBER 31, 2019 AND IMPACTS ON THE OPERATING MARGIN

The main exposure in 2019 concerned the pound sterling, amounting to a sensitivity of around -€14 million for a 1% rise in the euro. The 10 main exposures in absolute value and their sensitivities are presented below, in millions of euros:

| Currency | | Net annual operating flows | Impact of 1% appreciation in the euro |
|---|---|---|---|
| Pound sterling | GBP | 1,427 | (14) |
| Russian ruble | RUB | 937 | (9) |
| Polish złoty | PLN | 890 | (9) |
| Algerian dinar | DZD | 601 | (6) |
| US dollar | USD | 522 | (5) |
| Argentinian peso | ARS | 440 | (4) |
| South Korean won | KRW | (632) | 6 |
| Japanese yen | JPY | (638) | 6 |
| Romanian leu | RON | (781) | 8 |
| Turkish lira | TRY | (998) | 10 |

**Working capital requirements:** any hedges of this foreign exchange risk require formal authorization from the Finance department or Senior Management, and the results are then reported to Senior Management.

**Financial income:** the key principle of the Group's management policy is to minimize the impact of currency risk on net financial income. In particular, the financial needs of the subsidiaries are usually met by Renault SA in local currencies and are hedged to avoid currency impacts or when such refinancing is not reasonably possible, via sources of external funding in local currencies. If a subsidiary needs funding in a currency other than the local currency, the Group's central Treasury monitors the operations closely.

Cash surpluses in countries that are not part of the parent-company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Treasury department.

Finally, Renault Finance can carry out foreign exchange transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed several tens of millions of euros, and cannot therefore have a significant impact on Renault's consolidated results.

**Share in the net income of associated companies:** on the basis of its contribution to 2019 net income, a 1% rise in the euro against the Japanese yen would have decreased Nissan's contribution by €2.4 million.

This impact corresponds only to the impact of the euro on the conversion of Nissan's contribution to the consolidated statements of Groupe Renault; it does not reflect the inherent impact of euro fluctuations on Nissan's own accounts, given that Nissan does a more or less significant level of euro zone business that Renault has no control over.

**Shareholders' equity:** equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, given the size of the investment in Nissan, Renault's share in Nissan's net worth has been partially covered by a specific foreign exchange hedge (see note 12-G to the consolidated financial statements).

**Net cash position:** as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. At December 31, 2019, a 1% increase in the value of the euro against the yen would increase the Automotive division's net cash position by €7 million. Moreover, the Automotive net cash position may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency.

*(An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-B-2 to the consolidated financial statements).*

## Interest rate risk

The Automotive division is exposed to a limited risk of changes in interest rates, and Groupe Renault's exposure to interest rate risk concerns mainly the Sales Financing activity.

For the Automotive division, the interest rate risk management policy is based on two principles:

- the constitution of liquidity reserves is generally carried out at floating rates. The Automotive division's available cash is centralized, as far as possible, in Renault SA, and placed in the form of short-term bank deposits by Renault Finance;
- funding of long-term investment is generally obtained at fixed rates. Fixed-rate loans are maintained at fixed rates as long as the rate curve is close to zero or even negative.

The table below presents the breakdown by maturity (less than and more than one year) and type of rate (fixed, floating) of the financial assets and liabilities of the Automotive division excluding AVTOVAZ.

**FINANCIAL ASSETS AND LIABILITIES OF THE AUTOMOTIVE DIVISION (EXCLUDING AVTOVAZ) BY MATURITY AND TYPE OF RATE AS OF DECEMBER 31, 2019 (EXCLUDING RENAULT REDEEMABLE SHARES AND DERIVATIVES)**

| *(€ million)* | | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| | Fixed rate | 183 | 15 | 198 |
| | Floating rate | 13,012 | | 13,012 |
| **FINANCIAL ASSETS BEFORE HEDGING** | - | **13,195** | **15** | **13,210** |
| | Fixed/floating rate | | | 0 |
| | Floating/fixed rate | | | 0 |
| **HEDGING OF FINANCIAL ASSETS** | | **0** | **0** | **0** |
| | Fixed rate | 183 | 15 | 198 |
| | Floating rate | 13,012 | | 13,012 |
| **FINANCIAL ASSETS AFTER HEDGING** | | **13,195** | **15** | **13,210** |
| | Fixed rate | 1,022 | 6,733 | 7,755 |
| | Floating rate | 2,476 | 110 | 2,586 |
| **FINANCIAL LIABILITIES BEFORE HEDGING** | | **3,498** | **6,843** | **10,341** |
| | Fixed/floating rate | 308 | 118 | 426 |
| | Floating/fixed rate | 95 | 0 | 95 |
| **HEDGING OF FINANCIAL LIABILITIES** | | **403** | **118** | **521** |
| | Fixed rate | 809 | 6,615 | 7,424 |
| | Floating rate | 2,689 | 228 | 2,917 |
| **FINANCIAL LIABILITIES AFTER HEDGING** | | **3,498** | **6,843** | **10,341** |

The impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be positive €102.1 million and €0.2 million at December 31, 2019.

Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

### Counterparty risk

Due to the internationalization of its business activities, including in emerging countries, the Group pays special attention to the choice of its counterparties in each banking system.

Management of counterparty risk incurred by Group entities is fully coordinated and uses an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Groupe Renault companies exposed to counterparty risk. Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are monitored daily to ensure that they comply with authorized limits by counterparties, in accordance with specific procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, maturity and type, as well as a list of the main exposures.

In addition, most deposits are made with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk and lowers the systemic risk.

In 2019, the Group suffered no financial loss as a result of the failure of a banking counterparty.

## 1.6.1.4 Insurance programs covering operational risks

Within Groupe Renault, financial protection against operational risk has two facets:

- high-impact, low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and whose financial impact can be predicted are provisioned by the Group, unless there is a legal requirement to insure them, via a policy of retention on the part of its subsidiary Motor Reinsurance Company (MRC) and deductibles.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with worldwide programs, in cooperation with its Alliance partners for certain risks.

The nature and scope of cover is determined via a preliminary risk analysis of operating entities. This approach is used for the following types of risk:

- "transportation and storage of vehicles in depots": the Alliance (Renault and Nissan) buys a capacity of €295 million per claim with a deductible of €100,000 per claim for damage caused to vehicles in depots and €45,000 per claim for land transportation;

- "property damage and operating losses": the Alliance buys a capacity of €2 billion per claim with sub-limits on certain types of guarantees, particularly natural disasters and problems with suppliers. Deductibles for the Group's manufacturing activities may amount to €5 million per claim;
- "civil liability": the Group buys a capacity of €260 million to cover general civil liability and civil liability for products and repairs carried out by Renault Retail Group sales subsidiaries; in addition, specific "Environmental Liability" coverage of €30 million was purchased;
- "cyber" risks: the Group has "cyber" insurance coverage.

Taking into account insurance market trends, the Group may decide to review the suitability of this cover.

Renault's insurers partially reinsure these global programs with MRC, a captive reinsurance company wholly-owned by the Group for Renault risks.

MRC mainly operates as follows:

- "transportation and storage of vehicles in depots": MRC covers up to €10 million per incident with a maximum annual limit of €25 million;
- "property damage and consequential operating losses": up to €30 million per incident, with a maximum annual limit of €30 million;
- "civil liability": up to a maximum annual commitment of €2.3 million.

Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, and a desire to make each risk-bearing entity more accountable. The insurance department is actively involved in defining the Group's prevention and protection policy.

## 1.6.2 Risk factors for the AVTOVAZ group

AVTOVAZ makes every effort to control the main risks related to the company's operations. Analysis is performed based on the categorization of risks in use within Groupe Renault: risks related to strategy and governance, risks related to operations, and risks related to transversal functions. The company systematically monitors the possible risks inherent in both the main operating activities and the implementation of investment projects. The Company develops and applies a methodology and requirements for identifying, analysing and developing measures to respond to substantial risks.

### 1.6.2.1 Risks related to operations

#### Market risk

The company is exposed to the following risks that may affect LADA sales volumes:

- overall decrease of sales of new vehicles in the world. On domestic market, deterioration of economic conditions may lead to decrease in demand;
- rising prices for raw materials and services may lead to the need to increase prices for products;
- increasing competition on domestic and foreign markets.

To increase its competitiveness, the company performs marketing analyses and promptly develops appropriate price solutions, carries out measures to modernize and upgrade the model range, to improve the quality and reduce the cost of the current model range, to optimize the export structure, and to search for new markets.

#### Risks related to the political and economic situation

Risk factors:

- economic sanctions against Russia in the event of a geopolitical crisis;
- military conflict, emergency state or other factors of instability affecting execution of warranty obligations on export markets;
- change of government policy related to export support.

The company carries out continuous monitoring of current political and economic events, search for new markets, redistribution of export volumes to the Customs Union countries and to nearby and remote emerging markets.

#### Industrial accidents

Risk factors:

- risk of production interruption because of equipment breakdown;
- fire, loss of life or damage to property during the operation of hazardous production facilities.

To reduce the possible negative consequences and losses, in the event of emergencies, the company carries out capital repairs of manufacturing facilities and equipment, conducts a set of measures for labor protection and fire safety, including insurance against possible risks associated with the operation of industrial facilities.

### Risks related to the design of products and services

Risk factor: postponed launch of new models, which could lead to the loss of potential customers.

Main mitigation action: control robustness of main project milestones in order to secure schedules of new product launches.

### Risks related to purchasing

Risk factors:

- deterioration of local suppliers financial health due to unstable regulation in the country, market decrease and exogenous factors (raw materials increase and Forex exposure); potential consequences for suppliers are insolvency, bankruptcy, operational disruption (logistic, quality, etc.), and Capex limitation;
- withdrawal of localized global suppliers from Russian market, and consequently:
  - risk of decreasing product quality while switching to new local supplier;
  - increase in direct import purchases;
  - dependence on monopolistic suppliers.

Risk mitigation actions:

The company carries out reinforcement of "Supplier Risk Management" team inside APO in Russia, continues development of common suppliers panel with the Renault-Nissan-Mitsubishi alliance, and searches for alternative suppliers.

### Risks related to production

AVTOVAZ is exposed to the following risks:

- risk of delivery of substandard components;
- production downtime, decrease of production volumes.

In order to reduce risks related to production, the company conducts permanent work to improve its quality management system and carries out control of technical re-equipment and modernization schedules in order to prevent unexpected production downtime.

### Risks related to sales of products and services

AVTOVAZ may be exposed to deteriorations in the financial health of distributors (export market) and interruption of their commercial activity.

The company carries out analyses of financial situation of distributors and plans to organize insurance for interruption of commercial activity, to be obtained by distributors.

## 1.6.2.2 Risks related to cross-group functions

### Financial risks

#### Liquidity risk

In order to manage the liquidity risk, the company optimizes the payment process and the technology for settlements with suppliers, uses alternative forms of settlement (set-off of claims), reduces the costs of procurement of auxiliary materials, works and services, reduces inventories and works with suppliers of metal and components concerning price reduction.

#### Exchange risk

The company sells and purchases in the domestic and international markets, and is exposed to volatility in exchange rates, mainly for the euro- ruble pair.

In the event of a significant increase in the euro against the ruble, the company will take measures to optimize costs and maintain solvency.

#### Interest rate risk

During 2019, the Bank of Russia systematically lowered its key rate, a trend which may continue in 2020. The impact from interest rate risk is at this stage not considered significant.

In the event however of a significant increase in the interest rate on potential credit resources, the company will take measures to optimize the loan portfolio and maintain solvency. In case of decrease of interest rate, the company will take measures to decrease fixed rate terms.

### Legal risks

AVTOVAZ considers that risks associated with changes in the tax legislation in the near future are not significant. The company regularly monitors changes in the tax legislation of the Russian Federation and foreign countries into which the company exports products in order to take appropriate measures to minimize possible negative consequences.

The possible change of customs rules and duties may increase the costs related to purchasing of imported equipment and component parts, imported as well as manufactured by local suppliers in cooperation with foreign partners. To manage this risk, the company regularly searches ways to optimize customs duties for imported equipment. In the course of supplier selection, the company evaluates the share of imported elements in the production of the component/part.

### 1.6.2.3 Insurance against risks

As required by current legislation, AVTOVAZ has organized the compulsory insurance of civil liability as the owner of hazardous objects, as customs agent, and vehicle liability insurance.

Due to requirements of regulating bodies, the company has organized civil liability insurance for capital construction objects, voluntary medical insurance for highly qualified foreign specialists, as well as for employees on international business trips.

Operational risk insurance programs are implemented in synergy with the relevant insurance programs described in 1.6.1.

In accordance with Collective Agreement terms, the company has organized insurance coverage for the employees: voluntary medical insurance and accident insurance.

Due to the performance of contractual obligations within the framework of the operational activities, the company obtained insurance of goods supplied for export and insurance of short-term accounts receivable for export.

The choice of companies for the organization of insurance was carried out in accordance with the policy of the company in the field of risk insurance from among the largest insurance companies of the Russian Federation, included in the list of potential partners of the company, approved by the President of the company.

## 1.6.3 Risk factors for Sales Financing (RCI Banque SA)

As indicated in section 1.5.3, the Sales Financing segment (RCI Banque) has its own risk management system in compliance with banking and insurance regulations. Under banking regulations, RCI Banque has been supervised by the European Central Bank on a consolidated basis since January 1, 2016.

### 1.6.3.1 Risks linked to the Company's environment

#### Geographical risks

##### Risk factors

RCI Banque has operations in several countries. It is therefore faced with risks linked to activities pursued internationally. These risks include, in particular, economic and financial instability, and changes in government, social and central bank policies. RCI Banque's future results may be negatively impacted by one of these factors.

##### Management procedures and principles

RCI Banque's geographical locations are chosen, in the framework of its growth strategy, to support manufacturers, and take into account the risks of instability which are inherent to a global approach.

The scope of the financial policy extends to all of RCI Banque's consolidated subsidiaries, including those whose refinancing is not centralized.

Subsidiaries located in a country outside the euro zone for which RCI Banque deems the currency transfer and convertibility risk to be significant (in particular Brazil and Argentina) are generally refinanced locally to limit any cross-border risk or is subject to specific insurance (*e.g.* in Russia).

#### Risks arising from economic conditions

##### Risk factors

RCI Banque's credit risk is dependent on economic factors, particularly the rate of growth, the unemployment rate and household disposable income in the countries in which the RCI group has operations.

##### Management procedures and principles

In a complex economic environment, RCI Banque has put in place systems and procedures that respond to the legal and regulatory obligations that correspond to its banking status and allow it to globally apprehend all of the risks associated with its activities, by reinforcing the management and control systems.

#### Risks linked to the regulatory environment

##### Risk factors

Regulatory measures might have a negative impact on RCI Banque and the economic environment in which the RCI Banque group operates.

##### Management procedures and principles

The RCI Banque group has procedures that enable it to gain an overall insight into regulatory developments referring to its activities and to ensure that the Group complies with the various regulatory requirements.

### 1.6.3.2 Financial risks

#### Liquidity risks

##### Risk factors

The Sales Financing business depends on access to financial resources: restrictions on access to liquidity might have a negative impact on its financing activity.

### Management procedures and principles

RCI Banque must always have sufficient financial resources to ensure the long-term future of its business and development.

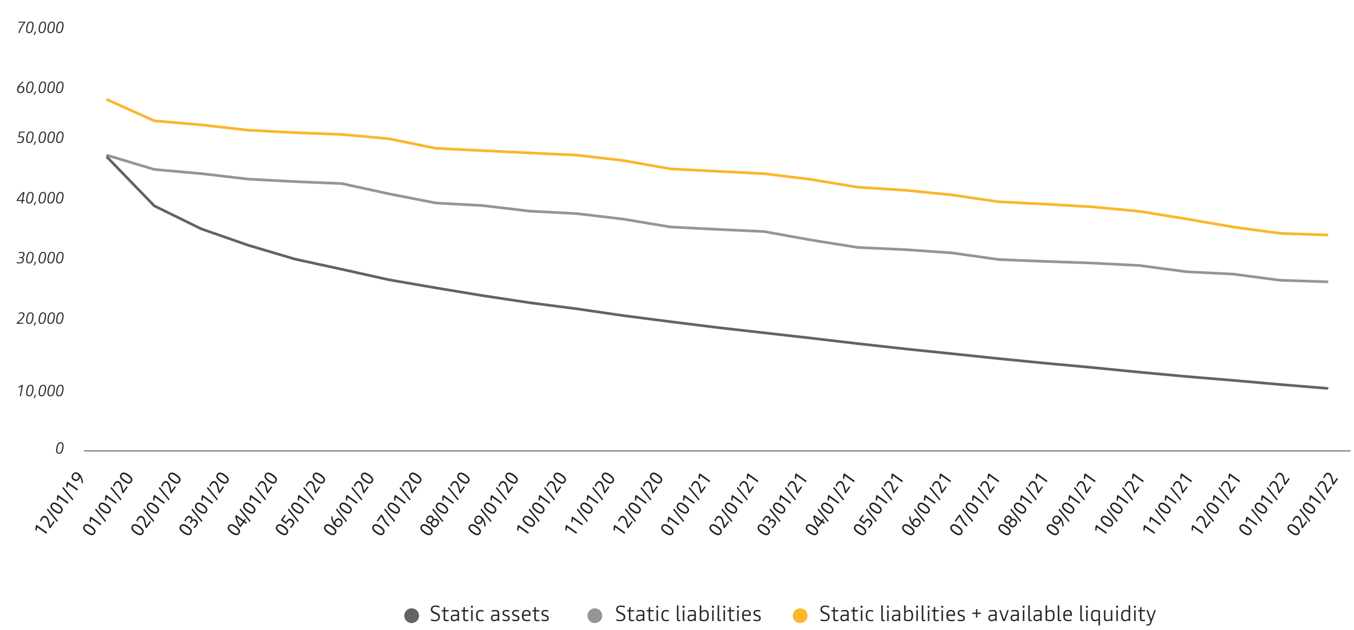
The coordination of RCI Banque's liquidity risk is based on several indicators or analyses, which are updated monthly based on the latest estimates of outstanding loans and the refinancing operations performed. Laws relating to the outflow of deposits are subject to conservative assumptions.

The Group has a framework of indicators and limits for its liquidity risk.

#### RCI BANQUE GROUP LIQUIDITY POSITION*

At 12/31/2019

*(€ million)*

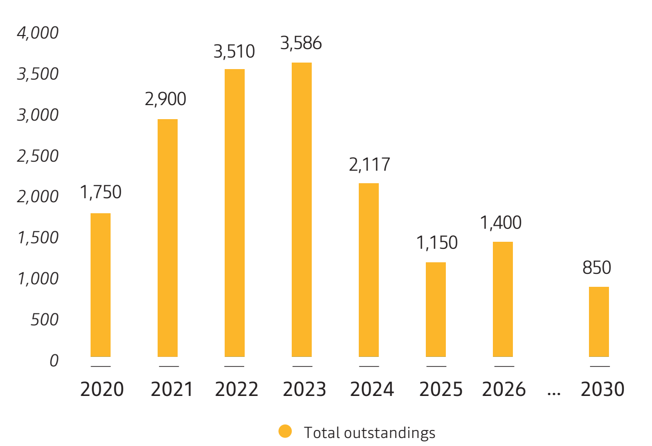



Static assets: assets runoff over time assuming no renewal.
Static liabilities: liabilities runoff over time assuming no renewal.

*Europe scope

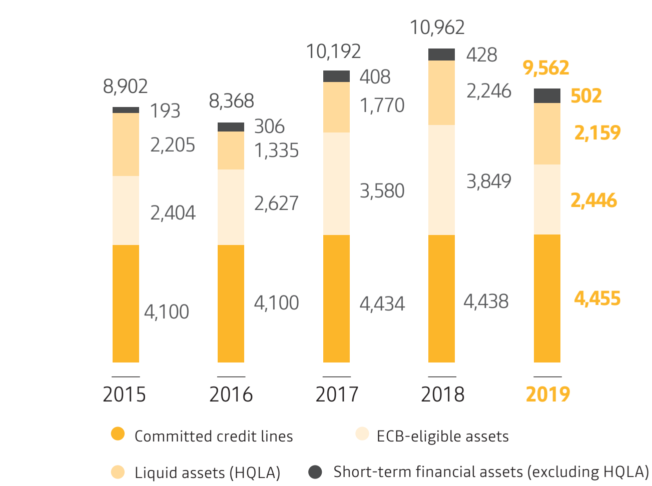
#### SCHEDULE FOR BOND ISSUES AT DECEMBER 31, 2019

*(€ million)*




#### RCI BANQUE GROUP LIQUIDITY RESERVE*

*(€ million)*



### RCI BANQUE RATINGS AT DECEMBER 31, 2019

#### RCI BANQUE GROUP'S PROGRAMS AND ISSUANCES

The group's issuances are concentrated on eight issuers : RCI Banque, DIAC, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc, RCI Leasing Polska (Poland) and RCI Colombia S.A. Compañia de Financiamiento (Colombia).

| Issuer | Instrument | Market | Amount | S & P | Moody's | Other |
|---|---|---|---|---|---|---|
| RCI Banque S.A. | Euro CP Program | euro | €2,000m | A-2 (negative outlook) | P2 | R&I: A-1 (stable outlook) |
| RCI Banque S.A. | Euro MTN Program | euro | €23,000m | BBB (negative outlook) | Baa1 (stable outlook) | R&I: A- (stable outlook) |
| RCI Banque S.A. | NEU CP[(1)] Program | French | €4,500m | A-2 (negative outlook) | P2 | |
| RCI Banque S.A. | NEU MTN[(2)] Program | French | €2,000m | BBB (negative outlook) | Baa1 (stable outlook) | |
| Diac S.A. | NEU CP[(1)] Program | French | €1,000m | A-2 (negative outlook) | | |
| Diac S.A. | NEU MTN[(2)] Program | French | €1,500m | BBB (negative outlook) | | |
| Rombo Compania Financiera S.A. | Bond Program | Argentinian | ARS 6,000m | | Ba2.ar (under revision) | Fix Scr: AA (arg) (negative outlook) |
| RCI Financial Services Korea Co Ltd | Bonds | South Korean | KRW 1,610bn[(3)] | | | KR, KIS, NICE : A+ |
| Banco RCI Brasil S.A. | Bonds | Brazilian | BRL 3,303m[(3)] | | Aaa.br(stable outlook) | |
| RCI Finance Maroc | BSF Program | Morrocan | MAD 2,500m | | | |
| RCI Leasing Polska | Bond Program | Polish | PLN 500m | | | |
| RCI Colombia S.A. Compañia de Financiamiento | CDT : Certificado de Depósito a Término | Colombian | COP 630bn[(3)] | AAA.co | | |

*(1) Negotiable European Commercial Paper (NEU CP), new name for Certificates of Deposit.*
*(2) Negotiable European Medium-Term Note (NEU MTN), new name for Negotiable Medium-Term Notes.*
*(3) Outstandings*

RCI Banque (Europe scope) also has €4.5 billion of undrawn committed credit lines, €2.4 billion of assets that constitute eligible collateral for ECB monetary policy operations, €2.2 billion of high-quality liquid assets (HQLA) and €0.5 billion of short-term financial assets, allowing RCI Banque to secure the continuity of its commercial business activity for nearly 12 months without access to external sources of liquidity (centralized refinancing scope).

## Foreign exchange risks

### Risk factors

RCI Banque is exposed to currency risks which might have a negative impact on its financial position.

### Management procedures and principles

Sales financing subsidiaries are required to refinance in their local currencies and therefore have no foreign exchange exposure. No foreign currency exposure is allowed in respect of RCI Banque refinancing, the trading room being used to ensure that all flows are hedged.

RCI Banque's residual exposure for other assets and liabilities (*e.g.* accrued interest not yet due on foreign currency borrowings) is kept at a marginal level for both RCI Banque and Groupe Renault.

At December 31, 2019, the RCI Banque group's consolidated foreign exchange position amounted to €6.3 million.

Lastly, equity and annual earnings for RCI Banque subsidiaries outside the euro zone are themselves subject to foreign exchange movements are not specifically hedged.

## Interest rate risks

### Risk factors

RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.

### Management procedures and principles

Interest rate risk is monitored daily: sensitivity is calculated by currency, by management entity and by asset portfolio, thus verifying that each entity respects its individual imposed limits. Sensitivity to interest rate risk is measured using the same methodology throughout the entire RCI Banque group. The sensitivity consists of measuring the impact of a 100 bps rise in interest rates on the value of balance sheet flows. The system limits the Group's global exposure and the exposure of each entity.

In 2019, RCI Banque's overall sensitivity to interest rate risk was kept below the limit set by the Group (€50 million).

## Counterparty risk

### Risk factors

RCI Banque group is exposed to counterparty risk from its investments of surplus cash, and in its management of currency risk, interest rate risk and payment flows.

### Management procedures and principles

Counterparty risk is managed via a system of limits fixed by RCI Banque, then validated by its shareholder as part of the consolidation of Groupe Renault's counterparty risks. This risk is managed through daily monitoring and summary reports to management.

### 1.6.3.3 Risks related to products

## Credit risks

### Risk factors

Credit risk relates to the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the Company. Credit risk is closely linked to macro-economic factors.

### Management procedures and principles

RCI Banque uses advanced scoring systems and external databases, when this information is available, to evaluate the capacity of retail and business customers to fulfill their commitments. It also uses an internal rating system to evaluate lending to dealers. RCI Banque is constantly adjusting its acceptance policy to reflect the conditions of the economic environment.

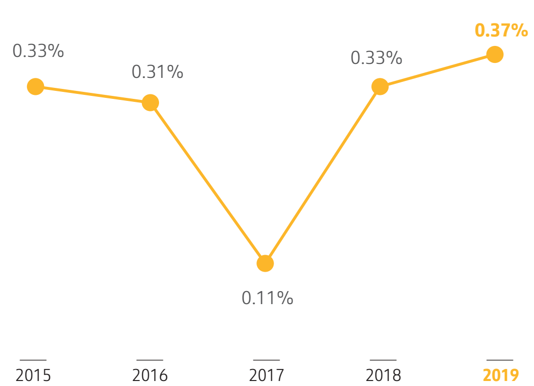
The Group has detailed management procedures that it applies in all relevant countries and which notably include debt recovery processes.

## Management of customer risks

The customer credit risk prevention policy aims to ensure that the cost of risk objectives fixed as part of the budgetary process for each country and each of its main markets (new and second-hand vehicles for retail customers, and companies excluding dealer networks) are met. The acceptance criteria are adjusted and the tools (scores and other rules) are regularly optimized for this purpose. The methods or strategies used for the recovery of outstanding or default loans are also adjusted based on customer type and the difficulties encountered. The contract may therefore be terminated prematurely when there is a risk that the loan may not be recovered in the very short-term.

**COST OF RISK ON AVERAGE PERFORMING ASSETS**

(including country risk)




NB: ratio of losses recognized or provisioned during the financial year following default by borrowers to average loans outstanding across the whole portfolio.

### Policy for granting loans

Customers who request financing are systematically scored for the Retail scope and almost systematically for the Enterprise scope. This facilitates an initial assessment of the file as part of the decision-making process. In addition to the operational process, the acceptance criteria are regularly updated based on the default rate and profitability analysis, which is based on the probability of default and loss in the event of default. The principles for identifying clients and beneficial owners as part of anti-money laundering and terrorist financing procedures are applied each time.

### Recovery

The management of financing and its recovery are monitored in-depth. Subsidiary performance in terms of recovery efficiency is analyzed in the context of monthly risk reporting and is presented to the corporate by the subsidiaries at monthly or bi-monthly committee meetings depending on the significance of the country. The methods or strategies used for the recovery of outstanding or default loans are adjusted based on customer type and the difficulties encountered. The statistical models used in particular in the calculation of regulatory requirements allow a monthly update of the probability of default measured at the time of the grant, through the integration of the customer's payment behavior. Using the same customer information, recovery scores have been introduced in Spain, South Korea and Brazil to detect at-risk profiles and make the process more efficient. As part of the new guidelines on the definition of default published by the EBA (European Banking Authority) in September 2016 and applicable in 2021, RCI Banque is studying new strategies and recovery practices in order to reduce the number of customers going into default.

## Dealer network risk management

The policy to prevent credit risks within the network aims to ensure that objectives relating to the cost of risks, fixed as part of each country's budget process are met.

The Network Financing department establishes the risk control procedures centrally. For each subsidiary, network customers are monitored on a daily basis using short-term indicators, which, together with long-term indicators, allows any issues that might present a risk of partial or total non-recovery of the debt to be identified upstream. Customers who are identified as at risk are classed as supervised, pre-alert or alert and are reviewed by the subsidiaries' Risk Committees.

In terms of the network, all counterparties are systematically scored. All of the sections that constitute the rating, or the rating itself, are integrated into the key operational processes for acceptance, management and monitoring of activity and risks. The provisioning of the network financing business is based on the categorization of the counterparties, individually by examining target impairment indicators. Moreover, the probabilities of default and expected losses from "Basel" tasks for the G5 countries (France, Spain, Germany, UK and Italy) are used in the provisioning system.

## Risks on residual values

### Risk factors

The residual value is the vehicle's estimated value at the end of its lease. Changes in the used vehicles market can entail a risk for the owner of these residual values, who is committed to taking back the vehicle at the end of its lease at a price fixed when the contracts are put in place. This risk is principally borne by the manufacturers or the dealer network and to a marginal extent by RCI Banque. In the specific case of the United Kingdom, RCI Banque is exposed to the residual value risk on finance where there is a commitment to take back the vehicle.

### Management procedures and principles

Developments in the used car market are monitored closely in line with range policy, sales channel mix and the manufacturer's prices to reduce this risk as much as possible, particularly in cases when RCI Banque takes over the vehicles. Provisions are carefully made for the loan portfolio when the observed market values have fallen below the level of the RCI Banque take back commitments, or if specific future risks have been identified on the used car market.

## Risks relating to the insurance activity

### Risk factors

RCI Banque bears any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims incurred.

### Management procedures and principles

At December 31, 2019, the change in the technical provisions of our life and non-life insurance companies represents €14 million for €377 million in gross premiums written.

These technical reserves are intended to cover all future obligations taken on by the insurer in respect of insured persons and are determined in accordance with the actuarial principles applicable to the risk profiles of the insured portfolios.

They are periodically reviewed so that their adequacy can be justified at any time.

As part of the risk control policy and regulatory requirements, the Group additionally operates strict policy selection, has drawn up underwriting guidelines and uses reinsurance agreements.

## 1.6.3.4 Cross-group operational risks linked to Sales Financing

RCI Banque is exposed to risks of loss arising either from external events, or from inadequacies and failures of its processes, personnel or internal systems. The operational risk to which RCI Banque is exposed mainly includes risks linked to events that are unlikely to occur but that would have a significant impact, such as the risk of business interruption due to unavailability of premises, staff or information systems.

## Management procedures and principles

RCI Banque has a procedures management tool, an internal delegation system, guidelines for segregation of duties and an operational risk map.

Operational risks are assessed annually by process owners within all Group entities and monitored at three levels as indicated in section 1.5.3.

The following risk families are presented below: legal and contractual risks and IT risks.

## Legal and contractual risks

### Risk factors

Any legislative changes impacting credit lending, insurance and related services at the point of sale or through other channels, as well as regulatory changes affecting banking and insurance activities might impact the activity of the RCI Banque group.

### Management procedures and principles

RCI Banque conducts legal analyses on newly distributed products and regularly monitors the regulations to which it is subject in order to ensure compliance.

## IT risks

### Risk factors

The RCI Banque group's business depends in part on the smooth running of its IT systems.

The IT department at RCI Banque addresses IT-related risks (infrastructure risks, change management, data integrity, cybercrime, etc.) through its governance, security policy, technical architecture, processes and control of outsourcing.

### Management procedures and principles

Risks are controlled, in particular, through the following:

- integration of IT risk management in the overall RCI risk management and control system at all levels of the Company, in accordance with best practices, the directives of the EBA (European Banking Authority) and under the supervision of the ECB (European Central Bank);
- the level of IT network protection at the Group level;
- coordination, monitoring and day-to-day management of the Group's Information Management Policy;
- safety training and awareness-raising for all employees (e-learning, communications, etc.);
- the actions, support and controls carried out by the RCI Risks, Compliance and IT Systems Security department, which rely on a network of IT security officers in each subsidiary's IT Systems department, as well as a network of internal controllers;
- a Group IT systems security policy that integrates regulatory requirements (banking, GDPR/personal data, etc.), a global management approach and continuous adaptation of IT systems security;
- an increasingly stringent intrusion testing and surveillance policy for both external risks and internal risks;
- a management system for the disaster recovery plan (DRP) in place and regular testing of the system that include problems related to cyber-risks;
- a system and actions rolled out by method liaison officers, business line and IT managers throughout the Group.

# 1.7 REGULATORY ENVIRONMENT

## 1.7.1 Vehicle manufacturing regulations

### 1.7.1.1 General framework

Vehicle manufacturing regulations are designed to meet the requirements of States regarding, on the one hand, the need to reduce the number and consequences of accidents to people, whether in vehicles or on public roads (such as pedestrians and cyclists) and on the other hand, the environmental impact of the vehicle fleet (reduction of pollutant emissions, noise, or pressure on resources). The Group constantly ensures that it has appropriate tools to enable it to respond to these requirements.

The regulatory framework of the European Union, which is applicable by extension to around 40 countries geographically in or close to Europe, allows approval granted in one European Union country on the basis of a common list of technical regulations to be recognized in another European Union country and allowing registration in all European Union countries without additional technical constraints.

The European framework is historically the pioneer of many national technical regulations around the world. It is based in particular on **Regulation (EU) No. 2018/858 on the approval and market oversight of engine vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles**, amended by **Regulation (EU) No. 2019/2144 of November 27, 2019 on type-approval requirements for engine vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users**, called the "General Safety Regulation" (GSR), which has reinforced approval checks and production process controls, as well as statistical and continuous oversight of vehicles placed on the market and many passive and active safety technical requirements from 2022.

Carmakers, and more generally the automotive sector, are involved in this continued strengthening of European technical regulations, within the framework of working groups organized by the European Commission and made up of the industries involved in the Member States. The automotive sector is also involved within the broader framework of the UN working groups, made up of around 60 countries and international organizations (including the European Union), to ensure regulatory changes are made while taking into account technical and industrial challenges and opportunities, as well as implementation deadlines.

### 1.7.1.2 Pollutant emissions and $CO_2$

In the last few years there has been a considerable change in regulatory requirements set out on pollutant emissions by **Regulation (EC) No. 715/2007 on type-approval of engine vehicles with respect to emissions from passenger and light commercial vehicles (Euro 5 and Euro 6) and on vehicle repair and maintenance information**, supplemented by Commission Regulation (EU) No. 2017/1151 of June 1, 2017.

Since September 1, 2018, the pollutants of all new passenger cars (PC) and light commercial vehicles (LCV) are measured using the Euro 6 and $CO_2$ limits, during a new cycle that is more representative of use, called the WLTP (Worldwide harmonised Light Duty Test Procedure). The WLTP was implemented one year later for new, heavier LCVs.

In addition to WLTP, which measures pollutants in the laboratory, a procedure known as RDE (Real Driving Emissions) was introduced in two stages, after an initial monitoring phase. This procedure makes it possible to verify emissions under almost all conditions of use (driving, road profiles, weather, etc.).

The first stage, called Euro 6d TEMP, sets controls for NOx (nitrogen oxide) emissions using a compliance factor of 2.1 and Particles by number (PN) using a compliance factor of 1.5, taking measurement uncertainties into account. Euro 6d TEMP has been applicable to all new PCs and small LCVs since January 1, 2019 and to all heavy LCVs from January 1, 2020.

The second stage, known as Euro 6d, reduces the compliance factor for NOx to 1.43, with the knowledge that this factor will be reviewed each year based on the progress of the procedure. Euro 6d has been applicable to new models since January 1, 2020, and will be applicable to all PCs and small LCVs, as well as heavy LCVs from January 1, 2021 and lastly to all heavy LCVs from January 1, 2022.

In addition to these regulations, which apply to exhaust emissions, evaporative emissions from the fuel systems of gasoline vehicles have also been reduced through a stricter procedure applicable to all new vehicles since September 1, 2019.

The (CE) "emissions" regulation 715/2007 does not confine itself to approval of new products but also requires the inspection of customer vehicles by the manufacturer and by any Member State. This is one of the few industries that produces consumer goods for which vehicle inspection is required at between six months and five years or 15,000 km and 100,000 km.

Furthermore, **(EU) regulation 2019/631, laying down performance standards for $CO_2$ emissions** is applicable to passenger cars as well as to new light commercial vehicles. It represents a very important component of climate protection in Europe.

(EU) regulation 333/2014 had stipulated a limit of 95g of $CO_2$/km applicable to 95% of the passenger cars fleet starting from 2020.

Starting from 2021, (EU) regulation No. 2019/631 defines the objectives to be achieved up to 2030. This regulation stipulates achievement by 2025 of a reduction of 15% compared to a start point calculated in 2021, and in 2030, a reduction of 37.5% compared to this same start point. These objectives cannot be achieved without a significant increase in the share of hybrid and electric cars in the Renault range. In addition, regulation No. 2019/631 introduces an incentive to exceed a minimum level of zero- or low-emission vehicles (ZLEVs) as a percentage of the range in 2025 and 2030.

The same principles apply to light commercial vehicles, with a target of 147g of $CO_2$/km in 2020 and ambitions for a reduction of 15% in 2025 and 31% in 2030, compared to a base defined in 2021.

Regulation no. 2019/631 also stipulates a penalty of €95 per gram of $CO_2$ and per vehicle sold in the event of failure to achieve the abovementioned objectives. However, this regulation provides a certain amount of flexibility, such as the possibility of forming a pool between manufacturers, and benefiting from gains made through eco-innovations or vehicles with zero and very low consumption.

The 2023 revision clause introduced into regulation No. 2019/631 lays down the principle of setting new objectives for 2035 and 2040, in order to achieve carbon neutrality in Europe by 2050.

This desire to combat global warming is found in other countries where Renault operates, such as China, Brazil and India. In addition, China in particular has comprehensive regulations for electric vehicles (pure and hybrid electric).

## 1.7.1.3 Passive safety and active safety

The entry into force of **(EC) regulation No. 661/2009 concerning the requirements for approval relating to the general safety of motor vehicles, their trailers and systems, parts and separate technical entities that are intended for them**, will require manufacturers to incorporate an entire series of safety systems and to design the structure of new vehicles taking into account new requirements aimed at minimizing the severity of accidents in head-on, side and rear impact collisions.

### 1.7.1.3.1 Passive safety

All newly approved PCs and small LCVs from July 2022 will have to meet new requirements for head-on, side and rear impact collisions. The requirements will be applicable to all newly registered vehicles in the European Union from July 2024.

Two years after these dates, new requirements for the safety of pedestrians will apply to the front end of these vehicles, in order to extend the protection zones up to the windscreen.

### 1.7.1.3.2 Active safety

From July 2022, all newly approved PCs and small LCVs (classes M1 and N1) will be required to be equipped during manufacture with:

- an AEB (Advanced Emergency Braking) system to reduce the risk of collision with other vehicles, whether stationary or in motion;
- an Emergency Lane Keeping system that brings vehicles back into their lane before an involuntary crossing (without indicator signals) of an unbroken line and alerts drivers in the event of an involuntary crossing of a broken line;
- an Intelligent Speed Adaptation system capable of alerting the driver when vehicle speed exceeds the limits;
- a Driver Drowsiness & Attention Warning system, which should be based on analysis of activity at the steering wheel, pedals, etc.

These Advanced driver aids systems (ADAS) will become obligatory from July 2024 for all newly registered vehicles in the European Union.

Two years after these dates, new ADAS will become mandatory in turn, such as the AEB system, which takes pedestrians and cyclists into account, and the Advanced Driver Distraction Warning system, which will require technologies that use cameras and image analysis algorithms.

From July 2022, all newly approved PCs and commercial vehicles (LCVs and public transit) must, depending on their PC, public transit, light LCV or heavy LCV category, be equipped with pedestrian and cyclist proximity detection and/or vision systems on the front, side and rear of the vehicle.

These systems will become obligatory from July 2024 for all newly registered vehicles in the European Union.

### 1.7.1.3.3 Cybersecurity

Regulation No. 661/2009 also introduced cybersecurity requirements for vehicles (all categories). These requirements will become effective in July 2022 for newly approved vehicles and in July 2024 for all newly registered vehicles in the European Union.

These new provisions require manufacturers to put in place a very well structured Cyber Security Management System to ensure traceability and transparency for all decisions and approvals in respect of the inspection authorities and require incorporation in vehicles of state-of-the-art technical solutions to limit cyber risks as soon as these are designed.

Various countries, such as Japan, South Korea, Turkey and Israel, would have to adopt similar requirements.

#### 1.7.1.3.4 Autonomous and/or connected vehicles

Although not a compulsory feature, regulations for vehicles with driverless operation services should, in the initial stages, cover systems that help drivers to stay in lane, to drive in congested traffic and on highways (Advanced Lane Keeping Systems).

Extensions to more ambitious use cases should become reality by 2030.

"Driverless" vehicles are a special case that will undoubtedly be handled through testing carried out at the national level, and authorizations issued locally, for public transport and other uses.

In parallel, the rules of the road would gradually have to be changed in order to authorize the use of these autonomous driving systems. Thus, an amendment to the Vienna Convention on road traffic, allowing these developments, could be adopted as early as 2020.

Connectivity is also a special case, insofar as it calls on a number of players outside the automotive sector.

### 1.7.1.4 Prohibited substances and materials

The so-called "substances" regulation governs the registration of all substances and materials present in vehicles and sets out prohibitions and limitations of these substances and materials, with monitoring of each vehicle to avoid distribution on the market of harmful or prohibited products and facilitate recycling of end-of-life vehicles.

Global Regulatory Substances Guidelines are mainly set by the European Union. These include European REACH, POP (persistent organic pollutants) and biocidal products regulations for substances, greenhouse gas regulations for air conditioning fluids, recycling regulations (minimum recyclability and recovery quotas and limits on certain substances or prohibition of certain hazardous materials in recycled materials), and the introduction of environmental performance obligations over the entire life cycle of vehicles.

Other countries such as China, Korea, and Japan could also adopt specific requirements for the emissions of materials present in vehicles to guarantee passenger cabin air quality.

### 1.7.1.5 Stronger oversight

The unique legal environment in European Union Member States shows a general trend toward more stringent requirements and oversight of them by regulatory authorities, whether through stricter monitoring of approval tests, maintaining the performance of vehicles throughout their life via engine compliance inspections, maintaining the general condition of the rolling vehicle population via reinforced technical controls, enhanced verification of the compliance of production (COP) and monitoring the compliance of new vehicles put on the market.

For example, through the new EU Regulation 2018/858, the European Union has decided to implement market oversight from September 2020 that consists of requiring each Member State of the European Union to conduct vehicle compliance inspections that include performance of approval tests on a sample of vehicles representative of their national market. Another purpose of market oversight is the monitoring of the functioning of technical services and approval authorities in each European Union Member State to detect and correct malfunctions in the European approval system.

## 1.7.2 Environmental regulations

As part of its production of automotive vehicles and mechanical equipment and the sale of its products, Groupe Renault is required, in the various countries where its vehicles and products are located or marketed, to comply with certain regulations that are directly applicable to it, in particular with regard to the sites and installations it operates and the substances used as part of its production process.

Because of its activities, Groupe Renault is subject to environmental regulations, concerning, among other areas, emissions into the air, waste management, and water and soil impacts.

The main regulations applicable to Groupe Renault's industrial, logistics and commercial activities are described below.

### 1.7.2.1 Industrial emissions management

**Directive no. 2010/75 of November 24, 2010, known as the Industrial Emissions Directive (IED)**, replaced the Integrated Pollution Prevention and Control (IPPC) Directive and six sector directives, including the large combustion plants directive (2001/80/EC).

The IED strengthens a number of requirements for the prevention and reduction of pollution emitted by industrial installations into the air, water, and soil. It also establishes thresholds that are not to be exceeded.

It states that certain industrial facilities must first obtain administrative authorization. This authorization cannot be issued by the competent administrative authority unless certain environmental conditions are met (adequate preventive measures against pollution being undertaken by the operator and ensuring that the facilities are not a significant source of pollution).

One of the guiding principles of this directive is the use of best available techniques (BAT) to prevent pollution of all kinds. Activities that require administrative authorization must meet the BAT standard established, reviewed, and updated by the European Commission, which publishes the conclusions in the "BREF" (best available techniques reference document).

Monitoring requirements for facilities that may contaminate the soil and groundwater are provided.

The IED also provides for the requirement to draw up a "base report" on the condition of the site before the installation is commissioned or before the first update of the authorization issued and for a redefinition of the requirement to restore the site upon cessation of activity.

### 1.7.2.2 Air emissions management

**European Directive (EU) 2015/2193 of November 25, 2015 regulates emissions from medium-sized combustion plants. It sets emissions thresholds** for sulfur dioxide ($SO_2$), nitrogen oxides ($NO_x$) and dust into the atmosphere from combustion plants with a nominal thermal power greater than or equal to 1 MW and less than 50 MW, regardless of the type of fuel that they use. It also establishes rules to monitor carbon monoxide (CO) emissions.

Operators must implement emissions monitoring in accordance with the requirements set out in Annex III to this directive and periodic measurements in particular. CO measurements are required for all facilities.

**European Regulation 517/2014 of April 16, 2014 (F-Gas)**, which repealed Regulation 842/2006 on January 1, 2015, contains, **prevents, and reduces emissions of fluorinated greenhouse gases** referred to in the Kyoto Protocol.

This regulation:

- discourages the use of fluorinated gases with a high impact on the climate and encourages energy efficient and safe substitutes;
- continues to improve the containment and end-of-life treatment of products and equipment containing fluorinated gases;
- promotes consensus on an international agreement under the Montreal Protocol to gradually reduce HFCs, which are the main group of fluorinated gases;
- ensures that the European Union takes into account the latest scientific results obtained at the international level, as recorded in the IPCC fourth assessment report, as regards in particular the substances covered by the regulation and their global warming potential (GWP).

The regulation aims to reduce fluorinated greenhouse gas emissions in the European Union by two-thirds compared with their current level by 2030.

Groupe Renault has reviewed these obligations and is taking the necessary measures to minimize the use of these substances and limit their discharge into the atmosphere.

**European Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading systems** affects 11 Group sites in France, Spain, Slovenia, and Romania. Its application for the current phase (2013-2020) is mainly governed by European Regulation 601/2012 on the monitoring and reporting of greenhouse gas emissions. For the fourth phase (2021-2030), this regulation is superseded by European Regulation 2018/2066.

This system requires sites subject to the Regulation to report their greenhouse gas emissions each year and return a number of "allowances" equivalent to the metric tons of $CO_2$ emitted. A certain number of allowances is allocated free of charge, and additional allowances may be purchased on the primary or secondary markets.

The allocation of free allowances is governed by strict rules, which are specified in Decision 2011/278 for the third phase, and in European Regulation 2019/331 for the fourth phase.

Annual greenhouse gas emissions are verified by an independent third-party organization accredited according to the procedures described in European Regulation 600/2012 for the third phase and in European Regulation 2018/2067 for the fourth phase.

Changes to these regulations, in particular the loss of "carbon leakage" exposure status starting with the fourth phase (2021-2030) will greatly reduce the number of free allocations from sites subject to the Regulation.

In Korea, an exchange system was put in place in 2015, by a 2012 law (Act on Allocation and Trading of Greenhouse Gas Emissions Allowances) and an associated decree. The Busan site (RSM) is subject to this law.

### 1.7.2.3 Water management

Groupe Renault is subject to the applicable European regulations on the use and protection of water since it abstracts, uses, and discharges water during its production processes.

**Directive no. 2000/60/EC of October 23, 2000, known as the Water Framework Directive (WFD)**, establishes a framework for a community water policy.

The WFD defines a framework for the management and protection of waters by major hydrographic basin at the European level. It plays a strategic and founding role in water policy, setting ambitious objectives for the preservation and restoration of the condition of surface water (freshwater and coastal water) and for groundwater.

The main objectives of the directive are:

- achieving, starting in 2015, a good condition for all of these waters, which means a good ecological and chemical condition for surface water, as well as a good qualitative and quantitative condition for groundwater;
- adopting a combined approach of environmental quality standards (Directive 2008/105/EC of December 16, 2008) through removal of hazardous substances and emission thresholds based on the best available techniques, using the approach that gives the highest standards;

- immediately implementing this approach for priority hazardous substances for the Community, *i.e.*, being able to identify them and establish emission thresholds and quality standards for them;
- establishing a management plan for each hydrographic district;
- taking into account the principle of recovering the costs of water-related services, integrating the polluter pays principle established by the Treaty on the Functioning of the European Union;
- increasing public participation, through more and better information and involving the public in decision-making.

Public authorities are also imposing strict regulations on industrial wastewater that may be discharged into collection systems and on treated wastewater and sludge from urban wastewater treatment plants.

The WFD set targets for 2015, but its implementation timetable runs until 2027. Discussions are still underway on the issue of water, and on the reuse of domestic wastewater in particular. Better treatment of this water could significantly increase the use of wastewater, especially for agricultural irrigation.

Finally, the scarcity of water resources is a major challenge for the years to come, India, has accordingly already established requirements in this regard. In that country, domestic water must be treated and reused in toilets.

### 1.7.2.4 Waste management

**Directive 2008/98/EC known as the Waste Framework Directive (WFD)** of November 19, 2008, defines the rules applicable to the treatment of waste within the European Union. It applies to all objects or substances that the holder discards or that he or she intends or is required to discard. The WFD reaffirms, in the name of the polluter pays principle, the responsibility of a waste producer to manage its waste in a way that does not endanger human health or harm the environment.

The Directive also introduces a requirement for waste producers to limit their impact on the use of resources by preventing and reducing waste with a view to transitioning to a circular economy.

It establishes a hierarchy of waste treatment methods, requiring waste producers to prioritize, in the following order:

- waste prevention;
- preparation for reuse;
- recycling;
- other forms of recovery, in particular energy recovery;
- disposal.

It also clarifies the concept of recovery, disposal, end of waste status, and by-products and requires the establishment of separate collections for paper, metal, plastic, and glass, as a minimum.

**The Basel Convention on the control of transboundary movements of waste** and its disposal, which was adopted on March 22, 1989 and entered into force on May 5, 1992, regulates and limits transboundary shipments of waste.

It calls on the 187 Parties to observe fundamental principles such as proximity to waste disposal, environmentally sound management, prioritize recovery, and prior informed consent to the importing of potentially hazardous substances.

**Regulation (EC) 1013/2006 of June 14, 2006** on the shipment of waste transposes the principles of the Basel Convention into European law.

It requires the limitation of cross-border shipment of waste through observance of the principles of proximity and prioritization of recovery. To determine if transfer of waste is possible, and the applicable procedure (communication or notification), the following need to be considered:

- the origin of the waste (country of production);
- the destination and route of the waste (transfer inside or outside the EU/EFTA/OECD);
- the type of treatment to be applied to the waste (recovery or disposal);
- the type of waste transferred:
  - non-hazardous waste: green list (Annex III of the Regulation);
  - hazardous waste: orange list (Annex IV of the Regulation).

**Under "extended producer responsibility" (EPR) regimes**, producers who place waste-generating products on the market must take responsibility for management of that waste financially and/or operationally. This responsibility can be implemented through individual, shared, or collective systems (eco-organizations).

Several European directives have introduced this type of obligation for certain types of waste (sectors). In the context of its activities, Groupe Renault is affected in particular by the regulations relating to batteries and accumulators (so-called "industrial" batteries) as well as batteries for electric vehicles, known as "automotive".

**Directive 2006/66/EC of the European Parliament and of the Council of September 6, 2006 on batteries and accumulators** and battery and accumulator waste prohibits the marketing of certain batteries and accumulators with a mercury or cadmium content above a determined threshold.

In addition, it encourages a high level of collection and recycling for battery and accumulator waste as well as an improvement in the environmental performance of all actors in the life cycle of batteries and accumulators, including during the recycling and disposal of battery and accumulator waste.

This Directive prohibits the landfilling or incineration of industrial and automotive battery and accumulator waste. Only their residues from both treatment and recycling may be landfilled or incinerated.

The net costs of collecting, processing, and recycling industrial and automotive batteries and accumulators must be paid by the producers.

**Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles (ELVs) defines** the measures to be taken to prevent and limit waste from end-of-life vehicles and their components, and to ensure that they are reused, recycled, or recovered.

Vehicle and equipment manufacturers must take into account the dismantling, reuse, and recovery of vehicles in the design and production of their products, limit the use of hazardous substances, and integrate an increasing share of recycled materials into vehicles.

The reuse and recycling rate for end-of-life vehicles must reach a minimum of 85% by weight per vehicle per year on average. The reuse and recovery rate must reach a minimum of 95% by weight per vehicle per year on average.

Producers (manufacturers or importers) must set up ELV collection systems, and owners may drop off their ELVs at authorized treatment facilities only, at no cost to them (unless the vehicle is incomplete).

There is currently no need for producers to contribute to the economic balance of the sector, as the costs of processing ELVs is offset by the sale of stripped vehicles to approved shredders and parts and materials on the used vehicle, renovation and recycling market.

In conclusion, European and global environmental regulations have changed significantly over the past 20 years, Groupe Renault is ensuring that the regulations that apply to it are identified as soon as possible and taken into account in its production system. New challenges mean that Groupe Renault must remain vigilant and continually reduce its impact on its resources and environment.

Even though the European Union is still the leader in this area, countries like Korea, China, and India, which are strongly impacted by the scarcity of resources (water in particular) and increasing pollution (air and waste) are beginning to introduce more stringent regulations.

## 1.7.3 European regulations applicable to the distribution of new vehicles and spare parts

Groupe Renault is subject to European competition law, which prohibits agreements that prevent, restrict, or distort competition. By way of exception, agreements limiting competition (in particular through selection of resellers or provision for exclusive terms for them) are authorized when they may contribute to improving the production and distribution of products or to promote technical or economic progress.

The purpose of **the European Commission's block exemption regulations no. 330/2010 of April 20, 2010 and no. 461/2010 of May 27, 2020**, which are applicable to the distribution of new vehicles and the supply of spare automotive parts and to repair and maintenance services for motor vehicles respectively, is to exempt from the prohibition of cartels, agreements presumed to improve distribution without eliminating competition.

The criteria for this automatic exemption depend on the market shares of the parties to an agreement (maximum threshold of 30%) and the absence of any marked restrictions on competition. As applied to the automotive sector, this exemption is in principle applicable to the selection by manufacturers of their network of authorized distributors and repairers. However, the presence of one of the following restrictions may prohibit the exemption from being applied:

- setting the price (fixed or minimum) at which distributors can resell vehicles or spare parts (prohibition of resale price maintenance);
- the distribution of geographic markets or customers between distributors (market distribution);
- the ban on sourcing by authorized distributors from other authorized distributors (restriction of cross-deliveries);
- the ban on the resale by authorized distributors of spare parts to independent repairers for use in repair or maintenance services; and
- the ban on the use by authorized repairers of spare parts of a quality equivalent to original parts for repair or maintenance services.

Similarly, under Regulation no. 461/2010, any restriction concerning access by independent repairers to the technical information necessary for the repair and maintenance of vehicles is presumed to exclude the benefit of exemption from the selection by Renault of its network of authorized repairers.

Regulation no. 330/2010 expires on May 31, 2022. Its effectiveness has been under evaluation by the European Commission since October 2018, and it will decide no sooner than the second quarter of 2020 whether to let the regulation lapse or to extend or revise it.

Regulation no. 461/2010 expires on May 31, 2023. Its effectiveness has been under evaluation by the European Commission, and it will decide no sooner than the second quarter of 2021 whether to let the regulation lapse or to extend or revise it.

## 1.7.4 Community design regulations

**Council Regulation (EC) no. 6/2002 of December 12, 2001 on community designs** provides for the principle of the repair clause, which excludes the protection of visible spare parts of a vehicle via designs and models (repair clause principle) in order to promote free market competition by allowing any company to manufacture and sell spare parts on the after-sales market.

At the national level, European states remain divided over the repair clause. Some countries, such as the United Kingdom, Poland, Spain, and, since January 1, 2020, Germany, have adopted the repair clause as national law. However, other countries such as France, Slovakia and Croatia refuse this deregulation and therefore do not apply the repair clause principle.

The repair clause could become applicable to all European Union countries. In late 2018, the European Commission launched a public consultation on the overall assessment of the design and model system with questions relating to the repair clause. In addition, France has already submitted a bill on this subject, in which adoption of the repair clause is being considered.

The extension of the repair clause to all European Union countries, it would have a significant economic impact on the Groupe Renault's after-sales market share.

## 1.7.5 Banking regulations

Several banking sector regulations applicable to Groupe Renault via its subsidiary RCI Banque may significantly influence its activities. may significantly influence its activities

**Directive 2013/36 of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment companies**, known as the "CRD IV Directive" was transposed in France by Order 2014/158 and by the Decree of November 3, 2014. These texts have redefined the rules governing the approval conditions for credit institutions, the governance of credit institutions, internal control and senior executives compensation with the aim of harmonizing the regulations applicable to credit institutions in these areas at the European level. They are therefore an essential step towards the achievement of the internal market in the banking sector. Directive 2019/878 amended Directive 2013/36 as regards exempted entities, financial holding companies, mixed financial holding companies, compensation, supervisory measures and powers, and capital conservation measures. This directive has not yet been transposed into French law.

**European Regulation 575/2013 of June 26,2013 on prudential requirements for credit institutions and investment companies**, known as the "CRD IV Directive", introduced new requirements for capital, liquidity, and leverage ratios. This regulation aims to strengthen the solidity of European banking institutions by improving the qualitative and quantitative aspects of capital. This text was amended by Regulation 2019/630 as regards the minimum coverage of losses on non-performing exposures. This new regulation also supplements the existing prudential rules as regards capital with provisions for a deduction from capital if non-performing exposures are not sufficiently covered by provisions or other adjustments.

**Directive 2014/59 of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment companies**, known as the "BRRD Directive" set out a framework for the recovery and resolution of credit institutions. This text aims to ensure that bankruptcies of European banks are managed in such a way as to preserve financial stability and minimize costs for taxpayers. It gives the competent authorities the means to intervene before difficulties arise and, where necessary, at the start of the resolution process. The directive entered into force on January 1, 2015. These measures were supplemented by Regulation 806/2014 of July 15, 2014, which established a single resolution mechanism (SRM) and a single resolution fund (SRF). Finally, this directive was amended by Directive 2019/879 of May 20, 2019 as regards the capacity to absorb losses and recapitalize credit institutions. This directive clarifies the fixing of the MREL (Minimum Requirement for own funds and Eligible Liabilities specific to each establishment.

**Directive 2008/48 of April 23, 2018 on credit agreements for consumers** was transposed in France by Law 2010-737 of July 1, 2010 on consumer credit reform. The purpose of these texts is to provide better consumer protection and to harmonize national credit distribution rules. These texts required credit institutions to strengthen consumer information by providing them with a standardized European pre-contractual information sheet.

**Directive 2018/843 of May 30, 2018** amended **Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing**. This text, which is to be transposed into French law in early 2020:

- strengthens the transparency of complex legal entities and legal structures by broadening access to registers of beneficial owners;
- sets out the enhanced due diligence measures to be implemented with respect to business relationships or transactions involving high-risk third countries;
- sets out the guarantees to be put in place to mitigate high money laundering risks associated with entering into a remote business relationship; and
- establishes the principle of consolidated supervision of AML-CFT procedures by banking and insurance groups.

**Directive 2016/97 of January 20, 2016 on insurance distribution**, transposed in France by Decree 2018-361 of May 16, 2018, aims to ensure better consumer protection and harmonize national rules for the distribution of insurance products. This text requires the establishment of governance procedures for the design and distribution of insurance products and the delivery of a new standardized information document (IPID) to customers.

**On February 25, 2019, the European Banking Authority published Outsourcing Guidelines** (EBA/GL/2019/02). These guidelines set forth a governance framework for outsourcing operations. Accordingly, they require an evaluation of each subcontractor, the keeping of a register of services outsourced, and the inclusion in contracts with subcontractors of a certain number of clauses to ensure good control of the risks associated with the outsourcing.

**On January 18, 2017, the European Banking Authority published guidelines on the application of the definition of default** (EBA/GL/2016/07). The purpose of this text is to harmonize the definition of default by providing a detailed clarification of the various reasons for default (including the counting of days in arrears), the conditions for a return to non-default and the associated processes. The text will be applicable starting January 1, 2021.

In addition, on September 28, 2016, the European Banking Authority published a text entitled "Final report DRTS on materiality threshold for credit obligation past due" (RTS/2016/06). This text introduces a single methodology for the counting of days in arrears (Day Past Due counting) based on the application of absolute and relative materiality thresholds.

In its Regulation 2018/1845 of November 21, 2018, the absolute threshold was set at €100 for exposures to retail customers and €500 for other exposures. These rules must be obeyed starting December 31, 2020.

Finally, the European Banking Authority also published guidelines for estimates of probability of default and estimates of loss given default (EBA-GL-2017-16).

These guidelines are part of the wider work of the European Banking Authority to reduce unjustified variability in the results of internal models while preserving the risk sensitivity of capital requirements.

# 1.8 POST-BALANCE SHEET EVENTS

- On January 28, 2020, Renault's Board of Directors decided to appoint Mr Luca de Meo as Chief executive Officer of Renault S.A., and Chairman of Renault s.a.s., and to appoint Ms Clotilde Delbos as Chief Operating Officer of Renault, with effect from July 1, 2020 (for more details, see chapter 3.1).
- Between December 31, 2019, the financial year-end date, and the date of registration of this document, the coronavirus (Covid-19) epidemic broke out. In the pandemic context and fully complying with the measures taken by the different governments at the date of March 17, 2020, Groupe Renault have stopped the activity of certain of its business establishments and plants. Given the rapid spread of the pandemic, the continuity of production activities in the Group's other plants worldwide will depend on the health situation and the government decisions in each country. Groupe Renault plans to restart production activities as soon as conditions allow it, and will implement all appropriate measures to effectively meet commercial demand.
- Downgrading of the financial rating by Moody's and Fitch (for more details, see chapter 1.6.1.3).

# 02 RENAULT: A RESPONSIBLE COMPANY



The elements of the annual financial report are identified by the AFR symbol.

The automotive industry is currently undergoing a rapid transformation, with the growth in the market for electric vehicles, connected and autonomous vehicles, the development of artificial intelligence and the digitization of services. Thanks to its expertise, its infrastructures, its international presence and its human capital, Groupe Renault is a major player in these changes, which are drivers of growth in its core business as well as in the new world of services that are essential to the connected lives of vehicles.

This period of profound change is strengthening the Group's intention to contribute to a more inclusive and more responsible society, to ensure sustainable mobility for all, aware of the need to preserve the planet, and to generate value for all stakeholders.

To fulfill its commitments, the Group relies on sound fundamentals: its proactive management of risks and opportunities and its ambitions in terms of governance and ethics.

# 2.1 OUR UNDERTAKING: MOBILIZE, FOR INCLUSION AND SUSTAINABLE MOBILITY

## 2.1.1 Mobilize: Groupe Renault's social and sustainable ambition

Groupe Renault's strategic Drive the Future (2017-2022) plan is built on the vision of "Ensuring sustainable mobility for everyone, now and in the future." The Group's objective is to generate growth and profit for the duration of the plan, while adapting to fit customer needs. Groupe Renault is building future mobility market-by-market, from congested mega-cities to rural areas, from affordable vehicles to robot vehicles, with ambitious objectives that will benefit the economic health of the Company and the Group's employees, while also benefiting society as a whole.

In keeping with this overall plan, the Group's CSR approach is supported by the various Group departments, particularly the CSR, Plan, Environment, Human Resources, Ethics and HSE (Health Safety, Environment and Ergonomics) departments. It has been grouped under two headings: inclusion and sustainable mobility, which are further divided into five commitments: diversity, education, social entrepreneurship, road safety and the environment. This approach, called "Mobilize," is accompanied by an invitation for all players to become involved.

MOBILIZE

INCLUSION | SUSTAINABLE MOBILITY

Diversity | Education | Social business | Environment | Road safety

- **inclusion:** for everyone to find their place in the company and have the means to develop themselves. The Company considers that **diversity** in its employees is essential, seeing this as a guarantor of mutual enrichment, performance and innovation, to live and work better together. Inclusion is also understood as a means of fighting all exclusion, through our actions within and outside the Company, notably in matters of **education** and training, as well as in the development of **social business**;
- **sustainable mobility:** to enable everyone to travel more safely and with a reduced environmental footprint. For many years, Groupe Renault has been committed to protecting the **environment** through the application of a policy and objectives to reduce its carbon footprint, with the main drivers being the electric vehicle, the circular economy and new mobility. An ambitious **road safety** policy is also at the core of the sustainable mobility constituent of the strategy.

These two areas are based on robust ethics and governance, mainly through Groupe Renault's code of ethics, responsible purchasing (2.5.2), the implementation of the vigilance plan (2.1.6), and open dialog with stakeholders (2.1.5).

Thus, on all of these topics, Groupe Renault already implements and applies actions which have proved to be effective and accessible solutions in coping with social, societal and environmental challenges. The issue is now to be able **to roll out the most innovative and efficient local solutions widely**:

- **in the field of inclusion,** it concerns the promotion of all forms of diversity in the Company, access to education and lifelong learning and social business;
- **in the field of sustainable** mobility, it concerns promoting safer driving practices, making electric vehicles accessible, being amongst the first companies to develop new industrial practices arising from the circular economy and supporting the emergence of new forms of mobility.

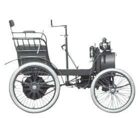
Through this, Groupe Renault will work on:

- **increasing** the number of local beneficiaries of its actions;
- **extending** the number of countries in which initiatives are implemented;
- **mobilizing** the entire Group (operational departments and employees so that they take part in the actions implemented) and local ecosystems (customers and partners, suppliers, public authorities, *etc.*).

## 2.1.2 A historical commitment

### The key milestones that have marked our commitment.

Well before the appearance of the concept of sustainable development, Groupe Renault acted responsibly in relation to the societies and ecosystems within which it operated. We therefore present a non-comprehensive snapshot of the social, societal and environmental actions of the Company.



**1900 1950**

- ▲ Caisse de secours mutuel (1904)
- ▲ Medical Service (1914)
- ▲ Usines Renault consumers' cooperative (1916)
- ▲ Usines Renault apprenticeship school (1919)
- ▲ First company to have a Works Council (1944)
- ● Standard exchange activity at the Choisy-le-roi plant (1949)

**1951 1960**

- ✱ Physiology and Biomechanics Laboratory (1954)
- ▲ Labor deal: payment for public holidays, third week of paid vacation and introduction of a supplementary pension plan (1955)
- ✱ Renault Argentina Foundation providing innovative environmental and mobility initiatives (1960)

**1961 1970**

- ▲ Renault's industrial hygiene laboratory closely monitors the chemicals used in Renault plants (1962)
- ▲ Fourth week of paid vacation, retirement at 61 for women and 63 for men (1962)
- ▲ irst foundation in Spain to fund scholarships for employees' children (1963)
- ✱ Accident Analysis and Biomechanics Laboratory Renault / PSA – LAB (1969)
- ● irst purification plants on production sites (1970)

**1987**

- ● The Renault VESTA 2 concept car hits record fuel efficiency of 2 l/100km.

**1989**

- ▲ Signature of the 'Living Agreement' to ensure the ongoing development of Renault and the professional, personal and cultural advancement of employees

**1998**

- ● First certification of environmental data by the Statutory Auditors

**1999**

- ● First ISO 14001 certified plants.

**1999 2004**

- ● Renovation and environmental upgrading of the Pitesti plant (Romania) following the acquisition of Dacia

**2000**

- ✱ Launch of Sécurité Pour Tous (Safety for All), an international road safety program for children

**2001**

- ✱ Fondation d'Entreprise Renault for higher education

**2004**

- ▲ Signing of the Declaration of Employees' Fundamental Rights and the Diversity Charter
- ● First Life Cycle Assessment (LCA) of the Scenic II.

**2007**

- ● Launch of the ECO2 label, based on three environmental criteria (manufacturing, emissions and recycling)

**2008**

- ● Creation of Renault Environnement and acquisition of a stake in Indra (automotive recycling)

**2009**

- ✱ Sustainable Mobility Research Institute, Renault - ParisTech.
- ▲ The 'Crisis-Period Labor Deal' establishes a corporate welfare system to maintain the jobs and pay of employees placed on short-time working.

**2010**

- ● Renault is a founding partner of the Ellen MacArthur Foundation for the circular economy

**2011**

- ● Launch of the electric range: KANGOO Z.E., FLUENCE Z.E., TWIZY.

**2012**

- ● Tangiers plant, designed on the basis of carbon-neutral technologies and zero industrial effluent discharge.
- ✱ Creation of Mobiliz Invest (social enterprise investment fund)

**2013**

- ● Marketing of ZOE
- ● Renault's carbon footprint[(1)] is 10% lower than it was in 2010
- ▲ Contract for a new dynamic of growth and social development in France
- ▲ Global framework agreement for sustainable growth and development

**2014**

- ● Eolab concept car posts consumption of 1 l/100km without any compromise on performance
- ✱ Signature of the Company and Neighborhoods Charter

**2015**

- ● Renault-Nissan Alliance is a Paris Climate Change Conference (COP21) partner.
- ● Group Carbon footprint[(1)] per vehicle sold reduced by 17.2% between 2010 and 2015, one year ahead of 2016 target
- ✱ Launch of the Renault Mobiliz Solidaire employee savings fund (FCPE)

**2016**

- ● ZOE Z.E. with a record driving range of 400 km[(2)].
- ● Renault-Nissan Alliance official COP22 partner in Marrakech (Morocco).
- ✱ Renault signatory of the French national call for companies in favor of Road Safety at work
- ✱ 15th anniversary of the Fondation Renault for education

**2017**

- ● New target of a 25% reduction in the carbon footprint[(1)] by 2022 compared with 2010.
- ▲ New Driver's Charter for the Group.
- ✱ Signing of the CAP 2020 Agreement in France – Agreement on work activity for sustainable performance with trade union representatives.

**2018**

- ✱ Creation of the Renault Foundation Morocco, Renault Foundation Portugal and Renault Foundation Romania.
- ▲ Creation of the Social Business Strategic Area of Expertise in the Group.
- ✱ Launch of HeForShe, a UNO movement promoting gender equality, in the Group.
- ✱ Three-year partnership with Handicap International.
- ✱ Groupe Renault partner of Paris 2018 Gay Games, an inclusive international sport and cultural event.

**2019**

- ▲ 50 years of the LAB, a collaboration between Renault and PSA serving road safety.
- ✱ 10 years of the IMD (Institut de la Mobilité Durable - Institute for Sustainable Mobility)
- ✱ Groupe Renault, partner of the World Rescue Challenge, in La Rochelle.
- ✱ €1.2 M allocated by the Renault Foundation for associative sponsorship.

▲ SOCIAL
● ENVIRONMENTAL
✱ SOCIETAL

*(1) Carbon footprint per vehicle sold worldwide, throughout the life cycle of vehicles.*
*(2) Using the standardized NEDC certification cycle, i.e. 300 km of real and suburban use*

## 2.1.3 CSR governance

The CSR sectors report to a member of the Group Executive Committee (GEC) or a member of the Management Committee and are coordinated by three operating entities that design and implement policies and associated objectives, identify and roll out risks and opportunities, enter into dialog with stakeholders and lastly handle reporting and communication:

- the Corporate Social Responsibility (CSR) department responsible for an interdisciplinary and partnership approach to CSR throughout the value chain, societal actions and innovations.

  The Group announced the creation of the Communication, Public Affairs and CSR, department from November 1, 2019. This aims to strengthen Groupe Renault's reputation with all of its stakeholders: employees, the general public and opinion leaders. This organization thus reinforces the complementarity, alignment and effectiveness of the actions carried out by the three departments, supporting the Group's performance.

  The director of this new entity is a member of Groupe Renault's Management Committee.
- the Human Resources department is responsible for optimizing allocated resources, skills development, employee involvement and social dialog;
- the Strategy and Environmental Planning department is responsible for environmental issues to be included in the Company's strategy. It aims to reduce the environmental footprint and the health impacts of activities, products and services over the life cycle and introduce circular economy business models to boost the Company's medium-and long-term competitiveness.

Individually or jointly, depending on the cross-functional nature of the subjects, these three operational departments bring issues relating to strategic orientation before the decision-making bodies at Chief Executive Officer or Group Executive Committee member level. These departments then roll them out within the Company through the programs, Regions and functions, using internal networks and by developing external partnerships if necessary.

The Human Resources (HR), Environment and CSR functions also contribute to the internal ethics management processes. As such, they are members of the Group Ethics and Compliance Committee (CECG), chaired by the SVP, Audit, Risks and Ethics (DARE).

The three departments analyze the Group's risks, notably those associated with CSR practices in the supply chain, health and working conditions, substance risk, availability of and price variations in raw materials, damage to the environment and people in the event of malfunctions in the facilities operated by the Group.

In June 2019, Groupe Renault's Board of Directors set up an Ethics and CSR Committee (see chapter 3, 3.1.6.2) with the main tasks of:

- ensuring a high level of commitment in terms of extra-financial compliance, ethics and social and environmental responsibility;
- assessing the Group's policies, guidelines and charters;
- reviewing and assessing the non-financial indicator reporting and control procedures;
- promoting ethics within the Group's entities;
- examining Human Resources policies.

This Committee met for the first time in December 2019.

## 2.1.4 Guidelines and standards

Groupe Renault complies with international standards designed to support or regulate businesses' corporate social responsibility practices. It is committed to respecting the founding principles and promoting the universal values of the Global Compact.

The Group factors these principles into its policies and implements them in accordance with internal guidelines.

The main reference texts are:

- the 10 principles of the Global Compact, adopted at the initiative of the United Nations and signed by Renault on July 26, 2001. The Global Compact refers to the Universal Declaration of Human Rights, the International Labour Organization (ILO) Convention, the Rio Declaration at the first Earth Summit and the UN Convention Against Corruption;
- the Global Framework Agreement covering social, societal and environmental responsibility, signed on July 2, 2013, and based in particular on ILO standards and ISO 26000, as well as its roll-out to suppliers (see section 2.4.1.4.A);
- the Global Framework Agreement of July 9, 2019, on "changing life at work" (see section 2.4.1.4 A);
- ISO 14001 for environmental management, ISO 14040 and 14044 for the life cycle assessment of vehicles, ISO 14021 for the definition of recycled materials and the GHG Protocol for the reporting of greenhouse gas emissions;
- Groupe Renault's code of ethics in all its forms, approved by the Renault Board of Directors on October 3, 2012 (see section 2.5.1.1);
- ISO 9001 (all Groupe Renault manufacturing sites are ISO 9001 certified);
- IATF 16949, which is the automotive industry's quality management standard. Groupe Renault is one of the nine carmaker founders of the IATF World Wide (the standard's owner);
- OECD Guidelines for Multinational Enterprises, updated on May 25, 2011.

**WE SUPPORT**

UN GLOBAL COMPACT

Since 2001, Renault SAS has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

We reaffirm our commitment to comply with and promote the universal values of the Global Compact. Fighting against corruption and making progress on social, societal and environmental responsibility require continuous improvement.

Aware of our global footprint and our multiple stakeholders, we strive towards sustainable and responsible mobility, that is inclusive, accessible and helps protect the planet. This is the commitment that we have made towards the men and women at Groupe Renault, our suppliers, our subcontractors and our partners.

Together, we can build a better world. For both current and future generations.

Clotilde Delbos, Chief Executive Officer of Groupe Renault

## Our contribution to the United Nations Sustainable Development Goals

With regard to its activities and its commitments for inclusion and sustainable mobility, an analysis carried out at various levels (Group, country, site) shows that the seven major sustainable development objectives (SDGs) on which Groupe Renault as a whole makes a positive contribution, out of the 17 identified by the United Nations, are the following:

3 GOOD HEALTH AND WELL-BEING

**3 – Good health and well-being: ensure healthy lives and promote well-being for all at all ages.**

Particularly in terms of road safety, social protection and air quality:

- 3.6: By 2030, halve the number of global deaths and injuries from road traffic accidents;
- 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all;
- 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemical substances and air, water and soil pollution and contamination.

The relevant policies and actions can be found in section 2.4.2

4 QUALITY EDUCATION

**4 – Quality education: ensure inclusive and quality education for all and promote lifelong learning.**

Particularly through access to higher education for all:

- 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university;
- 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;
- 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including people with disabilities, indigenous peoples and children in vulnerable situations;
- 4.b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programs, in developed countries and other developing countries.

The relevant policies and actions can be found in sections 2.4.1, 2.4.2 and 2.4.3.

8 DECENT WORK AND ECONOMIC GROWTH

**8 – Decent work and economic growth: promote inclusive and sustainable economic growth, employment and decent work for all.**

Particularly concerning the protection of workers' rights, working conditions and their protection:

- 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;
- 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value;
- 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The relevant policies and actions can be found in section 2.4.1.

**9 – Build resilient infrastructure, promote sustainable industrialization that benefits everyone, and encourage innovation.**

Above all, promote sustainable industrialization and innovation:

- 9.2: Promote sustainable industrialization that benefits everyone, and significantly increase the contribution of industry to employment and gross domestic product by 2030, depending on the national context, doubling it in the least developed countries;
- 9.4: In the years to 2030, modernize infrastructure and adapt industries to make them sustainable through more efficient use of resources and greater use of clean and environmentally sound industrial technologies and processes, with each country acting in proportion to its means;
- 9.5: Step up scientific research, enhance the technological capabilities of industrial sectors in all countries, especially developing ones, notably by encouraging innovation and significantly increasing the ratio of people working in research and development per million inhabitants, and by increasing public and private spending on research and development in the years to 2030.

The relevant policies and actions can be found in sections 2.2.3 and 2.4.1.

**10 – Reduced inequalities: reduce inequality within and among countries.**

- 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3: Ensure equal opportunities and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

The relevant policies and actions can be found in sections 2.4.1, 2.4.3 and 2.4.4.

**12 – Responsible consumption and production.**

- 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.
- 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life-cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

The relevant policies and actions can be found in section 2.3.2.

**13 – Climate action: take urgent action to combat climate change and its impacts.**

- 13.2. Integrate climate change measures into national policies, strategies and planning.

The relevant policies and actions can be found in section 2.3.3.

## 2.1.5 Stakeholder dialog EFPD14c

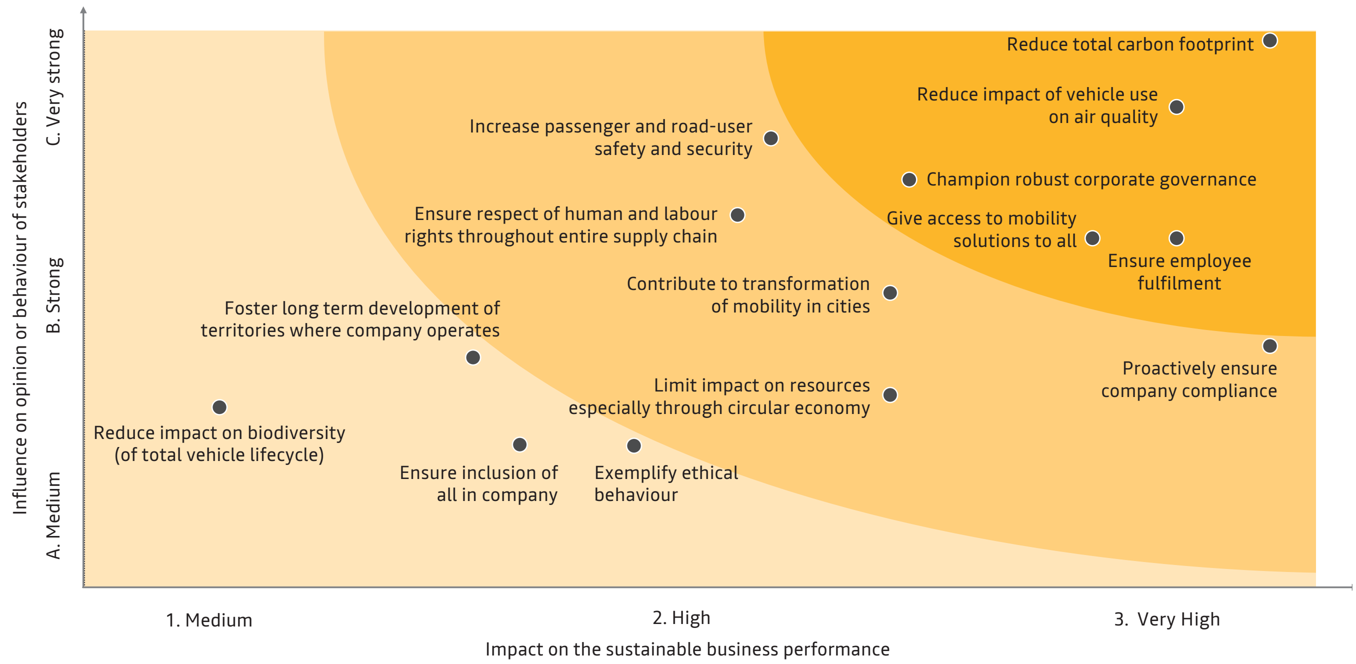
Groupe Renault claims and reaffirm its vision of the automobile in the service of people and society. Consistent with its vision, Renault maintains open and constructive dialog with its stakeholders. Because expectations differ, Renault strives to conduct this dialog not only on a global level but also more locally by responding to the questions and needs of customers and local residents. There are many forms of dialog, which are constantly changing.

| Stakeholders | Key CSR stakes (materiality matrix) | Main players by degree of closeness | Modes of dialog and communication from most to least direct | Highlights of 2019 |
|---|---|---|---|---|
| Customers | • Safety of road users<br>• Vehicle safety<br>• Connected and/or autonomous vehicles<br>• Carbon footprint of vehicles (full life cycle)<br>• Sustainable cities (including urban mobility and congestion) and smart mobility<br>• Cybersecurity & data privacy<br>• Product and service affordability (including social business)<br>• Physical accessibility of products and services<br>• User health | • Retail and business customers<br>• Sales network and importers<br>• Road users/general public<br>• Consumer groups<br>• Within the framework of social business: welfare or employment providers<br>• Volunteers, retirees or external players | • Services and direct dialog in the sales network<br>• Customer Relations department (including requirements studies)<br>• Training/awareness-raising initiatives<br>• Certification, product ratings (EuroNCap)<br>• Media<br>• Internet site | • Whenever a new Renault or Dacia vehicle is launched, decision support forms are sent to the French fire service<br>• New electric and hybrid vehicles are designed with fireman access to the battery to ensure the safety of passengers and first responders (see 2.2.2.1 "Rescue") |

| Stakeholders | Key CSR stakes (materiality matrix) | Main players by degree of closeness | Modes of dialog and communication from most to least direct | Highlights of 2019 |
|---|---|---|---|---|
| Employees | • Health, safety and work environment<br>• Responsible management<br>• Diversity and equal opportunities<br>• Compensation and social benefits<br>• Competency management | • Individual employees<br>• Managers<br>• Employee representative bodies | • Local management (including annual performance review)<br>• Policies/guides (environment, health/safety, *etc.*)<br>• Social dialog: establishment, country, Groupe Renault Works Council<br>• Training<br>• Internal communications | • Launch of the second edition of the Mobilize Days throughout the Group<br>• E-learning awareness-raising and training on road safety<br>• Roll-out of the serious game "Living Diversity Together" within the Group |
| Suppliers | • Relationships with suppliers and network<br>• Management of resources and the circular economy<br>• User health<br>• Human rights | • Diversified suppliers<br>• Industry bodies (CCFA, FIEV)<br>• French automotive industry platform (PFA)<br>• Fonds d'avenir automobile (former Modernization Fund for Automotive Suppliers) | • Circulation of CSR guidelines: Renault-Nissan CSR Purchasing Guidelines, Renault Green Purchasing Guidelines<br>• Assessment or direct support to CSR performance<br>• Supplier Information Meetings (SIM), conventions<br>• Presentations by suppliers to Renault operational staff<br>• PFA CSR Charter<br>• PFA CSR Committee | • 10 international Alliance agreements,<br>• ° 11 technical exhibitions bringing together 15 suppliers<br>• Prizes awarded to 12 suppliers (including two awarded for results obtained in CSR-related areas) |
| Investors | • All issues in the materiality matrix | • Shareholders, employee shareholders, financial institutions<br>• Rating agencies/analysts | • Seminars, road shows<br>• Investor Relations department<br>• Internet site and other dedicated publications<br>• Responses to rating requests<br>• Group Universal registration document<br>• Toll-free number with voice server<br>• Planetshares website enabling direct management of registered Renault shares<br>• Dedicated e-mail address<br>• Shareholder Consultative Committee since 1996<br>• Shareholders' Club since 1995 | • A high subscription rate to the Renault Mobilize Solidaire mutual savings fund (FCPE) (6,590 employees as of December 31, 2019)<br>• Planetshares website enabling direct management of registered Renault shares<br>• Over 250 shareholders have benefited from the various activities (visits, conferences, breakfasts, *etc.*) offered by the Shareholders' Club.<br>• Renault ACTU, the bi-annual magazine for shareholders became 100% digital and is now available on computers, tablets and smartphones (website renault.com - Finance tab - individual shareholders) |
| **Local communities** | • Industrial sites safety management<br>• Community and local development and social business<br>• Impact of vehicles and industrial sites on air quality<br>• Sustainable cities (including urban mobility and congestion) and smart mobility<br>• Water and waste management<br>• Sponsorship | • Local residents<br>• Elected officials and local authorities<br>• Local associations | • Partnership/local sponsorship contracts<br>• Regional development Charters and agreements<br>• Dialog with public authorities and local economic actors<br>• Direct dialog and plant tours<br>• Procedures for handling complaints from local residents<br>• Site environmental leaflets, local media relations | • At the end of 2019, over 7,000 electric vehicles had been made available by Renault to users of car-sharing services in Europe such as ZITY in Madrid<br>• At the end of 2019, within the Renault network there were 321 Garages Renault Solidaires across France.<br>• To facilitate the response of the emergency services, 544 nearly-new vehicles were donated to fire crews for road rescue training |
| **Institutions and associations** | • All environmental and societal issues | • Industry bodies (CCFA, Acea, Anfac, *etc.*)<br>• Employers' associations (MEDEF, AFEP, Business Europe, *etc.*)<br>• Academics and researchers<br>• Governments<br>• National, European and international legislators<br>• Independent authorities (CNIL)<br>• NGOs/think-tanks<br>• Consumer groups | • Partnership contracts (research institutes)<br>• Involvement in working groups on topics of public interest or professional federations<br>• Responses to public consultations<br>• Informal discussions<br>• Sector stakeholder dialog | • Partnership with Positive Planet to help start businesses in disadvantaged neighborhoods<br>• Renault is a member of the Responsible Mineral Initiative (RMI). The RMI's Objective is strive to implement a responsible supply chain for minerals and materials originating from conflict zones or high-risk areas.<br>• Membership of the HeForShe campaign in partnership with UN Women France |
| **Future generations** | • Carbon footprint of vehicles<br>• Competency management<br>• Community and local development and social business<br>• Product and service affordability<br>• Biodiversity<br>• Diversity and equal opportunities<br>• Road user safety<br>• Handing on knowledge for the future | • Interns, apprentices and future employees<br>• Pupils and students<br>• Researchers<br>• Young public | • Company induction<br>• Talks in schools/at Renault sites<br>• Research and education programs<br>• Awareness-raising programs<br>• External events (conferences, seminars, forums, *etc.*) | • 72 students of many different nationalities trained by the Renault Foundation<br>• Chair in Intercultural Management, in partnership with the ESCP Europe Business School<br>• Foundation support for five educational programs in 2019, focusing on three areas at the heart of the Company's concerns: sustainable mobility, digital transformation and road safety (see 2.4.3.1.A) |

# Groupe Renault 2020 materiality matrix

At the end of 2019 and the beginning of 2020, Groupe Renault conducted a materiality analysis to identify and prioritize the social, environmental and societal issues it faces. This materiality matrix defines the relative importance of each stake over the next five years from the point of view of Groupe Renault's stakeholder expectations and its contribution to the performance of the business in terms of value creation over the period. This matrix updates the 2015 materiality matrix and will enable Groupe Renault to focus its strategy and social, societal and environmental initiatives. Spearheaded by the CSR department, a cross-functional steering committee supervised the methodological approach and the key stages of the project. This matrix was validated in January 2020 by the Group Executive Committee and by Jean-Dominique Senard, Chairman of the Board of Directors.




Key: Environment, Social, Societal, Customer, Governance, compliance and ethics

| Impact challenge | Definition |
|---|---|
| **Reduce total carbon footprint** | Reduce carbon footprint of company mobility offering, sourcing and operations (incl. manufacturing, logistics, travel, servers) |
| **Reduce impact of vehicle use on air quality** | Reduce pollutant emissions induced by vehicle use (NOx, particles) |
| **Champion robust corporate governance** | Foster clear distribution of roles and accountability, clear decision making processes, proper balance of power in company<br>Foster clear long-term company strategy definition and proper execution<br>Foster company transparency<br>Foster reasonable executive remuneration |
| **Ensure employee fulfilment** | Ensure employee long-term employability through skills development<br>Empower employees and implement responsible management practices<br>Strengthen social ties between employees<br>Adapt company and train employees to new ways of working<br>Maintain employer attractiveness, especially through a clear corporate culture and purpose |
| **Give access to mobility solutions to all** | Ensure company offers mobility solutions to all regardless of personal situation and location (in cities, suburban or rural areas) |
| **Increase passenger and road-user safety and security** | Reduce road accidents and improve safety of driver, passengers and road-users in the event of an accident<br>Improve vehicle user experience to reduce safety risks (e.g. reduce stress)<br>Improve passenger and road-user security against external attacks (esp. vehicle hacking)<br>Improve air quality in cabin |
| **Ensure respect of human and labour rights throughout entire supply chain** | Ensure respect of human rights throughout entire supply chain (e.g. banning child labour)<br>Ensure security and safety of employees in all sites<br>Ensure respect of labour rights throughout entire supply chain (e.g. freedom of association) |
| **Contribute to transformation of mobility in cities** | Reduce urban congestion<br>Reduce vehicle noise<br>Contribute to an efficient management of mobility infrastructure in cities (e.g. vehicle to grid, multimodal platforms, parking spot optimization etc.) |
| **Proactively ensure company compliance** | Proactively ensure company compliance with laws and regulations and internal procedures |
| **Limit impact on resources especially through circular economy** | Limit impact on all resources (natural, fossil, minerals and water) through an efficient management from vehicle design to end-of-life (incl. recycling) |
| **Foster long-term development of territories where company operates** | Foster long-term economical, social and societal development of territories where company operates<br>Foster long-term business stability of suppliers and distributors |
| **Reduce impact on biodiversity (of total vehicle lifecycle)** | Reduce impact of all sites throughout entire supply chain on soil (incl. waste linked to vehicle end-of-life), air and water quality and on water consumption (including impact linked to accidents)<br>Limit destruction of primary forests |
| **Ensure inclusion of all in the company** | Ensure inclusion of all and equal opportunities for all in the company |
| **Exemplify ethical behaviour** | Foster ethical business behaviour in relationships with stakeholders<br>Foster ethical behaviour of vehicles (esp. autonomous vehicles)<br>Foster ethical exemplarity at all levels within company |

## Methodological approach

The materiality matrix was defined by management representatives from the Company's main departments/functions, based on internal and external data.

The first stage of the process was to define the comprehensive list of ESG issues to which Groupe Renault is faced as a carmaker and supplier of mobility services. Numerous sources were consulted to prepare this list, particularly the ESG rating criteria, competitors' materiality matrices, press articles and interviews with experts.

All of the issues collected were grouped into 14 coherent macro-issues. The importance of each issue along each axis of the matrix was then assessed.

- The y-axis represents the influence on stakeholders' opinions or behavior and classifies the issues according to the CSR expectations of Groupe Renault's stakeholders. The importance of issues along this axis was determined from interviews with stakeholder representatives (employees, NGOs, suppliers, car dealerships, start-ups, researchers, public sector, investors) as well as a survey of 3,500 customers in seven countries in the five Regions where Groupe Renault operates.
- The x-axis illustrates the impact on the Company's sustainable performance and represents the contribution of each theme to long-term value creation. To assess the importance of each issue along this axis, internal interviews took place with the Group's general management, employees in the main departments/functions and an internal survey with 200 of Groupe Renault's top managers.

The issues were then refined and placed on the materiality matrix during a collaborative workshop bringing together the representatives of Groupe Renault's main departments/functions.

As in 2015, Reducing the total carbon footprint and Reducing the impact of the use of vehicles on air quality are Groupe Renault's top priorities. Internal and external stakeholders expect Groupe Renault to continue its efforts to reduce greenhouse gas emissions and air pollution due to road transport. They also assessed the impact of these two issues on Groupe Renault's long-term sales performance as critical, notably due to tightened regulations and the decrease in the societal acceptability of vehicle emissions.

Similarly, Improving passenger and road user safety and Limiting the impact on resources particularly through the circular economy remain two major stakeholder expectations, as well as being important issues to guarantee the Company's performance.

Some issues increased in importance in the 2020 materiality matrix. One of the main changes compared to 2015 concerns stakeholder expectations (particularly for investors and the public sector) on corporate governance. Guaranteeing robust governance was considered to be an essential prerequisite when undertaking any transformation of Groupe Renault and was, therefore, prioritized both in terms of stakeholder expectations and impact on Company performance.

In a context of changes in skill requirements (related to the electric vehicle, connected and autonomous technologies, etc.) and growing employee expectations in terms of the environment and working methods, Ensuring employee well-being and development is also a growing issue for Groupe Renault.

In response to the on-going transformation of the mobility industry and the growing search for optimization of urban areas, the internal stakeholders expect the Contribution of Groupe Renault to the transformation of urban mobility to have a more significant impact on the Company's performance than in 2015.

Stakeholder expectations concerning Groupe Renault's actions on Ensuring respect for human rights and work throughout the supply chain were also reinforced compared to 2015.

## Addressing the stakes: identification of the primary levers

During discussions with internal and external stakeholders, Groupe Renault also collected proposals for levers to be prioritized in order to address each of the materiality matrix stakes. A selection of the levers that were indicated the most often throughout the materiality matrix update process is presented below.

- **Implementing eco-design and circular economy processes in vehicle life cycles**: this lever was mentioned on several occasions by the internal and external stakeholders as being one of the most transversal, and therefore critical, levers, especially to address issues related to resource consumption and climate change. Groupe Renault already carries out numerous actions in this area. It is also a founding partner of the Ellen MacArthur Foundation that works with companies, universities and decision-makers. The Foundation promotes circular economic models, develops scientific and managerial knowledge required for their adoption and identifies the potential economic and environmental benefits (see 2.3.3).
- **Innovating in the business model and collaborating with the mobility ecosystem**: this lever was also one of the most cited by the internal and external stakeholders. It will be an essential factor for addressing the challenges related to the transformation of urban mobility and climate change. Innovating in the mobility offering (for example including shared mobility solutions) by collaborating with the mobility ecosystem (public sector, mobility start-ups, suppliers, energy suppliers, etc.) is a lever that Groupe Renault has already activated thanks to initiatives such as the Rouen Normandy Autonomous Lab and the acquisition of mobility start-ups such as Karhoo and iCabbi (see 2.2.1.2.B).
- **Developing alternatively powered vehicles and collaborating with the electric vehicle ecosystem**: the shift to alternatively powered vehicles was also one of the main levers indicated by the internal and external stakeholders to address the challenges of climate change and air quality. This lever has multiple aspects including technological innovation to improve life span and autonomy, ecosystem contribution (including recharging infrastructure, smart recharging, the shift of vehicles to the grid, etc.) and an increase in the share of alternative engine vehicles. Groupe Renault aims to produce eight electric vehicle models and electrify 50% of its vehicle range by 2022. It has also successfully created an integrated electric vehicle ecosystem on the island of Porto Santo, in partnership with three other companies. (see 2.2.1.2 and 2.3.3)

- **Implementing vigilance processes for the entire supply chain**: this lever was also indicated as being essential by numerous internal and external stakeholders in order to address the issue of respect for human rights and labor throughout the supply chain. Groupe Renault already works actively in this area and has notably produced a supplier risk mapping. (see 2.5.2.3)
- **Developing employee skills and adapting the company to new working methods**: this lever was specifically indicated by internal stakeholders and the public sector. Ramping up employee skills and adapting the company to new working methods are essential to ensuring employee development and well-being. Groupe Renault has already launched initiatives, including the signature of a Global Framework Agreement with the social partners and the launch of programs such as Renault Way (see 2.4.1.3.B and 2.4.1.4.A).

Other levers were also raised by the internal and external stakeholders such as innovating in autonomous vehicle technologies and driving assistance (ADAS) in order to reduce the risk of accidents, raising awareness and employee development through responsible management practices and collaborating with regulatory institutions to contribute to drafting regulations.

## 2.1.6 Vigilance plan

In accordance with Act no. 2017-399 dated March 27, 2017, "on the duty of vigilance of parent companies and main contractors," Groupe Renault establishes and implements a vigilance plan including reasonable vigilance measures enabling identification of risks and prevention of serious harm in respect of human rights and fundamental freedoms, health and safety of persons and the environment, resulting from its activity and those of its subsidiaries or companies that it controls, directly or indirectly, within the meaning of Article L. 233-16-II of the French Commercial Code.

These measures also cover the activities of subcontractors or suppliers with whom an established commercial relationship is in place, when these activities are related to this relationship.

Close collaboration between the Group Human Resources, Corporate Social Responsibility, Group Prevention and Protection, Group Ethics and Compliance, Purchasing, Health, Safety and Environment, Internal Control and Environment Plan departments has enabled the Group vigilance plan to be drawn up.

### Cross-reference table of reasonable vigilance measures

| | **Resulting from the Company's activities and the activities of the companies under its direct or indirect control, as defined by Article L. 233-16-II** | **Resulting from the activities of subcontractors or suppliers with whom a business relationship has been forged, where activities are linked to this relationship.** |
|---|---|---|
| 1) Risk mapping to identify, analyze and prioritize risks | DV1a<br>Sections 2.1.6 (see below), 2.1.7.2, 2.3.2.E, 2.4.1.4.A and 2.4.2.1 | DV1b<br>Sections 2.1.6 (see below) ), 2.1.7.2 and 2.5.2.3 |
| 2) On the basis of the risk mapping, regular evaluation of the circumstances of subsidiaries, subcontractors or suppliers with whom an established business relationship has been forged | DV2a<br>Sections 2.3.2.E, 2.4.1.4.A and 2.4.2.2 | DV2b<br>Section 2.5.2.4 |
| 3) Actions to mitigate risks and prevent serious infringements | DV3a<br>Sections 2.3.2.E, 2.4.1.4.A and 2.4.2.3 | DV3b<br>Sections 2.5.2.1, 2.5.2.2 and 2.5.2.5 |
| 4) A whistle-blowing and report collection system relating to the existence or occurrence of risks, established in consultation with the representative unions of the company in question | DV4 – See below<br>See section 2.1.6 below | DV4<br>Section 2.5.2.6 |
| 5) System for monitoring the measures implemented and evaluating their effectiveness | DV5a<br>Sections 2.3.2.E, 2.4.1.4.A and 2.4.2.4 | DV5b<br>Section 2.5.2.7 |

Groupe Renault implements reasonable vigilance measures mainly through the Global Framework Agreement on social, societal and environmental responsibility of July 2, 2013, negotiated and signed with the Group Works Council and the IndustriALL Global Union ("Framework Agreement"). The Framework Agreement is in line with Groupe Renault's Declaration of Employees' Fundamental Rights dated October 12, 2004, which it extends. Without being exclusive, it accordingly constitutes one of the frames of reference for the implementation and monitoring of reasonable vigilance measures pursuant to the law dated March 27, 2017.

The progress of the work is periodically presented at the Ethics and Compliance Committee.

## Mapping of risks identified for the "duty of vigilance" law DV1a

Groupe Renault has chosen to distinguish the risks resulting from its activities from the risks resulting from the activities of its suppliers and subcontractors.

Within the three major categories of risks laid down by the law, the Group has identified several macro-risks concerning the activities that are specific to it:

- human rights and fundamental freedoms (see 2.4.1.4.A):
  - discrimination in employment and occupation,
  - infringements of freedom of association and non-recognition of the right to collective bargaining;
- health and safety of people (see 2.4.2.4):
  - workplace accidents (frequency and gravity),
  - occupational illnesses;
- environment (see 2.3.2.E):
  - the use of water resources,
  - pollutant discharges to water and the natural environment,
  - the production of waste and its management in ad hoc infrastructure, particularly hazardous waste,
  - the pollution of soil and groundwater,
  - air pollution related to the use of chemical products or processes generating atmospheric pollutants,
  - climate change.

DV1b

Concerning risks relating to suppliers and subcontractors, the Group has distinguished two macro risks: those related to families of purchases (of parts and services) and those related to countries (see 2.5.2.34).

## Professional whistle-blowing DV4

The vigilance plan includes setting up a whistle-blowing mechanism and collecting alerts relating to the existence or realization of risks, established in consultation with the representative unions of the company.

In this context, the Group has introduced a professional whistle-blowing system open to employees. The Group has also chosen to open the whistle-blowing system to external and occasional employees, as well as to suppliers and subcontractors with which an established commercial relationship exists, when these activities are related to this relationship.

The system enables suppliers and sub-contractors to raise an alert in the event of risks concerning serious infringements to human rights, fundamental freedoms, health and safety of persons or the environment, in accordance with the laws and regulations in force. It is managed by an external service provider and is accessible using the Internet or by multilingual telephone line. It guarantees confidentiality of communication and enables the whistle-blower to remain anonymous subject to local law.

Each alert is studied, as appropriate, by the director responsible for professional whistle-blowing or the Ethics Contact or the Whistle-blowing Officer. Every year, the Group Ethics and Compliance department presents the Group Ethics and Compliance Committee (CECG) and the Audit, Risks and Compliance Committee (CARC) with a detailed report containing statistics relative to professional whistle-blowing.

# 2.1.7 Extra-Financial Performance Declaration

Groupe Renault prepares a detailed analysis of the risks to which the Group may be exposed, including the extra-financial risks that may call into question the Company's ability to maintain its overall performance. The complete approach and comprehensive information on risks in general is presented in chapter 1.6 this Universal registration document.

## 2.1.7.1 Methodology for reporting extra-financial performance

### Regulatory context

In accordance with the order no. 2017-1180 dated July 19, 2017, and Decree no. 2017-1265 dated August 9, 2017, Groupe Renault has established the Extra-Financial Performance Declaration (EFPD).

Identification of the main social, societal and environmental risks of Groupe Renault is based on international standards and norms – such as INERIS and the GRI (Global Reporting Initiative) – as well as internal mapping (Group major risks, corruption risks, pursuant to the provisions of the Sapin II law, risks relating to the vigilance plan, as well as issues identified in the materiality matrix (see 2.1.5)).

### Process of identification of the main extra-financial risks

Identification and summary of the principal risks with regard to the expectations of the Declaration of Extra-Financial Performance (EFPD) was undertaken collaboratively, under the supervision of the Risk Management and CSR departments, with representatives of the various departments and managers in charge of subjects coming within the scope of the declaration of extra-financial performance, and notably:

- the environment;
- Human Resources;
- international social relations;
- purchasing and relationships with suppliers and subcontractors;
- health, safety, ergonomics and the environment (HSEE);

- IS/IT;
- road safety;
- the development of new products and services;
- tax;
- legal affairs;
- ethics and compliance.

Groupe Renault also takes into account the United Nations Sustainable Development Goals and market practices identified in its sector.

The Company has also taken into consideration the information listed in item III of Article L. 225-102-1 of the French Commercial Code. Certain topics have not been identified as pertinent principal risks in respect of the Group's activities and shareholders' known expectations, notably those relating to food (food waste, fighting food insecurity, respect for animal welfare and responsible, fair and sustainable food).

This list of risks was reviewed by the Group Executive Committee (GEC) and by the Audit, Risks and Compliance Committee (CARC) of the Board of Directors.

## Reporting principles

This work enabled identification of a list of 29 principal extra-financial risks grouped within the following five areas:

- social;
- societal;
- environmental;
- human rights;
- the fight against corruption and tax evasion.

Policies, procedures and the results of these procedures, including performance indicators, have been established for each of these risks.

The 29 principal risks were categorized as E for the main Environmental risks, S for Social and Societal and G for Governance and related to the issues in the materiality matrix (see table in 2.1.7.2 below).

## Data collection process

Each indicator is associated with a coordinator, generally a business-line expert, who has collected, checked and consolidated the data within his/her reporting scope.

The indicators are then initially validated by the manager responsible for producing the indicator within his/her activity, then validated again by the manager of the entity concerned.

All of the data is consolidated by Groupe Renault's CSR department.

## Reporting scope

The EFPD target scope is identical to that of Groupe Renault's consolidated financial reporting (see section 4.2.6, note 31 to the consolidated financial statements), namely Renault SA, its subsidiaries and controlled entities (within the meaning of Article L. 233-16 of the French Commercial Code). When an indicator does not cover the entire scope, clarifications are provided with the indicator.

Data on AVTOVAZ is gradually being included in the CSR reporting scope. These various indicators will be integrated into the Universal Registration Document by the end of the Drive the Future (2017-2022) strategic plan. Details on the indicators that are included and excluded from the reporting scope can be found in section 2.4 and 2.6.1.2.

## True and fair and verifiable data

Groupe Renault has voluntarily asked one of its statutory auditors to certify a selection of the environmental impacts of its main industrial, office and logistics sites since 1999. This verification is done with an equivalent level of assurance to the financial data (reasonable assurance within the meaning of the IFAC's ISAE 3000 for extra-financial verification). The indicators covered by the reasonable assurance report are listed in note 2.6.6.

In accordance with Order no. 2017-1180 of July 19, 2017, on the publication of extra-financial information by certain large companies and groups of companies, amended successively by Act no. 2018-771 of September 5, 2018, Act no. 2018-898 of October 23, 2018, and Act no. 2018-938 of October 30, 2018, Decree no. 2017-1265 of August 9, 2017, to implement Order no. 2017-1180 of July 19, 2017, and the decision of September 14, 2018, amending the decision of May 13, 2013, the Group appointed an independent third party to verify the compliance of the EFPD (Extra-financial Performance Declaration) and the accuracy of the information contained therein. This information is incorporated in the Renault SA management report.

### 2.1.7.2 Risk Mapping EFPD-B

## Environmental data

| THEME | Principal risk | Coverage of the materiality matrix stakes | Policy | Reasonable diligence procedures | Performance indicators | Section |
|---|---|---|---|---|---|---|
| CLIMATE CHANGE | 01) Impact of the evolution of regulatory and normative requirements related to environmental performance of vehicles and/or industrial processes and, more broadly, greenhouse gas reduction targets defined in the context of the COP21 agreement and applied to the automotive sector<br>02) Risks related to the transition to a low-carbon economy (mismatch between the offer of products/services and market expectations, loss of product competitiveness, increase in production costs)<br>03) Physical risks: exposure of sites to extreme weather events with potential negative consequences on industrial and logistics activities, supply and insurance premiums | • Reducing the total carbon footprint<br>• Reducing the impact of vehicle use on air quality<br>• Contributing to the transformation of urban mobility | • Line-up electrification plan (Drive the Future)<br>• Environmental Mid-Term Plan (2017-2022)<br>• Renault Green Purchasing Guidelines<br>• HSE 10 Mandatory Rules | • Electric vehicle line-up and associated ecosystem (including smart charging and second-life battery use)<br>• Reduction of fuel consumption and electrification of internal combustion engines<br>• Energy efficiency plan for industrial processes and logistics<br>• New mobility services offer | • Carbon footprint in $CO_2$eq/veh. (target: 25% reduction in 2010-2022)<br>• Carbon and energy intensity of vehicle production (target: 24% reduction in 2013-2022)<br>• Share of renewable energy on production sites (target: 20% in 2020)<br>• $CO_2$ emissions related to logistics per veh.km (target: 6% reduction in 2016-2022)<br>• Tank-to-wheel $CO_2$ emissions for passenger cars and utility vehicles in $gCO_2$/km (target: 25% reduction in 2010-2022) | 2.3.2.D<br>2.3.3.A |
| IMPACTS ON HEALTH | 04) Impacts on health due to chemicals, emissions or discharges<br>05) Inadequate match between scientific and technical developments available to reduce the health impacts and the Group's activities<br>06) Inadequate match between the Group's products and services offering and the new aspirations of customers, users or territories | • Reducing the total carbon footprint<br>• Reducing the impact of vehicle use on air quality<br>• Increasing passenger and road user safety | | • Upstream expertise: anticipation and active monitoring (science, technologies, public policy scenarios, regulation, taxation, traffic limitation/facilitation policies)<br>• Design: deployment of Renault and Alliance standards on substances<br>• Industrial processes: volatile organic compound (VOC) reduction plan<br>• Use phase: reduction of emissions through electric vehicles, new mobility offers and the emissions reduction plan for internal combustion engines | • Leader in terms of EV market share in Europe<br>• Number of hazardous chemicals on the Group's sites (target: 20% reduction in 2016-2022)<br>• VOC emissions in $g/m^2$ painted assembled body (target: 25% reduction in 2013-2022) | 2.3.3.A<br>2.3.3.B<br>2.3.3.C |
| RESOURCES SCARCITY | 07) Restrictions or even disruptions in access to resources linked to an imbalance between supply and demand (market logic: increase or volatility of prices), a sourcing problem or geopolitical issues (*e.g.* raw materials, water, *etc.*)<br>08) Management of non-recoverable or non-recyclable waste (production site waste, end-of-life vehicles) | • Limiting the impact on resources, especially through the circular economy | • Line-up electrification plan (Drive the Future)<br>• Environmental Mid-Term Plan (2017-2022)<br>• Renault Green Purchasing Guidelines<br>• HSE 10 Mandatory Rules | • Eco-design standards applied to vehicles and batteries: frugal use of rare materials, use of recycled materials, predisposition for end-of-life, avoidance of the use of minerals sourced from conflict zones, raw material criticality analysis<br>• Development of circular economy projects (new technologies, new channels)<br>• Extension of the reused and remanufactured parts offer<br>• Second-life battery use and recycling of EV batteries<br>• Materials closed loop recycling<br>• Efficiency plan for industrial processes to optimize the management of resources (including water) and waste. | • Circular economy performance indicator (target: €100 million increase in 2016-2022)<br>• Use of recycled plastic (tonnage) (target: 50% increase in 2013-2022)<br>• Non-recycled waste in kg/vehicle (target: 25% reduction in 2013-2020)<br>• External water supply in water/vehicle (target: 20% reduction in 2013-2020) | 2.3.3.B<br>2.3.3.D |
| PROTECTION OF ECOSYSTEMS | 09) Environmental impacts (air, water, soil, waste) related to the operation of industrial sites<br>10) Environmental damage related to accidental pollution (air, water, soil, waste) and extreme natural phenomena<br>11) Damage to biodiversity | • Limiting the impact on resources, especially through the circular economy<br>• Reducing the impact on biodiversity (over the entire life cycle of the vehicle) | | • Eco-design of industrial processes supported by E&HSE technical rules and cross-cutting tools and standards.<br>• Continuous improvement through ISO 14001 and the environmental management system (including emissions of air pollutants, waste, water consumption and quality, prevention of soil pollution)<br>• Prevention and management of industrial risks (fire, explosion), natural hazards (extreme weather events, earthquakes, *etc.*) and associated environmental damage (accidental pollution). | • ISO 14001 certification of manufacturing sites (target: 100%)<br>• Toxic metals in liquid effluents per veh. (target: 30% reduction in 2016-2020)<br>• Life cycle analysis (LCA): reduced impacts from generation to generation (LCAs published) | 2.3.2.A<br>2.3.2.B |

## Corporate social data

| THEME | Principal risk | Coverage of the materiality matrix stakes | Policy | Reasonable diligence procedures | Performance indicators | Section |
|---|---|---|---|---|---|---|
| EMPLOYEE HEALTH AND SAFETY | 12) Occupational accidents (frequency and seriousness)<br>13) Occupational diseases | • Ensuring respect for human rights and labor law throughout the supply chain<br>• Increasing passenger and road user safety | • Rigorous implementation of the Health and Safety plan with the goal that "everyone impacted by our activity should return home safely and in good health" | • Project management based on inherent security<br>• Risk assessments<br>• Mandatory and key requirements based on the roadmap and with structured follow-up<br>• Creation and application of HSE standards | • FR1r rate (with annual objective)<br>• FR2r rate<br>• G1<br>• Occupational diseases | 2.4.2.5 |
| COMPETENCES | 14) Limited talent retention due to lower attractiveness on the labor market or a high departure rate | • Ensuring employee fulfillment and development<br>• Ensuring the inclusion of everyone in the company | • Employer Brand and Value Proposition<br>• Employee Experience | • Enhancing Renault's image as an employer of choice<br>• Develop the Employer Brand and Value Proposition<br>• Measures taken to promote the employment and integration of people with disabilities<br>• Anti-discrimination policy<br>• Initiatives to promote diversity (*e.g.* WoMen@Renault) | • Workforce by gender/age<br>• Women in key positions<br>• Rate of women managers<br>• Rate of disabled people in the total workforce<br>• Number of recruitments (Group)<br>• Number of dismissals (Group) | 2.4.1.1<br>2.4.1.2 |
| | 15) Insufficiency of skills required to achieve the objectives of the mid-term plan, with a possible negative impact on costs of personnel, quality of products and services and innovation, production and distribution capacities of our products, services and solutions | | • Skills management policy | • Skills management:<br>• Creation of business skills reference guides<br>• Creation of a cross-functional skills reference guide<br>• Roll-out of LEARNING@ALLIANCE and training programs | • Training access rate<br>• Average number of training hours per employee<br>• Number of training hours (Group) | 2.4.1.3 |
| WORK ENVIRONMENT | 16) Failure to respect social bodies | • Ensuring employee fulfillment and development<br>• Ensuring respect for human rights and labor law throughout the supply chain<br>• Ensuring the inclusion of everyone in the company | • 2013 Global Framework Agreement (GFA)<br>• New 2019 Global Framework Areement | • Exchange of information and close contact with local HR<br>• Regular meetings with the Groupe Renault Works Committee<br>• Local learning sessions<br>• Memorandum with stakeholders | • Number of meetings with the Groupe Renault Works Committee, including information and consultation (European body) | 2.4.1.4 |
| | 17) Dissatisfactions related to some aspects of life at work: professional relations, inclusion, work life balance, work environment | | | • Monitoring meetings at local and global level of the application of the Global Framework Agreements<br>• Local social dialog | • Number of meetings related to Global Framework Agreements (in 2019) | |
| HUMAN RIGHTS | 18) Discrimination in employment and occupation (ILO 111)<br>19) Equal remuneration (ILO 100) | • Ensuring respect for human rights and labor law throughout the supply chain<br>• Ensuring the inclusion of everyone in the company | • 2013 Global Framework Agreement (GFA)<br>• New 2019 Global Framework Agreement<br>• Discussions with the ILO for the roll-out of training on fundamental social rights<br>• Study of proven risks within countries where the Group operates, in partnership with the ILO | • As above | • Number of situations reported as irregular at Groupe Renault Works Council | 2.4.1.2<br>2.4.1.4 |

## Societal information

| THEME | Principal risk | Coverage of the materiality matrix stakes | Policy | Reasonable diligence procedures | Performance indicators | Section |
|---|---|---|---|---|---|---|
| LOCAL DEVELOPMENT | 20) Insufficient adaptation of products and services to the challenges of the "sustainable territories" | • Increasing passenger and road user safety<br>• Contributing to the transformation of urban mobility | • Roadmaps for the solutions portfolio:<br>• EV and ecosystem (energy storage, *etc.*)<br>• Car-sharing (internal combustion engines and EV): Renault Mobility, city car-sharing (Movin' Paris, Zity)<br>• Mobility on demand (electric taxis along the lines of Marcel) | • Create personalized business offers<br>• Conclude specific partnership contracts<br>• Invest in appropriate start-ups (including Alliance Venture) | • Total number of EVs (including TWIZY) sold worldwide (since 2010)<br>• EV market share in Europe<br>• Number of E.V. in car sharing | 2.2.1.2<br>2.2.3<br>2.5.4 |
| | 21) Insufficient contribution of the Group to the development of the areas where it operates | • Giving everyone access to mobility solutions<br>• Promoting the development of the regions in which the company operates | • Local integration strategy where Renault has industrial sites | • Identify potential local partners and conclude contracts with them<br>• Support the installation of partners when none are available<br>• Support the integration of Renault processes via new local partners | • Local integration rate per country where Renault has industrial sites | 2.1.5<br>2.2.1.2<br>2.5.4<br>2.6.2.3 |
| ROAD USER SAFETY | 22) Inappropriate use of vehicles or equipment by the customer | • Increasing passenger and road user safety | • Renault's road safety policy:<br>• Raise awareness<br>• Prevent<br>• Correct<br>• Protect<br>• Rescue | • Create video tutorials to explain the proper use of driving aids<br>• Conceptualize methods of familiarization with autonomous systems | • Number of ADAS tutorial videos | 2.2.2 |
| DATA PROTECTION | 23) Breach of the Group's data, or those of its staff, customers or stakeholders | • Proactively ensuring corporate compliance<br>• Increasing passenger and road user safety | • Information control policy (ICP)<br>• Information systems security policy (ISSP)<br>• IT charter<br>• Code of conduct for IT | • Organization dedicated to security<br>• Operational procedures and standards derived from the ICP and the ISSP<br>• Implementation of actions derived from the framework IT security plan<br>• Security and GDPR annexes inserted into contracts with third parties<br>• Report to the Risks and Internal Control Committee | • Number of critical incidents per year (SOC record) | 2.6.4 |

## Governance information

| THEME | Principal risk | Coverage of the materiality matrix stakes | Policy | Reasonable diligence procedures | Performance indicators | Section |
|---|---|---|---|---|---|---|
| ANTI-CORRUPTION | 24) Risks related to the Group's international exposure<br>25) Risks related to transactions with third parties (suppliers, intermediaries and clients)<br>26) Risks related to transactions with public agents | • Embodying ethical values<br>• Guaranteeing robust corporate governance | • Adaptation of measures to prevent all forms of corruption<br>• Strengthening of the anti-corruption program with the following eight measures:<br>1. Guide for preventing corruption and influence peddling<br>2. Whistle-blowing system<br>3. Anti-corruption risk mapping<br>4. Evaluation of clients, suppliers and intermediaries<br>5. Accounting controls<br>6. Training<br>7. Disciplinary measures<br>8. Internal monitoring and evaluation of the measures | • Involvement of the General Management, regular review of the system within the Board of Directors and CARE (Audit, Risks and Ethics Committee), a Director of Ethics and Compliance in charge of the anticorruption mechanism<br>• Implementation of the corruption prevention program in France and internationally<br>• Third-party evaluation through the Third-Party Integrity Management system (TIM) and inclusion of anticorruption clauses in contracts<br>• Strengthening of the Ethics Network (Ethics officers in countries and central functions)<br>• Implementation of a training plan for the prevention of corruption. | • Number of countries where the anti-corruption program has been rolled out, in particular the risk mapping and the whistle-blowing system<br>• Number of countries in which the TIM process has been rolled out<br>• Number of Ethics officers<br>• Number of people trained as part of the anti-corruption program | 2.5.1 |
| RELATIONSHIP WITH SUPPLIERS & SUPPLIES | 27) Non-compliance by suppliers to comply with the Group's responsible purchasing policies<br>28) Use of sensitive supply chains (for social, societal and/or environmental reasons) | • Ensuring respect for human rights and labor law throughout the supply chain<br>• Embodying ethical values<br>• Promoting the development of the regions in which the company operates | • Global Framework Agreement<br>• Renault-Nissan Guidelines on "Corporate Social Responsibility (CSR)" at suppliers<br>• Renault Green Purchasing Guidelines (updated in 2018)<br>• Renault-Nissan Purchasing Way (updated in 2018) | • Online third-party CSR self-assessment questionnaire<br>• Third-party field audits, including in sensitive supply chains<br>• Active participation in cobalt supply chain initiatives (RMI & RCI) | • Percentage of purchasing amount with CSR assessment<br>• Percentage of purchasing amount with CSR assessment at expected level<br>• Number of on-site audits | 2.5.1 |
| FIGHT AGAINST TAX EVASION | 29) Uncertainties in the interpretation of the regulations or the execution of the company's tax obligations | • Embodying ethical values<br>• Guaranteeing robust corporate governance | • Group tax governance | • Dedicated persons implementing the Group tax policy worldwide<br>• Under permanent tax audits in France and worldwide | | 2.5.3 |

## 2.1.7.3 EFPD cross-reference table

| Cross-reference tables for the items required by Articles L. 225-102-1 and R. 225-105 et seq. of the French Commercial Code (Act of August 9, 2017) | Pictogram Number | Chapter | Compliant or explanation |
|---|---|---|---|
| The Company's business model | EFPD-A | Introduction | |
| Principal CSR risks related to the Company's activity | EFPD-B | 2.1.7.2 | |
| **1) SOCIAL INFORMATION** | | | |
| a) Employment | **EFPD1** | | |
| Total workforce | EFPD1a | 2.4.1.1.B.a | |
| Breakdown of employees by gender | EFPD1b | 2.4.1.2.A.b | |
| Breakdown of employees by age | EFPD1c | 2.4.1.2.A.d | |
| Breakdown of employees by region | EFPD1d | 2.4.1.1.B.a | |
| Hires | EFPD1e | 2.4.1.1.B.b | |
| Redundancies | EFPD1f | 2.4.1.1.B.c | |
| Payroll expenditure and trends | EFPD1g | 2.4.1.2.B.c | |
| b) Work organization | **EFPD2** | | |
| Organization of work time | EFPD2a | 2.4.1.4.E | |
| Absenteeism | EFPD2b | 2.4.1.4.E | |
| c) Health and safety | **EFPD3** | 2.4.2 | |
| Workplace health and safety conditions | EFPD3a | 2.4.2 | |
| Working accidents, notably frequency and severity, and occupational illnesses | EFPD3b | 2.4.2.4 | |
| d) Industrial relations | **EFPD4** | | |
| Organization of social dialog, in particular procedures relating to notification and consultation of employees and negotiations with employees | EFPD4a | 2.4.1.4.A<br>2.4.1.4.B | |
| Main collective agreements, in particular on workplace health and safety | EFPD4b | 2.4.1.4.C | Compliant |
| • Compliance of collective agreements signed within the Company and their impact on the Company's business performance as well as employee working conditions | EFPD4c | 2.4.1.4.C | Compliant |
| e) Training | **EFPD5** | | |
| Training policies implemented, in particular those relating to environmental protection | EFPD5 | 2.4.1.3.B | |
| f) Equal opportunities | **EFPD6** | | |
| Measures taken to promote gender equality | EFPD6a | 2.4.1.2.A.b<br>2.4.1.4.A | |
| Measures taken to promote the employment and integration of people with disabilities | EFPD6b | 2.4.1.2.A.e<br>2.4.1.4.A | |
| Anti-discrimination policy | EFPD6c | 2.4.1.2.A<br>2.4.1.4.A | |
| • Action taken to fight discrimination and promote diversity and measures taken in favor of people with disabilities | EFPD6d | 2.4.1.2.A.e<br>2.4.1.4.A | Compliant |
| **2) ENVIRONMENTAL INFORMATION** | | | |
| a) Overall environmental policy | **EFPD7** | | |
| Company organization in respect of environmental issues and, where appropriate, environmental assessment and certification processes | EFPD7a | 2.3.2 | |
| Resources dedicated to preventing environmental risks and pollution | EFPD7b | 2.3.2.B<br>2.3.2.C | |
| Amount of provisions and guarantees for environmental risks, subject to this information not being such as to cause prejudice | EFPD7c | Note 20 on provisions in 4.2.6.4. | |
| b) Pollution | **EFPD8** | | |
| Prevention, reduction and remediation of air, water and soil discharges with a severe environmental impact | EFPD8a | 2.3.3.C<br>2.3.3.D<br>2.3.3.E | |
| Mitigation of all forms of pollution specific to an activity, in particular noise and light | EFPD8b | 2.3.2.3.C | |
| c) The circular economy | **EFPD9** | 2.3.2.3.B | Compliant |
| d) Waste prevention and management | **EFPD10** | 2.3.3.B | |
| Waste prevention, recycling, reuse and other forms of recovery and elimination | EFPD10 | 2.3.3.B | |
| Actions to reduce food waste | N/A | | Topics deemed not pertinent in light of the Group's activities. |
| • Actions to combat food insecurity | N/A | | |
| • Ensuring responsible, fair and sustainable food | N/A | | |

| Cross-reference tables for the items required by Articles L. 225-102-1 and R. 225-105 et seq. of the French Commercial Code (Act of August 9, 2017) | Pictogram Number | Chapter | Compliant or explanation |
|---|---|---|---|
| e) Sustainable use of resources | **EFPD11** | | |
| Water consumption and water supply depending on local constraints | EFPD11a | 2.3.3.D | Compliant |
| Raw material consumption and measures taken to improve efficiency in their use | EFPD11b | 2.3.3.B | |
| Energy consumption, measures taken to improve energy efficiency and use of renewable energy | EFPD11c | 2.3.3.A | |
| Land use | EFPD11d | 2.3.3.E | |
| f) Climate change | **EFPD12** | | |
| Significant items of greenhouse gas emissions generated by the Company's activity, including by the use of the goods and services it produces | EFPD12a | 2.3.3.A | Compliant |
| Measures taken to adapt to the consequences of climate change | EFPD12b | 2.3.3.A | |
| Medium and long-term reduction targets set voluntarily to reduce greenhouse gas emissions and resources put in place for this | EFPD12c | 2.3.3.A | |
| g) Protection of biodiversity | **EFPD13** | | |
| Measures taken to preserve or restore biodiversity | EFPD13 | 2.3.3.F | |
| **3) SOCIETAL INFORMATION** | | | |
| a) Societal commitments to promote sustainable development | **EFPD14** | | |
| Impact of the Company's activity in terms of employment and local development | EFPD14a<br>EFPD14c | 2.2.1.2<br>2.5.2.9<br>2.4.4 | |
| Impact of the Company's activity on residents and local populations | EFPD14b | 2.4.4.1.A | Compliant |
| Relations with stakeholders and terms and conditions of dialog with them | EFPD14c | 2.1.5<br>2.4.3.1 | |
| Partnerships and sponsorship initiatives | EFPD14d | 2.4.4 | |
| b) Sub-contractors and suppliers | **EFPD15** | | |
| Inclusion of social and environmental issues in the purchasing policy | EFPD15a | 2.5.2 | |
| Ensuring that relations with suppliers and sub-contractors include their social and environmental responsibility | EFPD15b | 2.5.2 | |
| c) Fair practices | **EFPD16** | | |
| Measures taken in favor of consumer health and safety | EFPD16a | 2.3.3.C<br>2.2.2.1 | |
| Actions to fight against corruption | EFPD16b | 2.5.1.3 | |
| Actions to fight against tax evasion | | 2.5.3 | |
| • Use of the products and services it produces | | | Compliant |
| **4) INFORMATION ON ACTIONS IN FAVOR OF HUMAN RIGHTS** | | | |
| a) Promotion of and compliance with the provisions of the fundamental principles of the International Labour Organization in respect of | **EFPD17** | | |
| Freedom of association and the right to collective bargaining | EFPD17a | 2.4.1.4.A | |
| Elimination of discrimination in employment and occupation | EFPD17b | 2.4.1.2 | |
| Elimination of forced or compulsory labor | EFPD17c | 2.4.1.4.A<br>2.5.2.4 | |
| Effective abolition of child labor | EFPD17d | 2.4.1.4.A<br>2.5.2.4 | |
| b) Other actions implemented to promote human rights | **EFPD18** | 2.4.1.4.A<br>2.5.2 | |

# 2.2 BUILDING TOMORROW'S MOBILITY FROM TODAY

## 2.2.1 Thinking about and developing new sustainable forms of mobility

Although owning a car is still a major aspiration for millions of people worldwide, technology and the ways in which vehicles are used are changing rapidly with vehicle electrification, the development of autonomous vehicles and the gradual move from an economy of ownership to one of use and services.

These new forms of mobility are dramatically changing uses, territories and industries. Carmakers alone cannot redefine and shape tomorrow's mobility. The Company is therefore opening up to new players from a wide variety of backgrounds, including universities, start-ups, local authorities and institutions, who are taking up the challenge.

Groupe Renault has a strategy designed to understand, analyze and anticipate new mobility so that it can offer solutions meeting the needs of users, whether drivers or passengers, today or tomorrow.

### 2.2.1.1 Through discussions with the academic world

Through the support it provides for academic research, Groupe Renault has set itself the challenges of bringing researchers and professionals together to exchange ideas with a view to developing the technological solutions and services of the future, and understanding tomorrow's consumer purchasing decisions.

#### Supporting academic institutions and chairs

Groupe Renault supports higher education institutions through its commitment to academic chairs. Renault experts are currently involved in support for 15 academic chairs in high-value subjects.

| Theme | Academic partner | Partners | Creation Date |
|---|---|---|---|
| Connected cars and cybersecurity | Fondation Mines Télécom, Télécom ParisTech | Thalès, Valeo, Wavestone, Nokia | 2017 |
| Inter-cultural management | ESCP | | 2017 |
| Operational excellence and managerial innovation | ESSEC | Orange, Bristol Myers Squibb (BMS), Sanofi, Humanis | 2017 |
| Social dialog and business competitiveness | ESCP | Solvay, Airbus, Sodexo | 2016 |
| Urban logistics | École des Mines | La Poste, ADEME, Mairie de Paris, Groupe Pomona | 2016 |
| Robustness, reliability, and energy performance of electric propulsion in cars using advanced control and observation techniques | Institut de Recherche en Communications et Cybernétique (IRCCYN), École Centrale Nantes | | 2016 |
| Design of use-oriented urban systems (Anthropolis) | Institut de Recherche Technologique SystemX, École Centrale Supelec | SNCF, RATP, GDF Suez, ALSTOM | 2015 |
| In-car lighting systems | Institut Supérieur d'Optique, École Supérieure des Techniques Aéronautiques et de Construction Automobile (ESTACA), Strate École de Design | PSA, Valeo automotive lighting | 2014 |
| Uses of vehicles between services rendered and ownership in Japan, South Korea, and Europe | Fondation France-Japan de l'École des Hautes Études en Sciences Sociales | | 2014 |
| Mobility and quality of life in urban environments | Université Pierre et Marie Curie | PSA Peugeot Citroën | 2013 |
| Theory and methods of innovative design | Mines ParisTech | Dassault Systèmes, RATP, Thales, Vallourec | Renewed in 2013 |
| Smart Mobility | Université Pierre et Marie Curie | Atos Origin | 2012 |
| Enterprise & Poverty | HEC | Danone/Schneider Electric | Renewed in 2015 |
| Modeling system for the inspection and the development of internal combustion engines | École Centrale Nantes | LMS Engineering Innovation | 2013 |
| Automotive distribution and service | L'École Supérieure des Sciences Commerciales d'Angers (ESSCA) | Nissan France – UCAR | 1991 |

## The Sustainable Mobility Institute (IMD) celebrates its tenth anniversary

In July 2009, Renault, the Renault Foundation and ParisTech decided to join forces to carry out research into the future of transport and mobility solutions by signing a partnership agreement to create the Sustainable Mobility Institute (IMD).

Ten years later, the Institute is a dynamic research community and a talent incubator supported by the teams from seven prestigious French engineering schools (Mines ParisTech, École Polytechnique, Télécom ParisTech, Chimie ParisTech, ENSTA ParisTech, Arts & Métiers ParisTech and the École des Ponts ParisTech) and ten ParisTech research laboratories.

These scientific schools bring together experts in numerous areas, from chemistry to engineering and communications technologies, along with natural resource management, mechanics, and climate economics. Groupe Renault provides tangible projects as challenges to enable them to develop their know-how and skills.

The annual budget granted by Renault to the IMD enables it to finance research projects, led by the permanent researchers in the Schools, that then build on work by master, doctorate or post-doctorate students according to four thematic focuses:

- Electric, connected and potentially autonomous mobility systems;
- Business Models on electric, autonomous and shared mobility;
- Global vision of the impacts of mobility and the industrial sectors in question;
- New technological ecosystems for sustainable mobility.

The research conducted up to now has notably enabled:

- a better understanding of mobility practices and the identification of innovations that are likely to develop worldwide,

  For example:

  - meta-observatory of mobility (national and city levels),
  - global observatory of digital platforms,
  - low-cost electric mobility in India and China,
  - shared, digital mobility in African cities;
- an understanding of the change in industrial sectors,

  For example:

  - agro-fuel sector in Brazil,
  - EV sector in China,
  - hydrogen sectors by zone worldwide;
- the building or contribution to the launch of cutting-edge training to prepare skills adapted to the new situation,

  For example:

  - Electric Mobilities and Vehicles MOOC on Courser created at the end of 2017 (2,100 people registered for the French version; 6,300 people registered for the English version in November 2019),
  - Launch of the Smart Mobility specialized Masters in 2017;
- 16 theses to be written (plus four currently ongoing).

  For example:

  - Elisabeth Windisch, Driving Electric? A financial assessment of electric vehicle policies in France, 2013,
  - Lucie Leveau, Étude de nanofils de silicium comme matériau d'électrode négative de batterie lithium-ion (Study of silicon nanowire as a negative electrode material for lithium-ion batteries), 2015,
  - Edouard Lanckriet, Le Système d'Innovation Technologique des agroénergies de la canne à sucre, un outil de développement durable au Brésil, quels enseignements pour la formation des politiques de développement liées au capital naturel en Afrique de l'Ouest? (The Technological Innovation System for agro-energy from sugar cane, a sustainable development tool in Brazil, what findings for the drafting of development policies related to natural capital in West Africa), 2017,
  - Bo Chen, Stratégies et Management de l'Innovation de Rupture dans les Pays Emergents: le cas du Véhicule Electrique en Chine (Strategies and Management of Breakthrough Innovation in Emerging Countries: case study of Electric Vehicles in China), 2018,
  - Giulia Marcocchia, Projects as the enablers of ecosystem's emergence: The case of the connected autonomous mobility, 2019;
- the reinforcement of our academic ties worldwide and the mobilization of international research on our needs,
  - Cooperation with UC Berkeley on the TWIZY launch in the USA.
  - Ties with Wharton School, University of Pennsylvania, Columbia University and various Japanese, Chinese and African universities.

## Institute for Sustainable Development and International Relations (IDDRI)

Over the last six years, Renault has been a partner to the Institute for Sustainable Development and International Relations (IDDRI), a think tank that aims to promote the transition towards sustainable development and prosperity for all. Its work focuses on four main topics: climate, biodiversity and ecosystems, oceans and governance of sustainable development.

This partnership is therefore an opportunity to share visions and best practices with all players in the mobility ecosystem (manufacturers, power-supply specialists, public transport, infrastructure and institutional players) and jointly construct a coherent process to promote sustainable mobility worldwide.

## VeDeCom Institute – Zero-carbon communicating vehicles

Renault is one of the founding members and an associate donor of the VeDeCom Institute, one of the Institutes for Energy Transition set up as part of the French Government's Investment Plan for the Future (Plan d'Investissement d'Avenir). It is supported by the Mov'eo competitiveness cluster and several local authorities (Versailles Grand Parc and Saint-Quentin-en-Yvelines city authorities, and Yvelines Departmental Council).

VeDeCom is an institute for shared and co-located research into electric, autonomous and connected vehicles and the mobility ecosystem built on infrastructures and services addressing new uses for shared mobility and energy.

VeDeCom has 57 members from different industry and service sectors (automotive, aeronautics, systems engineering, electronic components, ITC and numerical simulation, infrastructure management and transport operators, digital networks and energy grid operators), from several research and higher education institutions, and from local authorities, all of whom have agreed to collaborate on pre-competitive and pre-normative research topics.

Such research involves a multidisciplinary effort bringing together physicists and chemists, mechanical, electrical and electronics engineers, computer scientists, as well as sociologists, psychologists, economists and lawyers to study the impacts and acceptability of these new types of use in order to promote suitable ergonomic and regulatory frameworks.

VeDeCom was re-selected at the end of the three years. It is now recognized as a key player, particularly on the fundamentals of mobility. Renault's contribution to the Institute's activities consisted of around €9.3 million in funding and the permanent secondment of four to six experts. VeDeCom will continue to grow as more members join from industries related to sustainable mobility and Renault will maintain its annual investment of some €2.5 million.

### 2.2.1.2 Through innovative solutions EFPD14a

From the public announcement of its "zero emission" strategy based on a full range of affordable electric vehicles, from 2009, to today with the launch of the New ZOE, the entry into the Chinese market, the exploration of complementary technologies to all-electric, and the proposal of new mobility solutions, Groupe Renault remains at the forefront in promoting the emergence of electric mobility.

In order to develop tomorrow's mobility, Groupe Renault is working on four major innovation focuses. These essential strategic fields for transforming the industry are:

- **electric mobility;**
- **connected mobility;**
- **autonomous mobility;** and
- the development of new **mobility services**.

#### A. Groupe Renault, pioneer in electric vehicles

By 2022, 100% of Groupe Renault's vehicles will be connected in key markets, and 50% of the range will be electrified offering different levels of autonomy, and the Group will continue to increase the number of mobility solutions provided for all.

Electric mobility is the best immediately available response to accelerate the energy transition, fight against climate change and improve air quality in cities.

Since the launch of the Renault range in 2010, almost one electric vehicle in five sold in Europe is a Renault. The ZOE is historically the best-selling electric vehicle in Europe. The Group already offers the most comprehensive range of electric light commercial vehicles on the market, with the Renault ZOE in its corporate version, the TWIZY Cargo, KANGOO Z.E. and MASTER Z.E. (in electric and hydrogen versions). The Group also markets the RSM SM3 Z.E. sedan sold in South Korea, and the Renault City K-ZE city car in China. At the end of the "Drive the Future" strategic plan in 2022, the Group will count no less than eight electric vehicles and 12 electrified vehicles. A pioneer in Europe, Groupe Renault benefits from 10 years of expertise in the design, manufacture, sale and after sales of electric vehicles. Almost 30,000 of its employees are trained in the specificities of electric mobility, as well as its entire network in Europe.

To better meet its customers' expectations, Groupe Renault **has increased the autonomy of its best-selling models**, including the ZOE and KANGOO Z.E., and offers increasingly dynamic 100% electric engines, such as the new 100kW R135 engine on the New ZOE. It is launching new connected services to facilitate the everyday lives of drivers of electric vehicles, such as "**Electric Route Planner**" (integrated in MyRenault), which enables drivers to prepare their long distance trips in electric cars: the driver knows in advance when, where and for how long he/she needs to stop to recharge his/her vehicle's battery. The tool proposes routes indicating the most suitable recharging points and the overall trip time, taking into account the recharging time according to the type of stations available. Today, **over 100,000 public access recharging stations** are listed in Europe.

#### B. Accelerating the development of new forms of mobility and entering into strategic partnerships

In late 2019, Groupe Renault set up an entity dedicated to new forms of mobility, along with a new investment structure, Renault M.A.I (Mobility as an Industry). This is the result of a learning process ("test & learn"), that began four years earlier with the development of new mobility services (Renault Mobility, Zity Madrid, Moov'in.Paris, *etc.*), and by carrying out carefully targeted acquisitions and investments in a variety of start-ups specializing in this area (Karhoo, iCabbi). This entity could become a separate operating segment in 2020.

With the creation of Renault M.A.I, Groupe Renault has united all of the Group's mobility activities within a single entity to generate synergies, simplify the decision-making chain, clarify existing offers and create new ones.

Renault M.A.I will also bring other players together around these issues through ambitious, strategic partnerships. It intends to be the favored partner for cities, local authorities, regulating authorities and transport operators, as well as players in other sectors, to promote mobility for consumers and be able to meet environmental, social and economic challenges.

The ambition is to invent new forms of mobility and new ecosystems, not only in urban areas, but throughout the regions, to benefit suburban areas and to promote improved access to rural areas in France and worldwide. This approach is part of Groupe Renault's industrial culture, which has always endeavored to innovate and be one step ahead. It also involves the development of new occupations and the entry into unexplored, sustainable market segments.

According to the UN, in 2050, the global population will reach 9.8 billion people, with almost 70% living in urban areas compared to 55% today, representing 2.5 billion additional city dwellers. This forecast gives an indication of the immense challenges to be faced in terms of quality of life, inclusion, urbanization, housing, transport and healthcare in cities, as well as accessibility to these new forms of mobility outside of cities.

In terms of mobility, new uses and new technologies are spreading, questioning the place and status of individual cars ownership. The market is increasingly being structured according to uses of consumers, who are looking less for ownership of a vehicle, than for a multimodal, innovative, connected, more ecological offering suited to the diversity of their needs.

The city of the future will be smarter, more inclusive, more connected and more collaborative. Vehicles that are clean, silent and shared will travel through it. Personal vehicles will share the road in the cities, as well as in rural areas, with new forms of services based on usage: car-sharing, carpooling, on-demand vehicles (chauffeur driven vehicles, taxis, *etc.*) as well as robot vehicles.

As a sustainable mobility operator, and no longer just a carmaker, Groupe Renault is working to develop a vast range of shared and environmentally-responsible solutions:

- Car-sharing;
- On-demand transport;
- Short-term rentals;
- Carpooling.

- **Car-sharing:** more and more consumers have chosen to share rather than own, particularly young generations in urban and suburban areas. Groupe Renault supports this sharing economy and has become a service operator to propose new urban mobility offerings.

Today in Europe, several car-sharing services operated by the Group's partners use Renault electric vehicles. Renault is today able to set up different car-sharing modes (free-floating, closed loops) and adapt them to the context in each city.

Among the different types of car-sharing, the trend is towards "free-floating" which enables the user to park the vehicle wherever he/she wants to within a geographical area. This is one of the options selected by Groupe Renault in Madrid, with the implementation of its **Zity** service, which operates a fleet of 650 ZOE in the Spanish capital.

In Nice, Groupe Renault fully assumes its position as pioneer by being the first operator to be awarded the city's new "car-sharing" label. Via the **Renault Mobility** application, users benefit from access to a fleet of 57 self-service Renault ZOE operating in a closed loop system.

Groupe Renault is present in most European capitals with a shared, electric mobility service.

**In this way, over 7,000 electric vehicles are currently made available to users of car-sharing services by Renault in Europe, such as ZITY in Madrid, Moov'in in Paris or Green Mobility in Copenhagen.**

The electric car is already connected: in the future it will also be autonomous, which will make traffic more fluid in the city and improve safety. The development of autonomous vehicles and shuttles will improve complementarity between transport modes and facilitate multi-modality, making the overall system cleaner, safer and more accessible.

With public and private partners, Renault is experimenting with autonomous ZOE which, in the long term, will no longer require any human intervention. **In Rouen, Groupe Renault and Transdev have launched the first tests in Europe of a shared, autonomous, on-demand mobility service on open roads: the Rouen Normandy Autonomous Lab.** Four electric and autonomous Renault ZOE robot vehicles carry out on-demand trips over three routes totaling around 10km. The test phase extends from June 2018 to the end of 2019. These ZOE pick up several passengers on a defined circuit to serve different points of activity within a district that is not accessible by public transport. Rouen is the first European city to test robot vehicles on open roads, thus improving the accessibility of the local transport system.

- Since 2017, Groupe Renault has also offered a range of products designed for professional customers as part of **on-demand transport:**
  - In 2019, **Flit Technologies** (Karhoo) started the commercial launch of its main products by securing an international reference customer for each of its verticals (OTAs, Travel Operators, Hotels & Loyalties, Corporate Mobility, MaaS, Assistance, NEMT). The year was marked in particular by the signature of strategic partnerships with SNCF, Booking.com, Accor, RATP Dev, Transdev and Renfe.

    The quality of the technology, strategy and services developed enabled Karhoo to be awarded the "Best European Start-Up for Mobility 2019" prize, a leading initiative co-founded by the Chairperson of the European Parliament Transport and Tourism Committee, Karima Delli, Boston Consulting Group and Via ID.

    In May 2019, the SNCF signed a partnership agreement with Groupe Renault and Karhoo in France to launch "mon chauffeur" (my driver), the first mobility platform that compares offers from taxis and chauffeur-driven vehicles, as a complement to train travel, to meet the challenges of shared mobility.
  - In June 2018, the Group took a majority stake in **iCabbi**, a publisher of taxi fleet management systems, which is now one of the leading dispatch suppliers worldwide leader in the United States, Canada, Ireland and in the corporate segment (> 500 cars) in the United Kingdom (no. 2). iCabbi's customers made 192 million trips over the last 12 months using the iCabbi system, used by over 100,000 taxis/chauffeur-driven cars.
- The Group has also developed **a short-term rental service** that enables individuals to rent a self-service car 24 hours a day and 7 days a week: **Renault Mobility**. Entirely dematerialized, it enables individuals to reserve, pay, access and rent a car-sharing car at any time and companies to share certain cars in their fleets in order to optimize utilization rates.

  Renault Mobility already has over 5,000 cars accessible 24 hours a day and 7 days a week through a mobile application, via the Renault network, and has signed partnerships such as with Ikea.

  This solution is currently available in the Renault network mainly in France and Italy. It is being rolled-out in Europe.

  A white-label car-sharing offer has also been developed, marketed under the brand Glide.

- **Short distance carpooling** mainly concerns home/work travel.
  - As part of the inter-company travel plan (PDIE) at the Guyancourt Technocentre, Renault suggest its employees use **Klaxit** for carpooling. 86% of registered users have found fellow carpoolers for their trips and hours. This PDIE enables all companies in the area to pool their supply and demand in order to offer employees alternatives to home-work travel in individual cars.
  - Through its MOBILIZE fund, Renault supports **ECOV**, which works alongside local authorities to build spontaneous, dynamic carpooling lines that are accessible to all in suburban and rural areas.

Lastly, **Alliance Ventures**, Renault-Nissan-Mitsubishi Motors Corporation's investment fund created in January 2018, has also invested in Transit, a multi-modal application (MaaS) that enables users to choose the most appropriate mobility mode for a trip, and Coord, which facilitates the analysis, sharing and collection of data on "curbs," in order to offer partners and cities solutions to better manage the different mobility services.

For more information go to: https://group.renault.com/innovation/services-de-mobilite/.

## C. Thinking about mobility challenges in sustainable cities

The city of tomorrow will be innovative and adaptable while being respectful of the environment. The growth of the urban population comes with countless challenges: developing urban mobility while limiting pollution, providing solutions to climate change and for society's ecological transition, optimizing water and energy management, improving the quality of life of people, contributing to social cohesion, designing, building and renovating buildings and neighborhoods.

Groupe Renault contributes to collective thinking on sustainable mobility systems in cities, and particularly on mobility ecosystems.

It is a partner of the LaVilleE+ led by Société Générale to support the creation of tomorrow's towns and cities and make them human, inclusive and sustainable. LaVilleE+ is focusing on three differentiating aspects comprising impact, interaction through play and holisstic approach in with big public and private contractors currently shaping territorial development. Innovation stems from a holistic approach to city development acting systematically on the four pillars comprising it (citizenship, mobility, resources and property), thanks to the multi-skilled nature of an ecosystem of partners.

Groupe Renault also sponsors a number of academic chairs that feed this thinking, such as the Urban Logistics Chair with Mines ParisTech, which since 2016 has been focused on inventing innovative and sustainable urban logistics models. Renault has also taken part in the SiMPlify project within the World Business Council for Sustainable Development (WBCSD). This project aims to offer a set of indicators to allow cities to measure their performance in terms of sustainable mobility, from an economic, environmental and social point of view. The SiMPlify project provides support for cities wanting to self-evaluate and then improve their transport systems to meet best practice.

Renault freely shares its expertise in this area via numerous thematic round-tables and seminars.

For more information, go to:
https://sharedmobility.group.renault.com/en/.

## D. Contributing to the development of smart cities

At the forefront of electric mobility, Groupe Renault is also at the cutting edge for the **development of its entire ecosystem**, along with numerous partners. It notably works with public sector players to learn from and dialog with cities about their vision for the future. Through its position as leader in Europe in electric vehicles and its commitment to continue to invest in innovative technologies, Groupe Renault provides its contribution to the development of "smart cities."

It has already co-built several tangible solutions focusing on three areas:

- **making the electric vehicle an essential element of new smart electricity networks**, as these "smart grids" enable low-cost, low-carbon electricity. The corresponding solutions build on real-time energy storage in batteries: smart recharging – which will soon be reversible – of electric vehicles, and the reuse of batteries at the end of their useful life in vehicles, for stationary purposes;
- **encouraging the large-scale development of electric vehicles.** To make the electric vehicle more popular, Groupe Renault offers a set of smartphone applications to simplify everyday life for drivers of electric vehicles, such as "Electric Route Planner" (integrated into MyRenault) which enables drivers to prepare their long-distance trips in electric cars: the driver knows in advance when, where and for how long he/she needs to stop to recharge the vehicle's battery. The tool proposes routes indicating the most suitable recharging points and the overall trip time, taking into account the recharging time according to the type of stations available;
- **promoting the emergence of simple and smooth sustainable mobility** thanks to on-demand mobility solutions, taxi and chauffeur-driven car services, and electric car-sharing services.

In 2018, Groupe Renault reaffirmed its intention to develop **a smart electricity ecosystem in favor of the energy transition and mobility for all, establishing several public and private partnerships (PPP)**.

For example, with EEM, Empresa de Electricidade da Madeira, a producer, transporter and distributor of energy in the Portuguese archipelago of Madeira, it created a smart electricity system on the island of Porto Santo. An innovative program, called Smart Fossil Free Island was implemented by the regional government of Madeira to promote the energy transition of the island. Based on electric vehicles, second life batteries, smart recharging and reversible recharging, **this first "smart island" in the world** aims to achieve energy independence for the island and promote the production of renewable energy as well as optimize its consumption.

This ecosystem model can be replicated in other islands, neighborhoods and cities. Groupe Renault, Morbihan Énergie, Cars Bleus and Enedis are working together on the FlexMob'Île project, aimed at reducing the carbon footprint and promoting the energy independence of Belle-Île-en-Mer.

## 2.2.2 Mobilizing for road safety

Road safety is a real public health issue throughout the world. All continents are affected. According to the World Health Organization (WHO), some 1.35 million people are killed on the world's roads each year and 50 million injured. Unless concerted and effective action is taken, the WHO predicts that road accidents will remain one of the ten largest causes of death between now and 2030. Groupe Renault, a carmaker that designs, manufactures and distributes cars throughout the world, makes road safety one of the core concepts of its CSR.

The Group's international expansion must be accompanied by the design of vehicles meeting regulations and security requirements in its new markets. The causes of accidents and injuries in these new Regions differ from the European market, so Groupe Renault is expanding its accident research beyond Europe, transferring its own know-how and gaining expertise from local laboratories and universities, and other key players in road safety.

In order to fully assume its responsibilities, Groupe Renault has made a two-fold commitment:

- through its products: based on an analysis of observed risks, it incorporates solutions and innovations into all its design, manufacturing and marketing processes in order to protect vehicle occupants and others exposed to road risks (pedestrians, cyclists, *etc.*);
- within society: it participates actively with governments and civil society throughout the world to help improve road safety. Both alone and in collaboration with other organizations, Groupe Renault works to raise awareness of road safety and facilitate transfer of skills among road users and road safety stakeholders.

### 2.2.2.1 Groupe Renault's road safety policy EFPD16a

Groupe Renault's systemic vision integrates the specific nature of each country, in order to take into account elements other than vehicles and vehicle technologies. These elements include in particular road infrastructure, current legislation and its application, policies, and road user training and awareness levels. Accordingly, alone or in partnerships, Groupe Renault works to implement the measures best suited to a country's level of maturity.

**Groupe Renault's road safety policy and actions are based on a five-pronged approach:**

RAISE AWARENESS

**RAISE AWARENESS**
Changing the behavior of all stakeholders (public authorities, parents, drivers, children) over the long-term and educating people from the earliest age to the dangers of the road, are key weapons in the battle to improve road safety.

PREVENT

**PREVENT**
Prevention involves helping drivers to anticipate risks. Part of the solution consists of helping the driver by assisting with the driving task (driving aids). The remainder lies in encouraging more responsible driving. Drivers need to understand the limits beyond which they will be incapable of controlling their vehicles, and the situations in which they are putting themselves at risk.

CORRECT

**CORRECT**
The quality of road handling and braking constitutes the fundamental dynamics of the vehicle. They are fundamental to avoiding accidents. Nevertheless, there are situations where technology should intervene to compensate for driver error. This is the purpose of these active safety systems. They intervene in difficult or emergency conditions; however, they do not do entirely replace the driver.

PROTECT

**PROTECT**
A top priority of Groupe Renault's road safety strategy is to protect the car's occupants according to the nature and severity of the impact, regardless of their age, size or location in the vehicle, in small and large cars alike. Renault exceeds Euro NCAP standards by also equipping the rear seats of its vehicles with systems to provide optimal passenger protection. The protection of other road users (pedestrians, cyclists, *etc.*) is also taken into account.

RESCUE

**RESCUE**
Groupe Renault collaborates with French and foreign emergency services to optimize help for accident casualties. These services receive guides explaining how to perform rescue operations on Renault vehicles. They are also provided with late-model vehicles on which they can practice victim extraction methods. Innovative modifications are applied to the brand's vehicles to ensure that emergency firefighter interventions are safer and more effective.

## Raise awareness

Because it is important to learn the right habits from an early age, and as children are also road users, Groupe Renault continued its "**Safety and Mobility for All**" international road safety program during the 2019-2020 school year, based on its expertise in automotive safety.

This educational program was launched in 2000 and is aimed primarily at children and teenagers. Currently running in around 10 countries, it is the biggest road safety awareness campaign in the world ever organized by a carmaker. It also includes issues such as environmental protection and eco-mobility. Teaching kits are available in paper format and also as tablet applications.

A serious game offers three missions and numerous scenarios to raise the awareness of children between the ages of seven and eleven on road safety and sustainable mobility. Download links can be accessed free-of-charge from the program's teaching resource center (www.securite-mobilite-pour-tous.com/). The international "Your Ideas, Your Initiatives" competition enables middle-school children to take an active role in their own safety and mobility. The 2018-2019 edition highlighted almost 80 tangible initiatives, implemented by almost 2,000 students in 15 countries.

### Twentieth anniversary of the "The Road and Me" program in Portugal

Since 2000, Renault Portugal has rolled-out the "The Road and Me" educational program for children between the ages of seven and eleven.

In Portugal, the UN's decade of action for road safety is coordinated by the Ministry of Health. This Ministry accordingly took an interest in the "La Route et Moi" (The Road and Me) program, which it validated and approved by adding the Portuguese government's stamp to the roll-out kits. The list of schools was provided by the Education Minister, and the establishments that take part in the program officially add it to the students' curriculum vitae.

**In almost 20 years, 750,000 children have been made aware of Road Safety through the "La Route et Moi" program.** Every year, 4,000 kits are printed and sent to schools, and they can also be downloaded from the website www.segurancaparatodos.com

## Global Road Safety Partnership

In 2019, Groupe Renault continued to support the initiatives run by GRSP, an NGO hosted by the International Federation of Red Cross and Red Crescent Societies. This organization brings together government agencies, the private sector and civil society to help emerging countries develop their own road safety capabilities, implement best practices, and set up the multi-sector partnerships needed to effectively develop road safety (see www.grsproadsafety.org).

In 2019, the GRSP worked in over 40 countries worldwide, through extensive national voluntary networks.

## Master in road safety management (Manser)

To help road safety actors develop their own know-how, using global best practices and taking regional characteristics into account, Groupe Renault has co-developed a master's degree in "Road safety management" (Manser) for the Middle-East and North Africa, where road risk is particularly acute. The objective is to produce national and regional managers and experts capable of creating and coordinating road safety policies in their countries. Since it was launched in 2012, the program has enabled 76 students (some of whom receive financial aid) to take the 18-month course of theoretical and practical instruction. Since the creation of the Manser, 55 scholarship students have graduated.

## Employee safety

Groupe Renault is particularly focused on road accident risk prevention and especially on employee training. Initiatives are constantly being taken to inform and train staff, including communication campaigns, road safety week and defensive driving courses.

The prevention of employee accidents during commuting and business travel is part and parcel of the overall road risk prevention effort, which was launched by Groupe Renault many years ago. In France, Groupe Renault is a signatory of the road safety Charter (October 11, 2016), thereby confirming the Company's commitment to the fight against poor road safety.

In this respect, the Company has initiated a series of campaigns for Group employees internationally, throughout its engineering, manufacturing and sales operations. Specifically, it has updated and widely circulated the Groupe Renault Drivers' Charter, which is focused on three main areas: "I plan my journeys," "I adhere scrupulously to all good driving rules," and "I am a responsible driver." Since 2018, this Drivers' Charter has been the foundation for an e-learning module for the Group's employees worldwide. It aims to support and empower employees during their business travel and commuting, and on the job. Initially available in French, English and Spanish, this digital training module has been expanded to Brazilian and Chinese employees. Other languages including Russian are planned.

Groupe Renault is also continuing its Group-wide communication, training and awareness-raising campaigns, as evidenced by the employee awareness initiatives conducted on sites by prevention, health and safety engineers, occupational physicians and road safety professionals. In May 2019, during road safety at work week, practical awareness-raising initiatives were undertaken in different countries including Algeria, Spain, France and Portugal.

## Prevent-Correct-Protect

PREVENT CORRECT PROTECT

Groupe Renault has played an active part in road safety for more than 50 years, long before it became the familiar media topic we know today.

**This commitment to automotive safety has been substantiated by the attainment, 23 times over, of the maximum 5-star rating in Euro NCAP tests, having been the first carmaker to do so in 2001 (with the LAGUNA II).**

The in-depth knowledge of accident and injury mechanisms developed through LAB (the Groupe Renault-PSA Group Accidentology and Biomechanics Laboratory) research, has furnished Groupe Renault with an ambitious and pertinent vision of the steps needed to improve road safety.

In addition to the results of consumer tests, Groupe Renault investigated areas which it deemed crucial to reducing injury risk during accidents, such as submarining and compatibility. These issues of submarining and compatibility are taken into account in developments to the Euro NCAP protocol introduced in 2015, then in 2020.

This effort in the field of passive safety will therefore continue over the coming years, particularly supporting the tightening of rules for consumer testing around the world.

While efforts in passive safety undertaken by the entire automotive industry have enabled extremely significant improvements to be achieved in terms of reducing the road death toll, recent technological advances, complementing public policy, have heralded a new and very promising area of progress, meaning that it is no longer a case of limiting the consequences of an accident, but rather, of reducing their severity, or even, avoiding them altogether. This is where primary road safety comes into play, with ADAS (Advanced driver assistance systems). These ADAS re taking corrective action on the driver's behalf and in his/her place. These systems, the most typical today being Automatic Emergency Braking (AEB), will be able to deal with one of the recognized causes of accidents, *i.e.*, driver error due to inattention. Groupe Renault does not claim to be a pioneer in this field of development, which, due to the cost of these systems, mainly features in the high-end market. Nevertheless, the Group wants to make them accessible to a wider public, while working to integrate them in our vehicles. Other ADAS, however, are now well entrenched in Groupe Renault's lineage (Groupe Renault was one of the pioneers of the speed-limiter in Europe). These include the over-speed warning, combined with the speed-limiter, head-up display of driving information, automatic switching of main-beam/dipped-beam headlamps at night, lane departure warning, blind-spot warning and safe distance alert.

In 2015, the New ESPACE was the first in its range to feature these new functions, which are already to be found in other C-D-segment vehicles, namely the KADJAR, the TALISMAN, the MEGANE IV and the KOLEOS. The preparation of new systems is underway, benefiting from the very rapid progress in the development of sensors and onboard electronics. In 2016, SCENIC unveiled a new generation of even more powerful ADAS systems, including Automatic Emergency Braking with pedestrian detection. This will feature in the vast majority of our future products, including less-premium range over the coming months. This equipment has been improved with the renewal of the segment B CLIO/CAPTUR launched in 2019, which obtained 5 stars in the euroNCAP ratings.

Groupe Renault makes over 1,100 educational videos presenting the functionalities and technologies of Renault and Dacia brand vehicles, including ADAS, available to customers . The website https://www.tutos-video.renault.fr/ has received 240,000 visits since September 2018 and the tutorials, available in 16 languages, have been seen 1,220,000 times.

## Rescue

RESCUE

In 2012, Groupe Renault became the official partner of the French National Federation of Fire and Rescue Services (Fédération Nationale Des Sapeurs-Pompiers de France or FNSPF), thereby rubber-stamping the long-lasting relationship that exists between these two major players in sustainable mobility.

In September 2018, the Renault Foundation renewed its commitment and support to the Federation to work together in general interest missions carried out by the FNSPF and the French Fire and Rescue Services in terms of vehicle security, passenger safety and road safety.

To confirm its commitment to the emergency services and ensure their safety during their interventions on Renault and Dacia range vehicles, Renault has included, within its CSR department, a Lieutenant-Colonel from SDIS 78 (*Service départemental d'incendie et de secours* – Departmental Fire and Rescue Service) for a period of three years. His role is to contribute to the development of the inclusion of the activities of firefighters from the design of vehicles, and to apply the acquired know-how amongst his colleagues in France and abroad.

In May 2019, Groupe Renault was a major partner of the National Firefighters' Extraction Challenge, held from May 15 to 18 in Avignon, which brought together 22 French and two foreign teams. Renault provided 65 recent vehicles for this challenge.

As a member of the **World Rescue Organisation**, Groupe Renault was a major partner of the International Extraction Challenge held from September 11 to 15 in La Rochelle, which brought together 34 teams from 16 countries. Renault provided 120 recent vehicles for this challenge.

It was also a major partner for the first Latin-American Extraction Challenge, held from October 9 to 11 in Medellin, Colombia, which brought together nine teams from four countries, and welcomed firefighters from other Latin American countries as observers. The Renault Sofasa plant in Medellin provided 11 recent vehicles for this challenge.

Groupe Renault also actively participated in firefighter road rescue training in 10 different French *départements* and European countries (Croatia, Finland, Spain, Germany, Portugal) by providing recent vehicles for extraction training and by offering theoretical training sessions of technical information on new generation vehicles. The beneficiaries are road rescue trainers as well as operational command chain officers.

Groupe Renault also contributes to improving road rescue through partnership actions with all extraction equipment suppliers.

### Consideration of technological developments and electrical risks

Vehicles are equipped with increasingly efficient safety systems, but they also pack in more technologies that complicate the work of emergency services.

Groupe Renault's commitment to improving road safety can also be seen in technical and R&D collaborations, which take into account these new technological risks and include vehicle extrication and fire extinguishing tests on vehicles that use new energy sources. The Group, regularly donates several hundred latest-generation vehicles for training the fire service in highway rescue.

The implemented strategy focuses on four factors:

- improving firefighters' knowledge of the Group's vehicles;
- acknowledgment of constraints experienced by firefighters during their work by engineers and designers working on new products;
- implementation of research and innovation projects;
- technical modification to vehicles.

Each new vehicle model in the range includes a **decision support form** (format ISO 17840) designed for operational firefighters, as well as an **ERG (emergency response guide)** (format ISO 17840) for alternative energy models.

Emergency services needs are taken into account from the design stage of vehicles. As an example, fireman access is already a feature of the ZOE, ZOE Long Range, KANGOO Z.E. Long Range and MASTER Z.E. It will be fitted on all future electric and hybrid vehicles of the range.

**Fireman access** is a heat-fusible part (plastic that melts in heat) placed on the electric vehicle chassis. In the event of malicious fire, it allows firefighters to access the 400 volt battery below with their fire hose. The aim is to drown the battery by filling it with water, which is the only way to turn off a lithium ion battery quickly and permanently. This allows firefighters to extinguish the fire in only a few minutes, as opposed to one hour in its absence. **Groupe Renault is currently the only carmaker to offer this technical solution to firefighters.**

**The Rescue Code** provides firefighters with another tool enabling them to carry out extrication maneuvers more quickly and effectively. It is a QR code that the customer can affix on the windshield or rear window. It allows firefighters to access the damaged vehicle's decision support sheet on the rescue site, thanks to a free application co-developed by a start-up, the French fire department and Renault. It includes information for each model, allowing firefighters to perform their extrication maneuvers safely for themselves and the victims.

Other measures implemented in 2019 included:

- studies on the best position for the service plug and fireman access on future electric and hybrid vehicles in the Renault range;
- drawing up design rules for vehicle projects taking into account the interventions of the emergency services;
- consideration by engineering of the first rules of design relating to emergency firefighter interventions on our hybrid and electric vehicles;
- organization of the annual Renault Tertiary Road Safety Seminar at the Technocentre, attended by 300 firefighters and Renault engineers. Technical exchanges with the engineering professions;
- participation in different French safety trade shows in 2019: Secours Expo, the annual French firefighters' congress;
- active participation in the consideration by Euro NCAP of fire service interventions after accidents to define the new ratings for vehicles from 2020 and plan the future protocol for 2022;
- construction of a multi-energy training vehicle in collaboration with the prototype construction center, based on a KANGOO, to increase firefighter recognition of alternative energy vehicles. This vehicle is designed to be lent to firefighters for their training. The first firefighters to benefit are those in the Auvergne Rhône Alpes region.

## 2.2.2.2 Integrating new technologies

The vehicle of the future will be zero emission, communicative and driverless. The communicating vehicle will be connected with other vehicles, with the road and with the environment. Vehicles will share information regarding their location, speed and expected itinerary, *etc*. They will also act as sensors for other vehicles, indicating traffic, road issues, *etc*. The information obtained will be used first and foremost to provide safety services (incident warnings for onward route, roads or areas with specific hazards, *etc.*) as well as traffic services (congestion, alternative real-time itineraries, *etc.*).

Vehicle autonomy is being phased in, starting with partial or conditional autonomy depending on the driving situations envisaged.

Clearly one of the main challenges is to ensure the safety of all users on roads that are increasingly connected and automated. Renault is therefore working in-house with VeDeCom, the scientific community and industrial partners, as well as with public authorities, on all aspects of safety:

- operational safety;
- general product safety;
- regulatory compliance (technical and Highway code);
- compliance with the European Statement of Principles on Human-Machine Interface;
- development of international norms and standards;
- definition of possible applications for connectivity and automation services compatible with planned or foreseeable usage, including any potential distractions;
- compliance with the laws on personal data records;

The goal is to demonstrate this safety through six types of testing, to test and validate the performance and safety of the services and associated technical solutions:

- basic operational tests using test facilities and simulations,
- operational tests on test tracks,
- operational tests on open roads with escort vehicles,
- service tests on authorized open roads,
- "large-scale" service tests on authorized open roads,
- pre-commercialization pilot tests.

The connected vehicle has already been rolled-out as part of the collaborative SCOOP@F project.

Partially automated vehicles with simple initial cases of use will take their place in the Renault range over the next few months.

#### 2.2.2.3 General product safety

In terms of general product safety, Renault has defined a general policy to be followed, based on:

- a reference database of customer events considered by Renault to be potentially safety-related. These events are addressed systematically during visits to dealerships or, by a recall. This system is updated regularly;
- a structure with general product safety representatives in each of the large entities involved in product safety, under the authority of an **Expert Leader**;
- the creation of safety documentation for each project (demonstration of safety risk control documentation), covering engineering, manufacture, sales and after-sales. It is created and validated according to specific rules and processes and signed by the Chief Engineer of the relevant project and by the Renault Expert Leader in product operational safety and overall safety;
- the establishment and introduction of training/awareness-raising sessions for relevant Renault employees.

## 2.2.3 Industry 4.0: production plants shaped by the future

With 35 plants worldwide, Groupe Renault has an industrial system resolutely anchored in the future, ready to respond to the new challenges of the automotive sector and to customer expectations. New occupations, new know-how, new tools... The 4.0 revolution is the driver for a connected, agile and competitive plant, which places humans, *i.e.*, all company employees, at the heart of the system. In this new world, our aim is to ensure the satisfaction of our customers by manufacturing and delivering quality vehicles within the time frames announced to customers. Plant competitiveness and employee well-being are two major focuses of Industry 4.0 within Groupe Renault.

### 2.2.3.1 Digital transformation

The automotive sector is undergoing rapid change with the ramp-up of electric vehicles, the arrival of the autonomous and connected vehicle, customization... To meet this revolution, the automotive industry must adapt to ensure the reliability and full traceability of its production.

Groupe Renault has chosen to digitalize its industrial system to support operators, manufacture connected, customized vehicles and reinforce the customer's place in the plant. Through this approach, the Company has two aims: guarantee vehicle quality and the competitiveness of its industrial system.

Four fundamental initiatives to drive the digital transformation:

- managing real-time supply. As soon as the customer orders his/her vehicle, the suppliers are informed, the raw materials prepared and the logistics flows determined;
- simplifying with connected tools. In the plants, digital technologies support our employees: they reinforce mobility and information sharing, improve reactivity and facilitate decision- making as close as possible to manufacturing;

- continuous traceability. In real time, the parts of each vehicle, the assemblies and packaging are located, and the customer can follow the progress of his/her order at any time. As soon as the customer orders his/her vehicle, the suppliers are informed, the raw materials prepared and the logistics flows determined. This complete synchronization of all manufacturing stages ensures compliance with deadlines, from suppliers to the final customer. The use of QR codes (2D barcodes) and RFID chips (Radio Frequency Identification – labels equipped with active or passive chips that can communicate, used for traceability) on parts, combined with a database, enables the quality of each part to be controlled throughout the process;
- anticipating thanks to data. The constant data reporting and analysis enables remote operations and simulations, while ensuring optimized maintenance.

### 2.2.3.2 Men and women at the heart of Groupe Renault's plants

The manufacturing teams include over 66,000 employees worldwide. More agile, more reactive and trained in new technologies, operators focus on the highest-value added interventions and take advantage of these innovations to be relieved of certain operations. They exercise fewer arduous tasks, with these gradually being removed.

Picking robots, for example, facilitate handling by managing the picking, deposit and emptying of parts in bins and smooth the process. At the Cléon plant (France), some operators are equipped with exoskeletons to handle parts more easily and allow greater agility while minimizing health risks.

These technological revolutions are supported by a training program: "Trust Management." Based on "speaking the truth," this approach invites employees to take more initiatives and autonomy, and stimulates team work.

Discover the Renault plant of the future in pictures: https://group.renault.com/groupe/deja-demain-embarquez-dans-laventure-animee-de-lusine-4-0/2.2.3.3.

### 2.2.3.3 The Renault plant in Cléon (Seine-Maritime, France) recognized as an "advanced lighthouse" for Industry 4.0 by the World Economic Forum

In July 2019, during the summit held in Dalian, China, the World Economic Forum recognized the Renault Cléon plant (Seine-Maritime, France) as an "advanced lighthouse" for industry 4.0. It is the first automotive manufacturing site to be awarded this Label in France.

At the heart of the digital transformation of Groupe Renault's plants, Cléon has equipped all of its 57 hectares of buildings with wifi, enabling data to be gathered and fully automated processes such as full kitting or parts traceability to be implemented. This mechanical plant, which produced 760,000 engines and 372,000 gearboxes in 2018 and which has just celebrated its 60th anniversary, has been transformed into a recognized 4.0 plant, with several digital use cases such as connected workforce, virtual reality training and automated truck flow management. Already ranked among the best plants in the world by specialized agencies, the Cléon plant has created a local ecosystem while developing innovations that will be deployed around the world.

Groupe Renault has chosen to place women and men at the heart of the plant of the future. Thus, 100% of new employees at the Cléon plant benefit from a specific training program on safety using augmented and virtual reality. Over 3,570 people have benefited from this innovative training program. The roll-out of connected tools on the ground, notably thanks to tablets for unit leaders, enables real-time access to production and quality data. The technologies all aim to facilitate each employees' work, resulting in manufacturing that meets customers' expectations.

With almost 860 new hires since 2015, the Cléon plant is fully involved in the local ecosystem and notably works with several Normandy start-ups to co-develop the know-how and technologies of the future.

# 2.3 ENVIRONMENT

## 2.3.1 The ecological challenges

There is now a consensus on the magnitude of environmental challenges and the urgency of finding solutions. These challenges profoundly affect all economic activities and notably mobility. Beyond the expectations of the stakeholders regarding the transport sector, the ability of Groupe Renault to propose innovative solutions also provides new business opportunities and boosts competitiveness.

The automotive industry needs to address major environmental issues:

- climate change related to greenhouse gas emissions, for which the Paris COP 21 agreement has plotted an ambitious reduction path;
- resources, the limited availability of which implies changing modes of production and use;
- health, a major concern (particularly in cities), which requires reduction of pollutant emissions.

To respond to these challenges, Groupe Renault specified the environmental component of its new strategic plan at the beginning of 2018. This is based on three enablers for transforming individual mobility, which are real drivers of competitiveness:

- the electric vehicle and services provided by batteries to the energy sector, notably through their second life use and smart recharging systems which can accelerate the transition to renewable energies;
- the circular economy, for which the Group can rely on a complete industrial ecosystem for recycling and remanufacturing and which constitutes, for the most strategic or critical materials, both a response to the environmental challenge and an economic asset;
- new electric mobility services, which are fully adapted to urban travel plans, providing benefits by reducing congestion, improving air quality and the efficient use of resources.

The Group is committed to reducing the environmental impact of its products throughout their life cycle, and from one generation to the next (see 2.3.2.A), and, through its strategic plan, aims to reduce the carbon footprint of its vehicles by 25% in 2022 compared to 2010.

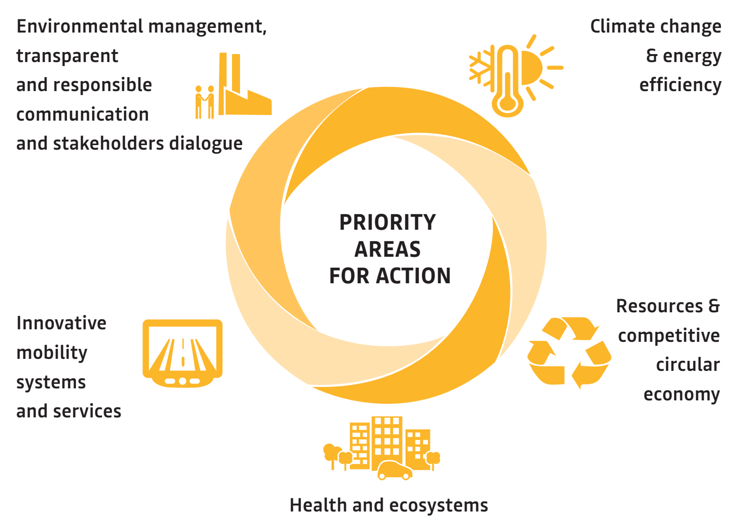
This voluntary and proactive effort is not just the result of Renault's historical commitment to sustainable development benefiting the greatest number of people. Environmental performance has increasing financial implications and is a determining factor in the Company's competitiveness, as demonstrated by the second pillar of Groupe Renault's Environmental Policy approved by its Chairman and Chief Executive Officer in 2013.

**ENVIRONMENTAL POLICY OF GROUPE RENAULT**

**Prevent and continuously reduce the environmental footprint and health impacts of our products, services and operations, integrating life cycle assessment and circular economy principles.**

**Actively contribute to Groupe Renault competitiveness and to the protection of material and immaterial assets.**

**Implement environmental management company-wide and across the value chain in order to ensure continuous improvement and compliance to regulations and to voluntary commitments.**



## 2.3.2 Company-wide environmental management EFPD7a

| Environmental objectives | | Objective set | Deadline | Status as of year-end 2019 |
|---|---|---|---|---|
| Product | Reduce the impact on the basis of the life-cycle analysis from generation to generation | 2005 | Continuous | Duster II vs. Duster: reduction of 3%-7% depending on impacts. |
| Product | Publish the life-cycle analyses on the site groupe.renault.com for each new model marketed in Europe along with their review by an independent expert | 2016 | Continuous | LCA of Twingo III, Megane IV, Scenic IV, Kadjar, Talisman, Espace V, Fluence Z.E., Duster II, New ZOE published |
| Manufacturing | Carry out annual audits of 100% of manufacturing sites and the main tertiary and logistic sites of Groupe Renault (1) on the environment and risk prevention (internal audits) | 2003 | Continuous | 100% |
| Manufacturing | ISO 14001 certification of 100% of Groupe Renault (1) manufacturing sites | 2012 | Continuous | 100% |

*(1) Sites in the scope of consolidation, excluding AVTOVAZ, in which Groupe Renault acquired a majority stake in December 2016, and which is currently being integrated into the environmental reporting scope.*

Renault has made environmental management part of its environmental policy since 1995. This approach is implemented Company-wide and throughout the life-cycle of its vehicles. These efforts are made possible by the presence of an environmental network at all Group plants and operations throughout the world. The 2013 update of the Groupe Renault environmental policy has reaffirmed and expanded the scope of this managerial approach to the entirety of the Company's value chain.

The roll-out of the environmental component of the Drive the Future plan by the Strategic Environmental Planning department covers all of Groupe Renault's activities and supports its development strategy for new products and services, including electric, connected and autonomous vehicles and vehicle-to-grid services.

### A. Life-Cycle Assessment (LCA)

Since 2005, Renault has been committed to reducing the environmental impact of its vehicles throughout their life-cycle, from one generation to the next. In order to ensure and monitor compliance with this commitment, since 2004, Groupe Renault measures the environmental impact of its vehicles throughout their life-cycle, from the extraction of the raw materials needed for their manufacture until their end-of-life. Life-Cycle Assessments (LCA) are therefore performed:

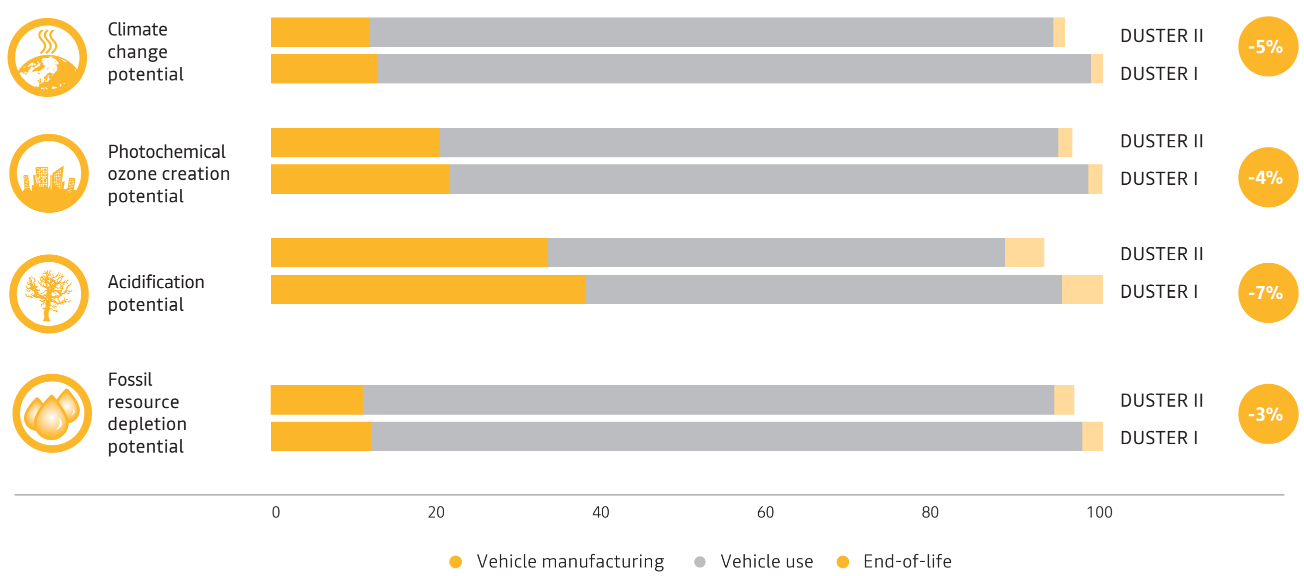
- prior to the vehicle design process, to analyze the potential environmental impact and benefits of technological innovations;
- after the design process, to confirm and measure the reduction of environmental impacts from one generation of vehicle to another.

At end-2019, 26 models representing 81% of the Group's global passenger car sales under the Renault, Dacia, Alpine and RSM (Renault Samsung Motors) brands were thus subjected to a complete LCA. Starting with the launch of the Twingo III in September 2014, all new models are subjected to a comparative LCA with respect to their predecessor. Each of these LCAs is subjected to a critical review by an independent expert following the ISO 14040 and 14044 standards, to evaluate, firstly, the methodology used and, secondly, all of the calculations and interpretations performed. The LCA reports for new models, together with their reviews, are put online on the website www.group.renault.com/en/our-commitments/.

For further methodological details, please refer to section 2.6.1.1.

The comparative LCA for Duster II (2017) compared to Duster (2010) presented below shows the reduction in the environmental impacts between the two generations of this model.

#### LCA COMPARISON BETWEEN DUSTER II (2017) AND DUSTER (2010)




### B. Action at all stages of the life-cycle EFPD7b

This section presents the Environmental Management System (EMS) implemented by Groupe Renault according to the different stages in a vehicle's life-cycle, from design to end of life recycling.

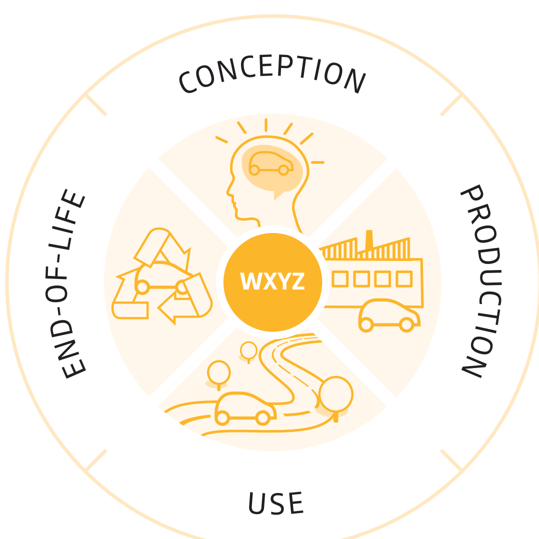
In order to make them easier to understand and to read, these stages have been divided into four main phases:

- design;
- manufacture;
- use; and
- end of life.

Symbols such as the one below will be used in this section and up to 2.3.3.F in order to allow the reader to identify visually which of the four life-cycle phases the text is referring to. The topic or impact discussed is indicated in the center of each symbol: EMS, $CO_2$, Materials, Waste, Water, Air, Soil, Noise or Biodiversity, or financial challenges associated with environmental issues represented by the € symbol.

**Conception:**
• Design of the vehicle and its parts
• Materials and supplier selection

**Vehicle end-of-life:**
• Collection of end-of-life vehicles (ELV)
• ELV dismantling
• ELV parts and materials sorting and dispatch for reuse, recycling or recovery




**Vehicle production:**
• Materials (raw or recycled)
• Supply chain
• Parts and vehicle logistic
• Renault Group plants

**Vehicle use phase:**
• Sale and after-sale (maintenance, etc.)
• Spare parts (new, renovated or reused)
• Vehicle use by the customer
• Fuel (or electricity) production

### Eco-design


In order to effectively reduce environmental impact throughout the different stages of the life-cycle, steps must be taken from the vehicle design stage, i.e., two to *five* years prior to launch. Renault's policy is to integrate this concern not only within the normal development process which structures the designers' work, but also to involve component and materials suppliers.

Eco-design of Groupe Renault's vehicles involves in particular:

- the reduction of vehicle mass, fuel consumption and pollutant emissions;
- the possibility of recycling 85% of the vehicle's mass at end-of-life and to recover 95% of this, which requires the ability to easily identify and separate the recyclable materials and reusable parts during the dismantling process;
- the use of recycled materials, which minimizes the consumption of virgin materials and the associated environmental impacts;
- the possibility of renovating powertrains or certain parts of them (remanufacturing) by facilitating dismantling and assessment of their components;
- the minimization of the noise generated by the vehicle;
- the elimination of potentially toxic substances from vehicles and the manufacturing process;
- the provision of eco-driving aids in the vehicles.

Considering that 60% of a vehicle is composed of purchased parts, eco-design is based largely upon the involvement and cooperation of our suppliers, guided by the Alliance Purchasing Organization, based notably on the application of Renault Green Purchasing Guidelines, which describe expectations in environmental matters. (see 2.5.2).

### Logistics


Environmental management in matters of logistics has been in place since 2010 and involves the measurement and reduction of greenhouse gas emissions associated with the transportation of parts intended for our industrial facilities and finished vehicles from our factories to their distribution outlets, through the Logistics ECO2 plan (see 2.3.3.A).

In addition, logistics loops for reusable packaging have been introduced when their economic and environmental impact is positive, to lessen our reliance on single-use packaging and the waste it creates.

### Manufacturing


Groupe Renault has selected a seamless approach. The environmental network is Company-wide. It establishes links between environmental activities and other processes in the Company as well as between the sites, so as to encourage the dissemination of best practices and the sharing of expertise.

The industrial environment network is composed of more than 230 members spread over 13 countries and 44 sites and subsidiaries. It covers manufacturing occupations as well as all of the Group's industrial sites.

The AVTOVAZ sites (Togliatti and Izhevsk), in which Renault acquired a majority stake at the end of 2016, are being gradually integrated into the Group's environmental reporting scope. This gradual integration was decided to guarantee a level of data quality comparable to the other Group entities. With this aim, action plans covering all environmental issues were prepared based on diagnostics performed in 2017 and 2018 by third parties (Deloitte and Ernst & Young). In order to ensure the convergence of these action plans, a governance committee including members from the production facilities and central functions has been set up and meets on a monthly basis. In addition, support missions for local teams by corporate environment experts are conducted to guarantee the proper roll-out of the Group's environmental standards. The actions carried out enable us to report, for the 2019 financial year, a first set of indicators for the Togliatti and Izhevsk sites that comply with Groupe Renault's environmental reporting protocol (see methodology and summary table in appendix 2.6.1.2), and to envisage reporting of all indicators for the 2021 financial year.

**Environmental management at Groupe Renault plants is underpinned by five pillars:**

#### 1. Continuous improvement based on ISO 14001

Starting in 1995, Renault began systematically implementing an environmental management approach at its sites, along with a drive for continuous improvement, based on ISO 14001. This was done to reduce environmental impact and ensure regulatory compliance. Since 2008, all of Groupe Renault's 29 industrial sites and the nine main engineering and logistics facilities have been ISO 14001 certified.

The standard has been rolled-out in its most recent version (2015) for all Groupe Renault's ISO 14001 certified sites.

#### 2. Group-wide tools and standards

E&HSE (Energy & Health, Safety, Environment) Technical Guidelines define the minimum requirements that apply to the Group's sites (See "Eco-design of industrial processes" below). These guidelines ensure that practices are standardized and reflect and adhere to the Company's policies and objectives in terms of the protection of individuals, property and the environment, no matter in which country the sites are located. This is particularly important in countries without a stringent regulatory framework.

For environmental management and the handling of chemicals, the sites can also rely on the availability of standardized tools managed by expert functions. These tools include:

- a worldwide Écorisques expert system available in the main languages used within the Group. The system ranks the environmental impact from activities and potential hazards in relation to the plants' chemical risk and prioritizes them in the plants' environmental action plan;
- a reporting system for environmental impacts and energy consumption (R2E);
- a CHEMIS database (Chemical Information System), available in the main languages used within the Group, for the management of hazardous substances and the prevention of chemical risks. CHEMIS is the key tool in Groupe Renault chemical risk management process, which aims, from both environmental and health standpoints, to introduce chemicals safely, to prevent the risks associated with their use, and to anticipate technological and regulatory changes (see 2.3.3.C.b);
- a process to monitor and track compliance with national and EU environmental legislation;
- a documentary database of Energy & Health, Safety, Environment (E&HSE) standards and best practices, accessible from any Group site.

## 3. Eco-design of industrial processes

Each industrial project is monitored by an Energy & Health, Safety, Environment project manager, who ensures that the applicable regulatory requirements and Group technical policies (or Technical Rules) in respect of environmental protection, energy efficiency, industrial hygiene, and the prevention of fire and explosion risks are taken into account for each project milestone.

These E&HSE Technical Rules are based on the state of the art as well as the most stringent international regulatory or normative frameworks (The European Union's REACH regulation, ATEX directive, French legislation on facilities classified for environmental protection, US NFPA standards for fire protection, *etc.*) and are updated regularly. To complement this shared base of minimum requirements applicable to all Group sites, breakthrough technologies may be introduced at certain sites or projects according to constraints or opportunities related to the local environment, as illustrated by the examples below.

### Plants eco-designed to respect their local environment

As a result of the Group's international expansion, new plants have been developed in recent years in emerging countries, particularly in North Africa and Asia, in order to take advantage of dynamic local markets. The design of each of these facilities has benefited from Group best practices and the latest technological advances in the environmental field. It takes into account the specific local environmental constraints and sensitivities, identified by an impact study at the outset of the project.

For example, the plants of Tangiers in Morocco (2012) and Chennai in India (Renault-Nissan, 2010), two countries subject to water stress, use the most advanced technologies to recycle all industrial wastewater, such that no industrial wastewater is discharged into the environment and external water supply requirements are reduced to a strict minimum (see 2.3.3.D). The Tangiers site is also equipped with a biomass boiler fueled by local agricultural waste (waste from the production of olive oil and from wood chippings, in particular from the site's packaging waste). As the National Office of Electricity and Drinking Water (ONEE) provides the plant with electricity produced from entirely renewable sources, 92% of the plant's energy needs are as a result met by renewable sources, meaning that the emission of more than 100,000 metric tons of $CO_2$ each year is avoided.

The plant, which Renault and its partner Dongfeng opened in 2016 in Wuhan, China, is also equipped with the latest energy-efficiency technology, including LED lighting, recovery of thermal energy from the air discharged to the atmosphere and centralized management of energy-intensive equipment. It also recycles 40% of its industrial effluents for its own internal use (restrooms, watering, *etc.*) and uses water-soluble paints.

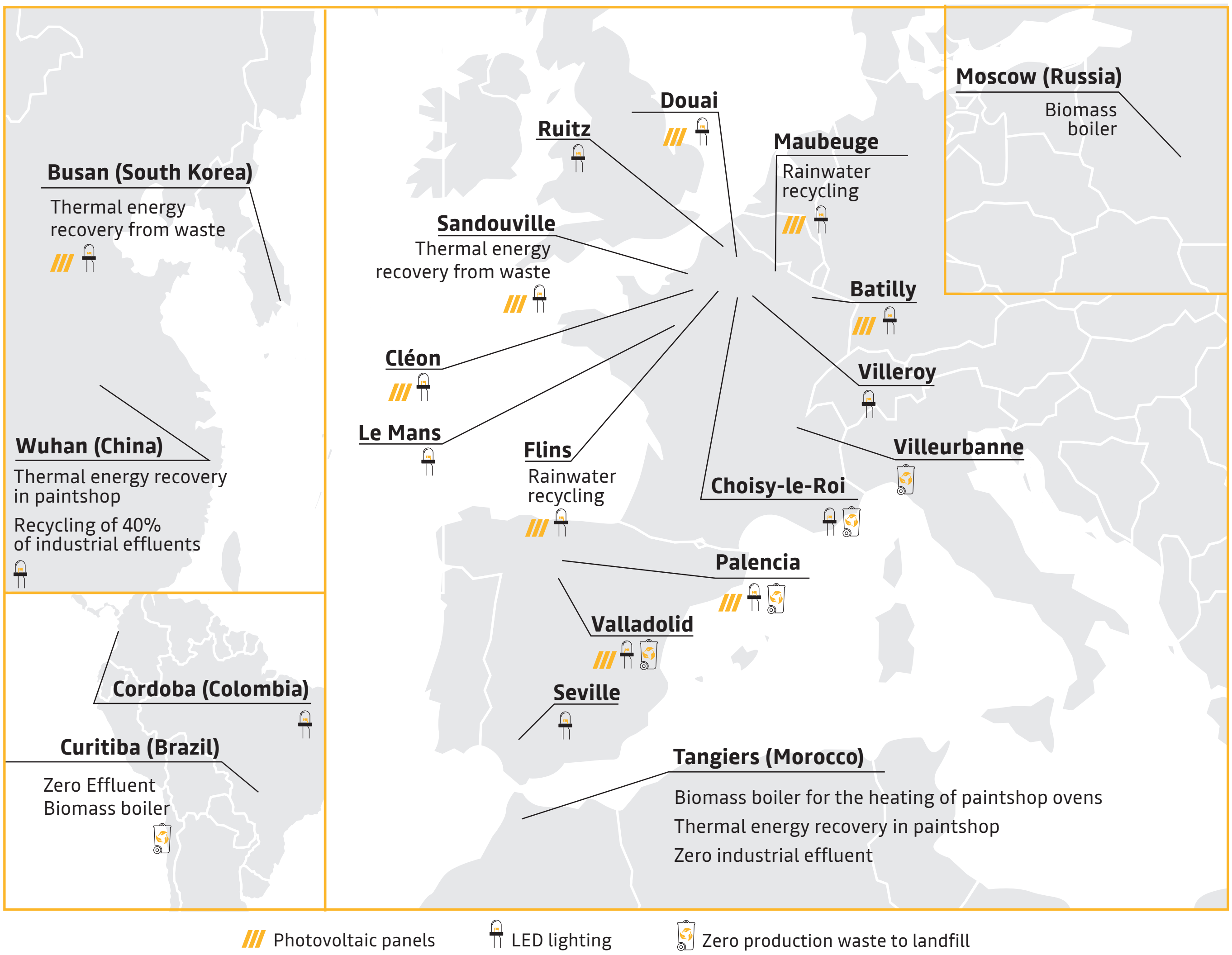
In addition to new plants, applying eco-design to manufacturing processes can also benefit existing facilities. Since 2015, Groupe Renault has therefore been conducting the widespread deployment of LED lighting to replace industrial lighting on a number of its sites (see map below).

The reduction in electricity use through the use of LED lighting can reach 65% compared with the technology it replaces. For the whole of the Europe scope covered at end-2019, this equates to electricity savings of nearly 89,000 MWh for each full year.

## 4. Anticipating industrial, regulatory and environmental developments

The E&HSE (Energy & Health, Safety, Environment) master plans launched in 2002 describe the situation at each site and how it is likely to evolve over the next 10 years, factoring in external constraints such as the ecological sensitivity of the environment and future regulatory requirements. They contribute to the dialog between industrial strategy, engineering, building project owners and the plants to ensure that each project contributes to reducing the environmental impact of sites.

## NOTABLE ACHIEVEMENTS IN THE ENVIRONMENTAL FIELD ON GROUP SITES




### 5. Site audits

Since the end of the 1990s, the Group has used internal environmental audits at all of its industrial facilities as well as its main engineering and logistics facilities in order to monitor the implementation of ISO 14001 requirements, and compliance with its own internal standards for the protection of the environment, individuals, and facilities. These complement the external audits performed annually by a certified independent body.

Internal audits are therefore conducted by members of the industrial environmental network (environmental managers and business specialists), using joint audits that encourage exchanges of best practice between plants and stimulate improvements in environmental performance.

As of end-2019, the network had 54 internal environmental auditors who were specifically trained and qualified in accordance with ISO 14001 and on the internal audit standards based on the Energy, Health, Safety and Environment Technical Rules (see "Eco-design of industrial processes" above).

## Sales and after-sales


Renault Retail Group, the distributor of the Renault, Dacia, Alpine and Nissan brands in 13 European countries, set up an environmental management policy in 2007.

An RRG environment manager is responsible for training and coordinating a network of environment correspondents in France and Europe. He/she provides a set of environmental management best practices, which are available on the RRG intranet. RRG has also provided reporting in France since 2011 and in Europe since 2013, regarding the environmental impact of its establishments. A summary of this reporting is provided in appendix 2.6.1.4.

Renault also provides support in these efforts to its dealer network and franchises. In France, the Sales department (DCF) provides information and coordinates exchange of best practice through annual Environment Club meetings in each regional center. RRG environment managers participate in and contribute to these clubs.

The Sales & Marketing department assists the network by providing a selected panel of national service providers for waste collection and treatment. Renault also finances its sales network's access to Autoeco.com, allowing sites to track the amount of waste they produce. Renault is also a partner of the CNPA (National Council of Motor Industry Professionals), which, as part of the "Environment Challenge," provides the sales network with technical support in the implementation of environmental protection measures and the search for financial assistance.

Given the small size of sales outlets (when compared to the size of the Group's industrial sites), their involvement in the ISO 14001 certification process is voluntary, except in South Korea where the distribution network is integrated into the overall ISO 14001 certification of the Renault Samsung Motors subsidiary.

The composition of products used in the Group's distribution network, and the parts and accessories sold under the various Group brands around the world are subject to the same rigorous control process as the products and parts used in manufacturing vehicles. This process seeks to protect the health of both the consumers and the workers involved in vehicle maintenance and repair, protect the environment, and ensure compliance with regulations in force in countries where the vehicles are distributed, such as the REACH regulation in Europe (see section 2.3.3.C.b).

Renault also offers owners of its vehicles a large range of renovated ("Renault standard exchange") powertrains and mechanical parts, sold at a lower cost than that of a new part, but still meeting the same quality standards. In addition, used body parts (including hoods, wings, headlamp units, *etc.*) collected in Indra's network of dismantlers and selected by the Gaïa subsidiary, are available as an after-sales service to customers whose cars cannot be repaired economically using new parts only. These offers are part of the circular economy approach implemented by Groupe Renault to reduce the consumption of raw materials and environmental footprint associated with its products in their life-cycle (see section 2.3.3.B).

## Vehicle use


Life-Cycle Assessments show that more than 80% of the greenhouse gases and the majority of atmospheric pollutants emitted over the life cycle of an ICE vehicle concern the vehicle usage phase (see section 2.3.2.A). The first solution for reducing these emissions is technological and involves the reduction of emissions from internal combustion vehicles, as well as the development and marketing of a range of electric vehicles that do not emit any pollutants or greenhouse gases during use. Groupe Renault therefore devotes a significant portion of its Research and Advanced Engineering expenses to this field, which places it among the leaders in the automotive industry in these two domains.

Moreover, the behavior of motorists, and how they use their vehicles, may be another avenue in which considerable progress can be achieved. Renault therefore endeavors to promote eco-driving, which can lead to significant reductions in energy spent and in greenhouse gas emissions during vehicle use.

The actions and results of the Company in terms of reducing emissions of greenhouse gases and atmospheric pollutants of ICE vehicles and the promotion of eco-driving are detailed in 2.3.3.A "Energy and climate change" and 2.3.3.C.a "Air quality."

## Vehicle end-of-life


Since 2015, European Union regulations require that 95% of the mass of end-of-life vehicles be recovered, of which 85% must be recycled. In accordance with the principle of extended producer responsibility, automakers are responsible for helping to organize and finance this process. Outside Europe, other countries already have such regulations (South Korea, Turkey, Russia, China) or are preparing to do introduce similar ones.

Renault is helping to organize the collection and recycling of end-of-life vehicles everywhere it is required. This initiative takes various forms, such as establishing its own network of authorized collection and recycling centers for end-of-life vehicles, which Renault has done, notably in France, or participation in a joint program (carmakers, dismantlers, public authorities) to set up such recycling networks.

In all cases, the vehicle is picked up at no cost to the last owner. Information concerning the methods for pollution removal, dismantling and recycling is supplied to the recycling operators and energy recovery networks using the web-site of the International Dismantling Information System (www.idis2.com).

Altogether, the markets in which Renault helped to collect and process end-of-life vehicles represented approximately 55% of the Group's global sales in 2019.

Renault has also established partnerships and commercial agreements for the collection, repair, second life and recycling of electric vehicle batteries in accordance with the regulatory requirements arising from manufacturers' increased responsibilities. The rental of the battery (or of the vehicle itself) forms part of the package for the vast majority of electric vehicles marketed by Renault, with Renault remaining the owner and manager. This package ensures complete control of the collection and optimal recycling of end-of-life batteries, guaranteeing compliance with the Group's regulatory obligations in this area.

More information on these activities is provided in the section "Collect, Sort, Dismantle, Direct" in section 2.3.3.B"Resources and the circular economy."

## C. Organization and resources EFPD7b

The focuses of Renault's environmental policy are debated and approved by the Group Executive Committee (GEC) on the recommendation of the Vice President Strategic Environmental Planning. The Strategic Environmental Planning department prepares, deploys and monitors the implementation of the environmental policy in all sectors of the Company. To this end, it uses a network of representatives who are assigned to all Company departments, as well as the expertise network created within the Group in 2010 in areas such as "energy, environment and raw materials strategy," "vehicle $CO_2$" and "air quality and substances."

### Resources

Renault spends over €2 billion per year on Research and Development. Most of these resources are dedicated to new vehicle development, a phase in which improvement of environmental performance is inseparable from the standard product renewal process. About €200 million are allocated yearly to research and advanced engineering in the early stages of vehicle projects. A substantial portion of this expenditure is allocated to innovations specifically intended to reduce fuel consumption and vehicle emissions. These play a role in the appeal of the products, answer regulatory requirements (particularly in Europe), and represent an important tool for shrinking Renault's environmental footprint.

On the industrial side, Renault invests between €25 million and €35 million per year in the refurbishment and improvement of its facilities in terms of environmental, individual and property protection, and the production and distribution of energy. The operational expenses associated to these activities can be added to these amounts.

Renault also allocates financial resources to the development of partnerships and equity investments in the area of the environment and sustainable development through Renault Environnement, a subsidiary set up in 2008 and headed by the Group's Vice President, Strategic Environmental Planning.

### Environmental skills and training


Renault provides its employees with environmental training and information adapted to their role and their needs.

Plant employees receive workstation training, including environmental aspects, particularly chemical risks arising from handling, storage and spills, and the sorting of waste. In the majority of plants, this training is done through a specific **Dojo** (workshop) and involves a hands-on approach to waste management practices and the handling of chemical products in day-to-day activities. In addition, educational and awareness-raising activities on environmental protection regularly take place through internal communication channels or through weekly team meetings.

In the engineering functions, employees have access to environmental training linked to their business, provided in the form of internal training modules (*e.g.* training for ISO 14001 auditors or design-for-recycling) or training provided by a specialized external organization if a specific skill is required. Renault employees in France also have access to eco-driving training.

## D. Environment and competitiveness

The effort to reduce environmental impacts is still frequently perceived as a source of additional costs for companies. This is only part of the picture, however, since it does not take into account the positive impact on operating costs, product and service offering appeal and the diversification of income streams.

### Reducing operating costs

In the extremely competitive automobile market, keeping vehicle production costs low is crucial in order to retain a competitive edge.

Costs stemming from energy consumption and waste management at Renault's plants run into the hundreds of millions of euros each year. Optimizing these areas is thus a means of both reducing the environmental impact of operations and substantially lowering production costs. Energy consumption and waste management have therefore been selected as some of the priority areas for action, in order to meet the Group's objective of reducing operating costs to achieve a long-term operating margin of 5% or more.

In 2019, the actions taken to reduce energy consumption in all of the Group's plants, under the supervision of a dedicated centralized team (see "Manufacturing" under section 2.3.3.A, "Energy and Climate Change") secured savings of approximately €8.2 million on the Group's yearly energy bill.

In addition, the Group sorted and resold recyclable waste (largely metals), generating a revenue of nearly €166 million in 2019. Substantial potential savings could also be made from the recovery of other more specific waste materials. For example, using recycled solvents (see "Manufacturing" under section 2.3.3.B) rather than virgin ones reduces their cost by 30%.

Increased use of recycled materials and efforts to reduce exposure to critical raw materials are also part of the process of keeping costs low.

Reducing exposure to virgin materials has become all the more important given both the extreme volatility and long-term upward trend of primary raw material prices. These less foreseeable changes are only partially passed on in vehicle sales prices due to the intensely competitive environment. They thus have a direct impact on the Group's operating profit (see section 2.3.3.B). Setting up "short loops" for the recycling of materials within the Group's business scope (see "Recycling: Develop new recycling routes, use recycled materials" in section 2.3.3.B) is therefore a means of reducing both the cost of purchasing raw materials and the Group's exposure to the volatility of their prices.

The increased quantity of recycled materials used in vehicles and the creation of short recycling loops (internally and externally) generated additional savings of some €5.9 millions in 2019 compared to the actions already implemented in 2018. Of particular note are the actions implemented to improve the recovery of aluminum waste, as well as the optimization of sorting operations in the Group's plants.

### Products and services that fulfill market expectations

Vehicle development is governed by constant changes in regulations, particularly as regards $CO_2$ and pollutant emissions. In addition, there is increasing societal concern about the urgency of combating climate change, and about the health effects of products and industrial processes. These concerns can have a significant effect on market structure. The decline in the share of diesel engines in the sales mix is one example of this.

In this context, the Group is drawing up prospective scenarios in order to ensure that its products and services fulfill market expectations, based on:

- the collection of data on public policy by a global network of correspondents, including regulations, tax and road rules;
- external partnerships (*e.g.* specialist bodies, NGOs) to anticipate changes in stakeholder expectations (including customers, users and territories);
- carrying out studies to map local and national initiatives, and to analyze the potential impacts on the automotive market and the mobility market as a whole.

These structural changes are taken into account in the Group strategy and incorporated in the Drive the Future plan both as opportunities and competitiveness drivers. They include the electrification of internal combustion engines, the ecosystem of electric vehicles and batteries, and new mobility services.

Fuel consumption is one of the 10 main reasons for buyers to choose a Renault vehicle, according to surveys conducted of customers on Renault's main markets. Renault's determination to reduce its vehicles' fuel consumption and $CO_2$ emissions in use meant that in 2018 it was able to offer one of the passenger car ranges with the lowest emissions in Europe (see section 2.3.3.A), which gave it a significant competitive advantage.

In addition, Renault is developing new tools and services that enable customers to limit their fuel consumption (embedded tools and eco-driving training, see the section on "Eco-driving" under section 2.3.3.A) and to prolong vehicle life at a competitive price by offering an economical option for refurbished parts of guaranteed quality (see the section on "Re-use" under section 2.2.3.B). Through these tools and services Renault is not only aiming to reduce its environmental footprint, it is also working to increase customer loyalty.

### New business areas

Working to find ways to both reduce environmental impacts and optimize the Group's economic resources has led Renault to explore areas which complement its core business, which has opened up new business opportunities.

Although the Choisy plant, which specializes in the renovation of powertrain parts, has been in operation for nearly 70 years, the creation of the Renault Environnement subsidiary in 2008 reflects this momentum. Through its subsidiaries, Renault Environnement works in the following areas:

- recycling of end-of-life vehicles (Indra, joint-venture with Suez);
- industrial waste management for plants (Boone Comenor Metalimpex, joint-venture with Suez);
- recovering parts and materials through recycling networks, repairing or refurbishing batteries from electric vehicles and selling of refurbished parts (Gaïa).

In 2019, these three activities of Renault Environnement (described in greater detail in 2.3.3.B "Resources and the circular economy") generated revenues of €562 million. Each of these activities had a net positive result in 2019.

Furthermore, standard exchange parts (described in 2.3.3.B) generated revenues of nearly €120 million in 2019.

## E. Vigilance plan (Group activities)

Groupe Renault, together with the stakeholders, has defined reasonable due diligence measures for the environment in the framework agreement (see section 2.4.1.4.A). This is why Groupe Renault's environmental policy aims to reconcile product and service offerings with environmental protection, to deploy environmental management throughout the Group, eliminate or reduce environmental impacts and organize environmental communication. All of these provisions are subject to annual monitoring, carried out jointly by the signatories of the framework agreement, based on indicators (see section 2.4.1.4.A).

The Vigilance plan linked to supplier and subcontractor activities is covered in section 2.5.2 "Strengthening the responsible purchasing approach in the supply chain."

### Risk mapping DV1a DV2a

As regards to obligations under the Duty of Vigilance, Groupe Renault has identified the main environmental risk factors that may impact the ecosystems or exposed persons that are a potential result of the Group's activities or the activities of its suppliers and subcontractors. Among these macro risk factors, particular attention is paid to:

- the use of water resources (see section 2.3.3 D);
- pollutant discharges into water and the natural environment (see section 2.3.3.D);
- the generation of waste and its management in ad hoc infrastructures, in particular hazardous waste (see section 2.3.3.B);
- the pollution of soil and groundwater (see section 2.3.3.E);

- air pollution linked to the use of chemicals or processes that generate atmospheric pollutants (see section 2.3.3.C.a);
- climate change (see 2.3.3.A).

The Group decided to include climate change in its Vigilance plan although the topic differs from those listed in the law.

Where appropriate, risks are prioritized according to local characteristics (groundwater sensitivity, water stress zones, processes with high use of chemicals, *etc.*) and regulations put in place by local authorities (ICPE, SEVESO, *etc.*).

### Manufacturing

With regard to manufacturing activities, which potentially generate the greatest environmental risks, analyses are carried out through the "Écorisques" computerized expert system, whose approach is both qualitative (sensitivity, organization, training and chemical, toxicological and ecological approach) and quantitative (noise, natural resources, waste, emissions, wastewater, chemicals). The Écorisques system makes it possible to evaluate and prioritize risks and potential impacts generated by the site's activities in the context of a life-cycle and the implementation of corrective measures to minimize those risks.

The risk mapping carried out through Écorisques is an integral part of the ISO 14001-certified Environmental Management System (EMS) implemented at each industrial site.

### Other activities

For engineering and testing, logistics, and spare parts storage activities, the largest centers managing these activities perform risk mappings similar to the one described above through the Environmental Management System.

As regards the sales and after-sales activities controlled by the Group, risk analyses are performed in the major countries under the Site Management System, some of which are ISO 14001-certified.

### Climate change

Climate change linked to greenhouse gas emissions is understood both locally (exposure of sites to extreme climate phenomena) and globally. The Group has analyzed its challenges, particularly the implications of the COP 21 Paris agreement for the automotive sector, and translated the risks and opportunities so they can be taken into account in the Company's strategy and product and services offering.

## Actions to prevent risks and serious harm DV3a

### Manufacturing

As far as manufacturing activities are concerned, plants have, through their Environmental Management System, an organizational structure to prevent risks and environmental damage. Every year, action plans are put in place to continuously improve environmental performance and reduce risks. Obtaining ISO 14001 certification from an independent external body validates the Environmental Management System.

### Other activities

The largest centers that manage engineering, testing and logistics activities have the same organizational structure as the industrial sites. At the other sites, this structure is not fully deployed given the lower level of environmental risk.

### Climate change

The physical risks associated with extreme weather events, the frequency and intensity of which are likely to change as a result of the global rise in temperature, are taken into account in the same way as other natural and industrial risks as part of the Group's prevention policy (see "Taking account of climate change issues" in 2.3.3.A.

In line with the targets set according to the COP 21 Paris Agreement, Groupe Renault is also implementing a strategy to reduce its carbon footprint throughout the life cycle of its products by reducing the $CO_2$ emissions from combustion engines, deploying electric vehicles and their ecosystem (second life and smart battery recharging), deploying new mobility services, developing circular economy activities and improving the energy efficiency of its industrial facility and logistics on an ongoing basis.

## System for monitoring the measures implemented and evaluating their effectiveness DV5a

### Manufacturing

For manufacturing activities, several levels of control over the implementation and effectiveness of the action plan have been established:

- an initial level of internal control at each site is carried out within the context of the Environmental Management System;
- a second level of control is performed through annual audits by teams of one to four Renault auditors from other sites. Two types of internal audits are applied: ISO 14001 audits, which are generally used in sites with an EMS less than three years old, and ISO 14001 audits supplemented by thematic auditing for older sites, which include the following topics: soil, water, chemicals, risk prevention, air, waste, transport of dangerous goods, noise and energy. Upon receipt of the audit report, the audited entity defines the action plan to address each point of non-compliance. The completion and effectiveness of the action plan are verified during the next annual audit;
- a third level of control and monitoring of the implemented measures is performed through an external annual audit carried out by an independent accredited body as part of obtaining ISO 14001 certification;
- finally, the environmental data for each site (quantities of waste, wastewater and atmospheric emissions, water and energy consumption) are reported via a Group system. These data are audited and validated annually by another independent audit body.

#### Other activities

As regards to engineering and testing activities, sales and after-sales activities in Europe and South Korea, spare parts storage facilities, the largest centers managing these activities have the same organizational structure as the industrial sites.

#### Climate change

A global carbon footprint reduction indicator throughout the whole vehicle life cycle enables to manage action plans and provides a concise overview of the Group's contribution to the decarbonization of the automotive sector. The progress of the various action plans which support this carbon footprint reduction target is measured by quantified performance indicators. The carbon footprint indicator covers Groupe Renault's own performance and also those of its suppliers, particularly production and logistics activities.

The $CO_2$ emissions of vehicles during the use phase account for a significant portion of the carbon footprint, so reducing these is high on the Company's priorities. They are therefore regularly monitored at Group Executive Committee level (position with regard to CAFx regulations).

Action plans, results and associated indicators are shown in sections 2.3.3 "Environmental impact: actions and indicators" (sub-sections A, B, D, C.a, E) and 2.3.2 (environmental objectives table: internal audits and ISO 14001 certifications).



## 2.3.3 Environmental impact: actions and indicators

### A. Energy and climate change EFPD11c EFPD12a EFPD12b EFPD12c

| Environmental objectives | | Objective set | Deadline | Status as of year-end 2019 |
|---|---|---|---|---|
| **All segments** | **Reduce the carbon footprint [1] of Groupe Renault vehicles sold worldwide by an average of 25% between 2010 and 2022** | **2017** | **2022** | **-17.4% (compared to 2010)** |
| Product | Worldwide: reduce the tank-to-wheel $CO_2$ emissions of PC and LCV ranges by 25% between 2010 and 2022 in order to meet the Group's carbon footprint reduction objectives and to comply with the regulatory requirements for the relevant markets. | 2017 | 2022 | -14.2% (compared to 2010) |
| Manufacturing | Reduce the carbon [2] and energy [3] intensity of the sites within the consolidated environmental scope of Groupe Renault by an average of 3% per year between 2013 [4] and 2022 (*i.e.*, a 24% reduction over the period). | 2016 | 2022 | Carbon intensity up 3.8% (compared to 2018, *i.e.*, -20,0% since 2013)<br>Energy intensity up 1.1% (compared to 2018, *i.e.*, -13.6% since 2013) |
| Manufacturing | Achieve a renewable energy share (both direct & indirect) of 20% for sites within the Groupe Renault consolidated environmental scope [5]. | 2008 | 2020 | 19.2% in 2019 |
| Logistics | Reduce $CO_2$ emissions linked to logistics activities [6] by an average of 6% between 2016 and 2022 (an average of -1% per year). | 2016 | 2022 | -5.8% (compared to 2016) |

*(1) See definition, scope and calculation method for Groupe Renault's carbon footprint in section 2.6.1.1. The main methodological changes between the periods 2010-2016 and 2016-2022 relate to the integration of the greenhouse gas emissions of the Renault Retail Group sales network into the accounting scope, and the standardization of $CO_2$ emissions for vehicle use according to the new WLTP certification procedure for the 2016-2022 period instead of the NEDC cycle used for the 2010-2016 period. The reduction rate of the carbon footprint between 2010 and 2022 is considered at constant scope and calculation method.*

*(2) Direct and indirect emissions linked to energy consumption for Groupe Renault sites (excluding AVTOVAZ, in which Renault acquired a majority stake in December 2016, and for which environmental reporting is currently in development), divided by the total number of vehicles produced (scope and calculation method: see scope 1 and scope 2 categories in the Renault carbon footprint category table in section 2.6.1.1).*

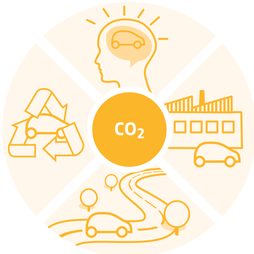
*(3) Energy consumption of Groupe Renault's sites (excluding AVTOVAZ) divided by the total number of vehicles produced, see chart in the Manufacturing section below.*

*(4) Following the widening of the reporting scope in 2012 for direct and indirect greenhouse gas emissions (to include direct emissions from fixed air-conditioning units) and 2013 (indirect emissions linked to thermal energy purchased), the reference year for the emissions reduction objective was set at 2013, and not 2010 as was the case for the carbon footprint objective.*

*(5) The consolidated environmental reporting scope covers all of the sites listed in the "site environmental indicators in 2019" table under section 2.6.1.3, i.e., all manufacturing sites, together with the main Groupe Renault logistics, tertiary and engineering sites, excluding the RRG Commercial Network, which comes under a special reporting system as detailed in section 2.6.1.4.*

*(6) Average gross emissions (not adjusted for the effects of geographical and model mix) in kg $CO_2$/km per vehicle produced linked to upstream transportation (parts for the Group's manufacturing sites) and downstream transportation (transportation of new vehicles), excluding AVTOVAZ, in which Renault acquired a majority stake in December 2016, and which is currently being integrated into the environmental reporting scope.*

### Taking stakes linked to climate change into account




Groupe Renault, aware of the environmental impact of its products, has long incorporated issues related to climate change in its strategic vision, with a view to social responsibility but also to economic performance and preservation of the company's value over the medium and long term. The Group considers the recommendations of the Financial Stability Board's Task-Force on Climate-related Financial Disclosures (TCFD) to be an appropriate frame of reference for communicating these issues to the various stakeholders in order to promote the transition to a low-carbon economy. In 2019, the Group decided to support this initiative.

The following summary presents the Group's progress in implementing these recommendations. It aims to supplement the cross-reference table already published for the 2018 fiscal year and presented in note 2.6.1.6. This table also refers to the Group's responses to the CDP (formerly *Carbon Disclosure Project*) "Climate Change" and "Water Security" questionnaires for which the frameworks have been aligned with the TCFD's recommendations since 2018. The Group's responses are public and may be accessed at www.cdp.net.

**The agreement signed in 2015 following the Paris Climate Conference (COP 21)** and the national commitments published at the time were subjected to an in-depth analysis of their implications for the automotive industry as soon as they were announced. The associated opportunities and risks were presented to the Executive Committee for inclusion in the Group strategy and product plan.

In 2015, the Board of Directors and its International, Industrial and Digital Strategy Committee studied Renault's emissions strategy, the Group's electrification strategy and the impact of new European regulations on emissions (WLTP, Worldwide harmonized Light vehicle Test Procedure).

In 2019, the Group's Board of Directors reinforced its governance of environmental issues still further by setting up the specialized Ethics and CSR Committee, with one of its tasks being to ensure a high level of commitment to extra-financial compliance, ethics and social and environmental responsibility, with a transversal vision covering all Company activities.

The Group has clearly identified the risks and opportunities related to climate change as a major competitiveness topic for the company, and in particular :

- risks and opportunities linked to the impact of the evolution of regulatory and normative requirements related to environmental performance of vehicles and/or industrial processes and, more broadly, greenhouse gas emissions reduction targets defined in the context of the COP 21 agreement;
- risks and opportunities related to the transition to a low-carbon economy: risk of mismatch between the product/service offer and market expectations, risk of loss of competitiveness of certain products, but also opportunity to gain competitiveness on electric and electrified vehicles, opportunity to develop new electric and shared mobility services to support the transformation of uses, improve air quality and reduce congestion in cities;
- physical risks, which are less material for the Group: exposure of sites to extreme weather events with potential negative consequences on industrial and logistical activities, supply and insurance premiums, in particular flooding (e.g. the French plants in Choisy-le-Roi and Flins, located near the Seine), hurricanes (e.g. the Busan plant in South Korea) and hailstorms (in particular the Santa Isabel plant in Cordoba, Argentina, the Valladolid plant in Spain, the Flins plant in France, the Revoz plant in Slovenia and the Pitesti plant in Romania).

In the short term, meeting the **regulatory targets for reducing $CO_2$ emissions from vehicles** in Europe in 2020 and 2021 is a financial and reputational issue and therefore a priority objective for the Group.

The risk, in the event of non-compliance with the European objective of a CAFE[1] per manufacturer of 95g of $CO_2$/km in 2020, would be a financial penalty of €95 per gram and per vehicle, i.e. an overall amount of about €150 million per gram of overrun (based on current sale volumes).

To meet this European CAFE objective, the Group has the following levers at its disposal:

- a pioneer position in electric vehicles: the Group can build on 10 years' experience in design, manufacture, sale and after sales, with 30,000 employees trained in the specific features of electric vehicles. Renault is leader in electric mobility in Europe with over 250,000 100% electric vehicles already on the roads. The Group has the most comprehensive range on the market with ZOE, Kangoo Z.E., Master Z.E., and, from 2020, Twingo Z.E., sold in numerous countries in Europe and elsewhere;
- an offer of hybrid and plug-in hybrid technologies, with E-TECH on Clio and E-TECH PLUG-IN on Megane and Captur, available in 2020 and presented in detail in 1.4.4.2 "Competitiveness of Alliance technologies";
- a range of internal combustion engines equipped with the most recent technologies.
- additional solutions based on alternative energies: an LPG (Liquified Petroleum Gas) offering for the Dacia range, or hydrogen fuel cells on the Kangoo Z.E. Hydrogen and Master Z.E. Hydrogen light commercial vehicles (in 2020).

In 2018, the Group also created a specific Program team, "CAFE control tower", with the task of ensuring convergence with the next regulatory stages in terms of vehicle $CO_2$ emissions (monitoring of results and managing the 2020 and 2021 road map). For this, a tool for forecasting $CO_2$ levels for Group registered vehicles in Europe was rolled out in 2019. The CAFE control tower reports monthly to the Operations Review Committee, which is chaired by the Chief Executive Officer.

(1) *CAFE (Corporate Average Fuel Economy) represents the average $CO_2$ emissions of all passenger cars sold by a carmaker – see Groupe Renault graph presented below.*

Outside Europe, the Group is also subject to similar regulatory constraints. In total, around 70% of the Group's sales worldwide are thus subject to CAFE-type regulations.

Beyond the Europe stake, for which the levers are presented above, the Group's environmental midterm plan is based on three strategic axes:

- the development of the electrification of vehicles (100% electric, hybrid and plug-in hybrid vehicles) and services provided by batteries to the energy sector (second life and smart charging) to enable reductions in greenhouse gas emissions while promoting the growth of renewable energy;
- the development of the circular economy that meets the need to preserve natural resources and contributes to reducing the energy consumption (and, therefore, indirect greenhouse gas emissions) used in the extraction of raw materials and production of goods;
- lastly, the development of new electric and shared mobility services.

The Group uses an **internal carbon pricing** mechanism to drive the reduction in its $CO_2$ emissions. This internal carbon price depends on the scope considered:

- for **vehicle projects**, the definition of the carbon price notably includes regulations on emissions in use such as CAFE and $CO_2$ related taxation. For example, the carbon price taken into account to make decisions on technical carbon reduction solutions in vehicle projects in Europe is around €450/metric ton. This value takes into account, among other factors, regulatory issues and tax frameworks attached to each market.
- for **industrial installations**, it takes into account multiple factors such as expected changes in the energy market and $CO_2$ emissions quotas: over half of the Group's direct emissions are concerned by the EU-ETS quota exchange system, for which the current price is around €20-25/t $CO_2$. For further details on the management of EU-ETS quotas, refer to the section "Manufacturing", below.

Moreover, in the Company's internal process, **life cycle assessments (LCA) or carbon assessments** are carried out regularly to assess and decide between different strategic options (for example, which mobility service model has the most positive impact on areas such as cities?) or different technological options, by model or region, for example comparative LCAs of batteries, powertrain technologies (electric, plug-in hybrid, hydrogen, LPG, NGV, biogas) or the assessment of the environmental benefits related to the circular economy. The prevailing logic in these assessments is that only vehicles or services offering mobility with the lowest possible carbon footprint will be successful in the marketplace, or be favored by regulations or taxation.

### Climate scenarios

To prepare its decarbonization trajectory, the Group used external benchmark data, notably the Energy Technology Perspectives of the International Energy Agency (B2DS "Beyond 2°C" scenario) and the World Automotive Powertrain Outlook developed by the specialist company, BIPE.

The Group's 2030 targets for reducing direct and indirect emissions related to the consumption of energy required for production (scopes 1 and 2) and the target for reducing emissions related to vehicle use (scope 3 "well to wheel") were **officially approved by the Science-Based Targets (SBT) initiative** in March 2019: Groupe Renault commits to reduce scope 1 & 2 emissions by 60% per car produced by 2030 from a 2012 base-year, and to reduce scope 3 well-to-wheel emissions by 41% per vehicle kilometer by 2030 from a 2010 base year. The SBT initiative arose from a partnership between CDP, the United Nations Global Compact program, the WRI (World Resources Institute) and WWF (World Wildlife Foundation). The aim is to verify the consistency between greenhouse gas emission reduction targets set by companies and the data from scientific research on climate. **Groupe Renault was the first company in the automotive sector to have its decarbonization targets validated by the SBT initiative.**

Furthermore, Groupe Renault was ranked in third place out of 25 manufacturers in the World Benchmarking Alliance (WBA) and CDP rankings published in December 2019. This analysis was conducted using ACT (Assessing low-Carbon Transition) methodology developed by ADEME and CDP, which aims to assess "integration of climate change into corporate strategy, companies' efforts to reduce greenhouse gas (GHG) emissions and how they manage their emissions". Renault is one of five companies in the sample group whose GHG reduction targets meet the Paris Agreement alignment criteria established by the International Energy Agency.

This decarbonization trajectory is the **Company's reference climate scenario**, and is consistent with the Paris COP21 target of keeping global warming below 2°C. This reference scenario is one of the elements of the strategy deployed across all of its activities (industrial facilities and product and service development).

However, numerous uncertainties remain as to the future results of the efforts deployed to fight against climate change. In order to test the robustness of its strategy when faced with a wide range of possible futures, the Group has begun to build **alternative scenarios** to its reference scenario. This work builds on the forward-looking analyses that the Group conducts continuously, covering a wide range of variables that may impact the Company's business model, including: decarbonization of energy production, public policies (regulations, taxation, regulation of road traffic, notably in cities), availability and speed of adoption of technologies, changes in the expectations of users, territories and other stakeholders, and accessibility and cost of resources.

Renault has integrated into its strategic approach the ambitions for 2030-2040-2050 presented in the Green deal for Europe, published in November 2019, which aims to make Europe the first area to commit key sectors of activity (including mobility) to a path compatible with the objective of limiting global warming to 1.5°C. The scenarios for achieving carbon neutrality by 2050 for the mobility sector that underpin this ambition have been set out for the Group in terms of the vehicle offer and powertrain mix, in terms of the outlook for battery development (chemistry, production conditions and associated services), in terms of material/materials issues and the circular economy, and in terms of operations in plants and the supply chain.

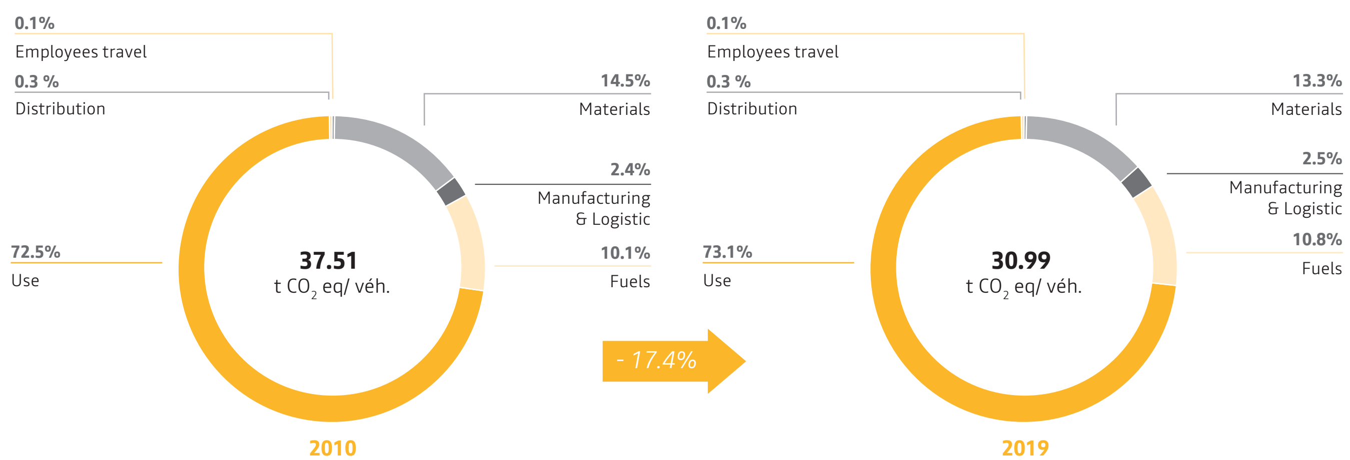
With a view to continuously improving its alignment with the TCFD recommendations, the Group will further study these alternative scenarios and their implications on medium- to long-term performance.

To measure its contribution to the decarbonization of the automotive sector, the Group uses a **global carbon footprint reduction indicator for the Group's vehicles over their whole life cycle.** This carbon footprint corresponds to the greenhouse gas emissions a product generates over from extraction of the raw materials needed to manufacture it, to its processing at end of life. The carbon footprint calculation for Groupe Renault vehicles includes direct and indirect greenhouse gas emissions caused by the Company's energy consumption during production (scopes 1 and 2), as well as most other indirect emissions associated with their design, manufacture, sale, use, and end-of-life processing (scope 3), as defined by the Greenhouse Gas Protocol.

**The Group is committed to reducing the average carbon footprint of its vehicles by 25% over the period 2010-2022** (see the scope and definition of the carbon footprint indicator in appendix 2.6.1.1), in line with the targets set in the COP 21 Paris Agreement.

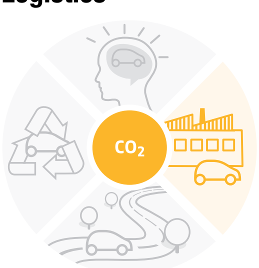
Other quantified indicators measuring the performance of action plans covering all the Group's activities are presented in the rest of this chapter.

### RENAULT CARBON FOOTPRINT




Scope: All passenger cars and light commercial vehicles registered under the Renault, Dacia, Alpine and Renault Samsung Motors brands worldwide. See section 2.6.1.1.
Groupe Renault's carbon footprint was estimated to be 96 million metric tons of $CO_2$ equivalent in 2019.

## Logistics




The Logistics ECO2 plan, which runs until 2022, is based on commitments by the logistics departments and regions regarding concrete measures rolled out in the following focus areas:

- the implementation of innovations in transport systems, based on co-engineering between Renault teams and service providers, with a gradual deployment strategy. The use of alternative fuels was thus tested (natural gas for vehicles, replacing diesel), as well as the use of versatile trucks that can transport vehicles and parts;
- the reduction in the number of kilometers traveled (location of suppliers in the country of production, optimization of logistics flows), based on a monitoring indicator for each new vehicle project, which measures compliance with recommendations concerning the location of the 130 most bulky parts;
- optimizing container load rates and packaging based on eco-design;
- developing rail and sea transport as an alternative to road transport.

Progress on these measures is monitored by dedicated environmental performance committees which are co-chaired by the Director of the Alliance Supply Chain and the Vice President Strategic Environmental Planning.

The following examples illustrate this:

- optimization of the filling of packaging and trucks within the central Europe scope was extended to Romania, Turkey and Morocco, which has avoided placing nearly 39,800 trucks on the roads, representing 1.7% of upstream transport units;
- the mode change towards trains and ferries for flows between France, Spain, the United Kingdom, Romania, Turkey, Morocco and Russia (Moscow factory), which has avoided using about 61,000 trucks, representing 2.6% of all upstream transport units;
- lastly, for the transport and distribution of new vehicles, a multi-modal transfer towards the train between France, Spain, Romania, Morocco and India, which has avoided the use of about 22,300 trucks, representing 2.1% of all downstream transport units.

All of these actions have avoided emitting 140,500 tons of $CO_2$ (cumulative over the period 2017-2019).

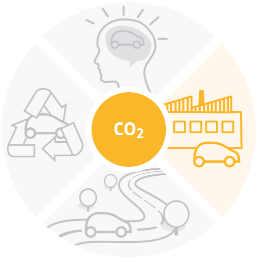
Renault is one of the members of the Environment and Transport Commission within the AUTF (Association of Freight Transportation Users). As such, the Group has organized multi-company workshops to identify environmental best practices and joint actions to be taken. Renault was one of the first signatories of ADEME's FRET21 Charter in 2015, the purpose of which was to ensure that shippers reduce the $CO_2$ emissions of their transport methods. By end-2017, Renault had met its three-year FRET21 commitment, and was the leading contributor in terms of emissions savings. The Group has since renewed this commitment with a three-year plan covering the period 2018-2020.

In 2019 ADEME awarded the Group its EVE trophy (voluntary environmental commitments – transport and logistics) for most progress in reducing its greenhouse gas emissions from the transportation of goods for its business.

In the context of its environmental strategy aiming to reduce its carbon footprint and that of its supply chain, in 2018 Groupe Renault announced the signature of a partnership with the start-up NEOLINE, a designer and operator of cargo ships using sails. This project plans the construction of two wind-powered cargo ships by 2021, with the aim of commissioning in 2021-2022 on a pilot route which will connect St-Nazaire, the East Coast of the United States and Saint-Pierre & Miquelon. This shipowner project has culminated in the design of a commercial demonstrator capable of reducing $CO_2$ emissions by up to 90% compared to a traditional cargo ship on an equivalent voyage, mainly using wind propulsion associated with a cost-cutting speed and optimization of the energy mix.

Finally, after Renault and Nissan's Supply Chain departments were consolidated under a single entity in 2014, best practices are shared within the Alliance and both companies have aligned their annual objectives for the reduction of transport-related $CO_2$ emissions.

## Manufacturing




The greenhouse gas emissions reduction strategy is largely based on a reduction in energy consumption and the development of renewable forms of energy, since over 90% of the sites' emissions are the result of energy consumption. This strategy, seen in both continuous improvements and in breakthrough actions, is based on four components:

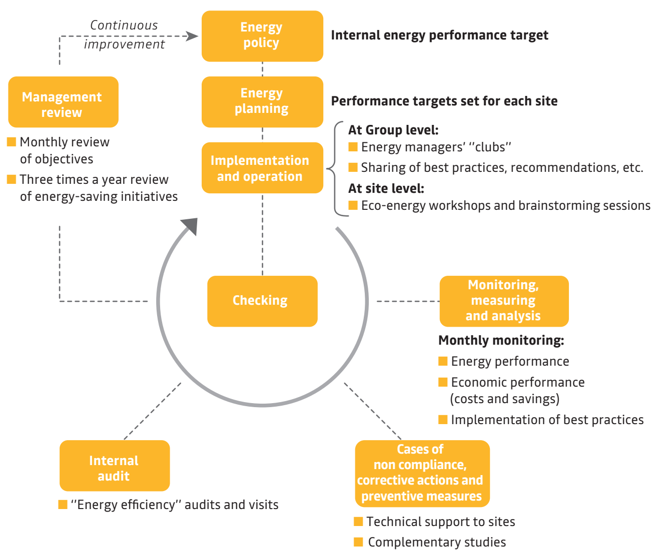
- management of energy consumption outside production periods energy. A specific system is in place to completely shut down machines and general facilities whenever possible outside production periods;
- convergence toward the best organizational and technical practices identified. Ventilation and operating conditions (temperature and humidity) have been optimized in paint shops, the most energy-hungry areas in vehicle body assembly plants. Equipment downtime and restart has also been optimized to minimize consumption. Specific actions are also applied to other production processes, such as the detection and handling of compressed air leaks or the optimization of the cooling of the welding guns used in sheet metal work;
- increase the energy efficiency of processes, particularly by experimenting energy recovery solutions such as installing heat exchangers at exit doors of paint drying ovens and decentralizing energy consumption to limit heat losses on the network;
- develop renewable energies and substitutes for fossil energies, as shown by the introduction of biomass boilers in Tangiers (Morocco), Curitiba (Brazil) et Moscow (Russia), the use of electricity from renewable sources on the Curitiba (99.9% of supplies in 2019) and Tangiers sites (see "Eco-design of industrial processes" under section 2.3.2.B), the use of steam generated by the burning of industrial waste at the Sandouville (France) and Busan (South Korea) plants, and the 86 hectares of solar panels installed in the Group's French, Spanish and Korean plants (see inset below) in partnership with third-party investors.

### 86 hectares of solar panels on the Group's sites

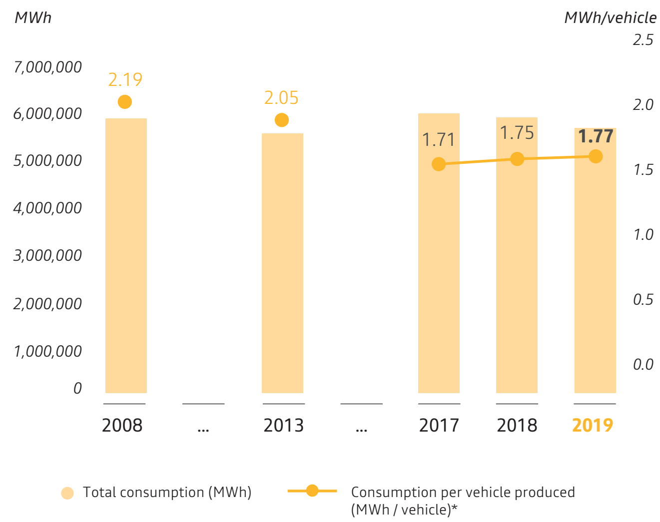
The solar panels installed on Renault sites throughout the world (in France, Spain and South Korea) cover a total surface area of 86ha, or the equivalent of nearly 120 soccer fields. In 2019, the 94 MW of fully renewable electricity that they generate enabled the prevention of nearly 30,000 metric tons of $CO_2$ emissions.

Energy management is a major economic challenge for Groupe Renault, with a global annual energy bill of more than €300 million. That is why it is being managed by a dedicated corporate team, via a network of energy managers deployed across all Group sites, according to an organization based on the principles of ISO 50001 (although Renault has not chosen to undertake a global certification procedure in respect of this standard, only the sites of Bursa and Cléon currently being certified) outlined in the diagram below.

## ENERGY MANAGEMENT WITHIN GROUPE RENAULT




## ENERGY CONSUMPTION (1)




* Given the high number of engines and gearboxes manufactured for partners, for the calculation of the MWh/veh ratio, powertrain plant consumption is adjusted pro rata to the total number of vehicles manufactured by the Group. However, no adjustment is applied to overall consumption presented in MWh in the chart.

## DISTRIBUTION OF ENERGY CONSUMPTION BY TYPE OF ENERGY

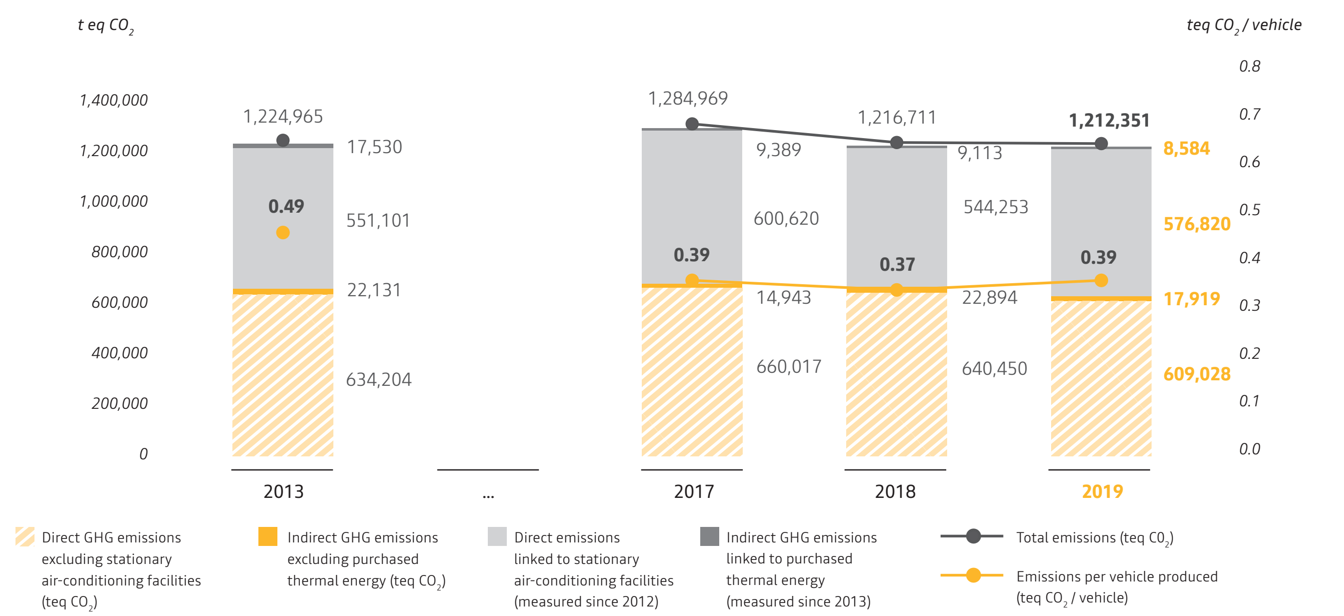
| | Total consumption | |
|---|---|---|
| | % | MWh |
| Electricity | 50.7% | 2,864,320 |
| *Of which from renewable sources* | 17.6% | 995,875 |
| Natural gas | 44.9% | 2,534,939 |
| Purchased thermal energy | 3.2% | 178,629 |
| *Of which thermal energy generated from biomass at the Tangiers site* | 1.4% | 76,467 |
| LPG | 1.0% | 53,863 |
| Biomass | 0.2% | 13,488 |
| Heavy fuel oil and domestic fuel oil | 0.05% | 3,093 |
| **TOTAL** | **100%** | **5,648,332 (√)** |
| **OF WHICH ENERGY THAT IS RENEWABLE OR PRODUCED FROM RENEWABLE SOURCES** | **19.2%** | |

*(√) Indicator audited by the independent third party at a reasonable level of assurance for financial year 2019.*

*(1) Scope: the reporting scope (described in Appendix 2.6.1.2) includes all manufacturing sites and the main logistical, tertiary, and engineering facilities of Groupe Renault, excluding the RRG Commercial Network, which is subject to the specific reporting presented in 2.6.1.4.*

**Within its industrial scope, 13 Group sites are subject to the EU Emissions Trading Scheme (EU-ETS)**. The associated financial stakes are managed by a special steering committee. Against a background of the gradual elimination by the European Commission of the free allocation of EU-ETS quotas, the strategy implemented by Groupe Renault aims to minimize the financial costs that these quotas will cause for the Company in the medium and long term, through efforts to reduce the energy consumption of the sites (see above) and rigorous forward-looking management, throughout the period 2013-2020. The Group has decided to use the market (rather than its reserves of quotas or surpluses at some of its sites) to fill the quota deficit of its European sites with negative balances in 2019, for a total cost of around €3 million. The Group plans to maintain the negative impact of $CO_2$ quotas (Europe and Korea) in the Company's financial statements at a similar level in 2020, while retaining a quota reserve, with the aim of mitigating the expected upward trend of this financial expense over the 2021-2030 period.

## GREENHOUSE GAS EMISSIONS (√) (1)



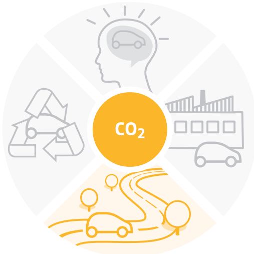

(√) Indicators audited by the independent third party at a reasonable level of assurance: total (scope 1 & 2) greenhouse gas emissions for financial year 2019.

## DISTRIBUTION OF GREENHOUSE GAS EMISSIONS BY TYPE OF SOURCE

| | 2019 | 2018 | Measured since |
|---|---|---|---|
| **DIRECT EMISSIONS (SCOPE 1)** | **52 %** | **55%** | |
| Stationary combustion installations | 45 % | 47% | 2003 |
| Filling of air conditioning systems with refrigerants on produced vehicles | 1 % | 2% | 2003 |
| Testing of gear boxes, engines and vehicles on endurance test tracks | 1 % | 1% | 2003 |
| Company cars | 3 % | 3% | 2009 |
| Filling of stationary air conditioning systems for premises and processes | 1 % | 2% | 2012 |
| **INDIRECT EMISSIONS (SCOPE 2)** | **48 %** | **45%** | |
| Electricity | 48 % | 45% | 2009 |
| Thermal energy purchased (steam and hot water) | 1 % | 1% | 2013 |

*(1) Scope: the reporting scope (described in Appendix 2.6.1.2) includes all manufacturing sites and the main logistical, tertiary, and engineering facilities of Groupe Renault, excluding the RRG Commercial Network, which is subject to the specific reporting presented in 2.6.1.4.*

## Vehicle use




Renault aspires to make a significant contribution to the reduction of the environmental footprint of vehicles. In order to do this, it strives to provide mobility solutions that are eco-friendlier and that are accessible to the greatest number of people.

### 1 Internal combustion engine vehicles

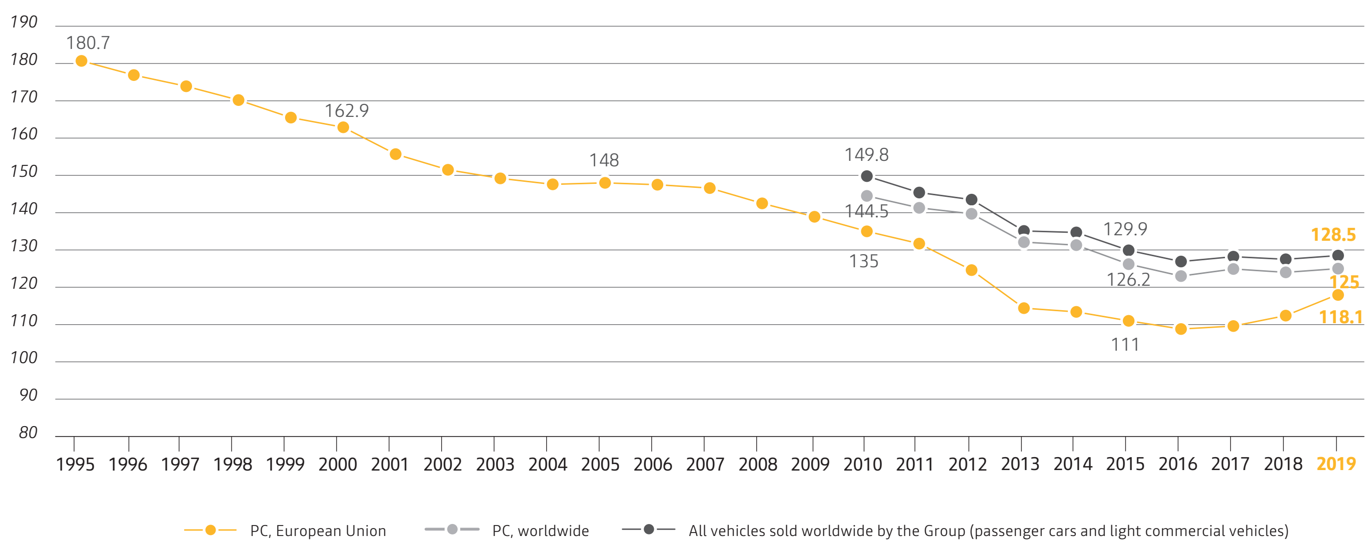
In order to continue the reduction in $CO_2$ emissions of its internal combustion engine vehicles to meet its carbon footprint commitments, to comply with the regulatory requirements in each of the Group's markets (EU with average emissions limited to 95g $CO_2$/km by 2020, as well as China, South Korea, Brazil, India, Turkey, Mexico, Japan, *etc.*) and to retain a sustainable position among automotive industry leaders in this field, Renault relies on various courses of action, such as:

- vehicle weight reduction through the use of lighter materials such as aluminum and the use of technological advances (hot pressed steel, *etc.*) that lighten the parts while retaining the desired mechanical characteristics;
- aerodynamics;
- downsizing, *i.e.* reducing the capacity (and, therefore, the fuel consumption) of an engine with power delivery equal to the number of turbochargers and optimized combustion;
- the reduction of heat loss and mechanical friction;
- different levels of hybridization, from Stop & Start to affordable rechargeable hybrid technology. The corporate strategic plan includes the launch of 12 electrified models representing half of the range. In 2020, the Group will accordingly start to sell hybrid versions of Clio, and plug-in hybrid versions of Captur and Megane, based on the E-TECH technology presented in detail in 1.4.4.2 Competitiveness of Alliance technologies.

In 2019, based on the data available at the date of publication, average $CO_2$ emissions from Groupe Renault's passenger cars in Europe were estimated at 118,1g $CO_2$/km. The increase was primarily due to the impact of the WLTP procedure and the continued decrease of the diesel engine share, as diesel engines are more efficient than gasoline engines in terms of $CO_2$ emissions (-9 points in Groupe Renault's sales mix in Europe in comparison with 2018).

However, Groupe Renault's CAFE remains below its regulatory objective, with a difference of -7.9g $CO_2$/km in 2019.

**AVERAGE $CO_2$ EMISSIONS OF VEHICLES SOLD BY GROUPE RENAULT (GCO2/KM) – PC EUROPE, PC WORLDWIDE AND ALL VEHICLES WORLDWIDE**




PC European Union: Average certified $CO_2$ emissions under the mixed New European Driving Cycle (NEDC) or the new WLTP procedure.

1995-2017 data: EU, data from the AAA (Association Auxiliaire de l'Automobile) or the European Environment Agency.

Provisional 2018 data: EU28 and Iceland (which joined CAFE in 2018).

Provisional 2019 Data: EU28, Iceland and Norway (which joined CAFE in 2019).

PC, worldwide and All vehicles, worldwide: The $CO_2$ emission values considered by model are those taken for the calculation of the Group carbon footprint indicator: please refer to the description of the scope covered and the data sources in section 2.6.1.1, line "Use of products sold."

### 2 Electric vehicles

Electric vehicles are a major component of Renault's strategy. The Company is targeting a large-scale roll-out of this type of vehicle, which provides a real solution to atmospheric pollution in urban areas by the absence of pollutant emissions during use [(1)] (see "Vehicle use" under section 2.3.3.C.a). They can also significantly reduce the greenhouse gas emissions associated with transportation.

The ZOE (22 kWh) carbon footprint throughout its life-cycle is nearly 40% less than that of an equivalent internal combustion vehicle, based on the average European electric production mix. Moreover, the carbon footprint of each electric vehicle in use, including those on the roads today, is set to decrease steadily over the coming years given the planned increase in the share of renewable energy in the European energy mix.

*(1) Neither $CO_2$, nor any other pollutant emissions during use, excluding consumable parts*

The synergies between electric mobility and renewable energy however go far beyond the mere reduction of $CO_2$ emissions related to battery charges. The challenge of widespread distribution of electric vehicles is emerging as an integral part of an optimal integration of renewable energies in the electricity production and distribution "ecosystem," at a lower cost and providing maximum benefit in terms of overall reduction of greenhouse gas emissions.

According to the study *En route pour un transport durable* (Towards Sustainable Transport) published in late 2015 by the European Climate Foundation and Cambridge Econometrics, intelligent management of electric vehicle charging could contribute to the creation of a net profit of €125 million in 2030 for the French energy system, while enabling greater integration of renewable energy. It would also make it possible to add more than 20 million electric vehicles into France's car fleet without resorting to additional production capacity.

The storage capacity that electric vehicle batteries represent could indeed be used to absorb surplus renewable energy when grid demand is lower than production and return the surplus during the consumption peaks. These peaks determine the size of electricity production and distribution infrastructures and contribute strongly to greenhouse gas emissions because they are currently covered for the most part by thermal power stations (gas, coal, *etc.*).

Such synergies can be implemented through intelligent management of the charging of electric vehicles (or even charges/discharges as part of solutions to power electrical grids or homes from batteries) and through the reuse of second-life batteries in electrical energy storage infrastructures. This is why Renault participated in the European ELSA project aiming to develop a stationary electricity storage system using second-life batteries provided by Renault and Nissan, and is a partner of the British company Connected Energy for the commercial development of fast-charge solutions based on used Renault second-life batteries (batteries that have lost about 30% of their initial storage capacity). In 2018, Renault announced the launch of the Advanced Battery Storage project, which aims to build in 2020 the largest stationary electricity storage system ever designed in Europe using electric vehicle batteries. This initiative forms part of a major integration of renewable energies into electrical networks. It should eventually be capable of storing a minimum of 60 MWh, and providing power of 70 MW. Furthermore, Groupe Renault and energy supplier Empresa de Electricidade da Madeira have joined forces to launch a smart electricity ecosystem on the island of Porto Santo in Portugal, based on four main pillars: electric vehicles, stationary electricity storage, smart charging and reversible charging. Its purpose is to promote the island's energy self-sufficiency, and to boost its renewable energy production.

According to the International Energy Agency, [1] global production from renewable energies should cover 30% of electricity demand by 2023 (compared with 24% in 2017), thereby making electric vehicles, which are a subject of growing interest in many countries, even more attractive in terms of environmental benefits.

### Electric vehicles in the ecological transition

Groupe Renault was invited by the Fondation pour la Nature et l'Homme and the European Climate Foundation to take part in the study "From Cradle to Grave: E-mobility and the French Energy Transition" alongside ADEME, the Réseau de Transport d'Électricité (RTE), the battery manufacturer Saft, Avere-France (association for the development of electric mobility) and the NGOs Réseau Action Climat France, WWF France and Réseau pour la Transition Énergétique (Energy Transition Network) (CLER)

This study was published in December 2017 and assesses the environmental impacts and benefits of electrifying the automotive vehicle fleet in France by 2030. It confirms the environmental benefits of electric vehicles in combating climate change and achieving the targets of the COP 21 Paris agreement. The study also covers how the benefits could be enhanced by maximizing the use of batteries for mobility (vehicle-sharing, increasing mileage) and by services to the grid ("V2G" or "vehicle-to-grid"). Finally, the study explores the possibility of using second-life batteries to store energy, thereby boosting energy transition and the development of renewable energy.

For further information visit:
https://europeanclimate.org/wp-content/uploads/2018/01/Electric_vehicles_ENG_AW_WEB.pdf/.

In 2019, the Group recorded a new 23.5% increase in its worldwide sales of electric vehicles, to more than 62,447 units.

In Europe, Renault is number in electric mobility with more than 250,000 battery electric vehicles put on the road since 2010. In 2019, Kangoo Z.E. remains the best-selling electric light commercial vehicle, as it has been every year since it was introduced. Electric vehicles represented 3% of total Groupe Renault sales in Europe in 2019 (well above the average market share for this vehicle type on the European market, which was 2.1% in 2019), enabling electric vehicles to provide a -3.2g $CO_2$/km reduction in the average emissions from passenger cars sold by Groupe in Europe.

The Group offers a full range with New ZOE launched in 2019, Twizy, Kangoo Z.E., Master Z.E. and, from 2020, Twingo Z.E., sold in numerous countries in Europe and elsewhere, as well as the Renault Samsung Motors SM3 Z.E. sedan, sold in South Korea, and Renault City K-ZE, a new electric A-segment vehicle, urban and affordable, available in China since late 2019 and manufactured locally by eGT New Energy Automotive Co, a joint venture created with Dongfeng Motor Group and Nissan in order to develop and produce competitive electric vehicles for the Chinese market. In 2018 the Group also confirmed plans for three new electric light commercial vehicles, in the range produced by the Renault-Brilliance-Jinbei Automotive Company joint venture formed in 2018.

*(1) IEA Renewables 2018: market analysis and forecasts from 2018 to 2023.*

The Group's offering is supplemented by the Kangoo Z.E. Hydrogen and Renault Master Z.E. Hydrogen (2020), equipped with hydrogen fuel cells that provide additional energy, extending its range by up to three times compared to 100% electric vehicles, with a recharge time of only five to ten minutes.

## A partnership for more sustainable mobility

In June 2019, WWF France and Groupe Renault announced a partnership based on a shared vision of the future of mobility: that of the transition from an historical model of the individual car using carbon fossil energies towards a more sustainable mobility model, *i.e.*, more shared (notably through the roll-out of mobility services such as carpooling and car-sharing) and more electric, based on renewable energy sources with development facilitated by the services rendered by electric vehicle batteries.

The first practical case study carried out jointly as part of this partnership looked at the island of Porto Santo in Portugal, where Groupe Renault and Empresa de Electricidade da Madeira, an energy supplier, joined forces to launch a smart electricity ecosystem based on four main pillars: electric vehicles, stationary electricity storage, smart charging and reversible charging, with the aim of reinforcing the island's energy independence and reduce its carbon footprint.

While Porto Santo's energy mix is today based largely on fossil energies, the results indicate that the carbon footprint over the whole life cycle of electric vehicles in Porto Santo is lower than that of the diesel and gasoline equivalents, respectively by 11% and 34%. The study also shows that in the case of a maximum 99.5% use of renewable energies combined with 100% electric mobility, the carbon footprint related to all energy consumption on the island would be reduced by 88% compared to 2018. The full study is available online at:
https://media.group.renault.com/global/fr-fr/download/21228662

WWF France and Groupe Renault intend to continue this analysis of the benefits of the electric vehicle ecosystem combined with renewable energies by broadening the scope of the subjects studied (economic impact, uses, consideration of car sharing, *etc.*) and applying it to new regions, with the aim of identifying the key success factors in view of a large scale roll-out.

### 3 Technological eco-driving aids

Fuel consumption actually observed by the average driver can diverge from the certified values, with differences possibly exceeding 20% depending on the type of driving. This is due to certified consumption values being calculated for standardized cycles that do not reflect all driving styles (more or less aggressive) or all driving conditions (no heating or air conditioning, fluid urban and suburban traffic).

Renault offers eco-driving assistance solutions in order to close this gap, so that the actual consumption noted by its customers is as close as possible to the certified values. This was the impetus behind the creation of Renault's Driving ECO2 program in 2008, which aims to offer vehicle-embedded driving aids to customers, as well as training services in order to assist them in reducing their fuel consumption through eco-driving.

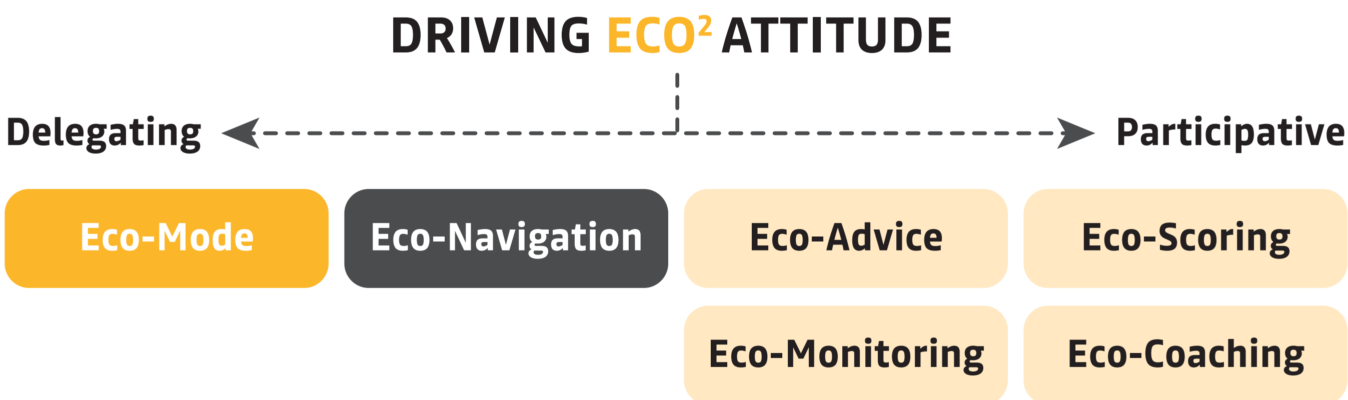
Changing driver behaviors through eco-driving is one way to reduce energy consumption (gasoline, diesel or electricity). Depending on driving style, savings of up to 25% could be achieved.

Surveys, conducted both internally and externally to better understand customers' expectations of embedded eco-driving aids, led to the identification of four driver profiles (see graph below):

- "participative" drivers, who wish to take an active role by changing their behavior, and would like information and targeted advice on how to do this;
- "delegating" drivers, who are ready to give full responsibility for reducing their consumption to the vehicle;
- drivers who are both participative and delegating;
- finally, a minority of drivers who state that they have no interest in any form of eco-driving assistance.

In order to meet the specific expectations of each of its customers, Renault has developed a full range of Driving ECO2 embedded driving tools adapted for each driver profile (see graph below):

- Eco-mode, triggered by the touch of a button, modifies vehicle performance and regulates thermal comfort to reduce fuel consumption by as much as 10%;
- the real-time driving aid tools Eco-Advice (gear shift indicator) and Eco-Monitoring (which combines the driving style indicator, instant consumption and the engine regime);
- the Eco-Scoring and Eco-Coaching tools integrated into the multimedia systems, which assess the driver and provide him or her with personalized advice based on the scores obtained;
- Eco-Navigation calculates the most fuel-efficient route for a given journey.




Deployed since 2012, these embedded eco-driving aids are now available on all passenger car and light commercial vehicle models sold under the Renault, Dacia and Renault Samsung Motors (in South Korea) brands, except where local vehicle adaptations change this.

These embedded aids have fully achieved their goal, which was to raise driver awareness of how their driving affects their vehicle's consumption and emissions, and initiate a form of collaboration or even dialog between drivers and their vehicles in terms of eco-driving. Since then, Renault has been developing second-generation embedded eco-driving aids, which will integrate predictive functions and a higher degree of personalization, connectivity and interactivity with the driver, to improve the gains achieved under real driving conditions.

#### INTRODUCTION OF EMBEDDED ECO-DRIVING AIDS

| | Main models equipped at end-2019 |
|---|---|
| Eco-mode | Renault range: Twingo, Clio, New Clio, ZOE, Captur, New Captur, Megane, Scenic, Kadjar, Talisman, Espace, Koleos, Kangoo (Z.E. and ICE), Trafic, Master<br>Dacia range: Sandero, Logan, Duster, Duster II, Lodgy and Dokker<br>RSM range (Renault Samsung Motors): QM3, SM5, SM6, QM6, SM7 |
| Driver assessment and coaching | Renault range: Twingo, Clio, New Clio, ZOE, Captur, New Captur, Megane, Scenic, Kadjar, Talisman, Espace, Koleos, Kangoo (Z.E. and ICE), Trafic, Master<br>Dacia range: Sandero, Logan, Duster, Duster II, Lodgy and Dokker<br>RSM range (Renault Samsung Motors): SM3, QM3, SM5, SM6, QM6, SM7 |
| Driving style indicator | Renault range: Clio, New Clio, Captur, New Captur, ZOE, Megane, Scenic, Kadjar, Talisman, Espace, Koleos, Trafic<br>RSM range (Renault Samsung Motors): QM3, SM5, SM6, QM6, SM7 |

In addition to embedded eco-driving aids, Renault offers its fleet customers Driving ECO2 training programs on internal combustion and electric vehicles, in partnership with the French driving school ECF (École de Conduite Française) and the International Federation of Safety Education Network (IFSEN). Course participants are trained on their own work vehicles, to which a Driving ECO2 Training System by Renault device is connected. This facilitates an analysis of the overall driving data so as to measure in real time the progress made through the implementation of the skills learned.

Renault also offers its corporate customers an embedded telematics system (Fleet Asset Management), which provides corporate fleet managers with remote access vehicle driving data (distance, consumption, average speed and Eco-score). This objective assessment of the driver's behavior encourages employees to adopt eco-driving measures during their travel and they can be trained if necessary.

## B. Resources and the circular economy EFPD9 EFPD10 EFPD11b

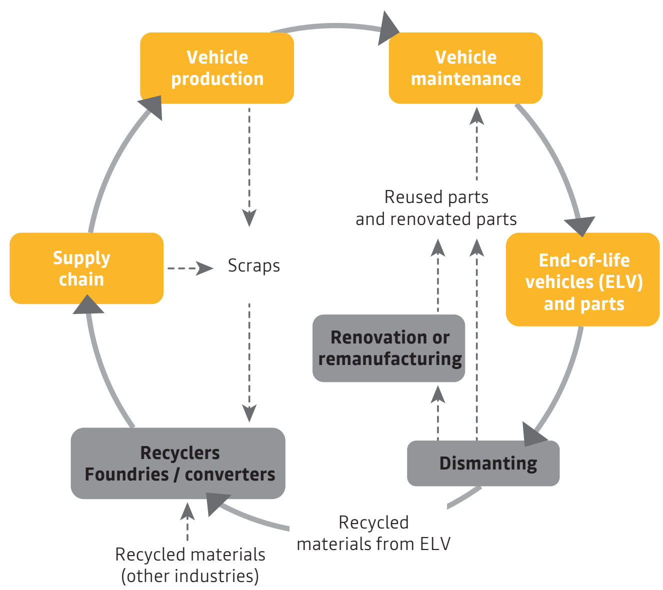
| Environmental objectives | | Objective set | Deadline | Status as of year-end 2019 |
|---|---|---|---|---|
| Product | **Increase the technical and economic value of parts and materials preserved in the automotive sector through the circular economy activities of the Group and its Renault Environment subsidiary between 2016 and 2022, by €100 million, in particular:**<br>• repair and refurbishment services and second-life use of electric vehicle batteries<br>• use of recycled materials from end-of-life vehicles and production scraps in the production of new vehicles<br>• use of refurbished parts to repair vehicles in the after-sales phase | **2017** | **2022** | **+€45.7M [4]** |
| Product | Increase the Group's overall consumption of recycled plastic (by weight) by 50% between 2013 and 2022 | 2016 | 2022 | 52 kt in 2019, or +20% (compared to 2013) |
| Manufacturing | **Reduce by 25% the quantity of non-recycled waste [1] per vehicle produced on the Group's manufacturing sites [2] between 2013 and 2020, through:**<br>• a 15% reduction in the quantity of hazardous waste per vehicle produced between 2013 and 2020<br>• a 30% reduction in the quantity of mixed non-hazardous waste per vehicle produced between 2013 and 2020<br>• 50% "zero landfill" manufacturing sites [3] by 2020 | 2016<br>2016<br>2016<br>2016 | 2020<br>2020<br>2020<br>2020 | -30.4% (compared to 2013)<br>-15.2% (compared to 2013)<br>-26.3% (compared to 2013)<br>50 % |

*(1) Waste for which the processing network is designated by European processing codes D or R1 (energy recovery), excluding foundry and construction waste.*
*(2) Excluding AVTOVAZ, in which Groupe Renault acquired a majority stake in December 2016, and which is currently being integrated into the environmental reporting scope.*
*(3) Sites for which less than 1% of waste (excluding foundry and construction waste) is sent to landfill, either directly (as defined by European codes D1, D5, D12) or after stabilization treatment (sludge treated as defined by European code D9).*
*(4) The method used to calculate the indicator is presented in 2.6.1.1.C.*


Reducing the consumption of virgin materials is a key objective, both on an ecological and economic level. The extraction and processing of raw materials has negative impacts on ecosystems and reduce their availability for future generations. At the same time, the rising trend observed in raw material prices since the beginning of the century and their volatility affects the profitability of the business. The Group's ability to factor issues related to the scarcity of resources into its strategy is based on circular economy principles, which include:

- eco-design standards for both vehicles and batteries, including frugal use of scarce materials, incorporating recycled materials, preparing vehicles for dismantling and end-of-life recycling, and conducting raw materials criticality analyses (see section 1.6.1.2, paragraph "Risk of failure in supply of raw materials");
- projects that aim to develop and implement new technical solutions and industrial channels for collection, reuse, renovation and recycling of parts and materials, increasing the range of reused or re-manufactured parts on offer, second-life use and recycling of electrical vehicle batteries, and setting up recycling closed loops within the automotive sector;
- plans to improve the efficiency of industrial processes, in order to optimize resource use and waste management.

Groupe Renault also avoids using mineral resources from conflict zones (see 2.5.2 "Strengthening the responsible purchasing approach in the supply chain").



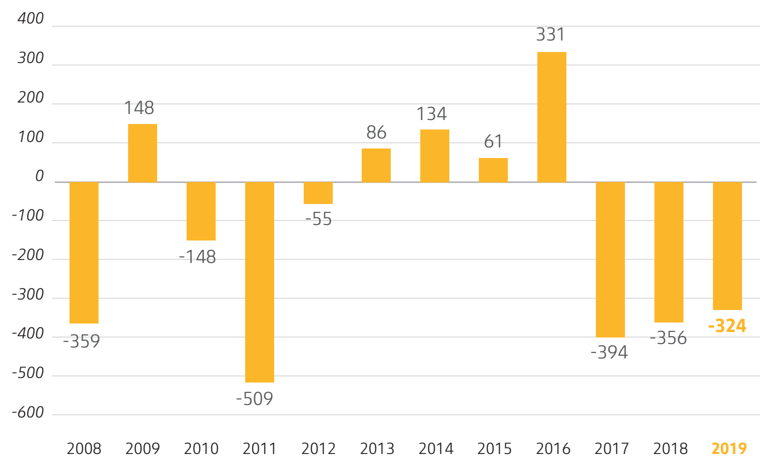

Metals and plastics make up more than 85% of the materials in automobiles. In 2019, approximately 4.1 million metric tons of steel, 400,000 metric tons of cast iron, and 400,000 metric tons of aluminum were used to manufacture vehicles in the Group's plants [1] and by its parts suppliers. These estimated figures include offcuts of sheet metal and metal shavings generated during supplier parts manufacturing processes and in the Group's plants. In addition, Groupe Renault used about 490,000 metric tons of plastic materials, including offcuts, in vehicle manufacturing in 2019.

Among the materials used in the plants in the Europe and North Africa Regions (approximately two-thirds of the quantities above), it is estimated that the portion of recycled steel materials ranges from 15% for flat steel to up to 100% for steel bars and cast iron. The recycled materials rate for aluminum varies considerably according to the processes used to manufacture the parts: it is close to 100% for aluminum foundries and has been increased to nearly 40% for pressed aluminum parts manufactured internally. The mass of recycled plastic averaged 16.9kg per vehicle in 2019.

*(1) Excluding AVTOVAZ, in which Groupe Renault acquired a majority stake at the end of December 2016, and which is currently being consolidated into the environmental reporting scope.*

## ANNUAL IMPACT OF FLUCTUATIONS IN MATERIAL PRICES ON THE GROUP'S OPERATING PROFIT

*€ million*




## Renault is a partner of the Ellen MacArthur Foundation

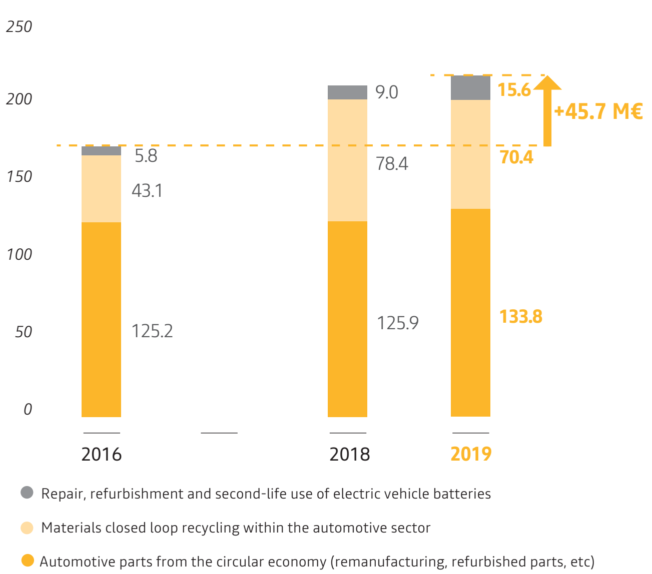
The Ellen MacArthur Foundation works with businesses, universities and decision-makers to promote circular economic models and develop the scientific and managerial knowledge required for their adoption and to advise on the potential for economic and environmental benefits.

A founding partner of the Ellen MacArthur Foundation, Renault helps to fund it, contributes to the Foundation's work and events (annual reports, case studies, Circular Economy 100 business network) and undertakes to develop activities based on the principles of the circular economy.

The Ellen MacArthur Foundation supports Renault in raising the awareness of its employees and takes part in in-house studies at both managerial and operational levels, with a view to implementing circular economy in the Group's business.

For more information about the Ellen MacArthur Foundation: www.ellenmacarthurfoundation.org.

## TECHNICAL AND ECONOMIC VALUE OF PARTS AND MATERIALS PRESERVED IN THE AUTOMOTIVE SECTOR THROUGH CIRCULAR ECONOMY ACTIVITIES[1]




The circular economy activities of Groupe Renault and its subsidiary Renault Environnement enabled the creation or preservation of €219.8 million in technical and economic value during the 2019 financial year, up €45.7 million compared to 2016 and in line with the aim of an €100 million increase between 2016 and 2022, of which:

- €15.6 million in electric vehicle batteries repaired and reused in vehicles or refurbished and resold for second-life applications, or +€9.8 million vs. 2016;
- €70.4 million in closed-loop recycled materials reused for the production of new vehicles: metallic waste from automotive plants and materials extracted from end-of-life vehicles, such as precious metals (platinum, rhodium, palladium) contained in catalytic converters, polypropylene bumpers and copper from electric wiring, as well as textile production scraps (seatbelts and fabric), or +€27.3 million vs. 2016;
- €133.8 million in automotive parts from the circular economy (refurbished parts taken from end-of-life vehicles and remanufactured powertrain parts) and second choice new parts (end of series), or +€8.6 million vs. 2016.

*(1) The method of calculation of the indicator is presented in Annex 2.6.1.1.C.*

### Designing vehicles that are recyclable and material-efficient


Renault anticipated the European regulatory requirement whereby 95% of vehicle mass should be recyclable or recoverable, and implemented it on all models brought to market as of 2007. In addition, it has been voluntarily applied to all vehicles sold by Groupe Renault worldwide.

Accordingly, since the early 2000s, the design of Renault vehicles has taken dismantling and recycling requirements into account. For example, dismantling has been made easier by reducing the number of fixing points. Similarly, preference is given to recyclable materials for which recycling systems exist; whenever possible, a single part will not contain materials that cannot be recycled together; and tanks are shaped to allow all fuel and oil to be removed. During the design phase, every vehicle project is monitored by a recycling specialist.

The possibility of renovating powertrains or certain of their parts (remanufacturing) is also taken into consideration from the beginning of their design by facilitating the dismantling and assessment of their components.

Renault is also working at reducing the amount of materials used in manufacturing its vehicles. Renault has introduced two technological advances to the steel used in vehicle bodies, in order to reduce the consumption of sheet metal:

- the use of sheet metal with high elastic limits (including hot-pressed steel) reduces the thickness and therefore the mass of the parts;
- stamping processes have been optimized to improve material consumption, i.e., the ratio between the mass of the part and the initial mass of the metal blank. These processes allow smaller blanks to be used to make the same part and generate less metal waste.

### Reducing at source and recovering industrial waste


In accordance with the principles of the circular economy, Renault has adopted a preventive approach to achieve the maximum reduction in the environmental impacts associated with the production of waste, through the implementation of the following principles, in order of priority:

- **reduce** the quantity of waste generated at source, by first eliminating the source of its creation, where possible: this means that the use of sustainable packaging in the transportation of manufacturing parts is favored over that of single-use packaging, particularly for high-volume parts and short logistical flows (the economic and carbon assessments incorporating the return of empty packaging are not favorable for low volumes transported over long distances).

  When the production of waste cannot be avoided, an effort is made to reduce the quantity by separating the portion that is not strictly-speaking waste (recoverable active substances, water, etc.). For example, the filtering systems for paint sludge facilitate a reduction in the quantities of waste to be eliminated since they extract the water contained in the sludge. Optimization of sludge drainage at the Palencia plant resulted in a 25% reduction in the ratio of production of paint sludge to vehicles produced between 2018 and 2019. Similarly, the separation of dry matter and oils contained in the sludge and the shavings from machining reduces the tonnage of waste and facilitates the recovery of oils that can be reused in the manufacturing process. The installation of an evaporator-concentrator at the Seville plant at the end of 2017 made it possible to reduce the tonnage of hazardous waste by about 30% between 2017 and 2018;
- **reuse** spent products, production offcuts and scrap: in assembly plants, excess anti-corrosion protection waxes are recovered after application, filtered and returned to the production system. Following the implementation of regeneration of solvents used to rinse the painting robots on most sites, the re-use of these regenerated solvents in the paint lines is now in place at the Batilly, Maubeuge, Flins, Sandouville (France) and Valladolid (Spain) sites. In Colombia, the Medellin plant has been recycling its paint solvents internally since 2014, enabling the plant to almost completely eliminate solvent waste. As regards powertrain manufacturing sites, the Cléon plant collects and regenerates used stamping and hydraulic oils from the Flins plant to use as a substitute for new oils. When they are in good condition, used wood pallets are re-used within the Company or resold for the same purpose. Gaïa, a subsidiary of Renault Environnement, recovers unused end-of-series parts from within the plants, sorts them and sells them;
- **recycle** the materials contained within the waste. This form of waste treatment can be applied to most recoverable materials (cardboard, plastic, metal, etc.). In this way, metallic waste, which represents over 70% of the total production waste, is almost completely recycled. Paper, cardboard and plastics are also systematically sorted for recycling. However, beyond these “traditional” recyclable waste categories, some more complex types of waste that may initially appear of no value can also be recycled through incorporation in the composition of new materials. Therefore, ashes from the biomass boilers at the Tangiers plant in Morocco (more than 900 metric tons in 2019) are used in bio fertilizers certified for use in organic farming. Similarly, since mid-2017, the Busan plant in South Korea recycles the sludge from its treatment and phosphating system by channeling it into cement manufacturing as a mineral input (more than 800 metric tons in 2019);
- **recover** energy:
  - by using waste as an alternative fuel: as an example, the site at Flins, since 2017, has been sending part of its hazardous waste (more than 300 tons in 2019) to a facility for the preparation of Substitute Solid Fuel supplied to cement works as an alternative to fuel oil for the combustion units,

- or by recovering the energy produced through incineration (in waste incineration plants) to produce electricity or steam; this in turn can be used to replace natural gas for heating paint drying ovens, as is the case at the Sandouville plant in France and the Busan plant in South Korea;
- **disposal** consists of burning the waste (without energy recovery) or burying it in landfill. Renault is seeking to minimize the use of this waste management method. Based on a like-for-like scope of operations, Renault has reduced the quantities of manufacturing waste sent to landfill (except demolition waste and foundries) by 47% since 2013. In 2019, Palencia eliminated its last use of landfill channels to reach "zero landfill".

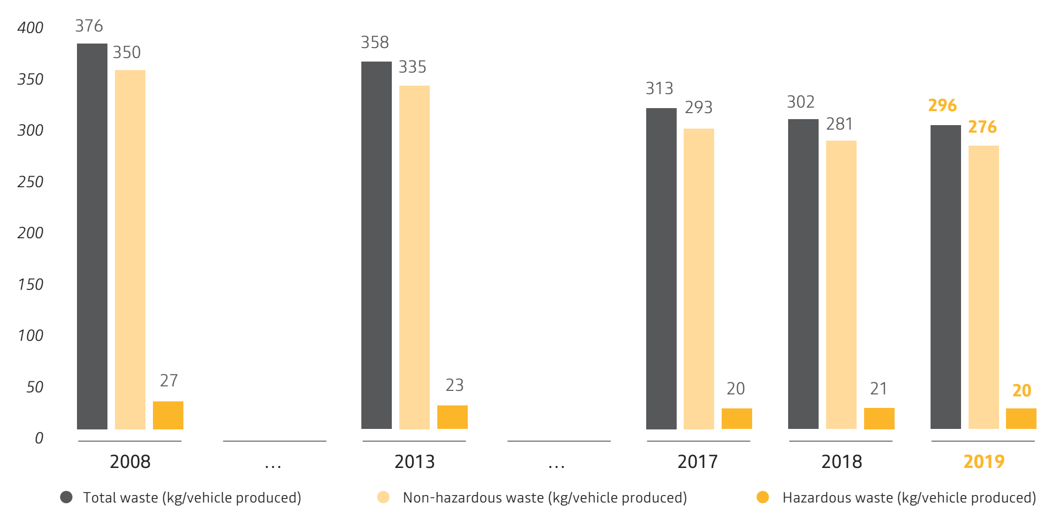
To ensure consistency at a Group-wide level, Renault has drafted a waste table (a codified list of waste produced by sites). This makes it possible to standardize the approach to hazardous and non-hazardous waste internationally.

### WASTE PER CATEGORY AND PROCESSING MODE (METRIC TONS/YEAR) (1)

| | | Total | Recycled | Energy recovery | Incinerated without energy recovery | Other elimination channels |
|---|---|---|---|---|---|---|
| Hazardous waste | 2019 | 61,558 (√) | 22,768 | 18,794 | 8,513 | 11,483 |
| | 2018 | 67,265 | 22,569 | 24,047 | 7,174 | 13,474 |
| | 2017 | 65,816 | 19,768 | 23,580 | 10,330 | 12,139 |
| Non-hazardous industrial waste (2) | 2019 | 182,364 (√) | 146,290 | 18,752 | 625 | 16,697 |
| | 2018 | 192,720 | 151,513 | 13,372 | 452 | 22,383 |
| | 2017 | 190,094 | 150,368 | 15,455 | 234 | 24,037 |
| Metallic waste | 2019 | 679,814 (√) | 678,475 | | 3 | 1,336 |
| | 2018 | 720,465 | 717,759 | | | 2,706 |
| | 2017 | 783,201 | 779,450 | | | 3,751 |
| Total | 2019 | 923,735 (√) | 847,533 (√) | 37,546 | 9,141 | 29,515 |
| | 2018 | 980,449 | 891,841 | 42,420 | 7,626 | 38,562 |
| | 2017 | 1,039,110 | 949,587 | 39,034 | 10,563 | 39,926 |

*(1) Scope: all manufacturing sites and the main tertiary, logistics and engineering sites of Groupe Renault, excluding AVTOVAZ and excluding establishments in the RRG Commercial Network (scope of reporting described in section 2.6.1.2). Quantities of construction waste, which are unrelated to the activity, are not included.*
*(2) Excluding metallic waste.*
*(√) Indicators audited by the independent third party at a reasonable level of assurance for financial year 2019.*

### WASTE PER VEHICLE PRODUCED (KG/VEHICLE)(1)




*(1) Scope: all manufacturing sites and main Groupe Renault tertiary, logistics and engineering sites, excluding AVTOVAZ and excluding RRG Commercial Network , (reporting scope described in section 2.6.1.2), Quantities of construction waste, which are unrelated to the activity, are not included in the chart.*

## Collect, sort, dismantle, direct


Collection is an essential step in the recycling of end-of-life (ELV) products. In addition to its regulatory obligations (see section 2.3.2.B), Renault has chosen to invest directly in the collection and processing networks for end-of-life vehicles in France (45% of the Group's European end-of-life vehicles are located here due to Renault's long-term establishment in the country), in order to retain economic and technical control of material flows.

Thus, in 2008 the Renault Environnement subsidiary committed itself, along with the Suez Group, by taking a 50% stake in Indra. Indra has been active in automotive dismantling for over 30 years, and is involved in all levels of automobile dismantling, through four complementary activity clusters:

- engineering: Indra designs, develops, produces and markets innovative tools, equipment and processes (refined and tested at their own dismantling site in Romorantin) that deal with pollution removal, dismantling and recycling of ELVs. These tools and methods are intended to be widely distributed to all of Indra's dismantling network through training programs that the Company develops and provides (420 people were trained in 2019);
- management-distribution of end-of-life vehicles for carmakers, insurers, governments, and even individuals through its 386 authorized ELV centers;
- dismantling/recycling in its own dismantling centers;
- marketing of refurbished parts under warranty: through its network, Indra distributes certified, reusable parts dismantled at its sites.

According to data available at the date of publication, more than 500,000 end-of-life vehicles were processed in 2019 by Indra's network of authorized dismantlers or by its own dismantling sites, of which more than 32,000 via the goodbye-car.com website, which, since 2014, has offered a "turnkey" ELV collection service aimed at retail customers.

The Gaïa subsidiary collects unused parts in the sales network as well as at the plants and suppliers' sorts them and, depending on their condition, resells them or sends them to the most appropriate recycling system.

Renault has invested in these activities in order to meet a three-pronged goal:

- to meet Renault's regulatory requirements concerning ELV collection and processing in France;
- to improve the technical and economic performance of the network, thereby achieving the European goal of a cost-efficient 95% vehicle recycling and recovery rate, through the development of new dismantling tools and processes for ELVs, and supporting and training its automotive dismantling network;
- to feed recycling closed loops (see "Recycling" section below) in order to reduce dependence on and consumption of virgin raw materials.

## Re-use


In addition to the marketing of unused parts by its Gaïa subsidiary (see above), since 2012, the Renault sales network in France has offered used body parts (including hoods, wings, headlamp units, etc.) collec*ted* and selected from Indra's network of dismantlers.

To facilitate access to refurbished parts, Indra has also developed the PRECIS system, in partnership with Sidexa. This was put into service in France in April 2014, and enables a pooled inventory of premium quality refurbished parts for repairers to be created, fed by the Indra network ELV centers. When pricing the repairs to be carried out on vehicles, repairers are automatically informed by the PRECIS module of Sidexa's Pacte Office software (market leader in calculation software) of the existence of refurbished parts available in the pooled inventory, thus reducing the repair cost while retaining the same level of guarantees. This offer, unique amongst European carmakers, allows the repair of vehicles for which repair would not otherwise have been economically viable using new parts alone, thus extending the vehicle life while very significantly reducing the environmental footprint associated with the repairs.

Revenue generated through the PRECIS system amounted to €5.5 million in 2019, up 56% compared to 2018. A significant increase is again expected in 2020, boosted by the still low penetration of used parts in the repair market and the law on energy transition for green growth, adopted in France in August 2015, which requires repairers to offer repairs with used parts since January 2017.

## Re-manufacturing


For more than 70 years, Renault has practiced re-manufacturing i.e., the refurbishment of mechanical parts. Used parts are collected in the sales network, sorted and refurbished. Since 1949, the renovation of engines and manual gearboxes has been carried out at the Choisy-le-Roi (France) plant. This activity adheres to a strict industrial process: involving complete dismantling, cleaning, sorting, refurbishment and replacement of faulty or worn parts, re-assembly and inspection.

These renovated ("RENAULT STANDARD EXCHANGE") parts are sold to Renault and Dacia vehicle owners at a price that is, on average, 40% lower than that of a new part, while satisfying the same quality requirements. Far from being marginal, the standard exchange parts offering covers nearly 70% of the Group's powertrain parts and up to 50% of ground contact parts and is regularly extended to cover new parts categories.

## Recycling: develop new recycling routes, use recycled materials


In accordance with the principles of the circular economy, Renault's objective is to ensure not only that waste from the automotive industry is recycled but, whenever possible, that it is recycled within the automotive industry itself (closed loop). The challenge is to maintain the technical qualities and economic value of materials during recycling.

At end-2019, the closed-loop networks set up by Renault included:

- the recycling of metal parts from vehicle maintenance and repair. These flows, set up in 2012, consisted of faulty engines and gearboxes sent for renovation: once processed, components that are not reused in the refurbished parts are recycled in Renault's foundries;
- copper recycling. The wire bought back from the dismantlers of end-of-life vehicles by Gaïa is processed to recover the copper. The copper is then re-sold either to the Fonderie de Bretagne (Groupe Renault) for the production of pearlitic cast iron or to auto industry suppliers for aluminum processing. The copper recycled by Gaïa is of a high-quality, enabling it to meet demanding technical specifications and to replace virgin or post-industrial material;
- recycling of polypropylene (plastic material). Gaïa collects bumpers from dismantlers and garages and ensures that they are processed in order to meet the Renault-Nissan Alliance's technical specifications. Seven grades of polypropylene provided by this recycling network have been listed with the Renault Materials Panel, of which three are used for mass production applications and four are currently awaiting approval for vehicle projects;
- recycling of metallic waste from manufacturing (sheet metal, shavings from machining). Loops between Renault plants or between Renault plants and suppliers of metal parts have been set up in France, Spain, and Brazil;
- recycling of platinum-group metals. Gaïa collects catalytic converters from end-of-life vehicles from dismantlers, from which it extracts the platinum-group metals. These recycled metals are then sold to an auto industry supplier to be re-used in the manufacturing of catalytic converters.
- recycling of textile fibers from seat belt and fabric production offcuts to produce interior vehicle trims (see example of the New ZOE at the end of this section).

These closed loops contribute to the achievement of Renault's objectives for the use of recycled materials in new vehicles. The collection and transportation of materials during the recycling process are also optimized to achieve the greatest reduction in the environmental footprint of the recycled materials.

The Group regularly develops new ways of reusing materials from end-of-life vehicles, notably through collaborative research projects bringing together manufacturers, local authorities, ADEME and universities (see boxed section). Accordingly, the development of an acoustic insulating material for soundproofing vehicles using recycled automotive textiles and professional clothing in an exclusive process received the technical validation of the Engineering department, with a view to developing applications on the range's vehicles.

Each Espace therefore contains more than 50kg of recycled plastics, including one-third from post-consumer recycling.[1]

### Circular economy collaborative research projects

Groupe Renault is involved in many collaborative research projects in the circular economy, for which it is most often the initiator and leader, bringing together a network of partners from the automotive industry and the worlds of recycling, research and education.

2015 had seen the culmination of the Innovative Car Recycling 95% project (ICARRE95), whose purpose was to show how to recover 95% of the mass of ELVs (end-of-life vehicles) under conditions that are economically profitable for all stakeholders, through:

1. creating and setting up new networks for parts or materials that are less frequently or never recycled by stakeholders in this area;
2. alternative logistics that aim to reduce the environmental footprint of transport in the recycling process;
3. the development of recycling skills through training.

In continuity with ICARRE95, three projects piloted by Renault aim to develop the use of recycled materials in particular from end-of-life vehicles or other end-of-life products in the manufacturing of new vehicles:

**I – TREFIV (Thermoplastic Glass Fiber Recycling) Project:**
This collaborative project aims to produce structural parts from post-consumer polypropylene through the addition of fiberglass. It is conducted in partnership with other companies including SYNOVA, an SME specializing in the recycling of plastics that was already involved in the ICARRE95 project. Approval for its application to structural parts on Espace V ("functional front end") was approved in 2017, and implemented in 2018.

(1) *Post-consumer recycled materials: materials from recycling end-of-life consumer goods, in contrast to post-industrial recycled materials coming from manufacturing waste.*

**II – TREVIS (Visible Thermoplastic Recycling) Project:**
The purpose of this project is to pave the way for the integration of post-consumer recycled plastics in visible parts, which represent most of the mass of plastic materials used in new vehicles. Recycled plastics are widely used today in non-visible parts, but their integration into visible parts requires a perceived quality and durability equivalent to those of the best new plastics, especially in terms of color, smell and colorfastness in climatic conditions such as prolonged exposure to the sun.

**III – TCT (Thermoformed Composite Textile) Project:**
The TCT project includes the deliverables from the “à filer” project, which has enabled the production of 100% recycled seat textiles. This project enables new materials combining technical performance, cost savings and ease of production, in close cooperation with ADIENT SA (subsidiary of Johnson Controls), automotive textile producer and Filatures du Parc. It combines two recycled materials from end-of-life vehicles, automotive manufacturing scraps and PET (polyethylene terephthalate) bottles, to develop a textile that can be used in the manufacture of thermoformed automotive parts. Apart from its obvious environmental interest, this solution also has the potential for significant gains in terms of simplification of industrial processes, durability and weight reduction. This project, based locally for the most part in the Occitania region of Southern France, also contributes to the revival of the French industrial sector, where it puts an age-old know-how in the service of innovation within the field of circular economy.

Groupe Renault is also continuing the collaboration with higher education establishments that started for the ICARRE 95 project, with the aim of integrating the subject of recycling into their educational courses and preparing for the future of these industrial sectors. For further information, see www.icarre95-programmelife.eu.

New ZOE, presented in 2019, shows how the research projects lead to applications in mass production. Renault and its partners have succeeded in applying the historical carding process to an **innovative fabric made from recycled materials from the automotive industry**. Designed according to circular economy principles, it comprises on average 50% textile and seat belt scraps, and 50% recycled fibers from plastic bottles. The short loop organization (manufacturing + procurement) reduces $CO_2$ emissions by more than 60% compared to the fabric of the previous ZOE from a standard manufacturing process. While recycled synthetic materials are generally reserved for casings and other protection components in cars, New ZOE uses them for the first time in the composition of cabin components: fabric for the ZEN finish and also exposed injection molded plastic trim parts. New ZOE now includes 22.5kg in recycled synthetic materials, an increase over the previous generation.

## C. Environment and health EFPD8a EFPD8b EFPD16a

| Environmental objectives | | Objective set | Deadline | Status as of year-end 2019 |
|---|---|---|---|---|
| Product (EV) | Products: launch eight fully-electric vehicles covering all segments, including five new models and three renewals between 2017 and 2022. Markets: retain position as leader in Europe and penetrate the market in China. | 2017 | 2022 | Launch of New ZOE in 2019, Renault number 1 in electric mobility in Europe with more than 250,000 electric vehicles sold since 2010. China: commercial launch of Renault City K-ZE in 2019 (3) |
| Manufacturing | Reduce by 25% between 2013 and 2020 the average VOC (1) emissions per $m^2$ of painted body | 2016 | 2020 | -23% (compared to 2013) |
| Manufacturing and product | Reduce the number of hazardous chemicals (2) used on Group sites by 20% between 2016 and 2022 (-68% between 2010 and 2022) | 2016 | 2022 | Reduction of 19% between 2016 and 2019 (-67% between 2010 and 2019) |

*(1) VOC (volatile organic compounds) emissions from vehicle body paint workshops (excluding paint for parts such as bumpers made of plastic materials and accessories), for all manufacturing sites excluding AVTOVAZ, in which Groupe Renault acquired a majority stake in December 2016, and which is currently being integrated into the environmental reporting scope.*
*(2) Chemical products classified as “Priority 1” (PR1) by Renault for replacement. This category includes products containing category 1a/1b CMR (carcinogenic, mutagenic and reprotoxic) substances, or substances listed in Appendix XIV and XVII of the European REACH regulations, in concentrations higher than the thresholds defined by Renault standard 00-10-050 on prohibited or restricted substances (see “Substance risk management” below).*
*(3) See 2.3.3.A paragraph “Electric vehicles.”*

Groupe Renault actively and continuously monitors scientific and technical developments relating to health issues in order to identify as early as possible the solutions available to reduce the potential impacts of the Group’s activities on health. This monitoring is based in particular on the analysis of environmental and health publications from the scientific community, official national or international bodies and non-governmental organizations. It also uses collaboration with technology and engineering suppliers to identify and evaluate the technological building blocks that may be integrated into future Group products (see also “Products and services that fulfill market expectations” under 2.3.2.D “Environment and competitiveness”).

## a) Air quality

### Manufacturing

#### VOLATILE ORGANIC COMPOUNDS (VOC)


Emissions from volatile organic compounds are monitored, and an action plan to reduce them is in place.

This plan involves:

- disseminating the Group's best practices on the reduction in the consumption of solvent paint products and the associated emissions, led by the Group's Paint Engineering department;
- implementing or replacing VOC-processing incineration facilities where necessary.

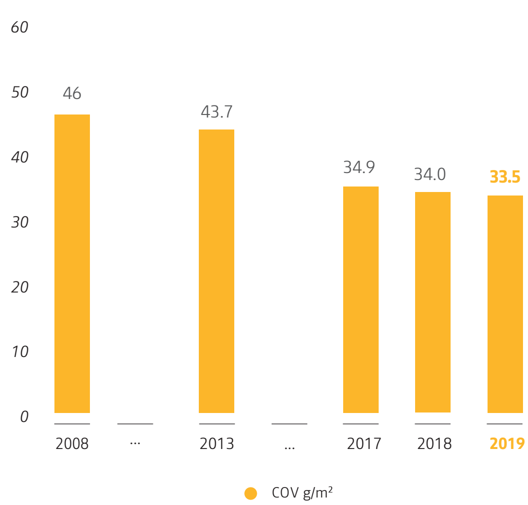
In 2019, VOC emissions per m² of painted assembled bodywork fell by an average of 1.5% (compared to 2018) for the Group as a whole, to 33.5g/m².

The actions to reduce VOC emissions during 2019 in the Group's plants included:

- installation of new VOC incineration equipment on the Sandouville, Douai and Valladolid sites;
- installation of robotic equipment for certain bodywork paint and coating tasks, which enables much finer optimization of the quantities of products used;
- the continuation of the deployment of a sealant with very low solvent content for applications within the vehicle passenger compartment and of the deployment of a new "Alliance" sealant with less solvent for exteriors;
- continuation of actions undertaken to improve the recovery rate of used solvents at all sites (cleaning and purging solvents).

At end-2019, 81% of vehicles produced were painted using paint with a water-soluble base (i.e., the solvent in the paint is comprised mainly of water).

#### VOC EMISSIONS

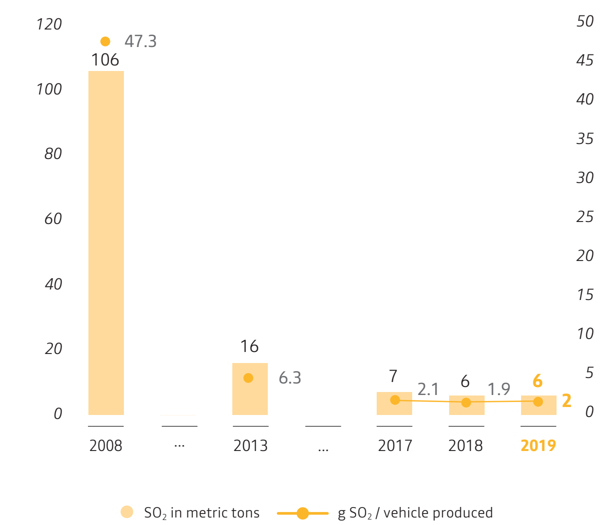



Scope: all body assembly and mixed Groupe Renault manufacturing sites (reporting scope described in section 2.6.1.2). The emissions counted are those of the vehicle body paint workshops (excluding paint for parts such as bumpers made of plastic materials and accessories).

#### COMBUSTION-RELATED EMISSIONS OF SO2 AND NOX

Over the past few years Renault has been conducting a large-scale program to replace fuel oil by natural gas at its production plants. The aim is to cut emissions of sulfur dioxide ($SO_2$), nitrogen oxides ($NO_x$) and carbon dioxide ($CO_2$). Since fuel oil is now almost no longer used at the Group's facilities, the main focus is now on the modernization of gas boilers and the installation of low $NO_x$ emissions burners.

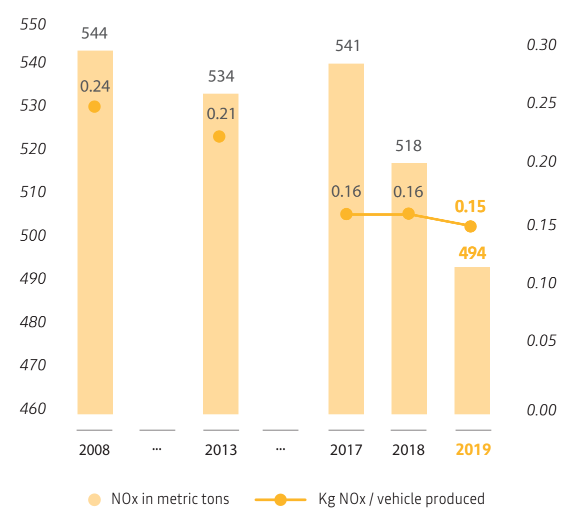
#### $SO_2$ EMISSIONS(√)




Scope: all manufacturing plants and the main Groupe Renault tertiary, logistics and engineering sites, excluding the RRG Commercial Network (reporting scope described in section 2.6.1.2).

(√) Indicator audited by the independent third party at a reasonable level of assurance: total $SO_2$ emissions for financial year 2019.

#### $NO_x$ EMISSIONS(√)




Scope: all manufacturing plants and the main Groupe Renault tertiary, logistics and engineering sites, excluding the RRG Commercial Network (reporting scope described in appendix 2.6.1.2).

(√) Indicator audited by the independent third party at a reasonable level of assurance: total $NO_x$ emissions for financial year 2019.

## Vehicle use

### REDUCTION OF POLLUTANT EMISSIONS FROM INTERNAL COMBUSTION ENGINE VEHICLES


All vehicles sold by Groupe Renault worldwide have, in accordance with all regulations in force, received appropriate approval from the relevant authorities.

Following the deployment of particulate filters for diesel vehicles, as imposed by the Euro 5 standard, the Euro 6b standard lowered authorized particulate emissions once again for all engines, while reducing the authorized $NO_x$ emissions for the certification of diesel vehicles by more than half in comparison with Euro 5 (from 180 to 80mg/km), bringing the latter to a level close to those authorized for gasoline vehicles (60mg/km).

Such a reduction was made possible by the implementation of post-treatment systems such as $NO_x$ traps or SCR (Selective Catalytic Reduction). The $NO_x$ trap is a chemical system which traps nitrogen oxides and then converts them into neutral gases. It has been fitted to all diesel passenger cars sold by the Group in Europe since September 2015. SCR (Selective Catalytic Reduction) technology works to convert nitrogen oxides into water and nitrogen by injecting urea. It is fitted on all Trafic and Master light commercial vehicles sold in Europe since September 2015.

However, the identification of significant differences between emissions measured in real use and in the laboratory or approval led the European Commission to define a real-use test protocol, introduced with the Euro 6d standard (RDE, Real Driving Emissions protocol). Without waiting for these new standards, Groupe Renault had, starting in July 2015, studied the implementation of improvements on all of its Euro 6b and Euro 6c diesel production aiming to further limit emissions in customer use. These improvements were gradually rolled out from August 2016:

1) **Extending the operating range for EGR (Exhaust Gas Recirculation) systems, a key component in reducing nitrogen oxides**

Studies and checks undertaken since July 2015 have allowed Groupe Renault to at least double the operating temperature range for full effectiveness of its EGR systems, without any change to the reliability and operating safety of the engine and the vehicle under all customer use conditions.

2) **Improving the performance of $NO_x$ trap management which, in addition to the EGR, allows the storage and treatment of nitrogen oxides at regular intervals**

The frequency and effectiveness of purges are increased with a more "robust" system, to better take into account the diversity of driving conditions.

Depending on the applications and driving type, these combined actions led, on average, to a substantial two to four times reduction of nitrogen oxides across the EGR extension zone. All customers who purchased a Euro 6b vehicle – compliant with the applicable standards – before these improvement measures can benefit from them via an engine calibration adjustment carried out free of charge by the after-sales network.

In total, at the end of 2019, combining vehicles directly output from the factory with these improvements and vehicles processed in the after-sales network, 88% of Groupe Renault Euro 6b or Euro 6c diesel fleet in circulation have already benefited from the improvement measures decided by Renault.

The roll-out of Euro 6d standards is now an important area of progress in the reduction of pollutant emissions from internal combustion engine vehicles. These standards have introduced measurements under real and variable driving conditions (RDE, Real Driving Emissions protocol) of the emissions of pollutants such as nitrogen oxides or particles, in addition to the measurements made in the laboratory based on the standardized test cycle. The latter, by nature, cannot cover the very wide variety of customer usage: driving and weather conditions, driving style, vehicle load...

This is why Renault, for several years, has supported the European approach aimed at implementing measurements under real driving conditions (RDE protocol) in addition to implementing the new WLTP laboratory test procedure, more representative of average customer use and the diversity of vehicle equipment than the NEDC cycle.

The adaptation of Groupe Renault vehicles to these new standards required an ambitious program of investments of more than €2 billion.

The first phase, Euro 6d temp, has been applicable since September 2017 for new models (new types) and since September 2019 for all new vehicles (all types). The European Commission simultaneously introduced the new laboratory test procedure, WLTP, which has been applicable since September 2017 for new models and from September 2018 for all new vehicles.

In order to meet Euro 6d temp standards, SCR technology, which Renault has used on its Trafic and Master light commercial vehicles since the Euro 6b standards, started to be rolled out on diesel passenger cars in Europe in 2018 and has been fitted to the entire range of diesel passenger cars in Europe since September 2019. The SCR will also be used to meet the coming Euro 6d standards, with more stringent limits: this regulation is applicable to individual cars from January 2020 for new types, January 2021 for all types and to light commercial vehicles depending on their mass from January 2021 for new types and January 2022 for all types. This SCR technology, which is more constraining in use, with the installation on the vehicle of a urea tank that needs to be refilled regularly, can nevertheless reduce nitrogen oxides with increased effectiveness over an extended engine operating range. For most applications, SCR and $NO_x$ trap technologies will be combined.

In other markets, Renault adapts the technical definitions of its powertrains to fit local specifics (fuel quality, climate, dust, *etc.*) in such a way as to ensure each vehicle's compliance with applicable regulations in the country in which it is sold. In addition to strict regulatory compliance, the Group capitalizes on lessons learned in Europe to fulfill the growing expectations throughout the world, that pollutant emissions during customer use are better taken into account and controlled (see above).

Internal governance processes aim to analyze and control discrepancies between the consumption and emissions values certified in the laboratory on a standardized cycle, and values measured during customer use:

- systematic measurement, for all models in the range, of emissions under real driving conditions using the "RDE" protocol (a "customer" driving cycle has also been used internally for many years to evaluate the consumption of our vehicles during use by the customer);
- analysis of differences between the results of these internal measurements, other measurements of the same type taken by third parties (government commissions, NGOs, specialist companies such as Emissions Analytics® in particular) and the emission values certified in the laboratory on a standardized cycle, and cross-checking of this information against feedback gained from customer satisfaction surveys;
- definition by the Group Executive Committee of strict guidelines and arbitration by this committee of the investments required for the ongoing reduction of pollutant emissions from internal combustion engine vehicles.

## EMISSION STANDARDS APPLICABLE TO PASSENGER CARS IN THE EUROPEAN UNION

| Standard and year of introduction *(all types)* | Euro 1<br>1993 | Euro 2<br>1997 | Euro 3<br>2001 | Euro 4<br>2006 | Euro 5<br>2011 | Euro 6b/6c<br>2015/2018 | Euro 6d temp<br>2019 | Euro 6d<br>2021 | % reduction compared to the first limit value |
|---|---|---|---|---|---|---|---|---|---|
| **DIESEL** | | | | | | | | | |
| Nitrogen oxides ($NO_x$): limit value/compliance factor (1) | - | - | 500/- | 250/- | 180/- | 80/- | 80/2.1 | 80/1.5 | -84% |
| Carbon monoxide (CO) | 2,720 | 1,000 | 640 | 500 | 500 | 500 | 500 | 500 | -82% |
| Hydrocarbons and nitrogen oxides (HC + $NO_x$) | 970 | 900 | 560 | 300 | 230 | 170 | 170 | 170 | -82% |
| Particles – by mass (PM) | 140 | 100 | 50 | 25 | 5 | 4.5 | 4.5 | 4.5 | -97% |
| Particles – Number (PN): limit value/compliance factor (1) | - | - | - | - | $6 \times 10^{11}$/- | $6 \times 10^{11}$/- | $6 \times 10^{11}$/1.5 (3) | $6 \times 10^{11}$/1.5 | - |
| **GASOLINE** | | | | | | | | | |
| Nitrogen oxides ($NO_x$): limit value/compliance factor (1) | - | - | 150/- | 80/- | 60/- | 60/- | 60/2.1 | 60/1.5 | -60% |
| Carbon monoxide (CO) | 2,720 | 2,200 | 2,200 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | -63% |
| Hydrocarbons (HC) | - | - | 200 | 100 | 100 | 100 | 100 | 100 | -50% |
| Non-methane hydrocarbons (NMHC) | - | - | - | - | 68 | 68 | 68 | 68 | - |
| Particles – by mass (PM) | - | - | - | - | 5 | 4.5 | 4.5 | 4.5 | - |
| Particles – Number (PN): limit value/compliance factor (1) | - | - | - | - | - | $6 \times 10^{12}$ (2)/- | $6 \times 10^{11}$/1.5 (3) | $6 \times 10^{11}$/1.5 | - |

*All values are expressed in mg/km except PN, which is expressed in number of particles per km.*
*(1) Compliance factor: Maximum ratio allowed between emissions measured under real conditions using the RDE protocol, and the emission limit values in the certification cycle.*
*(2) Regulation no. 459/2012 authorizes direct-injection gasoline cars to emit $6 \times 10^{12}$ particles until 2017; from then on, they are limited to $6 \times 10^{11}$ the same as diesel vehicles.*
*(3) Compliance factor applicable from 2018 for particles by number.*

### CONTRIBUTION OF ELECTRIC VEHICLES TO THE IMPROVEMENT OF AIR QUALITY IN URBAN AREAS


Electric vehicles form a major strand of the Group's strategy to combat atmospheric pollution. Once they reach a significant proportion of all vehicles on the road, they will contribute to improving air quality in urban areas because they do not generate emissions during use. In 2012 Renault[(1)] teamed up with the city authorities in Rome and with Aria Technologies and Arianet, two companies specialized in modeling atmospheric pollution, to quantify the health benefits of electric vehicles in urban areas. Nissan, along with Aria Technologies, also led a similar study in the city of Hong Kong in 2014. These studies, which assessed both the reduction in local emissions due to electric vehicles and the increase in emissions caused by the increase in electricity generation, modeled the impact of a proactive policy to promote electric mobility.

In the scenario tested in Rome, electric vehicles represented 20% of all vehicles in city center areas subject to existing traffic restrictions, reflecting political proactiveness to promote clean vehicles (replacing the public fleet with electric vehicles and promoting small electric LCVs for goods delivery to end-customers). The study's findings showed a clear health benefit from the proactive scenario compared with the base scenario. Concentrations of nitrogen dioxide ($NO_2$) would be reduced by 9% to 25% depending on the season, and up to 45% on major arterial roads, and particle concentrations ($PM_{10}$) would be reduced by up to 30%. Finally, the number of inhabitants and visitors alike exposed to benzene concentrations higher than 2μg/m$^3$ (maximum value recommended by France's High Council for Public Health) in the historic city center would be reduced by nearly 50% in relation to the base scenario.

The proactive scenario modeled in Hong Kong assumed that 20% of passenger cars and light commercial vehicles (including light buses) would be electric and 20% of taxis and light buses would be bi-fuel LPG vehicles, all within a downtown area of 1km$^2$ (Mong Kok neighborhood). This modeling demonstrates that if 20% of vehicles were electric, this fact alone would generate a 46% reduction in winter concentrations of volatile organic compounds and a 25%

*(1) Excluding consumable parts*

reduction in concentrations of particulates ($PM_{10}$ and $PM_{2.5}$) in the neighborhood in question.

In addition to expanding its offer of electric vehicles (both in terms of market segments and geographical areas covered), Groupe Renault also aims to roll out new electric mobility services that form a central component of urban travel schemes, to the benefit of air quality improvement and congestion reduction: car-sharing, ride-hailing, and autonomous shuttles under the Drive the Future plan. At the end of 2019, more than 7,000 Renault brand electric vehicles were thus available in car-sharing services in Europe. For more details, see section 2.2.1 "Thinking about and developing new sustainable forms of mobility," in particular 2.2.1.2.A "Accelerating the development of new forms of mobility and entering into strategic partnerships."

#### CABIN AIR QUALITY


Air in the cabin is a complex blend of air drawn from outside the vehicle, which supplies the heating and air conditioning systems, and emissions from materials within the cabin. Groupe Renault takes these two components into consideration when designing its vehicles in order to control their impact on the quality of cabin air, and to maintain the health and comfort of passengers.

#### TREATMENT OF EXTERNAL AIR DRAWN INTO THE CABIN

When driving, the main influence on the quality of cabin air is that of external air, given the fast air renewal flow required for passenger comfort ($200m^3/h$ on average). Therefore, as soon as it designs its vehicles, Renault ensures that the architecture enables an air treatment system to be fitted. Three types of technical solutions are implemented:

1) the cabin particle filter (also known as a pollen filter): made of non-woven fibers, it is designed to trap the smallest particles, with an effectiveness of over 85% efficiency from 2.5µm in diameter and 95% for particles above 10µm;
2) combination cabin filters: these are pollen filters with a layer of activated charcoal grains added. In addition to particles, the activated charcoal traps gases, including aromatic compounds and nitrogen dioxide. These filters are sized to trap an average of more than 85% of these compounds on the Renault vehicles on which they are fitted;
3) automatic air inlet management system: this is an electronic system linked to a toxicity sensor, which automatically closes the air inlet when the sensor identifies a peak concentration of certain pollutants in the outside air (such as when the vehicle passes through a tunnel). In particular, it detects gases emitted by preceding vehicles.

The technical solutions applied to each vehicle are the result of a compromise between a number of requirements (treatment efficiency, defogging, noise and energy consumption), and vary according to range and equipment level. All passenger cars worldwide sold under the Renault, Dacia, Alpine and Renault Samsung Motors brands are fitted with a cabin particulate filter as standard. Most of the latest passenger car models marketed under the Renault brand in Europe and China do come with combination filters as standard on all versions, together with the automatic air inlet management system on higher trim levels fitted with automatic air conditioning (the system cannot be offered on other versions as it requires power-driven air inlet valves).

However, any Renault, Dacia or Renault Samsung Motors customer whose vehicle is not initially fitted with a technical air treatment solution from the outset and requiring such a solution will be able to obtain this equipment through additional Renault after-sales service.

#### EMISSIONS FROM MATERIALS WITHIN THE CABIN

When the vehicle is stationary and exposed to sunlight, the presence of volatile chemical substance emissions from materials in the cabin may become overbearing when compared to the quality of the air outside. Renault has therefore set itself the objective of managing these emissions in order to minimize their impact on passenger health and comfort.

Thus, since 2009, all materials within all internal vehicle parts (cabin and trunk) whose total weight within the vehicle is over 100g have been subject to specifications deployed to all relevant suppliers, in an effort to manage emissions levels from the main categories of volatile organic compounds. Based on these requirements, in 2017 the Alliance harmonized its processes by developing shared standards for Renault and Nissan.

Renault also ensures that any odors caused by the main contributors to the vehicle's atmosphere are limited. This is assessed by a panel of experts who are specifically trained in Renault's own methods, based on olfactory descriptors and an understanding of odor levels as set out by the methods of IAP-Sentic®, a consultancy firm specializing in odors (and a subsidiary of the Burgeap group).

### b) Substance risk management


To safeguard the health of workers and consumers, and to protect ecosystems, legislators have imposed restrictions on the use of hazardous substances in the workplace and in products. In the European Union, the introduction of the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation in 2007 heightened awareness of chemical risks and prompted an increase in the number of restrictions and usage precautions. A number of countries worldwide have since followed the European Union with similar regulations.

Renault has an organizational structure dedicated to managing hazardous substances, with three divisions:

- in collaboration with the departments responsible for occupational health and working conditions, the Industrial Hygiene and Chemical Risks division manages workers' exposure to chemical risks at all Renault production, engineering and logistics sites around the world. It monitors the chemicals present in the formulations and verifies the classification and labeling of the chemical products used on site and also ensures compliance with the Product Safety Data Sheets provided by suppliers. In addition, the division coordinates research into technical solutions to eliminate priority hazardous substances. It provides an initial assessment of the chemical risk in accordance with generic use conditions. Finally, it carries out monitoring work on chemicals within the environment through the collection of samples and the analysis of the pollutants present at workstations. This expert division was created in the 1960s;
- the Materials Engineering division monitors substances contained in vehicles based on information declared by suppliers using the IMDS (International Material Data System) system, shared with 35 international carmakers. The division coordinates research into technical solutions to eliminate priority hazardous substances;
- the after-sales Regulatory Compliance division checks with suppliers that parts, accessories and other products sold by after-sales teams comply with applicable regulations and make any substitutions, if required.

Regulations on substances are incorporated in the Company's day-to-day operations. A multidisciplinary team is in charge of driving the appropriate processes and information systems, which enable the Company to fulfill the information and transparency obligations required by regulations (notably REACH). This team is supported by contacts within each engineering branch (vehicle, mechanics, after-sales, *etc.*) and is confirmed by discussions with its counterparts within and outside of the Alliance. It defines and steers compliance actions in the concerned entities, anticipates default risks upstream of the supply chains and designs ways to transform regulatory constraints into economic and competitive opportunities.

As part of a preventive and pre-emptive approach, since the 1960s, Renault has been replacing toxic substances found in the chemicals used at its plants and, since the early 2000s, those found in materials used. Renault has drawn up two lists of substances prioritized for replacement, for chemicals and materials respectively, which comprise, in particular, CMR (carcinogenic, mutagenic and reprotoxic) substances, substances of very high concern and subject to prior authorization (Appendix XIV of the REACH regulations), as well as substances whose use is not yet restricted, but which Renault would like to see banned at a global level.

These two lists are respectively described in two separate standards: the Groupe Renault "Substances" 00-10-050 standard for industrial chemicals, and RNES 0027, jointly used by Renault and Nissan for automotive components. These standards prohibit the use of hazardous substances and substances of concern, list substances for which substitution is a priority, and require suppliers to declare the substances used in their parts and preparations. In calls for tenders, Renault explicitly asks suppliers to comply with these standards. Their application is enforced by each of the competent divisions.

In line with regulations, Renault adheres to a policy of transparency towards its professional and private customers.

In addition to standard substances and those with identified risks, Renault pays close attention to the potential health effects of innovative materials, such as nanomaterials. In this respect, in 2015 Renault teamed up with the NanoRESP Forum, which proposes an open, non-polemical but critical debate on nanotechnologies and nanomaterials. This collaborative approach, involving manufacturers, distributors, users and consumers of "nanoproducts," provides an arena for discussion of their uses, benefits and risks in comparison with existing alternatives.

### c) Noise

#### Manufacturing


Noise is a complex subject that involves a wide range of factors such as type and power of noise sources by octave band, directivity, the impact of buildings, topography of locations, weather… For the comfort of residents living near its production facilities, Renault is making active efforts to limit and reduce noise pollution from its activities by working to control noise at both existing and new facilities. The Group aims to do this both by selecting high-performance materials with this goal in mind, and by implementing soundproofing measures. These measures are focused on all types of extraction chimneys, boilers, metal drops and logistics-related activities, which generally constitute the main sources of external noise across our industrial sites.

#### Vehicle use


All ICE vehicles marketed by Renault in Europe in 2019 generate a maximum external noise of 74 dBA during driving, in accordance[(1)] with the regulations applicable to vehicles certified prior to July 2016. The majority also comply with the new 72 dBA limit imposed by European regulation 540/2014/EC, even though this limit only applies to models certified since July 2016. However, the Group is already preparing phases 2 and 3 of the implementation of this regulation, which will lower the level of external noise authorized for most passenger cars to 70 dBA in 2022 (2020 for new types) and 68 dBA in 2026 (2024 for new types) by working to improve engine sound insulation and install additional absorbers in the wheel arches (to absorb rolling noise) and underbody fairings.

(1) *With the exception of the Master van which, due to its payload and power, is classified under a different category than the rest of the range, subject to specific exterior noise limits.*

With a measured noise level of between 68 and 70.5 dBA according to the old measurement standard and less than 68 dBA according to the new standard, Renault electric vehicles meet the external noise limits applicable starting in 2026 ten years in advance, thus contributing to the reduction of ambient noise and the quality of life in urban areas. In addition, they produce a net improvement in users' acoustic comfort: the noise inside an electric vehicle is approximately 10 dBA lower than that of an internal combustion engine vehicle.

At the international level, the standards applicable to external noise of vehicles are most often inspired by European standards and adopted a few years later. The vehicles marketed by Groupe Renault outside Europe, which have noise levels comparable to their European versions, therefore often anticipate locally applicable noise standards by several years.

## D. Water consumption and quality EFPD8a EFPD11a

| Environmental objectives | | Objective set | Deadline | Status as of year-end 2019 |
|---|---|---|---|---|
| Group | Reduce by 20% between 2013 and 2020 the Group's external water supply per vehicle produced [1] | 2016 | 2020 | -11% (compared to 2013) |
| Manufacturing | Reduce by 30% between 2016 and 2020 the quantity of toxic metals (METOX) in the liquid effluents of the Group's plants [2] per vehicle produced | 2016 | 2020 | -10% (compared to 2016) |

*(1) Scope: all manufacturing sites and main Groupe Renault tertiary, logistics and engineering sites (reporting scope described in section 2.6.1.2), excluding RRG Commercial Network and excluding AVTOVAZ, in which Groupe Renault acquired a majority stake in December 2016, and which is currently being integrated into the environmental reporting scope.*

*(2) Manufacturing sites in the consolidated scope excluding AVTOVAZ, see definition and calculation method in the methodology comments on liquid discharges in section 2.6.1.2.*


Preserving water resources is an ongoing concern for Renault, both to ensure long term supply and to reduce its impact on ecosystems. For this reason, the Group has set a goal of minimizing the impact of its activities on this precious resource through the implementation of the following five objectives:

- **reduce** water consumption at source as well as the quantities of wastewater through well-designed processes and optimized management. For example, vehicle surface treatment is one of the major causes of water consumption in an automotive plant. The cascade filling of baths (water from one bath is redirected to another that requires a lower level of purity, *etc.*), stopping the rinse water flow between each body, and the presence of rinse manifolds between stages (which prevents the contamination of baths with impurities from the body) enable a reduction at source of the quantities of water used as well as the waste to be treated;
- **reuse** water where possible for the same use: cooling in a closed circuit, increasing the lifespan of baths, *etc.*;
- **recycle** water for other compatible uses, with or without additional treatment. For example, the Sofasa plant (Colombia) recycles saline concentrates from reverse osmosis (purified) water to the flushing of toilets and the water curtains (air cleaners) of paint pits, which facilitates the reduction of the quantity of water consumed as well as that of waste discharged;
- **minimize the impact** of residual waste on the environment through efficient and strictly controlled treatment processes;
- **control the risk** of accidental pollution of surface water by installing the means needed to confine water from accidental spillages and that used for firefighting. Since late 2015, the Tangiers plant, designed not to discharge any industrial waste, has accordingly had a basin that enables it to confine any accidental pollution and avoid its discharge into the environment, and to purify rainwater drained on the site by decantation.

### Reducing industrial effluents

Among measures used to meet its objectives of reducing water abstraction and the discharge of pollutants into the environment, Renault places a particularly strong emphasis on the recycling of industrial effluents: the wastewater generated by the manufacturing process is treated in a manner that allows this same water to be transformed into a resource of sufficient quality to be re-used in the same process.

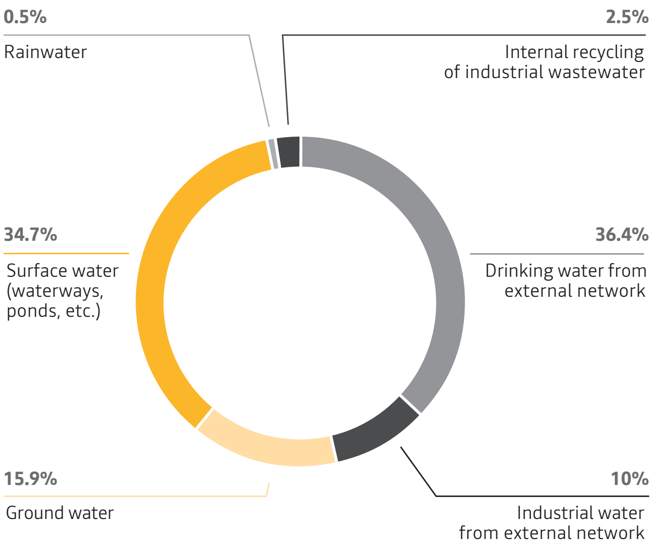
In **the powertrain** plants, the recycling of industrial effluents consists in separating the distillate (treated water) that can then be reintroduced into the process, from the concentrate (oily residue from evaporation) that will be directed to the appropriate waste treatment channel.

In **the body assembly** plants, the recycling technology is more complex because the water used in the manufacturing process (surface treatment and electrocoating) must be of very high quality. The treated waste is subjected to a reverse osmosis process (a purification process using a membrane), then an evapo-concentration process (extreme concentration of waste through different evaporation stages), that enables the re-use of the majority of the water contained therein, in a purified form, within the industrial processes and minimizes the quantities of waste generated.

The Tangiers body assembly plant in Morocco is equipped with the most advanced technologies available for recycling wastewater from the manufacturing process. Following the additional investments made in 2015 to increase the volume of industrial effluents recycled and thus keep pace with the increase in the site's production rate, the volume of water saved amounted to nearly 280,000$m^3$ per year on average.

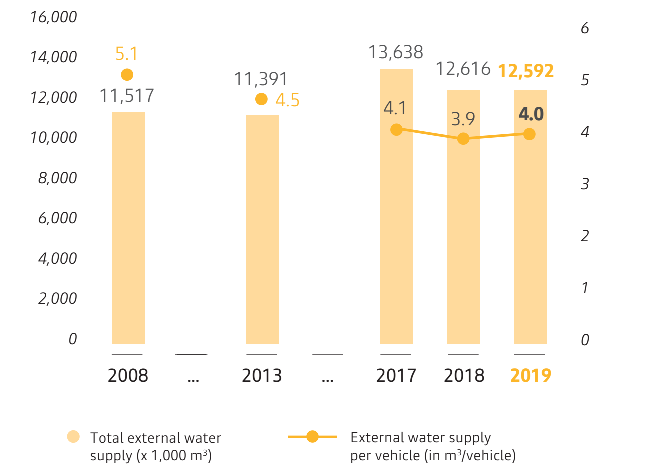
The Tangiers site is the plant with the lowest external water abstraction ratio (at 1.1$m^3$ per vehicle produced in 2019) in accordance with the target assigned when it was founded. The performance obtained at Group level in 2019 enabled the external water abstraction rate to be reduced by 11% in relation to vehicles produced since 2013 (from 4.5 to 4.0 $m^3$ per vehicle).

## BREAKDOWN OF WATER SUPPLIES BY SOURCE




Scope: all manufacturing plants and the main Groupe Renault tertiary, logistics and engineering sites, excluding AVTOVAZ and excluding the RRG Commercial Network (reporting scope described in appendix 2.6.1.2).

## EXTERNAL WATER SUPPLY(√)




External water supply corresponds to drinking water, industrial water, groundwater, surface water and rainwater networks.

(√) Indicator audited by the independent third party at a reasonable level of assurance: total external water supplies for financial year 2019.

## E. Soil and water tables EFPD8a EFPD11d

### Total surface area for sites and impervious areas

| | 2019 | 2018 | Change over 1 year |
|---|---|---|---|
| Total surface area *(in ha)* | 3926 | 4,074 | -3.4 % |
| Impervious areas *(in ha)* | 1904 | 1,909 | -0.26 % |
| Impervious areas *(as a% of the total surface area)* | 48,5% | 46.9% | 3.51 % |


Soil and water tables are environments that can potentially allow pollution from past activities to come into contact with targets to be protected (humans, natural environments, etc.). Renault has therefore implemented a policy to prevent pollution of these environments and, when past pollution is suspected, implements specific management strategies. This policy is applied to all Group facilities presenting a potential pollution risk, i.e., operational industrial facilities, former industrial facilities reconverted to other uses, as well as the Renault Retail Group (RRG) commercial network. Renault aims to maintain in-house skills in prevention of soil pollution and remediation.

In 2019, the manufacturing sites, as well as the main engineering, logistics and head office sites of Groupe Renault (consolidated environmental scope), represented a total area of 3,926 hectares, of which 48.5% are impervious areas such as buildings, parking lots, roads, and paths. Total surface area and the proportion of impervious surfaces did not change significantly from the previous year, at constant scope.

### Prevention


The prevention policy at industrial sites is based on three key tools. A risk-rating grid is used to assess the level of pollution prevention and reinforce it if necessary by prioritizing required rehabilitation work. In the case of new production facilities, the soil prevention guide describes the best techniques to implement in each type of facility. Both of these tools are in use across all Renault industrial sites worldwide. The prevention policy ultimately relies on monitoring of the quality of groundwater. This monitoring, which is carried out systematically when regulations so require (all industrial sites in France), is also carried out voluntarily by Renault when potential sources of pollution are identified, to spot any movement of pollutants to sensitive areas and to take appropriate measures as early as possible.


Since 2011, all sites in the RRG commercial network have been equipped with pollution prevention tools, and oil and fuel are now stored above ground or in double-wall tanks fitted with alarms and retention tanks. Priority preventative actions, such as neutralization or replacement of single-wall underground tanks with aboveground or double-wall storage tanks, were completed in the European RRG network in 2013.

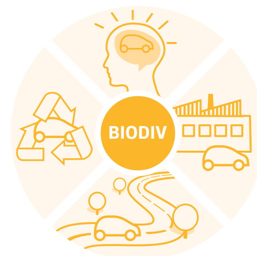
### Remediation


The management of past subsoil pollution hinges on a risk assessment based on the source-vector-target concept and aims to ensure the suitability of the subsoil for the planned or identified uses. There are several stages to the pollution management system:

- historic and documentary study, including an analysis of the site's vulnerability, has been carried out for operational industrial sites, former industrial sites converted to other uses and the RRG commercial network. It is updated as necessary. This study enables the identification of potential sources of pollution and the evaluation of the vulnerability level at the facility and in its immediate surroundings;
- a physical diagnostic of soils is carried out on-site depending on the results of historic and documentary research;
- if the diagnostic confirms the presence of pollution sources, a quantitative evaluation of the health risks is performed in order to assess the exposure risk for site users and the immediate surroundings (workers, residents, school children, *etc.*);
- remediation operations may be started depending on the results of the two preceding steps. These operations are carried out by specialized service providers with recognized expertise, under the supervision of the Renault soil specialist.


RRG uses the same assessment method to clean contaminated soils on former oil and fuel storage sites, even when this contamination is due to the former owner. Between 2003 and end-2019, remediation work was undertaken at 29 sites.

## F. Biodiversity EFPD13




Protecting the biodiversity of species and ecosystems requires specific measures such as protecting habitats and combating the overexploitation of species, as well as reducing polluting emissions into ecosystems (water, air and soil). Renault's continuous efforts to mitigate the environmental impact of its activities and products (see previous sections) help to combat ecosystem depletion in this way.

Renault also takes special measures to protect biodiversity. Industrial projects involving the construction or extension of plants are assessed to measure their impact on surrounding ecosystems. On the Tangiers site inaugurated in 2012, a study was carried out on the impact of the planting of more than 5,000 trees between 2014 and 2015 in order to prevent soil erosion related to rainwater run-off on pervious areas of the site and the associated negative impacts on biodiversity. In Brazil, Renault, with the agreement of the local authorities, established a plan in 2008 to protect and manage biodiversity on part of the land acquired for its industrial site in Curitiba. Out of a total area of 2.5 million $m^2$, 60% is devoted to the conservation of an area of virgin forest. This virgin forest, made up mainly of araucaria trees, a species of pine threatened with extinction and protected under Brazilian law, is home to more than 170 species of animal.

In 2018, Groupe Renault joined the Act4Nature initiative and subscribed to the 10 collective commitments proposed. This initiative, launched by Entreprises pour l'Environnement (EpE) aims to protect, value and restore biodiversity. For further information, see www.act4nature.com.

Lastly, in 2019, Groupe Renault became a member of the Global Platform for Sustainable Natural Rubber (GPSNR), an organization in which members aim to improve the environmental and socio-economic performance of the natural rubber sector, which notably includes actions to fight against deforestation.

# 2.4 INCLUSION

## Methodological note

The social performance indicators respond to the principal risks identified in the Extra-financial performance declaration (EFPD), in line with Order no. 2017-1180 of July 19, 2017, successively amended by Act no. 2018-771 of September 5, 2018 on the freedom to choose one's future career, the anti-fraud Act no. 2018-898 of October 23, 2018, and Act no. 2018-938 of October 30, 2018 to balance trade relationships in the agri-foods sector and provide food that is healthy, sustainable and accessible to all, and Decree no. 2017-1265 of August 9, 2017.

## Consolidation scope

The consolidation scope covers the Group's subsidiaries consolidated fully or corresponding to the definitions of a joint operation.

Several scopes are used in this chapter:

- global, covering 100% of the Group's employees including AVTOVAZ;
- fully consolidated subsidiaries, covering 150 entities (out of 151) and 97.3% of the Group's employees; the Company that meets the definition of a joint operation is RNTBCI (India) for 66.67%.

Some indicators do not cover 100% of the consolidated scope notably due to data unavailability. Some safety indicators (including FR2 and G1) cover the Group's global scope, including AVTOVAZ Togliatti plant, and excluding AVTOVAZ group subsidiaries and one other subsidiary (Tandil), covering 94.4% of the Group's consolidated workforce. Others (FR1) do not include AVTOVAZ Togliatti plant, nor its subsidiaries or Tandil, covering 74.2% of the Group's consolidated workforce.

Data collection process, definitions and calculation methods for the indicators are set out in the Appendices concerning social commitment 2.6.2.

## 2.4.1 Promoting diversity, development and employee commitment

In 2019, Groupe Renault's human capital comprised 179,565 women and men in the 151 entities and 39 countries in which it operates. Each and every one of them uses their skills and enthusiasm to make mobility sustainable and accessible to all, worldwide, while reflecting society's depth and diversity. Groupe Renault is committed to sustainable and responsible growth, and implements a global, fair and competitive HR policy. HR principles, standards and processes provide a shared frame of reference, which ensures fairness and transparency for all employees. To continue to adapt to transformed roles in the automotive sector and to shape future mobility, the Group has introduced an HR policy with a global vision to ensure that Renault as a Company is fast-moving, innovative, effective and eager to learn. This policy is based around high-quality social dialog both locally and globally, and is focused on five priorities:

- be sustainably competitive, while complying with codes of ethics and regulations to maintain employee health and safety;
- attract and develop several generations of talent;
- implement management approaches that empower their teams;
- promote an inclusive culture;
- engage our employees and enhance their employee experience.

### 2.4.1.1 Ensuring the necessary resources and skills

At a time of digital revolution and the emergence of disruptive technologies at an increasing pace, the skills set needed by the company is changing. All levels of qualification are affected by these transformations. Moreover, identification of talent is taking place in an increasingly competitive market not confined to the automotive sector. To anticipate and adapt to these rapid changes, Groupe Renault recruits new employees with a wide range of profiles and expertise in all the regions where it operates. This means identifying, attracting and fostering the integration and development of talent from increasingly mobile generations.

## A. Boosting Renault's image as a leading employer

The employer commitment is based on Groupe Renault's mission of "Sustainable mobility for all". This ambition is strengthened by our employer promise, summarized by the broad tagline of Move our World Forward.

The Group's appeal is based on the opportunity to reinvent mobility for all, as part of an innovative global group with a long history, forming part of a strong and unique industry alliance. Renault offers careers that are "Mobile", "Connected" and "Autonomous", just like its vehicles and services. In 2019, the Group continued to invest in a digital HR presence and social media profiles, particularly LinkedIn, the world's leading professional social network. It implemented a number of HR solutions including recruiter licenses, Career pages and innovative tools to boost its appeal. Several countries publish country-specific Career pages France, Spain, Russia, Romania, Turkey, Argentina, Brazil, India and Morocco in addition to corporate Careers pages. This is an essential tool in the communication strategy of a company that wants to manage its online presence, promote its employer brand strategy, demonstrate its relevance and present its products and services innovatively through content customization. Followers of the pages can opt to receive information about the Company, its products, and new career opportunities that are posted on the sites. Production of new employee videos is also underway to promote key roles, with the aim of boosting its digital presence and providing candidates with a clearer explanation of the career paths available within the Group.

Actions and the working environment are just as crucial as words in ensuring that Groupe Renault is a very attractive employer. All employees are therefore involved in the process. A new "Employer Strategy" team has accordingly been set up within the Human Resources department. The team focuses on two main themes: the Employer Brand, and the Employee Experience.

The Employee Experience is a new approach and ambition led by Group employees. It rethinks the path of employees within the company based on their experiences, with a view to making the experiences as good as possible. It also reflects on working conditions, which should be facilitated by reducing complexity and encouraging behaviors such as cooperation, innovation and empowerment. In order to achieve its improvement goals, the Employee Experience project aims to take a new approach to listening to employees and the way their views are taken into account within the Company. The project, launched halfway through 2019, initially focused on analyzing existing survey tools and identifying the key topics in order to improve the employee experience and draw up the action plans that will be rolled out in 2020.


## B. Optimizing the allocation of resources

2019 was marked by a slight reduction in the Group's workforce throughout the world. This fall was mainly due to the adaptation of the production workforce to market demand for each product and each region. This has notably resulted in an increase in Spain, and decreases in Russia, Romania and France. This slight fall has also reflected the productivity actions implemented on each of the industrial sites.

Optimization plans have also been successful in reducing the indirect workforce, particularly in France, while shoring up the Group's ability to innovate and develop the electric, connected, autonomous and shared vehicles of tomorrow.

### a) Breakdown of workforce by Region over three years and average workforce EFPD1a EFPD1d

| Scope of labor reporting | 2017 | 2018 | 2019 | Percentage in 2019 |
|---|---|---|---|---|
| **GROUP* (PERMANENT + FIXED-TERM)** | **181,344** | **183,002** | **179,565** | |
| Europe | 72,132 | 73,094 | 73,087 | 40,7 % |
| *o/w France* | 47,711 | 48,603 | *47,978* | *26,7 %* |
| Eurasia | 78,255 | 78,271 | 74,773 | 41,6 % |
| *o/w AVTOVAZ* | 49,771 | 48,590 | *46,357* | *25,8 %* |
| Americas | 12,431 | 12,291 | 11,997 | 6,7 % |
| China | 11 | 8 | 71 | 0,0 % |
| Africa – Middle-East – India – Pacific | 18,515 | 19,338 | 19,637 | 10,9 % |
| Average Group workforce without AVTOVAZ | 128,211 | 132,993 | 133,810 | |

* Expatriates are counted in their home country.

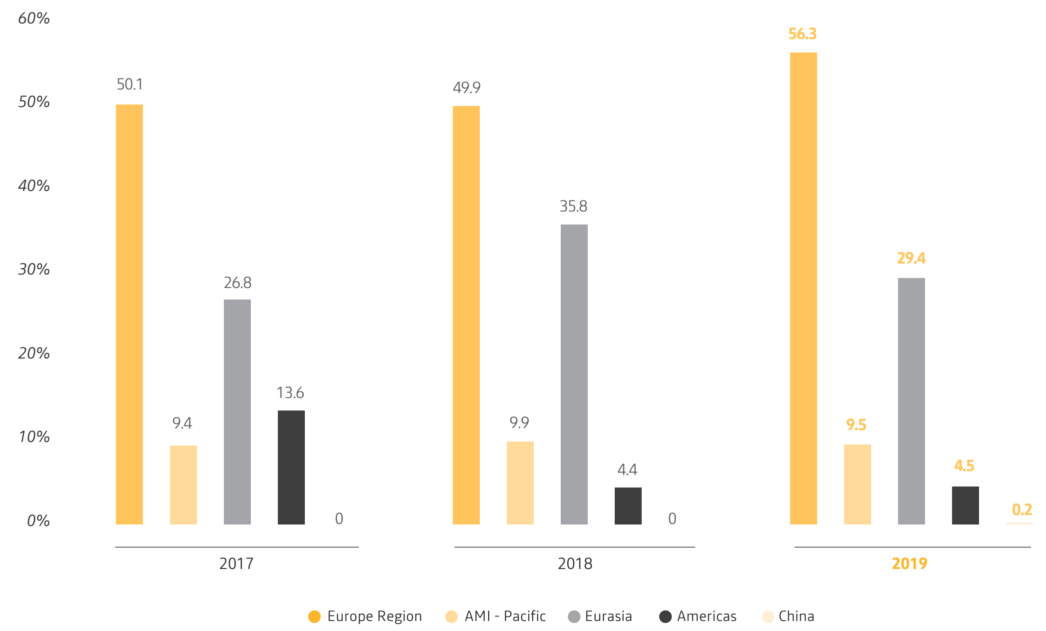
As of December 31, 2019, the Group's workforce (permanent + fixed-term contracts), including AVTOVAZ, totaled 179,565 employees, with 175,862 in the Automotive division and 3,703 in the Finance division.

The Group's employees work in 39 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 92% of total employees.

### b) Breakdown of recruitment EFPD1e

The number of new hires in 2019 was down 22% on 2018 at 20,376. The recruitment level enabled the Group to adapt its workforce to automotive market conditions, while ensuring that personnel leaving due to attrition were replaced. This recruitment also met high demand from certain production facilities, particularly in Spain, Brazil and Morocco. It strengthened the skills necessary to develop the mobility solutions of the future, notably in India, Russia and Romania. Lastly, it strengthened the abilities of the Financial division to develop new services and adapt to regulatory changes.

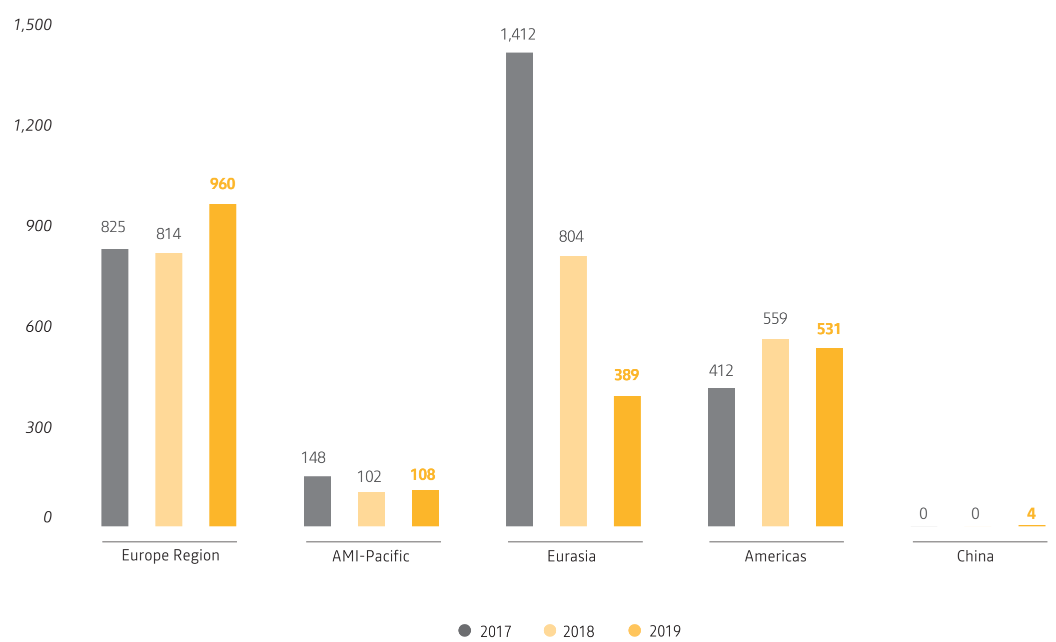
#### RECRUITMENT BREAKDOWN BY REGION OVER THREE YEARS




### c) Breakdown of redundancies EFPD1f

At the same time, the number of dismissals stood at 1,992 people, down compared to 2018 (2,279).

#### BREAKDOWN OF REDUNDANCIES BY REGION

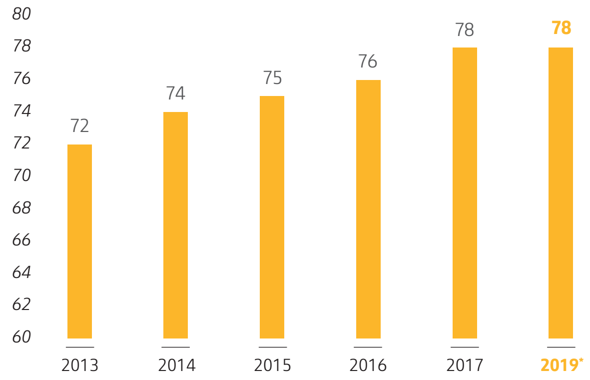


## C. Engagement and Enablement of employees

From January 21 to February 8, 2019, all Group employees were invited to express their views in terms of engagement through the Group employee survey, conducted by an independent firm.

The survey provides the company with a snapshot of employee perception and is used as a tool to monitor progress. The results of this survey motivate employees and encourage high performance. With a response rate of 90%, participation remained high. The results show that the Group's employees continue to have a high level of engagement and that the enablement indicator (the conditions for success) continues to progress. Of all the questions submitted to employees, 24 saw improved results, six a stable reading and only four a deterioration.

### Engagement results




* Survey conducted in January 2019. The results have already been published in Groupe Renault's 2018 Registration document.

#### EMPLOYEES AS ENGAGED AS EVER

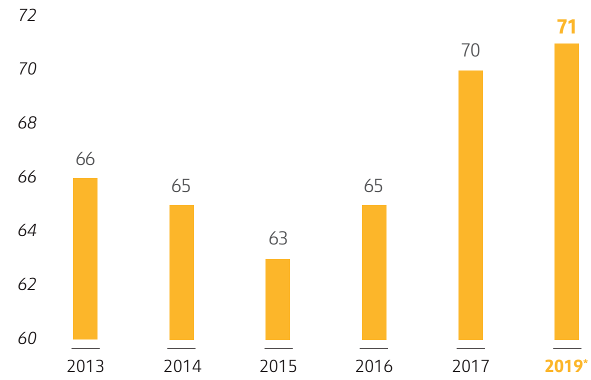
The level of engagement of the Group's employees, in other words the Company's ability to stimulate its employees' enthusiasm, to give the best of themselves, is one of the Company's strong points. Still at a high rate (78%), it is stable compared with 2017, well above the global standard (1) (11 points higher) and much higher than in other high-performing companies (2). Turkey stands out, with an impressive 16-point increase compared with 2017, as do Argentina and Morocco (a three-point increase).

Moreover, 85% of employees say they are proud to work for the Company, and 74% that they would recommend Groupe Renault as an employer.

#### FAVORABLE CONDITIONS FOR SUCCESS

The second indicator, enablement, describes Groupe Renault's ability to create the right conditions that enable each employee to perform his/her duties in the best possible way. At 71%, it was up one point compared with 2017, well above global standard (four points higher) and very close to the level of high-performing companies. The increase was particularly pronounced in Turkey (+12 points) and Argentina (five points higher).

### Enablement results




* Survey conducted in January 2019. The results have already been published in Groupe Renault's 2018 Registration document.

#### NOTABLE PROGRESS BUT AVENUES OF IMPROVEMENT REMAIN

Built on the results of the previous survey, several action plans have been implemented to improve organization and processes, as well as the working environment. And they have paid off, since 60% of employees think that the work organization allows for quality work (a four-point increase compared with 2017) and 62% have a good perception of material working conditions in the Company (a five-point increase).

Another notable improvement is that 73% of employees agree that the Company offers good opportunities for learning and development. This is eight points higher than in 2017 and above the standard for high-performing companies. The increase was particularly noteworthy in France, with a gain of nine points compared with 2017.

The next survey will be conducted from February 24 to March 20 2020, and will now better incorporate Diversity and Inclusion, Ethics & Compliance and the Renault Way roll-out.

*(1) Global standard: reference based on the average of the results of all companies in the Korn Ferry Studies panel.*
*(2) High-performing companies standard: a benchmark based on the average of the top 55 best-performing organizations in the world among Korn Ferry studies.*

## 2.4.1.2 Promoting diversity and supporting management quality EFPD17b

"Convinced that diversity is a fundamental performance driver, Groupe Renault is developing and promoting the complementarity of the backgrounds and personalities of its teams. The group's inclusion policy is aimed at creating an environment of trust and mutual understanding in which each person at the Company, regardless of their age, disability, gender, origin, physical condition, religion or sexual orientation, feels at ease and can be themselves. This enables them to express their individual potential and thereby contribute to collective performance. "

(Position paper drawn up by the Diversity and Inclusion Committee. This Committee, chaired by the Group's CEO, defines the Company's inclusion policy strategy.)

### A. Better reflect customer diversity within the Company EFPD6c

#### a) An approach that fosters community spirit

To prevent any form of discrimination, and to provide each person with the same employment and development opportunities within the Company, the Group is constructing a diversity and inclusion policy based on the themes of disability, intergenerational and intercultural mix, gender diversity, sexual orientation, gender identity, religion and more. On July 2, 2013 Groupe Renault signed a Global Framework Agreement – "Committing together for sustainable growth and development" – demonstrating its commitment to promoting all forms of diversity and eliminating discrimination. On July 9, 2019, an additional agreement was signed – "Working together to build a Groupe Renault working environment" (see section 2.4.1.4)

Adopted at the highest level of the Company and implemented by various stakeholders (Management, Human Resources, CSR, ethics, social partners and staff volunteers), this ambition is channeled through a multi-action plan.

The Diversity and Inclusion Committee was created in 2017, to:

- move from managing diversities to managing diversity and an inclusive, comprehensive and cross-cutting approach;
- avoid segmenting governance into multiple areas such as gender diversity, disability, age, sexual orientation, origin, *etc.*;
- deal with topical issues featuring recently in public debate or in studies (such as religion, physical appearance, LGBT + and age) under a single think tank/decision-making body and based on a single process.

The "Together in Diversity" serious game was launched in 2019. This Company-wide training course covering various diversity topics, including disability, intercultural and intergenerational mix, gender diversity, sexual orientation and gender identity, religion and trade unionism, was rolled out to the Group on the LEARNING@ALLIANCE digital training platform. Both male and female employees can access this e-learning course, based on actual case studies, which takes the form of a serious game. The course allows them to interact with various scenarios which raise awareness of diversity and inclusion in a professional environment, enabling them to better identify these situations. The e-learning course is available in both French and English. The scenarios and educational materials are adapted to French culture and regulations. The purpose is to disseminate and further strengthen support for the Group's diversity and inclusion policy. Arabic, Spanish and Turkish versions are currently being rolled out.

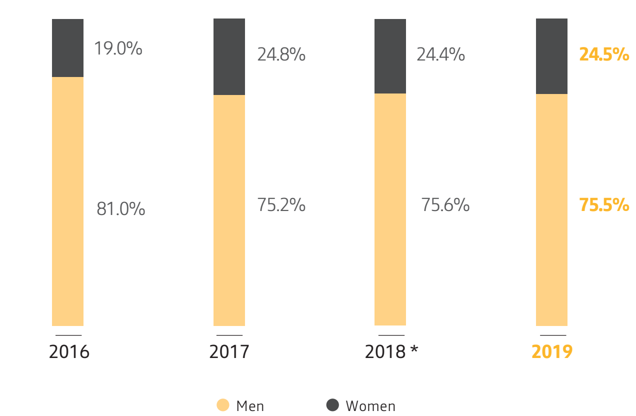
An internal community, "MobilizeDiversity", was created in October 2017 to help to change attitudes. It is open to all employees via the Yammer platform, At the end of 2019, it had around 5,000 members, who discuss and share ideas and actions on diversity-related issues.

In November 2019, Groupe Renault was awarded "Diversity Leader 2020" based on a survey conducted by German body Statista in partnership with the Financial Times. It is the first time that this survey has been conducted in Europe. The Group is in 445th position of the 700 Diversity Leaders 2020. This independent study questioned 80,000 employees in 10 countries. 130,000 recommendations were gathered on diversity and on five of its components, *i.e.* gender, sexual orientation, intergenerational mix, ethnic origin and disability.

#### b) Gender diversity within the Company EFPD6a

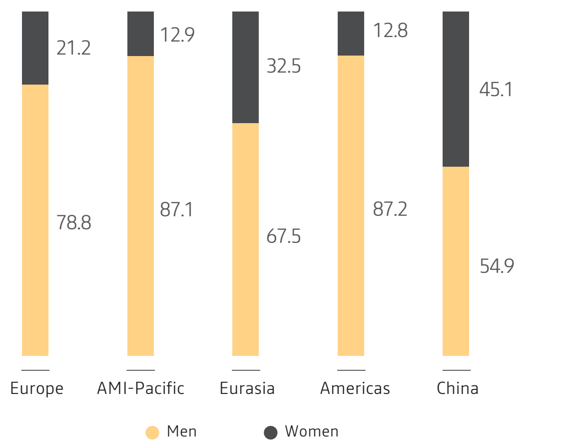
Following a marked increase until 2017 owing to the proactive policy on diversity in recruitment, as of December 31, 2019, the number of women as a percentage of the Group's total employees had leveled off at 24.5%.

**Breakdown of women/men in the workforce over four years EFPD1b**




** Review of data published in 2018 following an anomaly identified in Slovenia*

### BREAKDOWN OF WOMEN/MEN BY REGION




The breakdown of women/men is calculated on the basis of the global scope as of December 31, 2019.

In order to promote gender diversity, in 2010 Renault launched WoMen@Renault, a comprehensive plan for improving the representation of women at all levels of the Company. This system is based on two complementary components: a Human Resources plan and an internal social network.

**The first component**, Human Resources, involves talent management (recruitment, training, career management), and Groupe Renault has set Company-wide quantifiable targets for the plan. The proportion of women in the Group's 2,000 key positions is monitored using a scorecard, which the Group shares at all levels of the HR function. The share of women in key positions, following a consistent increase over the years, is now stabilizing. While less than 20% of the Group's key positions were occupied by women in 2013, the proportion had reached 26.5% by the end of 2019. 24.4% of the 11,000 positions with the highest level of responsibility were occupied by women (which covers 8.5% of the Group's total positions with the highest level of responsibility, excluding RRG and AVTOVAZ).

The same levels of vigilance are in place at all levels of the Company. The proportion of female members of the Board of Directors, which for two years had hovered at around 43%, now stands at 46.7%, with seven women (AFEP Rule). The share of women on the Executive Committee is 20%, and a woman was appointed to stand in as Chief Executive Officer.

In addition to these quantified targets, women are also offered a range of tools to assist with their development (mentoring, coaching and specific training schemes), enabling them to fulfill their potential and demonstrate leadership.

The Group emphasizes the development of female employees in order to more quickly increase the proportion of women in positions at all levels of responsibility. In addition to the training programs which have already been rolled out in recent years for women during their careers, the Group has created a specific training course, in partnership with the London Business School, which helps Renault's female employees to access roles at the highest level of responsibility. Under the "Be Your Own Leader" program, the female participants are assigned a mentor from the Group's Executive Committee. Following its pilot phase in 2018, the training program was fully rolled out in 2019. 30 women have already benefited from the new program.

At the end of 2019, a Company-wide Diversity and Inclusion team was also created. It is managed by the Employer Strategy department that forms part of the Group's Humans Resources department. Its main objective is to achieve faster progress in the area of diversity and inclusion, by promoting equal opportunity initiatives and putting forward new tools to measure progress in this area.

**The second component** of the WoMen@Renault plan is based on **an international internal social network**, where men and women discuss the progress of the equality initiative and analyze best practices. Active in **14 countries**, the network organizes events and initiatives to promote diversity both at a central level and in the various countries, including awareness workshops and conferences.

These events are open to both men and women to enhance the debate.

In March 2019, Groupe Renault was involved in the ninth edition of the "Printemps de la Mixité" (Spring gender diversity event), formerly known as "Printemps des femmes". This annual event attracts both men and women from major French companies.

In 2019, Groupe Renault continued its partnership with the **"Elles Bougent"** association in France. The goal of these female mentors, which include over 100 Renault volunteer employees, is to create a dialog with young female students and encourage them to consider scientific and technical careers. Renault supports the **Observatoire de la qualité de vie au travail** (the Observatory for Quality of Life at Work, formerly the Observatoire de la Parentalité or Observatory for Parenthood). This organization manages a network of stakeholders involved in corporate parenthood in a bid to strike a balance between professional and private life. These two issues play an important part in Renault's philosophy and actions.

In 2019, the Company continued its commitment to UN Women (France), a commitment first made in 2016. On International Women's Day on March 8th, Groupe Renault continued to support the HeForShe solidarity initiative.

Finally, Groupe Renault participated in the ninth "Trophées des Femmes de l'Industrie" awards. The event rewards and highlights the exemplary career paths of women in industry. At the 2019 event, Elisabeth Delval, Director of the ZOE program, received the "Woman of the Year in Industry" award.

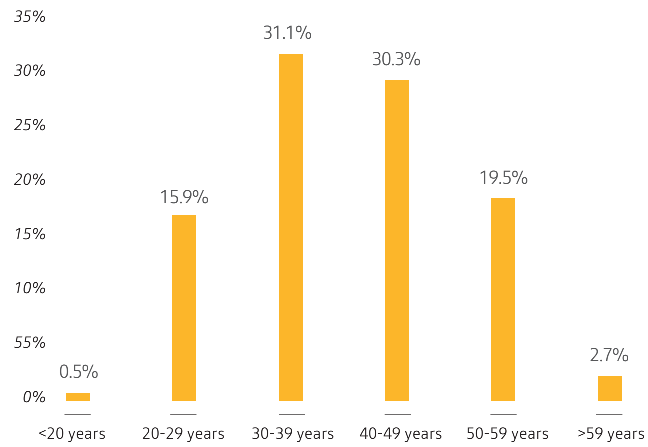
## c) Sexual orientation and gender identity

In 2012, the Group's employees created the We'R OutStandInG (LGBT+ and partners) network. The network's initiatives and support for LGBT+ employees helps to create an inclusive work environment in which everyone can participate and flourish, regardless of their sexual orientation or gender identity. The network primarily provides support to people in transition and victims of discrimination, as well as setting up training and conferences.

## d) Promoting talent at all ages EFPD1c

Recruitment plans have maintained a balanced breakdown of workforce by age: 16.4% of employees are under 30, 31.1% are between 30 and 39, 30.3% are between 40 and 49, and 22.2% are over 50.

**BREAKDOWN OF WORKFORCE BY AGE**




The breakdown by age is calculated on the global scope as of December 31, 2019.

Renault is committed to developing talent at all ages, particularly by supporting young people's integration into the workplace and capitalizing on the experience of seniors.

The three-year agreement on work activity for the sustainable performance of Renault in France, signed in January 2017, encourages the employment of young people and older workers. It states that 30% of new hires on permanent contracts must be young people under 30, 40% of whom must have joined the Company under its youth policy at the end of the agreement.

In addition, Renault pursues an active policy that begins in school and continues until those involved enter the workplace. One of the goals of the CAP 2020 agreement is that 40% of new hires under 30 must have been recruited under the youth policy, either on work/study contracts, as interns or on work placements.

Groupe Renault develops programs and actions to forge links between the worlds of education and employment, and to professionalize and develop their employability, with a particular focus on the promotion of diversity and equal opportunities. The activities that the Group carries out through the Renault Foundation in partnership with schools, colleges and universities are described in section 2.4.3.1.

In France, Renault focuses specifically on links with schools as well as employment and sponsorship initiatives:

- at the end of December 2019, 2,175 young people had work-study contracts at Groupe Renault in France (including some 290 professional training contracts and 85 CIFRE [training through research] contracts). In addition, the Company provided internships to nearly 1,250 young people over the course of the year. Internships and work/study contracts are one of the main recruitment pools for permanent hires. A registration process has been set up for applicants with the necessary skills for work/study and intern positions. In addition, for the third year running, an internal forum for people on work/study contracts and interns was held at the Technocentre. The aim was to enable these people to meet our recruiters and to equip them with the necessary skills through workshops on topics such as how to make the most of a CV, in order to assist them with the job-seeking process, both internally and outside the Group;
- as part of its school's policy, Renault has provided funds to 278 eligible teaching establishments and organizations under the apprenticeship tax;
- since 2006, Renault has organized, in partnership with the education sector and other companies, the "Course en Cours" ("Course in Progress"); the Group is also involved in sponsorship and partnership activities (see section 2.4.3.1);
- in 2019, the "TWIZY Contest" innovation challenge went global: around 30 students from six countries went head-to-head at the international final in October.

### e) Integration of people with disabilities into the workforce EFPD6b EFPD6d

The Company has embarked on the internationalization of its disability policy, creating a link between country initiatives in order to change attitudes towards disability in the workplace and within society in general. The purpose of this is to help the professional integration of people with disabilities, to improve the employability of people with disabilities (recruitment and retention), challenge preconceptions of disability, ensure greater accessibility, adapt workstations and provide training.

The employment rate for people with disabilities is 2.33% in 2019, a slight decline from the rate of 2.38% seen in 2018 at Group level.

To support the internationalization of its disability policy, in 2017 the Company entered into a partnership with the NGO Handicap International. It hopes to benefit from the organization's reputation, legitimacy, visibility and international expertise in disability. The partnership is based around the subject of professional integration. As such, an initial assessment of the disability policy in Morocco was conducted.

Groupe Renault also holds awareness-raising workshops (on topics such as the "dys" disorders and autism), and allows its employees to participate in community running events (*Course du Cœur, Octobre Rose*, *etc.*).

Finally, the Renault Foundation supports the FFH (French Disability Sports Federation), and in this context is helping to develop initiatives for the Paris 2024 Paralympic Games.

## B. Performance appraisal, career development and employee compensation

In 2012, Groupe Renault rolled out a comprehensive HR process management system called Talent@Renault. In 2019, the system was replaced by a new tool, People@Renault, which comprises four aspects: comprehensive management of employee files, performance monitoring and appraisal, employee development and employee compensation (white-collar only). Depending on the subject area, this tool is designed to be used by employees, managers and HR staff.

The implementation of the People@Renault tool in 39 Group countries has ensured that the system is fair, more competitive and more digital, while simplifying it and extending the scope of action for its users.

### a) Performance appraisal

The performance evaluation is based on three principles: team spirit, shared criteria and dialog, using the individual performance review.

The job mastery is assessed according to specific criteria that are identical for all employees, including, technical know-how and the Renault Way principles. The assessment made by the employee's manager is systematically supplemented with a collective evaluation, to ensure greater consistency and fairness within the Company. Furthermore, the evaluation is based on a discussion between manager and employee during the annual performance review. Since 2019, the employees are invited to make a self-evaluation in preparation to this meeting to enhance the discussion. The individual performance is an opportunity to look at the results of the past year, to set objectives for the year ahead, and to discuss the employee's contribution to the Company's performance.

If results fall short of expectations, an improvement plan is implemented by the manager and employee to restore a dynamic to individual performance.

Regular performance reviews throughout the year are highly recommended in order to ensure continuous professional development.

### b) Employee development

People@Renault provides a way to share common policies and practices in employee development (white-collar) at Group level, such as reviewing training requests or defining criteria for selecting high-potential individuals, as well as the systematic implementation of development programs for those individuals, which include a career plan.

People@Renault is also a tool which enables effective management of the succession plans for key positions in the Company.

### c) Employee compensation EFPD1g

The compensation of white-collar staff is based on:

- **the level of responsibility**. Positions have been assessed according to their level of responsibility, using to the Korn Ferry international methodology. This assessment makes it possible to draw up a complete internal mapping of positions across the various business lines and Regions, thereby ensuring greater transparency and global equality of career paths. Another advantage is that Renault can compare its pay scales with the market to better manage competitiveness and the attractiveness of the compensation policy. The fixed and variable compensation system is now determined on the basis of this job classification. This job assessment method has been introduced in 37 Group countries;
- **job mastery**, or the capacity to perform a role, defined with precise and shared criteria to make assessment more objective and standardized within the Group;
- **the extent to which the Renault Way program has been followed**, based on a team workshop or a defined target, to ensure that employees are on board with the Company's main values and principles;
- **the extent to which targets are achieved**.

Analysis of these three components ensures that compensation is based on the individual's contribution to the company, independent of any other factor.

The variable part of the compensation of managers and executives is calculated according to the following principles:

- the higher the level of responsibility, the higher the percentage of variable compensation;
- the higher the level of responsibility, the higher the percentage of collective targets;
- payment of variable compensation is determined by achievement of three targets at Group level.

Three systems are applied:

- a Group system for executives in positions with the highest levels of responsibility;
- a Regional system for management-level executives;
- a Local system defined within each country for non-management executives.

The compensation of senior executives is discussed in section 3.2.

#### Group profit-sharing

Renault has an incentive scheme for employees in France that includes the redistribution of Group profits as well as bonus payments for contributions to site performance.

##### 2019 FINANCIAL YEAR

As with the previous agreement, the agreement signed for 2017-2019 has two parts:

- profit-sharing linked to the Group's operating margin;
- local incentive schemes based on site performance.

Over the past three years, profit-sharing and performance-related bonuses at Renault s.a.s. totaled the following amounts:

| **Year** *(€ million)* | **Aggregate amount: financial incentive + performance-related bonuses** |
|---|---|
| 2017 | 178.8 |
| 2018 | 170.7 |
| 2019 | 176.4 |

### d) Employee stock ownership and savings

In France, Renault operates a voluntary company savings plan open to all subsidiaries that are more than 50% owned. The plan consists of seven employee mutual funds (FCPE) invested in accordance with socially responsible investment (SRI) standards and endorsed by the Labor Union Employee Savings Committee (Comité Intersyndical de l'Épargne Salariale), and two FCPE funds invested in company stock (Renault share, ISIN code FR0000131906). The securities held in the SRI portfolios are selected on the basis of the issuer's employment policies, working conditions, corporate governance, and compliance with environmental standards. Employees can make top-up payments into these seven savings funds and the Action Renault Fund throughout the year.

In 2019, the total amount of incentives invested in the schemes was €82.93 million, an increase of 2.64% since 2018.

In 2018, Renault set up a shareholding offering reserved for the Group's employees and former employees, "ShareTheFuture", following the disposal of Renault shares by the French State in November 2017. This fully subscribed offer generated a 0.5% increase in the share of capital collectively held by employees, following the incorporation into the scheme of two new umbrella FCPE mutual funds, Renault France and Renault International.

In addition, the total payments in 2019 amounted to €91.08 million.

Renault has introduced a Group Retirement savings scheme (Perco), enabling employees to build up savings that will be available in the form of annuities or a lump sum when they retire.

With this system, employees can pay their profit-sharing bonuses, voluntary payments or part of their individual time savings leave (CTI, up to 10 days per year) into the plan. In addition, Renault contributes the equivalent of 30% of the CTI days paid into the plan.

Employees can choose between free management of their savings, the funds proposed as part of the selected Group savings plan (with the exception of the Company share ownership funds) or management through the generational funds in the BNP PARIBAS PERSPECTIVES range.

In 2019, total payments into Renault's Group retirement savings scheme amounted to €14.67 million, of which 27.60% came from the cash-out of paid leave.

The total value of Renault's company savings plans at December 31, 2019 was €859.49 million (see Appendix 2.6.2).

Since December 2015, BNP PARIBAS E&RE has managed the Company savings plan and collective retirement savings plan for Renault.

### f) Controlled development of personnel expenses

The Group's payroll costs stood at €6,706 million in 2019, of which €6,400 million was for the Automotive branch. This was stable compared with 2018. The "10 major countries" (Argentina, Brazil, South Korea, Spain, France, India, Morocco, Romania, Russia and Turkey) represent 89% of the Group's payroll costs.

| Labor expenses by Region | 2017 | 2018 | 2019 | Average cost 2019 |
|---|---|---|---|---|
| **GROUP** | **6,501.9** | **6,702.6** | **6,705.7** | **37.0** |
| Europe* | 4,512.1 | 4,718.2 | 4,686.2 | 64.1 |
| *o/w France* | *3,368.2* | *3,548.5* | *3,473.64* | *71.9* |
| Eurasia | 1,006.5 | 1,051.8 | 1,103.2 | 14.4 |
| *o/w AVTOVAZ* | *450.0* | *460.5* | *466.1* | *9.8* |
| Americas | 435.2 | 399.8 | 374.8 | 30.9 |
| China | 0.2 | 0.4 | 0.4 | 11.2 |
| Africa – Middle-East – India – Pacific | 547.9 | 532.4 | 541.1 | 27.8 |

* *Europe including Renault-Nissan Global Management.*

## 2.4.1.3 Offer working environments with training and enlarge the teams

Training and skills management are the essential drivers for supporting the Group in achieving its objectives. The car industry, still undergoing change, has complex jobs involved in providing electric, connected and autonomous mobility. The Company must therefore not only adapt its skills to develop its competitive advantage and still better serve its customers, but also promote development through training in new technologies, notably digital. Failing to have the necessary skills could affect the Group, causing a drop in the level of product quality and difficulties in innovating or in producing or distributing its services and solutions.

### A. Dynamic skills management

Groupe Renault's skills management system aims to define the strategic skills needed to implement appropriate recruitment, training and employee mobility initiatives in the relevant countries.

These processes are applied to all Business activities, and form the subject of an annual report setting out the Group's priorities. Skills are identified by business managers, supported by a network of internal and external experts. They also make recommendations on drivers for improved skills, including recruitment strategies for finding new skills, training plans for the skills that need to be developed, career plans and coaching and mentoring programs. Skills to be developed cover both technical skills and cross-functional skills.

The process is supported by the HR department, which adopts a global approach, challenges the business activities and identifies the areas for transformation common to the various entities to assess the impacts of these changes on jobs, localization and on the sharing of action plans.

A range of methods is used to circulate information on anticipated skills changes. For example, a self-assessment tool has been available from the People@Renault platform since July 2019. In the segments in which it is deployed, this tool provides employees with an individual assessment of the skills that they have mastered, and those that they need to improve. Mapping of skills gaps for each entity provides managers with the tools they need in order to build and prioritize action plans.

At the same time, as part of an internal networking process, each employee is invited to declare and promote their skills in People@Renault.

### The GPEC (Gestion Prévisionnelle des Emplois et des Compétences) in France

In France, the "Agreement for the sustainable performance of Renault in France" (CAP 2020) was signed on January 13, 2017 for the period 2017-2019. It replaced the "Agreement for a new dynamic of growth and social development at Renault in France" signed on March 13, 2013.

The Agreement sets out a range of measures, including support to start up or takeover a business, a period of secure voluntary mobility, working part-time towards the end of one's career, or work exemption for employees eligible to draw their pension in the three years after joining the scheme. More than 1,300 employees signed up to the measures in 2019, thus injecting new skills into the Group.

The Group's strategic challenges and the resulting changes in skills in each business activity are discussed with the Unions every year. In 2019, the main topics presented included: upskilling of manufacturing employees for Industry 4.0, renewal and preparation of new engineering skills in order to meet the technical challenges of autonomous, connected and electric vehicles.

The Group's skills management system, rolled out across France, allows, a mapping of both new skills and those that need strengthening to be drawn up. This mapping is distributed to managers and employees to help them with their professional planning. It helps to streamline recruitment plans, training and mobility support systems.

Certified training programs have become more widespread to enable employees to change role, by teaching them skills that are both more strategic for the Company and more useful in terms of employability (*e.g.* UX designer training, APICS certification for logistics business activities).

As part of its GTEC (Regional Jobs and Skills Management) scheme, to offer job support and security in France, Renault actively contributes to the work and deliberations of the skills and employment office of the Automotive and Mobility Industry (PFA). It has committed for a period of five years (2017 to 2021) to the PFA's Attractiveness, Skills and Employment program, praised by the public authorities for its innovative contribution to employment and training in the *Investissement d'Avenir* (Investment in the Future) program (PIA 2).

## B. Training to support skills development EFPD5

As part of its "Drive the Future 2017-2022" mid-term plan, Groupe Renault supports the skills development of its employees to meet its sustainable growth targets.

The business, management and Company-wide training offer is created based on skills requirements at corporate, region and country level, and with the support of the academies for each function.

The Learning & Development corporate department coordinates the training network activities by leading 14 functional academies and learning & development teams for the regions and key countries. As part of this, for the second year running a seminar has been held for all training players to share the Group's training strategy, develop links between academies and countries and share best practices. Groupe Renault is committed to training and ensures that its employees have access to lifelong professional learning.

2019 saw the continued roll-out of the **new LEARNING@ALLIANCE learning management system** to all Group employees, to support this approach. The system provides access to an enhanced range of online training courses. Employees can access all "LinkedIn Learning" courses, as well as specific modules on digital transformation, cross-functional and managerial topics and business skills development, in order to multiply everyday learning opportunities. The mid-year launch of a **Digital Learning Factory** encourages the production of digital business modules, by promoting synergies.

The training offer is organized and marketed through **Learning Channels**, which enables us to enhance and promote both business and cross-functional subject areas. For example, a Learning Channel was developed specifically for the five Renault Way principles and the 11 associated competencies, which invites employees to develop their skills through online training courses.

Furthermore, we continued to **roll out LEARNING@ALLIANCE**, incorporating face-to-face training for the following countries: France, Brazil, Argentina, Colombia, Mexico and Korea. Over 95% of the Group's employees can now register for face-to-face training via the LMS (Learning Management System).

### The functional academies

The **14 functional academies** continue to develop their training offering in France and worldwide, following up discussions held by our functions to identify skill requirements and helping to roll out training priorities in the different countries and subsidiaries.

In 2019, the **Manufacturing Academy**, which covers the 37 Renault plants, the seven Production Engineering RTx and the 10 Operating Supply Chain departments, focused on two main areas:

- anticipating future skills requirements and supporting the transformation of Manufacturing. These initiatives included the launch of 22 training programs related to the Factory of the future and the Hypercompetitiveness program and the launch of Strategic Skills Management initiatives for manufacturing business areas, creating a three-year upskilling plan to be rolled out to each region. In addition, for Supply Chain (Logistics), face-to-face and digital programs were created to develop the 10 strategic skills of the business activity, with 7,200 training hours carried out;

- simplifying our training offer and making it easier to understand, via our manager and employee ambassadors in all countries. We have therefore reduced the number of training courses from 1,200 to 870. Until 2022, training will be organized as an upskilling program for each business area and scope. There will be approximately 150 complete programs, running from beginner level to advanced. 26 paths were launched in 2019.

All Group training courses are offered in three languages (French, English and Spanish), and a local network provides translation into the Company's seven other languages. In 2019, 50% of new training courses were digital.

In 2019, the **Engineering School** worked on three main areas to develop Product Engineering skills. Firstly, at the beginning of 2019, the strategic skills reference framework was shared and approved at Alliance level, with support from the Renault and Nissan Expertise network. Secondly, the annual update of the Dynamic Skills Management data took place in mid-2019 in order to forecast requirements for the 2022 Mid-Term Plan. The third and ongoing area is the incorporation of templates for the application of FAST to upskilling requirements. The Engineering School's curriculum now offers a greater range of training on autonomous vehicles, electric and hybrid vehicles and on regulatory standards and requirements. In 2019 this resulted in the creation of around 100 new training courses, in line with the Company's strategic drivers. In particular, these training courses support the move from mechanical engines to electric or hybrid vehicles, awareness of new technologies (Cybersecurity and Artificial Intelligence), and the incorporation of training on new tools from the Alliance's digital transformation plan (OneVal, One TD, MagicDraw, FOTA) and from configuration management. The learning experience has been improved and training time optimized through the implementation of training programs (particularly project management) which combine online training modules or resources with face-to-face sessions, as well as new learning methods (including active learning, use of tablets for face-to-face sessions, *etc.*).

The **Alliance Purchasing Organization Academy** has been four years in the making, and the 22 local Purchasing schools are now able to offer a combined training offer comprising over 100 training courses and an equal number of online training courses and short videos, for three experience levels – New Starter, Basics of Purchasing and Advanced Training. The Purchasing Skills Matrix has been able to better prioritize individual needs thanks to an anonymous self-assessment tool. By applying neuroscience-based best practices for interaction and learning effectiveness, there has been a particular focus on the quality of learning materials. New subject-specific step-by-step training programs are currently being rolled out, starting with "Negotiation" (series of eight face-to-face classes and 30 online training modules over five years), "Operational Management" and "Performance Drivers". These programs cover the six key Purchasing skills.

In 2019, **the Quality and Customer Satisfaction School** focused on creating and deploying learning tools in order to:

- help to roll out the Quality and Customer Satisfaction culture to all of the Group's employees. The "Basics of Quality" program (23 online training modules) was created and rolled out widely to all Group departments both in France and worldwide, because quality depends on everyone;
- manage business upskilling for Management employees: the 2019 skills assessment campaign had a worldwide coverage rate of 99.1%, and a range of suitable Quality training courses was provided (36 digital and face-to-face training courses designed in 2019);
- anticipate upskilling requirements for Management employees, increasing their skills through training courses linked to the strategic skills of the future. Training courses were rolled out and monitored in line with eight strategic skills. In 2019 these skills were integrated into the skills grid following the Quality and Customer Satisfaction skills assessment;
- continue the digital transformation of Learning by supporting upskilling of stakeholders (trainers, technical experts, international network of correspondents). Every two months, the international network of correspondents meets via remote meetings and digital workshops, in order to communicate new learning methods to technical experts and trainers ("Quality Academy" Convention on the theme of "Digital Methods to Support Learning", June 2019);
- continually gather the views of new Management employees to offer an induction program that better meets their expectations.

Based on the business skills self-assessment results, the **Finance Academy** created 18 online training programs to support the development of priority skills for Finance teams. These cover cross-functional skills, as well as strengthening employees' financial skills to support the transformation of the Finance Function. A serious game called Cash-Cash was designed and rolled out to all employees, on the subject of generating free cash flow, a key topic for Groupe Renault. Finally the Academy developed its international network (particularly in America and Eurasia) with a view to promoting and deploying its training programs throughout the Group, based on its strong network of internal trainers.

Following its initial digital transformation phase, Renault's IT department (DIR) is now aiming to embed and accelerate the acquisition of new technological skills. For this purpose, the **Digital Academy** has rolled out a "Become a Developer" reskilling program as well as seven upskilling initiatives. The 9-month work-study reskilling program offers willing employees the opportunity to become a Developer for the IT department. The program was designed in partnership with Simplon school, and issues a two-year higher education diploma from the French National Register of Vocational Qualifications (*Répertoire National de la Certification Professionnelle*). The seven upskilling initiatives are based around two main areas: role-focused programs such as Product Leader, Agile Business Analyst and UX Designer, and training offers based on new technologies such as the Cloud, Architecture and System Interoperability, Cybersecurity and User Experience. The Digital Academy is also committed to opening up the training to employees in different regions.

In 2019, the **Sales and Communication School** worked on developing the following areas: the School's reputation (with a dedicated website in French and English, a regular newsletter and lectures open to all employees to introduce the range of training courses and training access tools), revision of the training catalog program (with one-third of its courses now redesigned or new), and work on tailoring its individual training plans to required skills. These initiatives have increased the volume of business training hours delivered by nearly 30%.

In October 2019, the **Real Estate and General Services department** created its School to coordinate and strengthen training actions for the business departments, as well as supporting the transformation and development of the Real Estate and General Services business activities. It is supported by solid training initiatives such as the Essec Real Estate Chair and the Ginger building training cycle, as well as its network of technical experts and internal trainers.

At the end of the year the **Legal School** prepared the roll-out of digital training on the General Data Protection Regulation (GDPR), which will be available online in English and French and is due to be published in the different Alliance languages in 2020.

## Renault Way

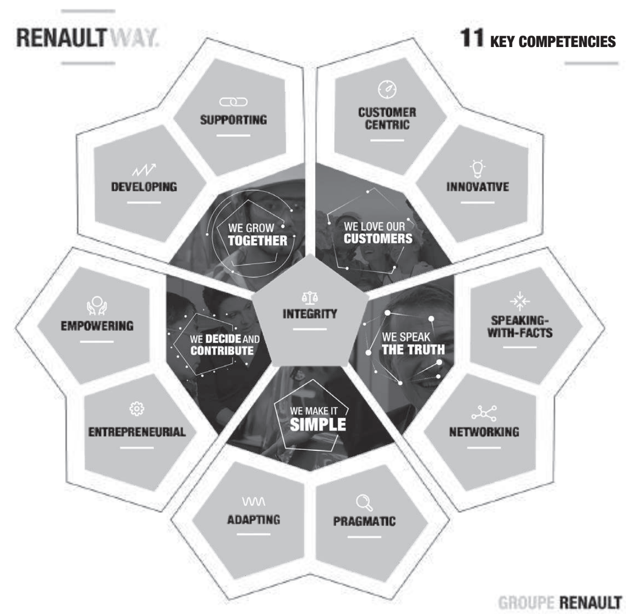
Since 2017, Groupe Renault has had a unique set of reference guidelines, the **Renault Way**, shared with all managers and employees. It is based on five principles that guide daily behaviors and actions. At the beginning of 2019, the Renault Way principles evolved to support cooperation between teams, and to support Groupe Renault's transformation through the FAST program. A reference framework of 11 key competencies was linked to the five Renault Way principles:

- We love our customers;
- We speak the truth;
- We make it simple;
- We decide and contribute;
- We grow together.

In addition to the communication campaigns aimed at Groupe Renault employees, a specific seminar, Renault Way Team Experience, was rolled out to 11,000 managers and their teams. This three-day seminar (two days followed by a return on experience day) is designed to help managers translate the five principles of the Renault Way into concrete collaborative daily actions and expected behaviors within their teams. The organization of these seminars is assigned to external partners or to teams from Renault-Nissan Consulting or to internal trainers who have followed a training course as trainer, before presenting these sessions.

The Renault Way training initiative has been complemented by a new serious game, which enables employees and managers to take on board the Renault Way principles using scenarios taken from everyday working life. More than 8,000 employees have taken part in this gaming activity, which will continue in 2020.

A redesign of our management training offer is also underway, to support manager development in line with the five Renault Way principles. In 2019 a training program was launched for new managers. Since its launch, over 8,400 individual trainees have completed one or more of the four paths in the on-boarding management program.




## Training actively rolled out in the Regions

2019 marked the launch of the face-to-face version of LEARNING@ALLIANCE in **France**. All of the industrial and commercial subsidiaries (excluding RRG) now use the same LMS (Learning Management System), which represents a significant step forward for the France Learning & Development function. The France Human Resources department held numerous events on the considerable changes to French training legislation that took place at the end of 2018. In addition, implementation of the recognition agreement for internal trainers has been very satisfactory. The agreement is based on valuing and recognizing the roles that trainers play, and most of the functional academies have deployed initiatives in this area including the mapping of trainers for each business activity, rewarding training roles in the annual performance review, training tied to a national qualification and annual recognition plans. Thanks in particular to a close and in-depth relationship between the functional academies and their internal trainers, internal knowledge transfer (one of the founding principles of France's training policy of "a high-performing learning organization" (2017 CAP Agreement), is still progressing.

**HR teams in Romania** have continued to roll out management development programs at all levels and for all business activities, which incorporate references to the five Renault Way principles. Since 2013, approximately 1,400 managers have followed managerial training programs. In addition, a European Community-funded training program has been put together for HR teams (158 employees), with roll-out beginning in October 2019.

**The training team in Russia** has strengthened links between the corporate business academies (Manufacturing, Engineering, Quality, Supply Chain, Purchasing and HR) and local business activities, and has worked hard to boost its network of internal trainers. It is also in the process of creating more comprehensive training assessment processes (on-the-spot and post-training).

**The training team in Turkey** successfully deployed a new leadership development program, with a 96% satisfaction rate for the 49 heads of department. Induction seminars were rolled out on the Renault Way principles for all target trainees, with an additional specific blended learning program for unit heads (Leadership School 2.0). 135 trainees participated in a new talent development program to prepare for future roles, with an emphasis on managerial skills. Finally, throughout the year the training team lead and recognized internal trainers as well as raising their professional standards, in line with Group policy. On November 28, 2019, Educorp awarded the Oyak-Renault L&D team two major prizes to acknowledge the quality of training provided by the internal training institute.

The **Eurasia and Europe Regions** joined forces with CEDEP and IESE to develop the "Leaders for Tomorrow" Talent program. The development program uses experiential learning modules, group projects, 360° feedback, group coaching and online learning resources.

**AVTOVAZ** has more than doubled the number of training courses deployed over the past three years, while cross-functional training has increased five-fold. Its 2019 priorities were focused on the development of business skills, including Alliance Production Way (APW), engineering, quality management, IS/IT, sales costs and the basics of finance. By the end of 2019, approximately 1,000 managers at different levels will have had the opportunity to undertake managerial training (1-3 days based on target requirements).

**HR teams in Spain** have delivered 11 leadership training sessions to 327 managers, which resulted in an average satisfaction rate of 95%. The training center for blue-collar staff has made our recruitment more secure, as well as boosting our image as an employer on the jobs market. 69% of those trained were recruited at the end of the three-week training course.

**Argentina** has focused on management training together with personal and professional development. For the second year running, four-hour talent talks have been held to share performance development processes. Roll-out of a leadership program has also continued, while induction seminars have been held on the Renault Way principles. 2019 also saw diversity and inclusion-themed training delivered to employees. As far as technical training is concerned, the Manufacturing School focused on consolidating basic skills for all operators (a total of 1,506 hours), and training trainers in new learning methodology (three-step learning method). Training was also rolled out to support the development of Scrum project management methodology.

In 2019, **Brazil**'s main focus was to roll out and boost the Renault Way framework for all employees. The L&D team worked in partnership with the Communications team to lead engagement initiatives and training sessions to improve the visibility of the new LEARNING@ALLIANCE learning management system rolled out in July 2019. It also held further Renault Talks events. Measures were implemented throughout the year to boost skills development in specific business activities. There was a particular focus on manufacturing, which launched a new training area, and an external training school in partnership with a local Business School.

At **RSM in Korea**, actions were taken to boost the managerial skills of senior and middle managers, and to roll out the Renault Way principles with dedicated seminars. In addition, specific development programs have been deployed locally, and local talented individuals have been given the opportunity to follow the Group training program.

In 2019, the total number of training hours undertaken by employees registered with the Group in 2019 (temporary and permanent) stood at 3,089,782 hours (excluding AVTOVAZ) and 4,929,869 hours (including AVTOVAZ). The breakdown of training hours by Region was as follows:

### BREAKDOWN OF TRAINING HOURS BY REGION

| *Region/training hours* | 2019 | 2018 |
|---|---|---|
| Americas | 144,100 | 211,452 |
| AMI - Pacific | 374,492 | 472,301 |
| China | 439 | 150 |
| Eurasia including AVTOVAZ | 2,548,425 | 2,515,123 |
| Eurasia excluding AVTOVAZ | 708,338 | 922,684 |
| Europe (excluding France) | 923,319 | 981,619 |
| France | 939,094 | 948,324 |
| Total excluding AVTOVAZ | 3,089,782 | 3,536,380 |
| Total including AVTOVAZ | 4,929,869 | 5,128,819 |

Within the 10 major countries, training hours carried out in 2019 broke down as follows:

**NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES**

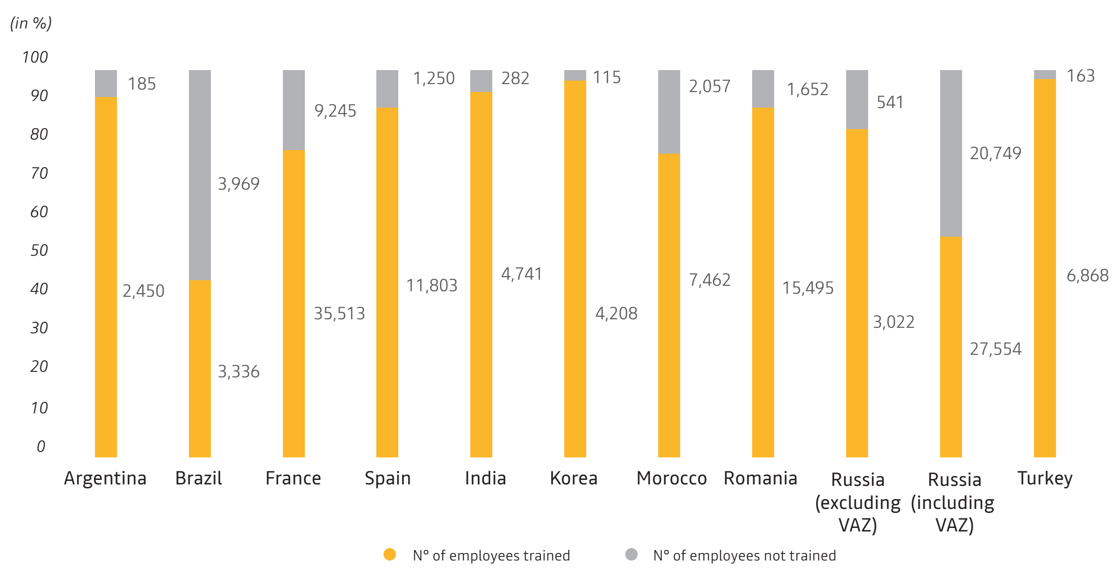
| Training/country | Argentina | Brazil | Korea | Spain | France | India | Morocco | Romania | Russia (including AVTOVAZ) | Russia (excluding AVTOVAZ) | Turkey |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total hours 2015 | 35,057 | 83,642 | 91,805 | 643,652 | 827,928 | 161,654 | 280,875 | 417,151 | | 63,286 | 274,121 |
| Total hours 2016 | 45,400 | 71,538 | 118,164 | 641,874 | 844,738 | 158,277 | 118,621 | 465,297 | | 97,998 | 379,383 |
| Total hours 2017 | 40,459 | 65,271 | 113,246 | 649,328 | 998,064 | 210,494 | 131,912 | 432,594 | | 128,996 | 343,632 |
| Total hours 2018 | 78,522 | 95,564 | 100,549 | 636,649 | 948,324 | 194,636 | 175,434 | 418,138 | 1,751,056 | 158,617 | 344,705 |
| Total hours 2019 | 50,651 | 55,185 | 73,846 | 587,146 | 939,094 | 113,505 | 172,724 | 278,388 | 1,964,076 | 123,989 | 304,854 |

The fall in the number of training hours in certain countries can be explained by a reduction in external training purchases. From mid-2019, certain countries including Romania, Spain, India and Brazil have placed major restrictions on the roll-out of occupational, cross-functional and management training as part of an overhaul of their training offers. This fall has been partially offset by the ramp-up of digital training. Between 2018 and 2019, the number of digital training hours increased by more than 2.5 to a total of 180,000 hours for the Group (compared with 71,000 hours in 2018). AVTOVAZ has implemented a very dynamic training plan which covers occupational training (in particular, Engineering and Manufacturing), management training and languages.

## TRAINING ACCESS RATE AND AVERAGE TRAINING HOURS BY EMPLOYEE

In 2019, the overall training access rate (excluding AVTOVAZ) was 82.6% (75.5% including AVTOVAZ). The average training time (excluding AVTOVAZ) was 22.4 hours per employee (26.6 hours including AVTOVAZ).

Quarterly monitoring is performed within the major entities of the Group's 10 major countries representing 92% of Groupe Renault's registered workforce. The training access rate for these entities (excluding AVTOVAZ) was 83% (75.1% including AVTOVAZ):



## C. Preparing tomorrow's leaders

The Human Resources function develops personal development policies and practices for the Company's men and women to enable them to adapt to the new challenges faced by the Group and to support the implementation of Group strategy.

Renault is particularly committed to widening the cultural diversity of employees in key positions. From this perspective, Renault defines its "international profiles" as "non-national managers, managers who have worked abroad for at least 12 consecutive months, or who have obtained a degree abroad." Renault is continuing the actions initiated under its previous mid-term plan. At the end of 2019, 41.6% of key positions were held by international profiles.

With a talent-spotting process shared by all business-lines and all Regions, and with the coordination of a diversity policy, Renault promotes equal opportunities and embraces diversity to pave the way for the Group's future in an increasingly global world.

To ensure that it has a robust talent management process, it is Renault's ambition to have a succession plan for each key post within the Group. From this year, Renault has also made it possible for each manager to document succession plans for their team, and to share them with their peers and with HR.

Guidelines for talent development have been adapted to the Group's international expansion:

- implementation of precise and consistently defined selection criteria worldwide for identifying individuals with three levels of potential;
- decentralization of the talent detection process (for the three levels) and talent validation (for two levels). The countries and Regions are responsible for identifying high-potential employees and candidates for key positions.

### Renault leadership assessment

Another tool used to detect talent in addition to the sustainable performance assessments and individual appraisals is the Renault Leadership Assessment (RLA). This development tool is based on seven leadership criteria in accordance with our standard. Carried out with the assistance of a specialized consulting firm, the RLA is both an employee development tool and a decision-making tool for the Career Committees in charge of talent management at Renault. It reinforces objectivity and fairness in the assessment of employees with potential. Over 1,330 people have undergone the RLA since it was introduced in 2012 for the three levels of potential. It can also support the recruitment process for experienced managers. The RLA is also used for collective analyses which help to adjust the priorities of the Group and development tools.

The individual results produced from the RLA are shared with the employee in question, and used to draw up an individual development plan, which might consist of several elements:

- complete training programs like those of Business Schools;
- training programs that enhance specific skills, both in terms of knowledge (finance, international negotiation, *etc.*) and in terms of soft skills (*e.g.* communication);
- career assessment;
- personal coaching, done externally or internally, to prepare for a new position critical for Renault or to improve specific points (managerial stature, communication, *etc.*);
- mentoring (learning about other company business activities, management through innovation, peer relations, *etc.*);
- learning situations, through a change of function or participation in work groups or cross-functional teams;
- international assignment.

### Openness to multicultural partnerships

These development plans also include opportunities for multicultural partnerships, particularly in the Alliance with Nissan and Mitsubishi.

Since 1999, employee exchanges have been one of the mainstays of the Renault-Nissan Alliance. These exchanges have improved collaboration between the two companies and enabled the implementation of synergies and best practices in the Alliance. In addition to those on temporary assignment, nearly 180 Renault, Nissan and Mitsubishi employees were working at a partner company in 2019. Most of these exchanges involve high-potential individuals, so that tomorrow's global leaders gain more international experience, or experts, in order to share and develop critical skills within the Alliance. These exchanges of experts are managed at regional level.

The links with Renault's other partners (Daimler) are also reinforcing an international outlook and the capacity to work productively together.

## 2.4.1.4 Social dialog

The Group marked a decisive step in its social dialog by entering into the Global Framework Agreement on "Working together to build the working environment of the future". This Agreement instils this as a central topic in the social dialog of all of the Group's countries.

## A. Social dialog across five continents

EFPD4a EFPD6a EFPD6b EFPD6c EFPD6d EFPD17a EFPD17c EFPD17d EFPD18

The Groupe Renault Works Council, which celebrated its 26th anniversary in 2019, is the sole forum representing all Groupe Renault employees worldwide. Involving Senior Management representatives and 40 employee representatives from countries in which the Company is present, the Council reflects the geographical, social and professional diversity of Renault worldwide.

As the preferred forum for open and responsible international dialog, it allows Senior Management and employee representatives to discuss the Group's position and strategic direction, and also the interests of employees as a whole, while respecting all stakeholders.

The Works Council may therefore be convened:

- as the Worldwide Group Works Council, bringing together 40 members from 26 countries;
- as the European Works Council, bringing together 31 members from 19 European countries;
- as the Group Works Council Restricted Committee, comprising 11 members elected by the Worldwide Group Works Council;
- as the France Works Council.

This regular dialog enables Senior Management and employee representatives to anticipate more accurately any social aspects of changes at Groupe Renault level, in order to combine the Group's financial performance and employee development in the context of globalized competition.

The Groupe Renault Works Council is also the forum that monitors the two Global Framework Agreements **"Committing together for sustainable growth and development"** and **"Working together to build a Groupe Renault working environment"**, respectively agreed in 2013 and 2019.

This year again, the Group Works Council Restricted Committee took on a steady workload, alternating between in-person presentations and exchanges with members of Senior Management and business activity experts, on-site visits and negotiations for a new Global Framework Agreement, on different aspects of life at work.

Changes in the automotive industry, be they economic, technological, social or societal, were discussed on many occasions, both with the members of the Group Works Council Restricted Committee and those of the worldwide Group Works Council, which was given an in-depth presentation on Industry 4.0 and presentations on the changes in the business activities.

In April, the 2019 Learning Session took the members of the Group Works Council Restricted Committee to Colombia to take a close look at the industrial, commercial and social challenges faced by Sofasa. Meetings with employee representatives provided a clearer understanding of the social and societal challenges, and specifically of well-being at work initiatives.

Finally, the first part of the year was devoted to negotiating a new Global Framework Agreement on various aspects of life at work. On July 9, 2019, the Agreement was signed by Renault Management, representatives of national federations forming part of the Group Works Council, the secretary of the Group Works Council and the IndustriALL Global Union.

The second part of the year was devoted to implementing the Agreement in all of the countries in which the Group operates. The 2019 plenary session included discussion workshops with all members of the Worldwide Group Works Council, while November saw the first follow-up meeting, focusing on implementation progress, particularly in France and Brazil. Changes in the world of work were particularly evident in the transformation of finance-related business activities.

## Two Global Framework Agreements

The Global Framework Agreements serve as a frame of reference for the application of Human Resources policy internationally, in accordance with national legislative frameworks and local social dialog conditions.

### Key points of the Global Framework Agreement of July 3, 2013

**Ensure compliance with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labor Organization (ILO).**

**Promote social dialog**, notably through complying with the principles established in the International Labor Organization's Freedom of Association and Protection of the Right to Organize convention no. 87 of 1948, and its Right to Organize and Collective Bargaining convention no. 98.

**Protect health, safety and the quality of life at work,** by defining a "health and safety and workplace environment" policy, involving managers, employees, health and safety professionals and employee representatives, according to their fields of responsibility.

**Manage skills and employment,** by anticipating as far as possible changes in business-lines through a dynamic skills-based approach, while promoting diversity.

Ensure compliance with the provisions of the ILO'**s Equal Remuneration** convention no. 100.

Ensure that wherever the Company operates in the world, employees and their families enjoy **adequate protection in the event of fatality, disability, workplace accident or occupational illness.**

Make the respect for fundamental social rights a decisive criterion when choosing suppliers and subcontractors.

Promote the three priority areas of **societal responsibility:**

- support for educational projects;
- helping young people to begin working in the automotive industry;
- road safety.

Contribute to **environmental protection** and to sustainable mobility for everyone.

## A new Global Framework Agreement on quality of life at work for employees was signed on July 9, 2019

To continue the work of the 2013 Global Framework Agreement, on July 9, 2019, Groupe Renault signed a new Global Framework Agreement with 10 trade union federations and trade unions represented on the Group Works Council, the Group Works Council secretary and the IndustriALL Global Union.

Against a backdrop of major economic, technological, digital, social and societal shifts, this Framework Agreement demonstrates the Group's aim of linking well-being at work with group performance.

It also confirms Groupe Renault's social aims, as the Agreement will form an integral part of its sustainable development and competitiveness strategy.

This innovative Agreement, entitled **"Working together to build a Groupe Renault working environment"** confirms the Company's commitment to compliance with fundamental social rights, and now also incorporates the convention adopted by the ILO in 2019 on violence and harassment in the world of work. It constitutes a structural basis for social dialog, both at Group level and locally. It also encourages and makes it possible to implement initiatives, and to identify relevant and pragmatic solutions that improve the working lives of employees through the negotiation of local agreements.

In the interests of sustainability, this new Agreement addresses multiple aspects of working life, and specifically those that enable employees to combine performance and well-being.

"The agreement puts into practice one of the conclusions of the ILO's centenary: the future of work is not written in advance, it depends on what the labor actors will do with it, particularly through social dialog. I welcome the signatories of this agreement who are part of this proactive and positive perspective with regard to the challenges of labor transformation." Guy Ryder, Director-General of the ILO

This new approach, which applies to all Group employees worldwide, is based on five key drivers:

- **Dialog on changes in the workplace**

  Given that the automotive sector is undergoing a major shift towards digital technologies, connectivity and autonomous and electric vehicles, the Group must create conditions in which employees can identify and acquire skills that are crucial to changes in their roles within the sector, and to their employability. A dynamic and predictive approach to skills management is required in all of the Group's countries.

- **A collaborative management system**

  The Agreement provides managers with the critical role of maintaining high-quality professional relationships, based on a management system that promotes group work, listening, mutual respect, empowerment and professional recognition. Employees also have an active role to play in their own careers and impact upon their working environments.

- **Sustainable commitment to inclusion**

  There are a number of measures in place to boost inclusion with, in particular, inclusion policy "aimed at creating an environment of trust and mutual understanding, in which each person at the Company, regardless of their age, physical condition, gender, sexual orientation, origin, religion, political views, union status or national or social origin, feels at ease and can be themselves. This enables them to express their individual potential and thereby contribute to collective performance". Accordingly, sites organize integration programs for new starters. There are also shared platforms, internal social networks, and clubs for the various business activities, to promote discussion and share knowledge. The Agreement also reaffirms the Group's commitment to compliance with the fundamental social rights and incorporates ILO convention no. 190. It includes compliance with fundamental social rights, the protection of personal data, any form of violence, harassment or discrimination in the workplace, and all improper conduct in the workplace, with a professional whistle-blowing system open to all employees, suppliers and service providers. Action and solidarity programs are encouraged, such as donation of paid leave to employees who have a seriously ill or disabled child or partner.

- **Work-life balance**

  The Agreement also makes working conditions more flexible, with adapted or changed working hours to improve work-life balance. Working hours can accordingly be adapted to personal circumstances, meetings should be planned so that everyone can attend, and work from home schemes should be encouraged while ensuring that team spirit is maintained.

- **Adaptation of the working environment**

  There is a particular emphasis on the unique requirements of employees and their roles, with a specific focus on people with disabilities, facilitating both group and individual work, and incorporating focus and relaxation areas.

  The Company is committed to working with business experts, employee representation bodies on site renovations, and carefully considers the ergonomics and quality of its facilities and catering areas. The Group also plans to provide employees with various digital tools to make their lives easier when working off-site.

  To help develop these new working practices, "Groupe Renault provides its employees with various digital tools, enabling them to overcome any day-to-day spatial constraints that they might encounter, and so that they can access any Company systems they need, on any device and in any location (including on their own devices)".

## Agreement monitoring and implementation

The Agreement, which "serves as a binding contractual basis for forthcoming local agreements", is currently being rolled out to the Group's business activities and regions.

On November 19, 2019, an initial follow-up meeting was held in Boulogne-Billancourt, France, between managers and the Unions that were signatories to the Agreement and a representative from the IndustriALL Global Union. In Brazil, Renault do Brazil management drew up a memorandum of understanding with the social partners to formalize their mutual commitment to developing practices based on the five main areas of the Framework Agreement, and to enhance the quality of local social dialog on that basis.

## First prize for most innovative collective agreement

In October 2019, the new "Working together to build a Groupe Renault working environment" Global Framework Agreement in France won first prize for the most innovative collective agreement, awarded by the Assises du Droit Social (ADS).

### Promotion and respect for fundamental labor rights

Groupe Renault is committed to complying with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labor Organization (ILO):

- effective abolition of child labor;
- elimination of all forms of forced or compulsory labor;
- elimination of discrimination in respect of employment and occupation;
- freedom of association and the right to collective bargaining.

These principles are embedded in the following ILO conventions:

- minimum age and worst forms of child labor conventions nos. 138 of 1973 and 182 of 1989;
- forced labor conventions nos. 29 of 1930 and 105 of 1957;
- discrimination (employment and occupation) convention no. 111 of 1958;
- equal remuneration convention no. 100 of 1951;
- freedom of association and protection of the right to organize convention no. 87 of 1948;
- right to organize and collective bargaining convention no. 98 of 1949;
- workers' representatives convention no. 135 of 1971, in order to prevent any form of discrimination on the grounds of labor union involvement;
- violence and harassment convention no. 190 of 2019.

From July 26, 2001, Groupe Renault has also adhered to the universal principles of human rights set out in the United Nations Global Compact. In accordance with the Global Compact, Groupe Renault seeks, in particular, to combat all forms of corruption. Groupe Renault raises employee awareness of this issue via Groupe Renault's code of ethics and different communication and/or training methods.

Groupe Renault is also committed to complying with the OECD Guidelines for Multinational Companies, adopted on June 27, 2000, and updated in May 2011, and with ILO convention no. 158 of 1982. It also recognizes ISO 26000 as a benchmark.

### The vigilance plan for human rights and fundamental freedoms DV1a

In accordance with the law no. 2017-399 dated March 27, 2017 on the duty of vigilance, the Group Human Resources, Corporate Social Responsability, Group Prevention and Protection, Group Ethics and Compliance, Purchasing and Health, Safety and Environment departments have continued their work, supported by regular talks with the Worldwide Group Works Council secretary. Pursuant to the ILO Application of International Labor Standards, additional vigilance was put in place, with feedback from the countries, from either the CSR department, local HR directors, social partners or Ethics officers.

Based on this mapping, and the location of the Group's sites worldwide, Renault decided to pay even greater attention to the application of ILO convention no. 100 (Equal Remuneration) and ILO convention no. 111 (Discrimination, Employment and Occupation).

#### Assessment and monitoring of measures implemented DV2a

The results of this additional vigilance are regularly assessed and monitored as part of annual follow-up meetings between the Groupe Renault Works Council and the Worldwide Group Works Council. Please note that two sections of the new 2019 Global Framework Agreement are devoted to the Group's sustainable commitment to inclusion and respect for people.

#### Actions to mitigate risks DV3a

The Audit department now includes in its local audits, Human Resources practices on the knowledge of and compliance with Global Framework Agreements.

In addition, training and outreach to local Ethics Committees is being studied. They are designed to enable, through an examination of risks at the level closest to the operations, better identification of at-risk situations in matters of human rights and provide appropriate solutions.

Preparation is underway for training on fundamental social rights, to be delivered by the ILO's Turin training center to members of the Group Works Council Restricted Committee, and in which the Ethics department will be involved.

#### Effectiveness of measures DV5a

The effectiveness of the measures put in place is measured, notably through the number of incidents that may be reported both by the internal professional whistle-blowing system and by the various stakeholders.

## B. Worldwide organization of social dialog EFPD4a

The composition of the 40 members of the Groupe Renault Works Council is a testimony to the geographical, social and professional diversity of Renault worldwide. It aims to promote the expression of this diversity, primarily by enabling the main Group entities or subsidiaries to be represented in an effective manner with respect to the relevant employees and within a globally balanced framework:

- European Economic Area: 31 members (Germany, Austria and Switzerland, Belgium, Netherlands and Luxembourg, Spain, France, Italy, Poland, Hungary, Slovakia and Czech Republic, Portugal, Romania, United-Kingdom and Ireland, Slovenia and Croatia);
- other countries: nine members (Argentina, Brazil, South Korea, India, Morocco, Russia and Turkey).

Groupe Renault ensures that employees are represented across all Group entities by elected employees representative or labor union members. It reaffirms its commitment to respect the right of freedom of association, in terms of the freedom to join and hold office in a labor union, in accordance with the principles laid down by International Labor Organization (ILO) Freedom of Association and Protection of the Right to Organize convention no. 87 of 1948.

Groupe Renault is also committed to respecting the terms of the International Labor Organization's Right to Organize and Collective Bargaining convention no. 98.

The full Works Council members, or their substitutes, must be employees of Renault or of a subsidiary in which Renault owns, either directly or indirectly, more than one-half of the share capital. They must hold the position of employee representative in it, whether through election or by labor union membership.

In 2019, the Group Works Council met 32 times, with nine internal meetings, six meetings to negotiate the new Global Framework Agreement, six meetings of the Group Works Council Restricted Committee, five Learning Session days, one extraordinary meeting in its European format to discuss changes to the structure of the Central Cluster, now including Germany, three agreement follow-up meetings and two plenary session days.

In addition, the Supervisory Board of the Renault Shares and Renault International funds met in May 2019.

### SOCIAL DIALOG AGENDA 2019

| First half-year | Second half-year |
|---|---|
| 2018 commercial results and Customer Satisfaction policy<br>New CLIO | Discussions with the Chairman and Chief Executive Officer and with the Chief Executive Officer on the Group's strategic guidelines |
| 2018 financial results<br>Employee shareholding plan<br>Company mutual investment fund (FCPE) – Constitution of the Supervisory Board | Commercial results first half-year 2019<br>Worldwide automotive trends<br>Marketing Policy |
| Strategic issues for each Business activity (Engineering, Manufacturing)<br>Group social policy<br>Results of the employee survey | Quality and customer satisfaction<br>2021 CAFE Regulation<br>Electrification strategy |
| Renault Way and key skills<br>Dynamic skills management and lifelong learning | Ethics and Compliance<br>Transformation of the Finance business activity |
| Group HSE policy | Signing of the Global Framework Agreement on "Working together to build the working environment of the future" |
| Negotiations for the new Global Framework Agreement on different aspects of life at work | Local Agreement implementation workshops<br>Best practices for the local roll-out of the Agreement (France, Brazil, *etc.*) |

### Monitoring the 2013 Global Framework Agreement

The signatories to this agreement included an annual **reporting tool** from the very beginning, consisting of 60 indicators, defined jointly with industry experts. These 60 indicators were also directly inspired by the guidelines of the Global Reporting Initiative (GRI) and ISO 26000.

This reporting tool is supplemented by annual in situ discussions with Group business-line experts and local suppliers, either during the annual learning session, a study trip undertaken each year by the Works Council Restricted Committee, to gain a better appreciation of the socioeconomic and cultural aspects of a particular country where Renault operates and a better understanding of Renault's industrial, commercial and social challenges in that country, or during a visit to a site or establishment. Since 2012, the seven learning sessions have taken the members of the Works Council Restricted Committee to Morocco, Brazil, Romania, Argentina, India, Korea and Colombia.

This agreement also stipulates the methods for dealing with difficulties encountered in the countries, ensuring in particular that a climate of trust is maintained and favoring the search for a solution through dialog, in the first place, on a local level, rather than any other actions.

This section was supplemented with the completion of a memorandum, setting out the procedures for notifying, investigating and resolving potential difficulties by each of the signatories.

### Monitoring the 2019 global framework agreement

Building on the experience of monitoring the 2013 global framework agreement, the 2019 agreement provides for monitoring meetings at global and local levels as well as defining shared monitoring indicators.

## C. Ongoing local social dialog EFPD4b EFPD4c

The Group's momentum on employee-related issues around the world is demonstrated by the number of agreements newly entered into and/or renewed in all countries, which also attests to the ongoing drive by the Group's Senior Management and social partners to negotiate agreements that satisfy the long-term interests of both the Company and its employees.

### In France:

The "Agreement for the sustainable performance of Renault in France" (CAP 2020), signed on January 13, 2017 by the CFDT, CFE-CGC and FO, continued to serve as an important point of reference for the new Renault Drive the Future strategic plan. It is based on three areas: customer satisfaction, sustainable performance and motivation of the Company's women and men. The agreement incorporates business and performance commitments that include:

- making the French plants a benchmark for the Group;
- securing the business outlook until end-2019;
- providing significant Research and Development investment;
- specific efforts to strengthen engineering resources in France.

These commitments are supported by an effective and motivating employment policy based on significant social dialog at both a central and local level to build sustainable performance.

The amendment signed on April 16, 2018 notably enabled:

- the commitment to hire new permanent employees in France between 2017-2019 was increased from 3,600 to 5,000;
- an additional €15 million investment in the professional training plan;
- a voluntary work exemption plan.

During its final year of implementation, the results of this agreement were positive, with in particular:

- slightly more than 6,000 permanent recruitments, including 1,320 in 2019;
- the target of integrating 1,000 people on work/study contracts being achieved;
- investments in training exceeding commitments made;
- significant investments to improve plant working environments;
- continuity for the Technocentre modernisation program.

After having committed to a joint reflection period on the issues to follow CAP 2020, the social partners agreed to commit to negotiations on a method agreement from the start of 2020.

We can also note the signature of several significant agreements:

- On February 7, 2019, an agreement was signed with the CFDT, CFE-CGC, CGT and FO Unions on new working methods, and telecommuting in particular. This agreement has enabled Renault SAS to increase its telecommuter numbers from 3,500 to 10,000.
- On August 2, 2019, a new gender equality and diversity agreement was signed for the entire Renault SAS scope. This agreement refers in particular to the global framework agreement on quality of life at work, signed worldwide on July 9, 2019.

Lastly, another crucial element in social dialog, the agreement promoting social dialog and encouraging the exercise and promotion of union responsibilities at Renault, signed on July 17, 2018, came into force in 2019 with, in particular, the finalization of the Social and Economic Committee (SEC) election cycle and the creation of the Central Social and Economic Committee (CSEC).

### In the Americas region:

In a context of high social, economic and political tension in South American countries, the regional management and local social partners strived to:

- offset for the effects of inflation (four specific agreements in **Argentina**);
- adapt the organization of work to take into account market declines (two agreements in Argentina);
- improve the quality of life at work (agreement on paid vacations for births and/or baptisms in Argentina, protocol agreement on quality of life at work **in Brazil**);
- renew the local collective agreements (**Chile**).

In Brazil and **Colombia**, the competitiveness agreements signed in 2018 continue to apply.

### In the Europe region:

- **Austria** signed an agreement stipulating the conditions under which employees may work from home;
- In **Slovenia**, following the decrease in sales of models produced, four agreements set out the adaptation terms in respect of the organization of teams and layoffs;
- In **Portugal**, the Renault Cacia competitiveness agreement, which was entered into in 2018, continues to be enforced.

### In the AMI-Pacific region:

- In **South Korea**, the negotiations on employee compensation, which began in 2018, were completed on June 24, 2019 with the signature of an agreement for 2018, while the negotiations for 2019 began in fall 2019 and are still on-going;
- **Morocco** renewed its protocol agreements on wages within Renault Commerce Morocco, Somaca and the Tangier RTE.

### In the Eurasia region:

- In **Turkey**, the renewal of the metal industry collective agreement, which expired at the end of 2019, is still being negotiated and should be completed in spring 2020.

88.61% of Groupe Renault employees are covered by a **collective agreement**.

### D. Long-term convergence between Group performance and employee quality of life in the workplace

While the automotive sector is undergoing profound changes and technological developments are accelerating, implying constant adaptation of skills, and new working practices are developing, Groupe Renault endeavors to offer all its employees an environment and working relationships that are favorable to their individual development and improve their quality of life at work.

The Group wishes to support its employees – the primary agents and contributors in the sustainable development of the Company – in moving towards new modes of work that promote collaboration, agility, living well together and versatility within the Company.

Working environments are gradually becoming more flexible and, by improving quality of life, enhance the performance of the Company.

A large **modernization program** – the e-TCR, was launched in 2018 and is set to continue its development until 2022. Accordingly, the foundation stone of the new Technocentre building (the "Odysée") was officially laid on November 27, 2019. The building has been designed to be fully eco-responsible, while boosting quality of life at work for its occupants. The building is constructed entirely of wood, and provides ample innovative working and collaborative space, together with relaxation areas. The e-TCR program also provides for new adaptation of co-working and relaxation areas, which encourage dialog between employees, as well as spaces dedicated to thinking and concentration. The ideas that are tested there are intended to be rolled out Group-wide.

In the industrial plants, particular attention is paid to the provision of light, whether this is natural, artificial, or a combination of the two, to reducing noise nuisance and to means of ventilation and aeration, particularly in cases of hot weather. The long-term plan is to roll out LED lighting to all plants.

**The use of digital technology** is developing everywhere. In the industrial sectors, smart automation and connectivity of software, data and equipment are gradually revealing the factory of the future. This new digital landscape smooths access to information in real-time and facilitates decision-making. It also enables staff to access, at any time, the Group's intranet and social information concerning them, including from their own smartphones if they so wish. Testament to this is smartphone access to the new People@Renault HR information system in all countries.

The prevention **of psychosocial risks and work-related stress** remains a priority for Groupe Renault. A training course to help identify people who might be having problems and to improve quality of life at work was introduced in 2012. A training course entitled "Addressing the quality of life at work, preventing psychosocial risks" has been introduced at several sites. In 2019, occupational healthcare services in France developed a health policy to boost prevention. A psychosocial risk prevention observatory is planned for 2020.

### E. A flexible working organization EFPD2a

Groupe Renault complies with the legal obligations and collective agreements in terms of working hours of the countries where it has operations.

To preserve jobs and adapt to fluctuations in automotive markets, Renault has instituted a system of flexible work time. It aims to find the best possible balance between the Company's interests and quality of life in the workplace for the employees in question, through consultations with employee representatives and labor unions. The measures focus in particular on the conditions for reorganizing work time, such as by adding mandatory shifts to meet heavy demand and reducing work time when demand falls, notably by using individual or collective rest days.

At sites in France, for example, the average working week is 35 hours. In plants, the principle is two alternating eight-hour shifts with, in the event of spiking demand, the possibility to add a fixed night shift team.

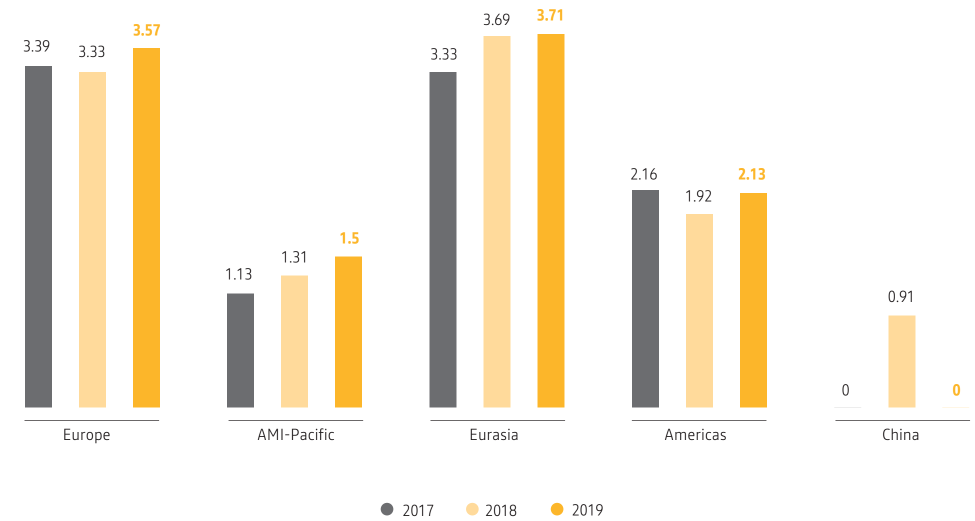
Groupe Renault is also introducing an alternative, flexible work time organization, allowing a better personal work/life balance for its employees with, for example, telecommuting being used in countries where this is possible. The global framework agreement signed in 2019 strengthened this aim.

In France, Renault s.a.s. has had a telecommuting agreement for the last 10 years. In order to develop this arrangement in line with the new working modes favored by digitization and new employee expectations, notably in terms of work-life balance, in late 2018, Renault s.a.s. started negotiations with trade union representatives on these new working modes. This agreement, signed on February 7, 2019, will make it easier and simpler to access telecommuting by responding to changes in working modes and new employee expectations. In particular, it facilitates access for eligible employees to a maximum of two days of telecommuting each week, after registration in the new dedicated workflow, with the option to fix sessions or use them in a variable manner. The number of telecommuters increased from 3,200 employees in 2018 to 9,114 at December 31, 2019, highlighting the great success of this newly negotiated policy. The Company also undertakes to improve the working environments on the sites, allocating €1 million per year in 2019 and 2020 to improve the working environments of establishments in the Paris region (excluding the Technocentre). In addition, it increased the employer's contribution to the canteen at the Technocentre.

### Group absenteeism EFPD2b

In 2019, the consolidated absenteeism rate for the Groupe Renault scope rose slightly to 3.28%.

ABSENTEEISM BY REGION




The rates vary greatly from one country to another, particularly because of the extent of social security coverage (whether provision is covered by public bodies or not).

The absenteeism rate is expressed as a percentage and is calculated on the basis of the average monthly workforce and the yearly theoretical number of working days.

The number of days of absence is expressed in working days, excluding short-time working, layoffs, strikes, training and leave (including maternity and paternity leave). An explanation of the calculation method is available in the appendix 2.6.2.

## F. Strong internal communications

Dialog within the Group is at the same time nurtured by responsive and varied internal communication. The Group ensures that its employees are always kept up to date on what is happening in the Company, through a network of communication teams working within the business lines and countries. Communications are also developed with the aim of valuing employees and their roles and projects.

The Group provides its employees with a range of media, so that they can choose the format which best fits their usage and expectations. **Declic is the Group's intranet portal**. It provides access to personalized corporate information. Comments can be added to articles. All Group and site information is also available from the **Inside'R** smartphone app, which is still being rolled out to all Groupe Renault countries. Yammer (rolled out in 2017) is the Company's social network. Numerous communities have been created since then, enabling employees to discuss a wide range of topics.

Strategic Company events (commercial and financial results, partnership announcements, press conferences to unveil a new model, *etc.*) can also be streamed by video on Declic. To strengthen the link between employees and the Group's management team, Q&A sessions (*Open Forum or We Are Live*) are held several times a year.

Information packs are also sent out to managers each month so that they can share the Group's performance and news with their teams.

Lastly, in addition to internal news media, programs of activities and events are put together featuring vehicle displays and test drives designed to develop employees' knowledge of subjects related to the Company's strategy and vehicles.

## 2.4.2 Health, safety, ergonomy and the environment (HSEE) EFPD3

In accordance with its duty of vigilance, the Group establishes and implements a vigilance plan.

Groupe Renault, jointly with its stakeholders, defined reasonable vigilance measurescovering personal health and safety in its Global Framework Agreement of July 2, 2013. This puts in place a preventive policy for health, safety and the work environment, based on nine general risk preventivon principles.

In line with Groupe Renault's philosophy of continual improvement, the Health, Safety and Environment (HSE) division was established in September 2016. Under the direct responsibility of the Executive Committee, it covers the entire Group scope: manufacturing, logistics, sales and after-sales, engineering and tertiary activities. The HSE department has, in particular, implemented new health and safety indicators.

In 2019, the HSE department became the HSEE department (Health, Safety, Ergonomics and Environment department), attesting to its continuing desire to push workstation ergonomy further up the agenda.

### 2.4.2.1 Risk mapping EFPD3a DV1a

Since it has been created, the HSEE department has undertaken to visit numerous sites and departments covering all areas of activity of the Group. These visits led to the improvement of the 10 Mandatory Rules (MR) on safety and the detailing of the associated 74 Key Requirements (KR). These emphasize a broad range of key safety requirements to which Renault is committed in order to reduce risks and improve working conditions: 5S (a Japanese method covering order, tidiness, and cleanliness), work on installations (lock-out/shut-down of power supplies), access to dangerous parts of machines, management of traffic flows (safe sites, safe vehicles, safe drivers), storage and handling of lifting equipment, chemical products, joint activities, work at height, management of subcontractors, fire prevention, ergonomics, as well as many other issues.

As in previous years, the 10MR/74KR approach applied in all areas of the Group's activity (production, logistics, marketing, engineering and tertiary activities) continued in 2019.

In 2019, the HSEE department rolled out the performance assessment methodology to the 10MR/74KR in areas other than safety: health, the environment, ergonomy and projects.

### 2.4.2.2 Regular evaluation procedures EFPD3a DV2a

Groupe Renault has established a roadmap for implementing 10MR/74KR that involves measurable stages of compliance with 10MR/74KR, going from a score of E to a score of A (E being the lowest level of compliance – 0 to 33%, A being the highest level – 90 to 100%). Construction of the action plan for new audits or coaching on sites takes their previous into account.

**Renault scoring criteria for Renault's 10 Mandatory Rules audits**

| Classification | E | D | C | B | A |
|---|---|---|---|---|---|
| Verdict | Unacceptable | Unsatisfactory | Partly satisfactory | Satisfactory/good | Excellent (Want to be) |
| Score | ≤33% | 34% to 57% | 58% to 74% | 75% to 89% | >90% |

Compliance with each Key Requirement is mapped and each department of each site must provide proof that a concrete action plan has been put in place to improve its compliance with 10MR/74KR.

The purpose of this approach is to control and measure the continual improvement in a consistent manner and to simultaneously define the priority issues to be targeted.

### 2.4.2.3 Actions adapted to mitigate risks EFPD3a DV3a

The definition of action plan forms an integral part of the 10MR/74KR process. Under a continuous improvement approach, the sites may assess their performance through audits, as well as benefiting from support on the ground for the roll-out of best practices (coaching). These audits and coaching are repeated every two, four or six months, depending on the individual site's performance.

In 2019, 76 audits and coaching sessions were delivered. These audits and related coaching on the 10 Mandatory Rules are used to identify areas for improvement, and the related coaching helps the sites to progress. This approach will continue in 2020 to cover all of the necessary topics. MR for other areas will be tested on a number of sites. To go further in mitigating risks, the HSEE department has listed various areas of expertise related to HSEE issues that it is developing or is likely to acquire in 2019. As in 2018, specialists in safety, ergonomics, the environment and industrial hygiene have been added to the team.

In connection with the Mandatory Rules, alongside the analysis of audit results and new projects, the HSEE department continued to work on standards to be created or adapted, the aim of which is to help the sites with various at-risk activities and to make sure that new projects are compliant with the expectations of the HSEE department. Actions have also been implemented with other departments, in order to strengthen the HSEE components of their own standards.

In mid-2018, the HSEE department created a dedicated project team. This team supports projects led by all of the Company's functions, in order to achieve a good compliance level and to prevent any new uncontrolled HSEE risks from arising.

The technical aspects of the standards and progress on their roll-out are reviewed with the Group health and safety network during meetings of the business activity clubs (covering all HSEE areas) and at conventions, as well as during the coaching phase which always accompanies site audits. In 2019, an environment convention (forum) was held in Flins for all of the Group's environment and chemical stakeholders.

The HSEE department is also developing risk-evaluation tools dedicated to priority safety areas such as work at height (assessment of risks, work permits and directives), the management of subcontractors, the management of traffic flows, fire prevention and machine security, to mention but a few.

Each plant has its own safety Dojo (a safety training school) with a workshop dedicated to each of the 10 Mandatory Rules. The standard safety Dojo may be supplemented, if necessary by additional workshops to raise awareness of risks specific to each site. Thus, in accordance with internal rules and regulations, any person required to carry out an activity on Groupe Renault premises must be informed of and trained in the risks associated with the on-site work they are carrying out. In 2019, the Renault Technocentre in Guyancourt, France, also set up a safety Dojo.

## 2.4.2.4 System for monitoring measurements and their effectiveness EFPD3a EFPD3b DV5a

A method of evaluating the performance of sites in matters of health and safety at work has been developed by the Group. The head of management systems and audit of the HSEE division monitors Groupe Renault sites' overall performance in accordance with the annual objectives.

As well as actions related to the 10MR/74KR, the HSE department performs statistical monitoring of accidents which take place on Renault premises and sets up cross-Company actions to avoid similar accidents occurring.

The overall effectiveness of the action plan is evaluated through changes in the percentage of compliance at 10MR/74KR audits and monthly statistical reports on accident rates shared with the management of the Group.

The HSEE department has developed new software for reporting, notifying and monitoring occupational illnesses and accidents, which has been operational since the end of 2018. The purpose of this software is to provide the HSEE department with the tools to obtain a quicker and more accurate understanding of how accidents are caused. At the end of 2019, the accident analysis module, the definition of action plans, the monitoring of action plans and the alert system were all incorporated into the software.

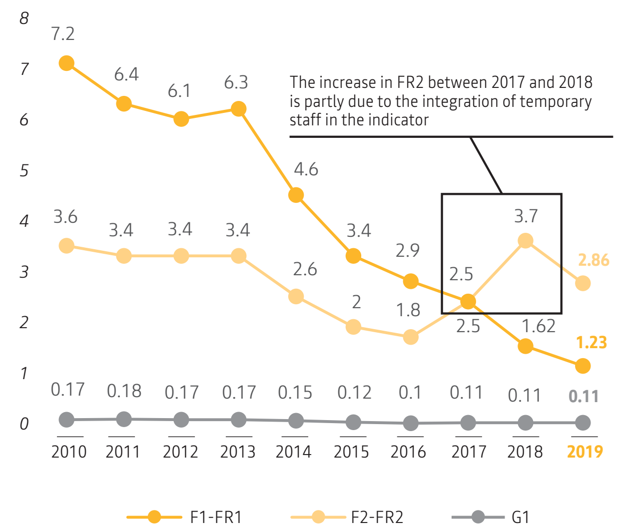
### Workplace accidents EFPD3b

The FR1 indicator is the Group's main indicator for accidentology at work.

The action plan implemented since late 2013 has yielded significant results and a continuous reduction in F1/FR1r-type accidents. The reduction of the workplace accident rate continued in 2019. This rate continues to improve, despite the scope having been extended in 2018 to include temporary employees in the indicator. The 2019 results do not include Togliatti since the process for providing data on this type of accidents is not sufficiently robust.

Following a rise in 2018 (when temporary employees were included for the first time), the rate of workplace accidents with sick leave fell again in 2019.

In 2019, a pilot measure was implemented on the five French sites that had the most sick leave following an accident. These measures led to an average 27% reduction in sick leave on those sites compared with 2018.




The campaign to address the number of sick leave days, which was launched in 2018, continued in 2019.

(1) In 2017: application of new definitions for indicators FR1 and FR2r.

(2) In 2018: temporary staff included in FR1 and FR2 rates.

F1 rate: frequency rate of workplace accident for Renault employees requiring external care.

FR1r rate: frequency rate of workplace accident for Renault employees requiring more significant medical intervention than first aid. This corresponds to a defined list of injury types on which Groupe Renault intends to focus. This indicator does not include Togliatti.

FR1 rate: frequency rate of workplace accident for Renault employees and temporary workers requiring more significant medical intervention than first aid. This corresponds to a defined list of injury types on which Groupe Renault intends to focus.

F2 rate: frequency rate of workplace accident for Renault employees with sick leave.

FR2r rate: frequency rate of workplace accident for Renault employees with sick leave (several additional exclusions compared with F2).

FR2: frequency rate of workplace accidents with sick leave involving Renault and temporary employees (several additional exclusions compared with F2).

G1: severity of workplace accidents (calculated from the number of days of sick leave).

## Safety audit results EFPD3a

In 2019, the HSEE department conducted 76 audits at Groupe Renault sites.

| | Manufacturing | S&AS and DLPA | Logistics plant | Engineering | All functions |
|---|---|---|---|---|---|
| Number of audits completed in 2019 | 14 | 50 | 2 | 10 | 76 |
| Number of sites audited in 2019 | 14 | 47 | 2 | 10 | 73 |

*S&AS: Sales and after-sales.*

The Technocentre in Guyancourt, France (Groupe Renault's main engineering center) was audited for the first time in 2019.

| 2019 | Manufacturing | S&AS | Logistics | Engineering | All functions excluding engineering |
|---|---|---|---|---|---|
| Total no. sites (incl. AVTOVAZ) | 38 | 273 | 11 | NC | 322 |
| No. of sites with rating from 2017, 2018 & 2019 | 35 | 106 | 5 | 16 | 146 |
| % coverage | 92% | 39% | 45% | NC | 45% |
| Difference 2019/2018 | 0% | 11% | 0% | 6% | 10% |

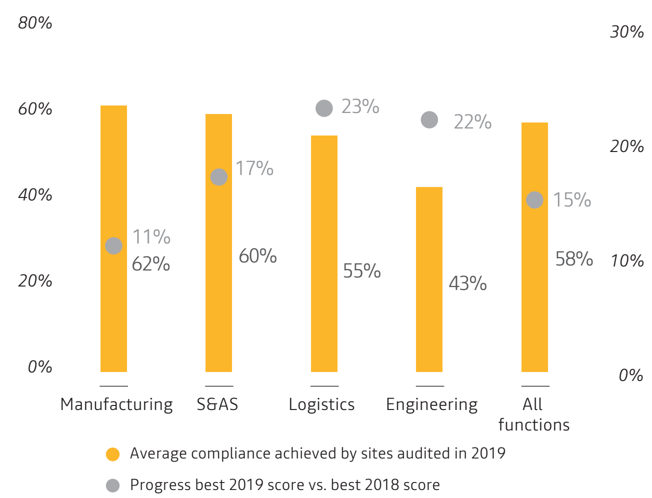
*S&AS: Sales and after-sales.*

The table and chart below show the average compliance rates of the sites audited in 2019 by activity type and the improvement on 2018 for the sites audited in both years.

| | Manufacturing | S&AS | Logistics | Engineering | All functions |
|---|---|---|---|---|---|
| Progress best 2019 score vs. best 2018 score | 11% | 17% | 23% | 22% | 15% |
| Number of sites audited in 2018 and 2019 | 11 | 10 | 2 | 2 | 25 |
| Average of 2019 scores (average compliance) | 62% | 60% | 55% | 43% | 58% |
| Average of 2018 scores | 58% | 59% | 51% | 45% | 57% |
| Average difference 2019/2018 | 4 | 3 | 4 | -2 | 1 |

*S&AS: Sales and after-sales.*

In 2019, the average score of the sites audited for compliance with the 10 Mandatory Rules was 58%.




Compliance continues to be improved. All sites rated E and D in 2018 improved by at least one level (D and C respectively). At the end of 2019, 14 sites had achieved very good results (A or B ratings).

In 2019, the average score of the sites audited for compliance with the 10 Mandatory Rules was 58%.

## Workstation ergonomy EFPD3a

In 2018, the ergonomics team became part of the HSE division. This team works on new installation projects and new industrial activities, coordinating the action taken by the Ergonomics Officers deployed at Group sites.

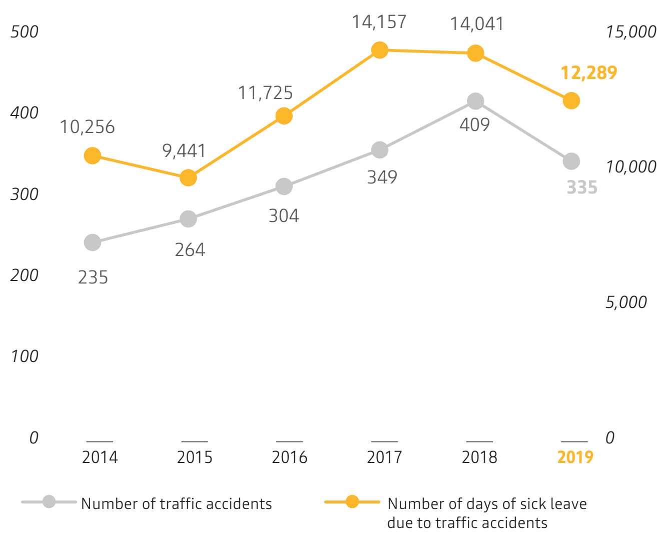
In 2019, a number of major Renault vehicle projects (CLIO, CAPTUR and Arkana) launched production on several global sites, with a systematic reduction in ergonomic manufacturing constraints in comparison with the vehicle they replaced. Ergonomics team apply these measures to all ongoing projects.

Also, in 2019, the HSEE department ergonomics team developed a new generation of tools for designers and OHS specialists, including a registration document (the Ergonomics Memorandum) and a workstation ergonomics assessment sheet.

### Accidents on public roads EFPD3b

Since 2017, our definition of travel accidents now covers any accident occurring on public roads (between work and home, between work and a supplier's premises, between home and a supplier's premises, between different Renault sites, etc.).

Traffic accidents within the geographical scope of Renault sites will now be monitored as part of the frequency rate of workplace accidents.




Groupe Renault does not have the same leverage to reduce accidents on public roads as it has to reduce workplace accidents. In 2019, however, launched several initiatives aimed at reducing all accidents, including those on public roads. Accordingly, the HSE and CSR departments in particular developed a road safety e-learning module that has been made available to Groupe Renault employees. Likewise, training in preventive driving (cars and two-wheelers) is offered to employees. The use of two-wheel vehicles is forbidden for all missions.

Numerous information campaigns have also been carried out, such as road safety forums, seasonal poster campaigns on the sites (ice in winter, departure on annual vacations, fallen leaves in autumn, drink-driving at holiday time).

Road safety activities are also conducted on various sites.

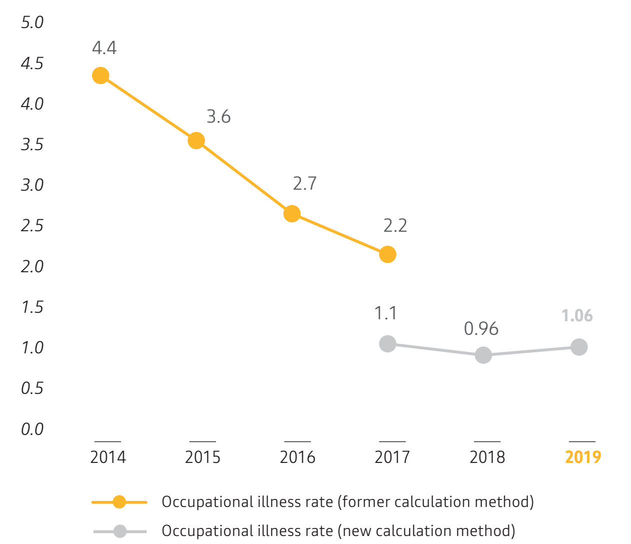
### Occupational illnesses EFPD3a

The figures communicated are reported occupational illnesses. After analysis by the authorities, some of the illnesses were declared to be not attributable to Renault.

The occupational illness rate continued its steady downward trend in 2019. France and Romania were the countries that had the strongest influence on this outcome. It should be noted that the process of declaring occupational illnesses in Romania has now been simplified.

4/5 occupational illnesses are musculoskeletal conditions. This demonstrates even more the importance of the Ergonomics Golden Rules implemented in new projects. Improvements to the work environment and banning the use of carcinogenic products at work have led to a reduction in other occupational illnesses.

More generally, improved project integration since mid-2018 will contribute to future progress.




* Rate of occupational illnesses contracted by Renault employees following prolonged exposure to an occupational risk (noise, chemicals, posture, etc.), reported as such to an external body if the regulations in force in the country so provide. Rate of reported occupational illness per 1,000 employees to end-2016. Occupational illness rate reported per million hours of exposure to occupational risks from 2017 onwards. This rate includes occupational illnesses, reported with or without sick leave.

# 2.4.3 Handing on knowledge for the future

Education is a top priority within Groupe Renault's CSR strategy.

Groupe Renault recognizes that providing training on the careers of the future and giving the neediest access to knowledge are keys to the development of society and also of the Company. Renault therefore continues to deepen its commitments in this area.

## 2.4.3.1 Relations with schools/universities worldwide

How do we create a permanent link between the Company and academic institutions, knowing that education is critical to value creation and to the development of the next generation of future employees? Over the years, Groupe Renault has sought to address this question by taking action in partnership with schools, high-level colleges and universities throughout the world.

### A. The Renault Foundation's academic programs EFPD14d

As part of its activities with academic partners, the Foundation continued its academic sponsorship of higher education based on the principle of equal opportunities. These initiatives were entirely devoted to higher education. The Foundation's role, in collaboration with its academic partners and Company management, consists in particular of anticipating new professional skills requirements.

It supports:

- the financing and joint creation of academic programs in partnership with prestigious universities in France (Essec Business School, École des ponts ParisTech, Arts et Métiers ParisTech);
- the allocation of "foundation scholarships" (study and accommodation costs) to French and foreign students selected in partnership with the Foundation's partner universities located in 12 countries worldwide;
- the financing of other foundations dedicated to supporting deserving young French students from underprivileged backgrounds (Georges Besse Foundation) or to sharing technical and scientific knowledge and innovation (Fonds de dotation Universcience).

On the academic side, the Foundation continued to support five educational programs in 2019, with particular focus on three areas at the heart of the Company's concerns: sustainable mobility, digital transformation and road safety:

- a professional degree in Electric Vehicles and New Mobilities (LPVNM);
- a master's degree in Transportation and Sustainable Development (TRADD);
- two specialist master's degrees: Electric Vehicles and Autonomous Vehicles (MS VEVA) (to replace the master's in Mobility and Electric Vehicles) and Managing Digital Transformation and Innovation by SMIB (English-speaking program) with ESSEC Business School;
- a master's degree in road safety management (MANSER).

The Foundation identifies young talents, and then welcomes and supports them throughout their academic years. For example, it organizes and finances in full a year of study in France for its scholarship students: monthly grants, enrollment in the French schools and universities, social security, round-trip travel between the home country and France and economic and cultural discovery trips.

In 2019, it welcomed 72 new students. In accordance with its articles of incorporation, Renault Foundation is not an incubator of young talent for Renault. It operates independently of the Company's recruitment policy. As it deals with academic sponsorship, its role is to train young people in the professions of tomorrow's automotive sector. However, Renault does offer work placement/apprenticeship opportunities for those young people who want to undertake this part of their training at the Company.

### B. Within Groupe Renault

Groupe Renault subsidiaries are also involved in higher education in their respective countries. For example:

- in Romania 30 students enrolled on the Electronic Systems Engineering Masters at Bucharest Polytechnic University, Valahia Targoviste University and Cluj Technical University received a study bursary from the Group;
- ▪the Renault Foundation Colombia continues to provide support to underprivileged engineering students through its "Renault German Camilo Calle" program.

### C. Bringing schools into the corporate world

Groupe Renault works to develop ties between the corporate and academic worlds, because it believes this is the only way to improve the performance of economic and social models. To do so, the Group carries out numerous actions and initiatives in France and around the world:

- **support from academic world.** The sharing of knowledge is part of the Group's DNA. The Company makes appropriate expertise available, giving the employees involved a sense of satisfaction.

  Many employees spend some of their work time teaching classes at different schools/universities. These activities are organized either through official partnerships such as the Renault Foundation's academic programs, or at schools and universities in countries where Renault operates;
- **donations of equipment.** Groupe Renault, well aware that knowledge is acquired by the practical application of academic knowledge, made numerous gifts of vehicles and tools to schools.

  In France, many plants make such donations for educational purposes to high school students in their area;

- **welcoming and/or supporting students into the Company to accompany them toward the professions of tomorrow.** Whether within the context of apprenticeships, internships, or even during business orientation programs, Groupe Renault places great importance on bridging the gap between young people and the professional world on every continent;
- **reception and/or training of teachers.** For the Company, training teachers, strengthening their leadership to give them ways to transform their institutions, and inspiring and achieving change among young people is a challenge as big as educating students. In Colombia, the Renault Colombia Foundation continued its collaboration with the Empresarios por la Educacion Foundation in 2019 to train 12 school principals and three coordinators in Envigado (the city where the Groupe Renault plant is located). The program goes by the name "Rectores lideres transformadores".

### 2.4.3.2 Supporting access to education throughout the world

Renault is aware of the importance of education in creating value within a company, a region and in society overall, and this is why the Company has placed, at the heart of its CSR policy, corporate sponsorship actions enabling social inclusion through access to education and the fight against student drop-out.

For example, the Douai plant and its local employment, vocational training and social work partners have been working together since 1999, and have already helped more than 1,500 people obtain a degree. Each year, a "New Skills" class starts preparing for a qualification as part of a professionalization contract. With the Renault Foundation, the Douai plant has supported the Lens Production School from the outset. Its support comes in the form of visits and the donation of an ESPACE. But it also includes sponsorship: the Groupe Renault Regional External Affairs Manager is sponsoring the second class going through the school. The Production School is a private technical school that prepares pupils for CAP and Bac Pro diplomas and certifications.

#### Schooling and inclusion

Inclusion is at the core of Groupe Renault's CSR values and access to education is a natural fit. Renault's commitment to the most impoverished is evident in several of its actions in this area.

In Morocco, Renault contributes to improving school conditions in the province of Fahs Anjra. It encourages the schooling of children, in particular for girls, and is fighting to reduce school drop-out rates in rural areas, through the supplying of school buses, and initiatives such as educational workshops.

In all, 1,700 students benefited each day from the school bus service provided by Renault in 2019. The Moroccan subsidiary is also very involved in the prevention of road accidents. With the "Tkayes school" initiative, more than 10,000 children and their families benefited from the road safety education program in 2019. Renault Maroc has also opened four preschool classes in the province of Fahs Anjra for 90 children in the region.

In 2019, the educational commitment was strengthened through the implementation of the mobile library project. The initiative aims to provide access to culture through reading material, cinema and different forms of artistic expression to young people from rural and suburban areas. 10,000 young people benefited from the initiative in 2019.

In Brazil, the "Renault Experience" innovation and entrepreneurship program, organized by the Renault Institute, continued into its eleventh consecutive year. The program is aimed at students wishing to create start-ups. Candidates whose applications are selected by the Institute benefit from a year's support for their project. On top of financial support, the winners are mentored by people from Renault and the broader automotive world and universities, who give them advice throughout the year. For more information, go to: https://renaultexperience.com.br/.

## 2.4.4 Contributing to the development and vitality of the regions EFPD14c

Groupe Renault is a major player in the economic and social development of the regions in which it works. Present in 37 countries, the Company considers that it has a responsibility to make sure that its impact on the regions where it is located is positive and to contribute to their sustainable development. The Group's ambition is to create shared value for the mutual benefit of the Company and all of its stakeholders. It therefore takes care to identify the requirements and expectations of the stakeholders that surround it (2.1.5) and to respond to them as far as possible through its core business and setting up innovative solutions.

### 2.4.4.1 An active participant through its core business activities EFPD14b

It is difficult to truly isolate the Company's contributions within a complex and interdependent socioeconomic tissue. Beyond direct employment generated and the taxes paid by the Company, the other direct and indirect contributions and benefits are shared among the members of a network.

According to the figures published in February 2019 by the ACEA, the association of European automotive manufacturers, 13.3 million people – representing 6.1% of the active population – work in the European automotive sector. The number of jobs stands at 3.4 million, totaling more than 11% of jobs in the automotive industry in the EU.

Direct employment includes automotive manufacturing, equipment and accessories, and coachbuilders. Indirect employment includes other manufacturing fields, vehicle sales, parts and accessories, maintenance, fuel, leasing and transportation, as well as construction and road maintenance and associated activities.

The ACEA also points out that, for the 15 European countries for which tax data is available, the automotive industry has generated annual tax revenue totaling €413 billion for governments. This includes VAT on vehicles, parts and accessories, taxes on fuel and lubricants, registration, insurance, driver's licenses, road fees, tolls… The automotive sector is also a major catalyst for innovation. It is the most important European private contributor in terms of Research and Development, with €54 billion invested each year.

### 2.4.4.2 An active participant through its philanthropic activities EFPD15b

Groupe Renault is regularly approached by NGOs, charities, volunteer organizations and employees seeking support for projects in the areas of general interest, solidarity or good citizenship, in areas linked to the Group's CSR policy. Since 2010, the Group has been using a standard procedure to collect and analyze these applications (both in France and internationally). It was updated in 2018. Further information can be found at the Renault Foundation website: www.fondation.renault.com.

#### The corporate sponsorship activities of the Groupe Renault Foundation

Since 2018, the Foundation's initiatives have been aligned with the Group's CSR strategy (inclusion and sustainable mobility).

Its vocation therefore consists of supporting academic and non-profit corporate sponsorship (including higher education, the Foundation's main historical focus).

The Foundation's non-profit corporate sponsorship budget for recent activities was €1.25 million (excluding in-kind donations), which was approved by the Board of Directors. The budget breakdown is decided by the Sponsorship Committee, a body with 15 members (five of whom are employees, while the others are from the Company's major functions). The committee decides how donations are allocated based on calls for inclusion and sustainable mobility projects. In 2019, the Foundation launched two calls for projects, one external and one internal.

In 2019, the Foundation centralized its corporate **sponsorship**, and supported around 30 associations. (Refer to section 2.6.3.2 for detail of associations).

It should also be noted that all the charities that are successful in a call for projects must offer the opportunity for employees who so wish to get involved in their project (volunteering, skill sharing, *etc.*).

#### Groupe Renault foundations

Some Group subsidiaries now carry out their philanthropic activities within a foundation or similar structure. This not only strengthens governance and strategy, but also demonstrates the importance given to the identified issues from both an internal and external standpoint. Financed locally, they are chaired by the Chief Executive Officer of Renault in the country. Since 2009, the Head of the corporate Foundation is represented within the governance of each new Foundation.

The Foundations' corporate purpose, as identified in the by-laws, encompasses all or part of the Group's CSR priorities. The activities performed on behalf of the Foundations are primarily aimed at populations outside the Company, and range from the local to the international, depending on the country and the programs implemented. The activity reports are available directly on their respective websites.

| Country | Name | Year of creation | Principal activities | Scope of action | Annual budget |
|---|---|---|---|---|---|
| Argentina | Fundación Renault Argentina<br>www.fundacionrenault.org.ar/ | 1960 | Education<br>Environment<br>Road user safety<br>Health<br>Local development | Local and regional | €167K |
| Brazil | Instituto Renault do Brasil<br>www.renault.com.br/mais_renault/instituto-renault/ | 2010 | Education<br>Environment<br>Road user safety<br>Diversity<br>Local development | Local and regional | €383K |
| Colombia | Fundación Renault Colombia | 2014 | Education<br>Diversity<br>Environment<br>Road user safety | National | €207K |
| Spain | Fundación Renault España | 1963 | Education<br>Sports | National – for employees' children | €300K |
| | Foundation for inclusion and sustainable mobility (FRIMS)<br>www.fundacionrenaultmovilidadsostenible.com/ | 2012 | Education<br>Diversity<br>Environment<br>Road user safety<br>Local development | National | €200K |
| France | Renault Corporate Foundation<br>www.fondation.renault.com/ | 2001 | Inclusion<br>Education | International | €3.7M |
| Morocco | Renault Morocco Foundation | 2018 | Education<br>Road user safety | National | €417K |
| Portugal | Renault Portugal Foundation | 2018 | Environment<br>Sustainable mobility | National | €40K |
| Romania | Renault Romania Foundation | 2018 | Inclusion<br>Sustainable mobility | National | €510K |

### Renault Retail Group

The Humanitarian and Social Aid Fund (FASH) was created by Renault Retail Group in 2003: it arose from a collective agreement signed with the representative trade unions within RRG.

The purpose of this fund is to grant financial aid to the employees of RRG and also to humanitarian action associations.

The FASH continues to provide help and support for education, health, emergency food aid, aid to regain mobility, disability and the environment.

## 2.4.4.3 An active participant through its voluntary commitments

This societal component of Groupe Renault's CSR policy includes programs and projects implemented on three levels:

- strategically and globally, with coordinated management and roll-out tailored to the environment by local representatives in subsidiaries;
- strategically and locally via subsidiaries and sites which adapt to specific challenges and expectations;
- on an ad hoc basis, in response to special requests from NGOs, charities and volunteer organizations.

**Some examples:**

- **the Training Institute for Automotive Industry Professions** (Institut de Formation aux Métiers de l'Industrie Automobile, IFMIA-TM) in Tangiers, Morocco, was created following a public-private partnership between the Moroccan State and Renault (a first in Morocco for this type of project) and operates under the National Pact for Industrial Emergence. Funded by the Moroccan State, it was set up by Renault Tangiers, which now ensures delegated management to provide a public training service for the automotive professions.

  This center has provided training for all employees of Renault Tangiers and a significant portion of employees at the Casablanca Plant and at Renault Commerce.

  Through its Maintenance, Manufacturing, Logistics and Lean Manufacturing schools, IFMIA-TM has provided training and support services for Renault in Morocco, France, Algeria and Colombia.

  In addition to its training role for Renault, IFMIA-TM also provides training and support for employees of around 30 partner companies and, since 2014, participates in the Moroccan Professional Bac project, thereby playing a part in developing young people's skills and employability;
- in France, in June 2014 the Company made a commitment alongside the French State and local authorities by signing **the Company and Neighborhoods Charter**, thereby undertaking to work closely with public authorities to deliver concrete solutions to the economic, social and cultural development issues in priority neighborhoods, in line with city policies. In addition to the Charter, Renault signed an agreement detailing its commitments in the following areas:
  - education and vocational guidance. Through the **"Elles Bougent"** organization, Renault has committed to expanding its network of female engineers and technicians who encourage young female high school and university students to enter the engineering and transportation professions;
  - employment, integration and training. (i) Under the terms of the Framework Agreement signed by Renault and the Ministry of Work, Employment, Professional Training and Social Dialog, the Group has committed to employing at its plants a number of young people experiencing difficulties in entering the workforce. Particular attention is paid to recruiting young people from priority neighborhoods near to our sites. (ii) Via its Société des Automobiles Alpine subsidiary, Renault has taken part in the "50 chances, 50 jobs" (now "100 chances, 100 jobs") program in the Dieppe region of France. The Company's managers coach young people and assist them in their job search, bridging the gap with the business world and providing;
  - access to the Company's products and services. The Group is continuing its roll-out of **Garages Renault Solidaires** (see section 2.4.5.2), and is promoting the program to social partners on a national level in order to continually enhance its social impact;
- in 2015, Renault signed the first **local agreement** with the Hauts-de-Seine department (92). Since then, six other local agreements were signed with the Essonne (91), Seine-Maritime (76), Yvelines (78), Territoire de Belfort (90), Gironde (33) and Nord (59) departments. The aim of these agreements – which are local versions of the commitments contained in the national agreement signed by Groupe Renault – is to pay particular attention to the priority neighborhoods defined in the Government's city policy, and to contribute to the effectiveness of the city policy, through HR and CSR actions and projects developed by the Group.

# 2.4.5 Making mobility as widely accessible as possible

## 2.4.5.1 Affordability and physical accessibility

### The "global access" range

Groupe Renault is working towards making cars more democratic with its so-called **"global access"** range, sold under the Dacia brand name in Europe, and under the Renault brand name in most other parts of the world. Thus, Groupe Renault offers a range of affordable vehicles for customers subject to financial constraints or those wanting to spend just enough to secure a reliable, sturdy vehicle. The global access range corresponds to a mid-range purchase in emerging countries and to an entry-level vehicle in Europe. To offer entry-level vehicles in emerging markets, in 2015, Renault launched the KWID, a new vehicle based on a shared Alliance platform known as CMF-A, in India.

The brand has enjoyed great commercial success thanks to iconic models such as the Logan, Sandero and Duster. In 2019, Dacia achieved record sales of 737,000 vehicles over the year, and now has nearly 6.5 million customers.

### Widely accessible spare parts

With regard to service, Groupe Renault has developed a more affordable range of spare parts to make mobility accessible to the greatest number of people.

Since 1998, Renault has offered a full range of parts equivalent in terms of safety and functionality to the original vehicle parts, whatever the brand. Marketed under the **Motrio** brand and adapted to the requirements of Renault vehicles aged over five years and to Dacia and other brand vehicles aged over four years, the Motrio range now has more than 7,500 references, in 57 different product families. This range is compatible with 24 automotive brands and nearly 300 vehicle models.

Currently, Motrio is present in around 50 countries worldwide and the brand even has its own multi-brand garage chain. Building on this success, Motrio is naturally continuing its international growth, and has committed itself to the crucial digital and e-commerce channels for closer contact with its customers.

For many years, Renault has also been developing alternatives to new parts. In 2012, Renault created an after-sales refurbished parts service. In anticipation of the requirements of the Royal law on the use of parts from the circular economy in automotive repairs (which came into force in 2017), Renault's sales network offers used body parts (hoods, fenders, headlamp units, *etc.*) in France and mechanical parts in France that have been collected and selected in Indra's approved network of ELV (end-of-life vehicle) centers. This service is particularly of interest to customers whose vehicles are not economically repairable using only new parts.

Finally, for more than 70 years Renault has offered a standard exchange service, which involves the industrial refurbishment of mechanical parts such as engines, gearboxes, starters, compressors, steering… In 2017 the service was extended to electronic parts with a range of refurbished multimedia systems. This new business area is a major development area for the standard exchange service. The refurbishment of electronic parts has been a natural addition to the Choisy-Le-Roi plant's refurbishment activities, and is in line with both technological developments and customer needs. The used parts are collected in the distribution network, sorted and refurbished according to a rigorous industrial process. These renovated ("standard exchange") parts are sold to Renault vehicle owners at a lower price than new parts while satisfying the same quality requirements. (See section 2.2.2.3).

Renault is concerned with adapting its spare parts pricing to the change in the residual value of its vehicles, in order to optimize their reparability, particularly for bodywork repairs. The cost of repair is an essential criterion for insurers to avoid premature scrapping. Thus, between three and six years after the date of launch, depending on the range, Renault concentrates its price reduction efforts on parts related to passive safety (airbags, seat belts, dashboard, *etc.*). Likewise, from the cessation of marketing of vehicles, the price of bodywork parts (bumpers, doors, wings, *etc.*) and glazing regularly drops each year.

### Renault Tech: mobility solutions to serve disabled people

For 10 years, Renault Tech, a wholly-owned Groupe Renault subsidiary, has placed people with reduced mobility at the focus of its concerns, offering them a complete range of adaptations to Renault and Dacia vehicles, and enabling them to travel in complete autonomy and safety whether for business or pleasure.

Through Renault Tech, Groupe Renault is the only European manufacturer engaged in the design, manufacture and marketing of vehicles dedicated to the transport of people with reduced mobility.

Renault Tech adaptations include vehicle adaptations to transport wheelchairs (access ramps, internal fittings), swivel or exit seats to assist with wheelchair transfers and driving aids (accelerator/brake hand control, steering balls, multi-function remote controls *etc.*). This offer is available in the whole of the French distribution network, and internationally via Renault subsidiaries.

Each year, more than 1,000 adapted vehicles leave the factory at Heudebouville in Normandy and the Renault Tech site located in the Renault plant at Sandouville.

In addition to the specialist vehicles designed by Renault Tech, the Group has developed a software program for dealerships. The program provides them with in-depth knowledge of equipment and adapted vehicles for people with disabilities, enabling them to advise people with disabilities on their requirements. The Group is also an active partner of UK charity Motability, which provides mobility assistance for people with disabilities.

Renault also has an 18-year partnership with Fédération Française Handisport (the French Disability Sports Federation), to which it provides financial support and adapted vehicles.

www.renault.fr/vehicules/mobilite-reduite.html.

### 2.4.5.2 Embracing inclusive mobility solutions

Although mobility is a key element for the social and professional inclusion of people, millions of them nevertheless remain limited every day in their travel. Penalized by financial, geographical and social hindrances, too many people have to give up a job or a training course quite simply because they cannot get there.

As a major player in mobility, Groupe Renault therefore decided to act for more inclusive and socially-responsible mobility by setting up a social entrepreneurship program, which aims to favor the mobility of the most vulnerable.

Initiated in 2010 and officially launched in France in July 2012, it is drawn up in cooperation with players in the social and cooperative economy, the academic world and the public sector. As such, it has formed partnerships to promote entrepreneurship and encourage inclusive mobility projects with Ticket for Change and the French government employment service, Pôle Emploi. With the aim of being implemented as widely as possible within the Company in France and in all the other countries where it is present, it is applied in three areas of intervention:

#### 1) Develop specific offers intended for vulnerable people

This concerns the development, with a viable entrepreneurial approach, of projects that have meaning for the employees of the Group, its customers and its partners, maximizing the social impact rather than the profit.

##### Garages Renault Solidaires (GRS)

The Garages Renault Solidaires (GRS) offers are intended to support people who need a car to work but who cannot afford the financial cost.

Renault's network of garages voluntarily helps low-income individuals identified by welfare providers (charities, mobility platforms, welfare organizations, employment partners, *etc.*) by offering them servicing and repair work at cost price but maintaining Groupe Renault service quality. From this year, customers whose cars are at the garage for work can receive a free-of-charge replacement vehicle from Identicar (max. three days). Only Renault Rent garages qualify for this offer. In this way, 4,900 people were directed to this program in 2019, and nearly 15,000 since its launch.

Furthermore, in 2018, in partnership with the Enterprise and Poverty Action Tank and several partner welfare providers (at-entreprise-pauvrete.org), Groupe Renault implemented a long-term lease scheme with purchase option linked to a micro-credit loan on its new passenger cars (Dacia SANDERO from €90 including tax per month) and light commercial vehicles (KANGOO from €145 including tax per month). These services are exclusively aimed at individuals who are not eligible for conventional loans. Diac (Groupe Renault's finance provider for the Renault and Dacia brands) is a stakeholder in the scheme, which was offered to nearly 4,000 potential beneficiaries in 2019.

Results obtained in 2019 show that the program is actually reaching its target: 97% of recipients of the LOA offer have household incomes below €1,500 net/month. These results also highlight a target market that encompasses more women, with 61% of recipients over the entire offer being female. For the LOA offer, this proportion is higher, with 68% women and 32% men.

At the end of 2019, within the Renault network there were nearly 340 Garages Renault Solidaires across France. A dedicated website has been set up to enable a step change in the program and its social impact: https://mobilize.groupe.renault.com/

#### 2) Financial investment in social businesses

##### A socially responsible investment company – Mobilize Invest – and company mutual investment fund (FCPE)

**Mobilize Invest s.a.s.** has been offering funding and support since 2012 to innovative entrepreneurs developing mobility solutions for people in difficulty. Renault contributed €5 million to this company's capital. Mobilize Invest is a certified "Solidarity and Social Utility Enterprise" company (ESUS). The capital provided by Renault is increased by contributions from the employee savings funds through the intermediary of the **FCPE Renault Mobilize Solidaire** [(1)].

The Management and Investment Committee (CDI) is the central governance body of Mobilize Invest s.a.s. The CDI is chaired by the Director of the Group's Expert Leaders, an Expert Fellow and member of Renault's Management Committee. It has 14 members, including one employee representative and two prominent external figures specialized in investment and social business.

Mobilize Invest s.a.s. has already provided funding (capital or debt) for 14 projects, appointing Renault employees as mentors. The details of the companies supported can be found on the website https://mobilize.groupe.renault.com/ mobilize-invest.

The companies supported by Mobilize Invest are asked to measure the social impact of their respective activities. A common framework of seven result and activity indicators, put together with HEC, was deployed in 2018. Nine companies have participated in the scheme to date, including the following three:

- **Ecov** is a social and solidarity economy start-up that develops car-sharing solutions for short journeys in rural and suburban areas. 2,004 people benefited from their services in 2018, traveling over 43,700km using ecomobility solutions;

*(1) At December 31, 2019, the Renault Mobilize Solidaire employee mutual fund (FCPE), created in 2015, had more than 6,590 subscriber employees and €23.57 million in assets.*

- **Titi Floris** is a transport cooperative for all members of society, including those with disabilities. 6,000 people, 90% of whom are disabled, used Titi Floris transport. In 2018, the company employed 206 disabled workers;
- **Human Concept** provides a comprehensive self-service hybrid bike service which reduces the cost of bike usage through advertising. 2,422 people used the solution, travelling 19,604km.

In addition, in 2018, Groupe Renault introduced a system to objectively measure the social impact of each of its social business initiatives. In 2019 this system was strengthened and extended. A survey of 1,011 people, conducted by MV2 and HEC in June 2019 to assess the social impact of the Garages Renault Solidaires, highlighted the following for people who had benefited from this program:

- a high satisfaction rate: **8.4/10** for recipients of the LOA Mobilize offer and **8/10** for APV Mobilize offer customers;
- a significant impact on access to work: **78%** of recipients of the LOA Mobilize offer and **64%** of recipients of the APV Mobilize offer believe that the program has helped them to find or to keep a job;
- the lifestyle satisfaction rate for Mobilize customers questioned was **8.4/10**, compared with 6.5 for non-Mobilize customers and the French average of 7.2.

## 3) Participate in the influence and development of social entrepreneurship within the Company and outside

Groupe Renault is a co-founding member of the “Movement for Social Business Impact”, which aims to promote the inclusive economy by supporting research and teaching, and by developing concrete projects having an impact on the reduction of poverty.

### A Social Business Strategic Area of Expertise (SAE)

In October 2018, the Group decided to create a Social Business Strategic Area of Expertise (SAE) under the CSR department, with a view to embedding social business into the Company’s strategy alongside other traditional core business areas. This Social Business SAE complements the other SAE’s of the Group and fosters a new perception of the Company’s activities. It enables employees seeking more meaningful work-related initiatives and wanting to bring about change to get involved.

### The HEC Paris “Enterprise & Poverty” academic Chair

- Groupe Renault sponsors this Chair (www.hec.fr/espace-entreprises/chaires-et-centres/social-business) and thus, in partnership with research and education, works to train younger generations and devise new social business solutions;
- Groupe Renault also collaborates with the Entreprise and Poverty Action Tank, chaired by Martin Hirsch (Director General of Assistance Publique des Hôpitaux de Paris (APHP)) and Emmanuel Faber (CEO of Danone) to share existing knowledge about social business, hold discussions with other businesses committed to this approach and benefit from expert support and advice.

### G7 Coalition: “Business for inclusive growth” (B4IG)

In August 2019, Groupe Renault joined the Business for Inclusive Growth (B4IG) coalition, launched at the G7 Summit held in Biarritz, France. The coalition, which focuses on inclusive growth, will be led by Danone and managed in partnership with the OECD. Its aim is to globalize a Renault-supported initiative taken a few months earlier, the “Committed Companies Collective” (Collectif des Entreprises Engagées).

Faced with the phenomenon of record levels of inequality, 40 major international companies, including Groupe Renault, have joined B4IG. Through the coalition they have committed to ramping up actions to advance human rights in their value chains, to create inclusive working environments and to boost inclusion processes in their internal and external ecosystems. The initiative will extend and supplement the efforts deployed by G7 countries to promote equal opportunities, eliminate regional disparities and fight gender-based discrimination. By joining forces, these companies will together invest a total of more than €1 billion in more than 50 projects, improving the lives of over 100 million people.

The B4IG companies are global companies in a wide range of sectors. Between them they employ 3.5 million people, and have total revenues of over $1,000 billion. The B4IG coalition is the first business-led initiative of its type. The initiative is characterized not only by its 360° approach to fighting inequality, but also its international and multipartite scope, enabling it to intensify the actions of companies, governments and philanthropic organizations. The three main premises of the coalition’s strategy are:

- to obtain the clear commitment of companies to fight inequality, in order to advance human rights, diversity in the workplace and inclusivity in value chains;
- to serve as an incubator which designs and develops new inclusive business models, at the cutting edge of social innovation, and public-private partnerships at a micro-economic level; and
- to serve as a forum for funding of inclusive growth, based on innovative funding structures between companies, public authorities and philanthropic stakeholders.

Groupe Renault's contribution to the B4IG incubator is its "Mobilize" program. Mobility is essential for both societal and professional integration, particularly for those living in rural areas. However, the high costs of purchasing and maintaining a vehicle are often prohibitive. In order to address some of these problems in France, Renault has joined forces with Caisse d'Epargne, Enterprise and Poverty and Pôle Emploi to launch the LOA Mobilize program which provides micro-finance facilities to people on low incomes, enabling them to lease and eventually buy a new car. The initiative is based on an economic model which makes leasing a new vehicle less expensive than buying a used vehicle. Often the latter is the only feasible option for those on a low income, but ends up being more expensive in the long term due to higher maintenance costs. In addition to its positive economic impact, the program also has other measurable targets including reducing unemployment, reducing stress and insecurity and decreasing CO2 emissions. LOA Mobilize currently funds leasing for 1,000 cars. The initiative could be widely extended in the future thanks to the operational and financial support of the B4IG incubator.

### An internal Pitch&Poc

At the end of 2019, the Social & Sustainable Impact department launched its second Pitch&Poc, an internal innovation competition aimed at identifying and providing mentoring support to the innovative project ideas of Groupe Renault employees worldwide.

In 2018, three departments worked together to hold the first competition in partnership with the Creativity department. They were the Sales & Marketing department, the Supply Chain department and (for the first time) the CSR department. Of a total 600 project entries, 150 projects were selected in the CSR category. Their creators were then invited to a one-week bootcamp in Paris. The event was supported by Corporate for Change, a firm specializing in social intrapreneurship. The following projects were shortlisted:

- Drive the Inclusion: An Argentinean project to promote an inclusivity, whereby dealerships in Argentina sell a small toy packed by a sheltered workshop employing people with disabilities;
- WE R Culture, We R Renault: An Indian project to sell fair trade automotive accessories to support local Renault communities;
- Digital Inclusive University: A project offering training on digital roles to jobseekers;
- EnergiZE: A pilot project for green dealerships.

At the end of the program and after each team had pitched their project, the panel selected Drive the Inclusion for the CSR category. However, given the high quality of the three other projects, Renault decided to support them by providing an internal Renault mentor.

## 2.4.6 Facilitating a global CSR network

To ensure the consistent and appropriate roll-out of the Mobilize initiative, the Social & Sustainable Impact department facilitates, coordinates and relies on a network of CSR liaison officers in the main departments and most of the countries in which the Group operates. Each year, it sends a letter containing CSR guidelines, setting out the main principles and priorities of the coming months, to all of the Group's CSR liaison officers and subsidiary managers. It also calls all CSR liaison officers to meet for the annual CSR Convention. This event, which takes place over several days, is an opportunity for thinking on the major commitments made in Mobilize, and to share experiences and achievements in a multicultural context. Workshops are also organized for collective thinking on given themes and to explore new ideas.

### Mobilize Days: an annual meeting dedicated to inclusion and sustainable mobility in the Group

For the second year running, in June 2019, the CSR department held a Corporate Social Responsibility (CSR) Week covering Groupe Renault as a whole, referred to as "Mobilize Days" or "Mobilize Week" based on the country. The 2019 theme for this event (selected by CSR liaison officers worldwide) was employee community commitment. The purpose of the event is to inform and raise awareness among employees about the company's CSR approach and initiatives taken throughout the Group in the areas of inclusion and sustainable mobility. It also aims to inspire employees, strengthen their sense of pride in belonging to the company and encourage them to become agents of change.

16 countries held local Mobilize Days, including Algeria, Argentina, Austria, Brazil, China, Colombia, France, India, Italy, Korea, Morocco, Poland, Portugal, Romania, Slovenia and Spain. During these Days, a total of 32 sites were "mobilized" to implement more than 160 CSR-related actions. A wide range of events from lectures to forums, exhibitions, film screenings, games and site visits, *etc.* were organized in line with the main pillars of the company's CSR strategy (see section 2.1.1). For example, in China road safety days were held for children. In Algeria, Renault Algeria employees and their families cleaned Tamentfoust beach. Colombia and Argentina held a number of road safety events throughout the week, which were repeated internally. The Technocentre and Boulogne-Billancourt sites in France collected 700kg of clothing for charity La Cravate Solidaire.

### Calculating the impact of societal initiatives

To ensure consistency between social and societal actions undertaken in the company and the Mobilize approach, the Group aims to allocate 80% of its societal expenditure to the five commitments listed above, namely diversity, education, social entrepreneurship, environment and road safety. The remaining 20% are used to support needs in other areas as identified locally.

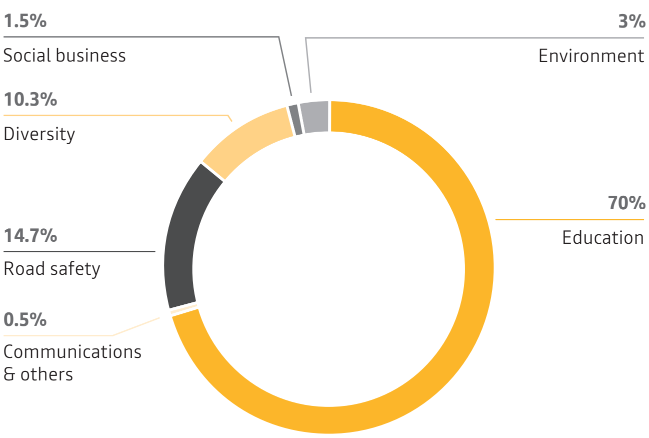
Information on these actions is reported centrally. Since the end of 2018, the CSR liaison officers have been asked to share their actions using a standardized process, on a dedicated platform known as Global CSR. Details on the reporting scope are provided in section 2.6.4.1.

Selected key figures from 2019:

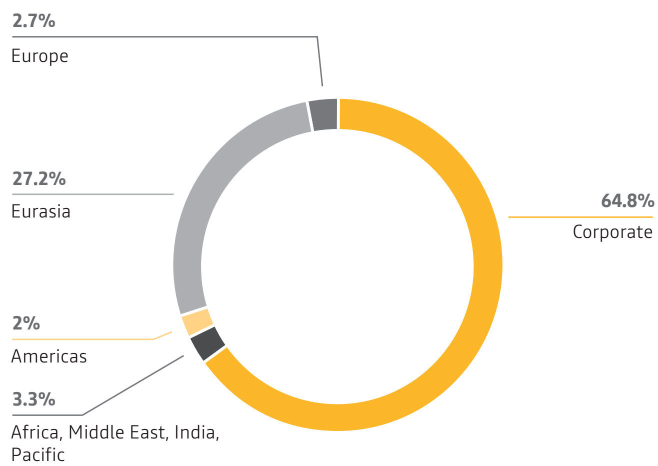
- 395 initiatives have been identified in Groupe Renault's five geographical regions;
- 96% of funds provided to the five Mobilize commitments.

## DISTRIBUTION OF INVESTMENTS WITH A SOCIAL OR SOCIETAL GOAL

### BY PRIORITY THEME COMMITMENT




### BY REGION




Renault's environmental policy, included as the fourth strand of CSR since 2014, is reflected in the core of its industrial strategy, its products and services (see 2.3.2). The actions referred to here are campaigns to raise awareness of environmental issues and local initiatives taken by countries or sites.

## BREAKDOWN OF SOCIAL AND SOCIETAL INVESTMENTS BY COMMITMENT AND BY GEOGRAPHIC REGION

| | | | Region | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Commitment** *(€)* | **Number of shares** | **Corporate** | **AMI-Pacific** | **Americas** | **China** | **Eurasia** | **Europe** | **Total** |
| Total | 395 | 5,777,673 | 286,660 | 175,810 | 0 | 2,423,666 | 236,088 | 8,899,898 |
| Education | 92 | 4,426,000 | 275,660 | 74,107 | 0 | 1,397,728 | 55,680 | 6,229,175 |
| Road user safety | 54 | 1,244,5120 | 0 | 11,240 | 0 | 57,597 | 0 | 1,313,357 |
| Diversity | 160 | 36,154 | 4,500 | 44,574 | 0 | 778,965 | 55,064 | 919,257 |
| Social business | 19 | 50,000 | 0 | 39,418 | 0 | 18,277 | 22,000 | 129,695 |
| Environment | 56 | 1,000 | 0 | 6,471 | 0 | 171,099 | 88,344 | 266,914 |
| Communications and others | 14 | 20,000 | 6,500 | 0 | 0 | 0 | 15,000 | 41,500 |

# 2.5 ETHICS AND GOVERNANCE

## 2.5.1 Business ethics: ethics and compliance policy

### Ethics is the cornerstone of our business conduct

#### 2.5.1.1 Objectives and guidelines

The Group ethics and compliance policy aims to:

- promote ethical values within the Group, thus contributing to its sustainable performance;
- prevent and identify breaches of ethics and integrity;
- ensure that the tools and measures adopted are suitable for the Group's challenges and activities;
- protect employees, customers and shareholders;
- protect the Group's image and assets;
- promote citizenship in a global environment;
- structure the Group's compliance approach, i.e. all processes aimed at controlling the application of the Group's legal and ethical rules.

The ethics and compliance guidelines include in particular:

- the Code of Ethics Groupe Renault. It sets out the Group's key principles and fundamental values. It is intended for all employees in all countries where the Group is present;
- the Guide for preventing corruption and influence-peddling. It describes the Group's active global approach to preventing and combating corruption and influence peddling;
- nine dedicated codes of conduct. They describe the rules of good conduct to be applied in functions that require even stronger ethics;
- the whistle-blowing tool. It is available to the Group's employees, but also to external or occasional employees and suppliers, from a dedicated platform;
- all the procedures for applying ethics and compliance.

#### 2.5.1.2 Actors and bodies

The Group Ethics and Compliance department reports to the Group Ethics and Risk Audit department. It is responsible for ethics and compliance policy. It reports to the following Board of Directors' committees :

- the Audit, Risks and Compliance Committee (CARC);
- the Ethics and CSR Committee (CERSE).

Its duties are as follows :

- to define the Group's overall ethics and compliance policy;
- to act as an adviser to the Company's management teams;
- to ensure that ethics and compliance-related incidents are fed back and dealt with;
- to animate the Group's Ethics and Compliance Committee (CECG), and reporting conclusions and proposals to the CARC committee;
- to verify the ethical and compliance policy implementation in the Group's various business activities (purchasing, manufacturing, sales, engineering, finance, HR, etc.) ;
- to reinforce the Group's ethics and compliance policy;
- to implement the Group's ethics and compliance policy.

In order to carry out its duties, the Group Ethics and Compliance department relies on :

- a reinforced team, now composed of fifteen employees versus seven in 2018;
- ethics officers, appointed in all countries where the Group operates. They ensure the dissemination of ethical guidelines, values and expected behaviors, taking into account local laws and regulations. They steer the professional alert system and lead the Country Ethics and Compliance Committees (CECP);
- compliance officers, who ensure the implementation of the Group's compliance policy in their country or subsidiary;
- function and region officers, supporting the deployment of the ethics and compliance system to specific business activities and geographical zones;
- two facilitators in France. They are in charge of solving conflicts between employees through mediation. They contribute to the spreading of ethical values through training.

It can also count on the support of the following bodies:

- the Group Ethics and Compliance Committee. The CECG is composed of eleven members and of function and region officers. It is responsible for defining and adapting the ethics and compliance policy;
- the Alert Processing Committee. It includes eight members and three experts. It treats in a collegial way professional whistle-blowing received within the Group;
- the Country Ethics and Compliance Committee. It is chaired by the Country Director and steered by the Country Ethics officer. It deals with alerts and manages the local deployment of the ethics and compliance policy.

### 2.5.1.3 Highlights of 2019

In April 2019, the Group Ethics and Risk Audit department was created. It includes internal audit, risk management, ethics and compliance. The Director met with the Chief Executive Officer on a regular basis to inform him about the deployment of the Group's ethics and compliance policy.

The Group Ethics and Compliance department has been structured around three divisions:

- Ethics ;
- Professional Alerts ;
- Compliance.

It now relies on strengthened teams to better meet the Group's ethics and compliance challenges.

The Chief Ethics and Compliance Officer met with each member of the Group Executive Committee and some members of the Renault Management Committee. They appointed a function officer within their respective perimeters. This officer assists them in deploying the system, both at Group level and in the countries, in liaison with the country officers.

The Group Ethics and Compliance twice presented the progress of his missions to the Renault Management Committee. He submitted an activity report on five occasions to the CARC, to the CERSE at its first meeting, and to the Renault Group Committee.

The Group Ethics and Compliance department conducted internal audits following the arrest of Mr Carlos Ghosn in Japan on November 19, 2018 (see details in paragraph 3.5 of the 2018 Universal Registration Document). At the end of this work, it drew up an action plan to strengthen the controls of the General Management.

#### Reinforcement of the ethics and compliance network

The network of ethics officers is now composed of 54 people. In order to improve the effectiveness and impact of the actions of the Group Ethics and Compliance department, the network has now been extended to new countries and subsidiaries. 34 officers cover all countries where the Group operates. These officers are supported by five regional officers

An international seminar was held in May 2019 with the network and the functions involved in the deployment of the ethics and compliance policy. The seminar focused on two main areas: the prevention of corruption and influence peddling in subsidiaries and countries; and a presentation of the new department's organisation and management. The Chairman of the Board of Directors, the Chief Executive Officer and the Human Resources Director emphasize the importance of Ethics and Compliance officers' mission for the Group.

The Group Ethics and Compliance department organized regular meetings. In addition, it lead five e-conferences with officers and referents in 2019. The specific training day for the fourteen function officers appointed in 2019 was held in September.

#### Deployment of the prevention of corruption and influence-peddling plan EFPD16b

The law known as "Sapin II" of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life, led Renault to continue to strengthen its overall prevention of corruption and influence-peddling system in 2018 and 2019, in particular in the following areas:

1. A renewed and increased commitment by governing bodies to the prevention of corruption. A message on this subject was sent to all employees. The Group's Executive Directors have made a formal commitment to implement the corruption prevention policy.
2. A corruption risk mapping was validated in 2018 by the Executive Committee. Mapping identifies, assesses and prioritizes compliance risks, and particularly those risks inherent to its international activities or links with third parties. These various risks are then taken into consideration when adjusting the Group's ethics system.
3. The Group's Guide for preventing corruption and influence-peddling was deployed in all countries via operating committees, meetings with managers and team meetings. The Guide is also available on the Renault website: www.group.renault.com.
4. The Third Party Integrity Management Process was reinforced. By the end of 2019, it had been rolled out in 14 countries: Algeria, Argentina, Brazil, Colombia, France, India, Iran, Korea, Mexico, Morocco, Romania, Russia, Ukraine and Turkey. It is also finalized in the main French subsidiaries : RCI, RRG and Renault Sport Racing. The level of coverage for third parties at risk is over 90% at end-2019.
5. Employees and managers have access to a training on the prevention of corruption and influence peddling, as well as the detailed presentation of the Group's prevention plan. In 2019, more than 13,000 employees attended this training. This represents a cumulative total of 36,400 employees, *i.e.*,91% of the population registered according to the position held in the company
6. A communication campaign launched at the end of the year reminded everyone of the worldwide whistle-blowing tool implemented in 2018. Available in 14 languages, the tool is operational in the vast majority of countries. It replaces the tool implemented in 2012. It allows Group employees as well as external and occasional employees and suppliers to activate alerts directly with the Group Ethics function. As a reminder, this tool brings together in a single system the three warning mechanisms provided for by the "Sapin II" law (general system, prevention of corruption and influence peddling) and the 2017 law on the duty of vigilance. It is accessible at any time, on an external site, from a computer, tablet or smartphone, both professional and personal.
7. In late 2019, an internal audit was conducted of compliance with the requirements of Article 17 of the so-called "Sapin II" law. The Group Ethics and Compliance department's 2020 action plan takes the conclusions of this audit into account.

#### Compliance with laws, regulations and corporate rules

Compliance with laws and regulations is a major objective of internal control. The Group's Ethics and Compliance Committee (CECG) is responsible for monitoring these systems.

The new Group Ethics and Compliance department is now responsible for overseeing regulatory compliance. It is responsible for ensuring that reliable systems are in place for the departments that prescribe compliance: Technical Regulations department, Legal department, Environment department, etc. It is also responsible for ensuring that the Group's regulatory authorities have the necessary resources to implement these systems. The Legal department provides support and assistance on this subject.

There is a method to assess existing procedures, validated by the CECG. The Group Ethics and Compliance department applies this method to a list of regulatory areas selected with the Legal department. In parallel with this assessment, a rating of the seriousness of the risk of regulatory non-compliance is established with each prescribing department. (see risk factors, chapter 1.6.1.1).

The system as a whole is managed by the internal monitoring procedure for regulatory compliance.

### 2.5.1.4 Outlook for 2020

- Develop the risk mapping and associated prevention actions in light of the experience acquired, but also of the evolution of the company and its activities ;
- ensure the proper functioning of the network and the bodies ;
- launch new information, awareness-raising and training campaigns for employees ;
- reinforce the gifts and invitations policy ;
- implement a system for potential conflicts of interest declaration ;
- ensure the proper functioning and efficiency of the whistle-blowing system ;
- continue to deploy the prevention plan control system ;
- develop the regulatory compliance monitoring system.

## 2.5.2 Strengthening the responsible purchasing approach in the supply chain EFPD15a EFPD15b

The Group also extends its social, societal and environmental responsibility to its relationships with suppliers. Groupe Renault, which has several thousand suppliers, implements a responsible purchasing policy along its entire supply chain.

In order to do this, Renault has incorporated compliance with social and environmental requirements into its supplier selection and relations standards. "Responsible purchasing" evaluation of suppliers is therefore included in the selection criteria, alongside quality, financial health, strategy and industrial and logistical capacities.

### 2.5.2.1 A CSR-focused purchasing team DV3b

For over ten years, Groupe Renault has had a dedicated team to prevent serious infringements under the duty of vigilance. The team reports to the Purchasing department and has the following objectives:

- ensuring that suppliers meet standards and comply with laws, regulations and soft laws in social environmental and ethical areas (*e.g.* the law on the duty of vigilance, Sapin II, traceability of conflict minerals or cobalt, OECD/UN/ILO Guidelines, *etc.*);
- improving the identification and reduction of CSR risks in the supply chain;
- strengthening the extra-financial assessment of suppliers (through an external provider and its online platform);
- managing external CSR supplier audits;
- monitoring the implementation of appropriate corrective actions by both direct and indirect suppliers;
- coordinating a network of officers within local Purchasing departments.

### 2.5.2.2 Responsible purchasing policies, cornerstone of the supplier relationship DV3b

In order to prevent serious infringements under the duty of vigilance, Groupe Renault operates based on a document which set out principles of responsible contractual relationships with suppliers:

- Renault-Nissan "Corporate Social Responsibility (CSR)" guidelines for suppliers (December 2015). Distributed to all Groupe Renault suppliers and subcontractors, this document summarizes the Group's CSR expectations of suppliers and subcontractors in matters of safety and quality, human and labor rights, the environment, compliance and non-disclosure of information. The Group asks its suppliers and subcontractors to undertake to comply with these guidelines. They are also requested to use them with their own suppliers;
- Global Framework Agreement on social, societal and environmental responsibility: signed on July 2, 2013 with the IndustriALL Global Union and the Group Works Council (see section 2.4.1.4). Under the terms set out in chapter 3, Groupe Renault undertakes to communicate the Framework Agreement to its suppliers and subcontractors. It requests them to commit to

implementing the fundamental social rights mentioned in chapter 1 of the Framework Agreement in their own companies and encourages them to do likewise with their own suppliers. If necessary, corrective action plan are put in place with the support of Groupe Renault;

- Renault Green Purchasing Guidelines (June 2018). This document is distributed to all Groupe Renault suppliers, and describes requirements in matters of environmental management, policies on chemicals and recycling;
- Groupe Renault policy on the Supply of cobalt and minerals from conflict-affected and high-risk areas (2019). This policy provides suppliers and their subcontractors with details of products that may contain such minerals, and the Group's expectations as regards human rights and child labor in the supply chain.

The purchasing function also has **a dedicated Code of good conduct** which complements Groupe Renault's code of ethics. This document is available on the Group's intranet site. It is aimed at all managers and employees in the Purchasing department and the Alliance Purchasing Organization (APO), and at anyone who is in contact with suppliers and/or who has an influence on purchasing activities within Groupe Renault and/or for Groupe Renault. The code applies to all Groupe Renault purchasing processes and, in particular, to compliance with Renault's strategy, to selecting suppliers, reviewing performance and, more generally speaking, to any contact or communication with suppliers.

### 2.5.2.3 Supplier risk mapping to identify, analyze and prioritize risks DV1b

Under the law on the duty of vigilance (section 2.1.6), Groupe Renault uses in particular a mapping of the risks of suppliers with whom an established commercial relationship exists.

In terms of risks relating to human rights and fundamental freedoms, health and safety of persons, the environment, ethics and compliance, two areas have been singled out for analysis:

- risks relating to families of purchases;
  - parts. The families of purchases have been classified according to risks;
  - services. The families of purchases have been included in a nomenclature produced by an external service provider based on the criteria of the law on the duty of vigilance;
- country risks. The mapping used was produced by an external service provider based on the criteria of the law on the duty of vigilance.

The combination of these two risk factors has enabled supplier and subcontractor sites to be ordered according to four levels of criticality: "low", "medium", "high" and "very high".

For those parts production facilities or service provision entities representing the highest potential risks and which have never undergone a CSR assessment, or for which the CSR assessment is not at the required level, external companies carry out audits on the ground.

In order to reduce the risks, these sites are audited based on a triennial plan (2018/2019/2020).

### 2.5.2.4 Regular evaluation procedures for suppliers and subcontractors DV2b

Groupe Renault uses the following methods to regularly evaluate its suppliers and subcontractors:

- **purchasing processes** which incorporate CSR criteria into selecting suppliers and subcontractors to add to the supplier list, and into awarding new contracts;
- **an Internet platform** (through an external solution) to assess suppliers' and subcontractors' CSR policies and actions, and to incorporate the CSR performance of suppliers into purchasing decisions.

On any topics relating to the content of these documents, any uncorrected non-compliance could result in measures being taken that may include the termination of relations with the Company in question.

### 2.5.2.5 Actions to mitigate risks and prevent serious infringements DV3b

In the context of actions to mitigate risks and prevent serious infringements, in 2018, Groupe Renault carried out 45 social audits of supplier sites performed by three external companies in six countries, including Algeria, China, India, Romania, Russia and Turkey.

The audits showed that in 2018, for all reports produced by external auditors, of non-compliance was identified in the areas of health and safety and working conditions. The main areas of non-compliance were fire detection systems, electrical installations, lack of access to certain emergency exits and non-compliance with minimum wage legislation. The countries with the greatest number of non-compliance cases were Turkey, India and China.

In 2019, there was a specific emphasis on the monitoring of corrective action plans put in place by the suppliers with the lowest scores in the 2018 audits, with mandatory re-auditing for these suppliers.In addition, a comprehensive new CSR audit campaign (human rights, working conditions, environment, business practices, etc.) with 36 other suppliers at "significant" risk was conducted in 2019 by an accredited external audit firm. The principal non-compliances identified by these audits fall into the fields of health & safety, effluent and waste management, together with those concerning management systems. The highest numbers of CSR non-compliances were recorded in India and in Turkey. The institution of corrective actions for these suppliers will be monitored closely in 2020.

Finally, in 2019, extra-financial performance has been granted a greater weighting in the Purchasing department's decision-making processes, for all Group suppliers, based on three ESG (Environmental, Social and Governance) focus areas.

### 2.5.2.6. Professional whistle-blowing DV4

See section 2.1.6, "Professional whistle-blowing."

### 2.5.2.7 System for monitoring the measures implemented and evaluating their effectiveness DV5b

Groupe Renault traditionally measures the CSR performance of its suppliers through two main criteria:

- the percentage of the volume of parts, services & equipment purchased that are the subject of CSR evaluation;
- the percentage of the volume of "CSR evaluated" parts, services and equipment purchased for which the CSR score reflects a high or very high performance.

In 2019, the CSR performance of Groupe Renault's suppliers was as follows:

| | Parts | Services | Total 2018 | Total 2019 |
|---|---|---|---|---|
| Rate of direct purchases by volume covered by a CSR assessment* | 87.5% | 66.8% | 82% | 84.1% |
| Rate of high or very high CSR performance over 3 years (% of total volume purchased) | 77.1% | 63.2% | 67% | 74.8% |

* *CSR assessment: carried out by an independant third party within the last three years*

In 2018, a new indicator was set up to record the number of tier-1 supplier sites audited (see 2.4.2.4).

### 2.5.2.8 Specific work on the cobalt/electric battery sector

#### Mapping of minerals and materials risks

Groupe Renault is particularly vigilant as regards the origin of certain minerals and materials, for which risk mapping is also carried out.

In the light of Groupe Renault's commitment to human rights and fundamental freedoms, and particularly the fight against child labor in its supply chains of minerals and materials from high-risk countries, since 2017 it has prioritized its work with the cobalt sector, as this mineral is used in electric batteries.

In 2018, the Group selected a specialist audit firm in this sector to fully map its supply chain and perform on-site audits for the relevant stakeholders.

#### Specific actions to mitigate risks and prevent claims

In 2019 this specialist firm carried out 17 site audits for certain suppliers and subcontractors in the cobalt supply chain. Audits were conducted at each level of the supply chain, starting with cathode suppliers and even down to some small-scale mines in the Democratic Republic of the Congo (DRC). No critical cases of non-compliance were identified, and corrective action plans are being implemented.

Renault is a member of the Responsible Mineral Initiative (RMI). The RMI's Objective is strive to implement a responsible supply chain for minerals and materials originating from conflict zones or high-risk areas. RMI brings together the major players in the electronics and automotive industries. It meets monthly and the minutes of these meetings are sent to all of its members. Cobalt was the Initiative's main priority for 2019.

### 2.5.2.9 A local integration strategy EFPD14a

Local integration is a major element of Groupe Renault's purchasing policy because it can improve the Group's competitiveness, reduce its exposure to monetary fluctuations and contribute to the development of the regions where it is located.

A local approach has numerous advantages leading to the reduction of costs. Thus, the local purchasing of parts can reduce transport and customs costs. This proximity also enables the Company to be more responsive, to adapt more quickly to changes in demand from its customers and to participate in local development and notably the local employment pool.

To promote local integration, Groupe Renault has created dedicated teams, firstly in Russia, then in Brazil and India. These teams, from purchasing, engineering, sales costs and logistics, launch local calls for tenders to purchase parts that until then were imported.

The localization rate is intrinsically connected with local regulations, currency exchange rates, the Group's industrial activity (launching of new projects) and may vary from one year to the next. Thus, in 2019, the localization rate remained stable in Brazil or in China, but increased considerably in India and Russia (+3% country average).

# 2.5.3 Tax policy EFPD15c

## 2.5.3.1 Applicable principles

1. Groupe Renault, in all countries where the Group is established, ensures compliance with tax rules applicable to its activity, in compliance with international treaties and local regulation
2. In its relation vis a vis tax administrations, Groupe Renault aims at strictly complying with tax procedures and endeavours to maintain quality links, in order to maintain its reputation. The Group endeavours to create a lasting, transparent and professional relationship of trust with tax authorities of different countries and opt, whenever possible, for privileged programmes and partnerships with tax administrations.
3. Groupe Renault does not does not encourage or promote tax evasion, either for itself or for its subsidiaries.
4. The Group applies OECD principles for transfer pricing and intra-Group transactions in compliance with the arm's length principle. When local constraints require deviation from OECD methodologies, such local constraints are documented.
5. Groupe Renault is fully committed to the implementation of regulations aimed at ensuring tax transparency at local, EU law or international level.
6. Given the complexity of tax rules, Groupe Renault may have differences of interpretation with local tax authorities. It then reserves the right to contest any adjustments that are deemed unfounded.

## 2.5.3.2 Implementation of tax policy

Groupe Renault's Tax department is responsible for the Group's tax policy worldwide, including the management of all tax related risks.

Groupe Renault's Tax Department, as a support function attached to the Group Finance Department, is independent of the operational functions. It is supported by a local tax network in its mission.

Tax risk management is an integral part of the Group's overall risk management process.

The Group's Tax Department ensures the distribution of tax compliance standards within the Group (Automotive, AVTOVAZ and RCI), through internal communication channels.

The Group Tax department takes a responsible approach to managing and controlling tax matters, based on the relevant documentation and rigorous internal control of tax processes.

# 2.5.4 Cybersecurity and data protection

## 2.5.4.1 Cybersecurity

To manage risks and protect its data, Groupe Renault has set up an organization/governance and operational measures in matters of cybersecurity. (The details of these measures are shown in chapter 1.6.1.3 – Risks related to cross-group functions).

## 2.5.4.2 Data protection

Compliance with personal data protection rules opens up a golden opportunity to strengthen trust between Renault s.a.s. and its stakeholders (shareholders, customers, suppliers and employees). Trust is a value in which Renault s.a.s. believes particularly strongly, and personal data protection is one of the main ethical bases for our actions.

Given this commitment, in 2011, Renault designated a data-protection correspondent with an extended scope to the French data protection authority (CNIL). Subsequently, the Group implemented legal, technical and organizational measures to ensure compliance with French data protection law no. 78–17 dated January 6, 1978. More recently, in May 2018, Renault appointed a Data Protection Officer (DPO) in order to comply with the General Data Protection Regulation (GDPR). Since June 2019, this has been a full-time role performed by a dedicated expert.

The Data Protection Officer relies on a network of GDPR officers (known as Privacy Ambassadors) in each department, who are responsible for managing the compliance of personal data processing within their own scopes. A legal team dedicated to the protection of personal data has also been created, together with multi-disciplinary working groups bringing together all of Renault's functional departments.

Given the prospect of its digital transformation, developments to its connectivity and data-related activities (mobility services, connected vehicles and autonomous vehicles) in order to comply with the general data protection regulation (GDPR), Groupe Renault launched a program to ensure the implementation of an organization, governance, processes and tools intended to protect the personal data of its employees and its customers/users.

Renault is also involved in working groups led by the Comité des Constructeurs Français d'Automobiles (CCFA) and by the European Automobile Manufacturer's Association, on the specific topic of connected services.

Groupe Renault takes all necessary precautions in order to ensure that personal data is processed safely an in line with regulations.

# 2.6 APPENDICES

## 2.6.1 Environmental appendices

### 2.6.1.1 Methodological comments on a selection of environmental indicators

#### A. Life-Cycle Assessment

Life-cycle analyses are carried out by Groupe Renault in accordance with the ISO 14040 and ISO 14044 standards. Renault uses the GaBi LCA (PE International) software and databases.

The life-cycle inventory describes all the elements that are taken into account in the life-cycle assessment of a vehicle. These data are related to life-cycle stages, from the vehicle's manufacturing to its recycling, and including its usage phase:

- raw materials and manufacturing: thanks to Renault's internal databases, each vehicle is described in terms of the raw materials it contains. These data, coupled with those in the GaBi database, allow all phases of the extraction and processing of raw materials to be incorporated in the inventory. The data on the manufacturing of vehicles integrated in the life-cycle inventory comes from the annual environmental reporting for the industrial sites, which is subjected to verification by an Independent Third Party;
- usage and maintenance phase: the usage phase is calculated over 10 years and 150,000km. The certified emissions for the regulatory cycle are taken into consideration. Moreover, the impacts associated with the vehicles' energy consumption (diesel, gasoline or electricity) are calculated from "well to wheel", *i.e.*, the emissions associated with the production and transport of the energy used are taken into account. In the usage phase, the maintenance activities performed throughout the life of the vehicle (tire changes, oil changes, brake fluid, *etc.*) are taken into account;
- end-of-life: emissions related to recycling processes are accounted for. The recycling of materials from vehicles enables the use of virgin material and associated emissions to be avoided. The emissions avoided in this way are deducted from the carbon footprint.

All potential impacts are calculated using the GaBi software.

#### B. Carbon footprint

The purpose of determining Renault's carbon footprint is to measure and propel the reduction of greenhouse gas emissions in Groupe Renault. The following methodologies have accordingly been chosen:

- the carbon footprint is compared to the number of vehicles sold;
- in the event of sales or acquisitions, the reference value (2010) is corrected to take into account or subtract the site's emissions at that date in order to measure changes in the Group's carbon footprint in relation to 2010 on a comparable scope of activity;
- if there is an update to the model in the GaBi tool used to calculate the greenhouse gas emissions associated with the materials and parts purchased (see above), the 2010 reference value is recalculated with the new database in order to measure the changes to the indicator on a comparable basis. This happened in 2015 and 2018. In addition, to factor in the environmental performance of suppliers between model updates in the GaBi tool, a carbon performance factor of -2% per year is applied;
- the carbon footprint is calculated for a constant scope of emissions. When the scope is amended, the 2010 benchmark value is recalculated. In 2017, the calculation scope was extended to include: RRG, vehicles bought from and sold to partners, filling of air conditioning systems (for premises and vehicles), vehicle and engine testing and indirect emissions linked to purchased thermal energy. In 2018 two foundries were integrated into the scope without recalculating the 2010 benchmark value, this being a capacity extension rather than an integration of a pre-existing entity.

The carbon footprint for Renault does not include a prospective dimension. The value retained for the carbon intensity of fuel and industrial processes is that of the vehicle release year and does not vary during the life-cycle of the vehicle (10 years, 150,000km).

The table below indicates the scope of emissions covered by the Renault Carbon Footprint indicator as well as the origin of the data used and the level of external verification applied. To facilitate understanding, the categories of the Renault carbon footprint are matched to those of the Greenhouse Gas Protocol.

| GHG Protocol categories | Category of the Renault carbon footprint | Scope | Source of data |
|---|---|---|---|
| **Scope 1** | | **Direct emissions** | |
| | Plants and other Renault sites | Worldwide<br>Industrial, tertiary and logistics sites under the consolidated environmental scope (see Appendix: "Environmental indicators for the sites")<br>Direct emissions from burning fuels, filling air conditioning systems on premises and procedures, filling air conditioning systems in manufactured vehicles, engine, gearbox and vehicle testing, and Company vehicles | Primary: annual reporting by the sites – via R2E |
| **Scope 2** | | **Indirect emissions** | |
| | Plants and other Renault sites | Worldwide<br>Industrial, tertiary and logistics sites under the consolidated environmental scope (see Appendix: "Environmental indicators for the sites")<br>Indirect emissions from purchased electrical and thermal energy | Primary: annual reporting by the sites – via R2E |
| **Scope 3** | | **Other related emissions** | |
| Goods and materials | Materials | Worldwide<br>Cradle to gate emissions related to the extraction of materials and fuels, the transformation of materials into parts, and the logistics between the extraction and the tier-1 supplier site, in relation to the number of vehicles sold | Secondary: Thinkstep GaBi LCA database (emissions from the production of materials, spare parts and required processing)<br>Primary: Renault design database (vehicle composition, recycled materials), sales overview by country |
| | Vehicles | Worldwide<br>Emissions linked to manufacturing of Renault vehicles in plants in which Renault does not hold a majority stake | Primary: sales volumes and annual production of Groupe Renault vehicles |
| Logistics and supply (upstream) | Logistics | Worldwide<br>Emissions from road, sea and rail transport for parts and materials | Primary: reporting on logistics activities |
| Business travel | Travel | Worldwide<br>Emissions from employee business travel (train, plane) | Primary: reporting from travel agent |
| Daily transport for employees | Travel | France<br>Emissions from vehicles and public transport for employee commuting<br>Emissions prevented through homeworking are deducted | Primary: information provided by employees |
| Logistics and distribution (downstream) | Logistics | Worldwide<br>Emissions from road, sea and rail transport for manufactured vehicles | Primary: reporting on logistics activities |
| Sales and after-sales | Sales and after-sales | Direct and indirect emissions from the Renault sales network | Primary: annual reporting by Renault Retail Group sites<br>Secondary: extrapolation for vehicles sold outside the RRG network |
| Use of products sold | Use | Worldwide<br>All vehicles sold (passenger and light commercial) under Groupe Renault brands<br>"Tank-to-wheel" emissions calculated for a life-cycle of 10 years/150,000km | Primary: homologation data, technical definitions (for countries with no $CO_2$ certification), sales overview by country<br>Eco-driving aids: efficiency of eco-driving aid technologies calculated based on internal studies, fitted vehicle rate calculated using engineering data |
| End-of-life processing of products sold | End-of-life | Worldwide<br>Emissions linked to the end of vehicle life<br>The Recycling of materials from vehicles enables to avoid the use of virgin material and associated emissions<br>The emissions avoided like this are subtracted from the carbon footprint. End-of-life vehicle processing complies with ISO 22628 standards rather than each vehicle's actual recyclability and recovery rates (85% recyclability and 95% recovery) | Primary: Renault design database (material composition of vehicles) sales overview by country.<br>Secondary: Thinkstep GaBi LCA database (carbon intensity of manufacturing of associated materials, parts and treatments) |
| Leased assets (downstream) | Use | Included in the category "Use of products sold" (vehicles under a lease contract with or without a purchase option) | |
| Emissions Scope 3 Greenhouse Gas Protocol emissions not included in the Renault carbon footprint | | Capital goods: Fuel and energy not included in scopes 1 and 2; waste generated; leased assets (upstream); franchises, investments; transformation of products sold (not significant) | |
| **Other indirect emissions included in Renault's carbon footprint (excluding Greenhouse Gas Protocol categories)** | | | |
| | Fuel | "Well-to-tank" emissions linked to the production of energy consumed by vehicles sold (extraction of oil, transport, refining; production of electricity consumed by electric vehicles) calculated for a 10-year/150,000km lifespan | Primary: $CO_2$ data based on $CO_2$ emissions during vehicle use (certified data), fuel type used/geographic or country plate<br>Secondary: JEC report for "well-to-tank" $CO_2$ emissions in accordance with "tank-to-wheel" $CO_2$ updated annually |

## C. Technical and economic value of parts and materials preserved in the automotive sector through the circular economy activities of the Group and its Renault Environnement subsidiary

The "Technical and economic value of parts and materials preserved in the automotive sector through circular economy activities" indicator is designed to measure the outcomes achieved by the Group and its subsidiary Renault Environnement in terms of the take-up of circular economy principles at the various stages of the product life cycle.

In keeping with the waste hierarchy, emphasis is placed on the reuse and extension of the product life span (including repair activities) and the closed-loop recycling of materials within the automotive sector so as to preserve their technical properties and economic value. For example, the recycling of scrap metal from the Group's production sites is only recognized when it is possible to ensure traceability within the automotive sector.

This indicator only takes into account the added value generated by initiatives taken as a result of intervention by Renault or its subsidiary Renault Environnement, consistent with its purpose of measuring the Group's performance. This means that metals recycled by the Group's suppliers of sheet metal or metal parts is not counted (even if it would contribute significantly to the result) insofar as it is on the own initiative of those suppliers.

The indicator is calculated on a like-for-like basis: when new activities are included, the baseline value (2016) is recalculated.

The contributions taken into account are summarized in the table below.

### CONTRIBUTIONS OF THE GROUP AND ITS SUBSIDIARY RENAULT ENVIRONNEMENT

| | | Method for counting reused |
|---|---|---|
| **MATERIALS** | | |
| Closed loop recycling of metals and plastics, excluding metal production waste (steel and aluminum) | Platinum metals (platinum, rhodium, palladium from catalytic converters) and copper from end-of-life vehicles or Group plants recycled by GAIA [1] | Resale revenue of these materials by GAIA |
| | Recycled polypropylene sold by GAIA to Groupe Renault or its suppliers in the automotive sector | |
| Metal production waste (steel and aluminum) generated by the Group's plants, reused in the automotive sector | Metallic waste from Renault plants reused in the automotive sector (between Group plants or between the Group and its suppliers) | Market resale value |
| Closed-loop recycling of textile fibers from seat belts and fabric offcuts | Production offcuts from seat belts and fabric from the automotive industry, collected by GAIA and combined with polyester fibers from recycled plastic bottles to produce interior vehicle trims | Purchase value of trim fabric |
| **CAR PARTS** | | |
| Repair of electric vehicle batteries | Repairs carried out in the Group's workshops: Flins Expert Battery Repair Center (CERBF) and Battery Repair Workshops (BRW) outside France | Net accounting value of repaired batteries (after depreciation) |
| Second life of batteries or modules | Resale or lease for second-life uses of batteries or modules | Revenues from the resale or lease of second-life batteries and modules |
| Reused parts and components | Reused parts sold to the Renault after-sales network by the GAIA and INDRA subsidiaries | Revenues |
| | Reused parts sold by INDRA via the PRECIS system [3], excluding the Renault after-sales network | Revenues [4] |
| | New parts from end-of-life or second-choice stocks reused by GAIA, excluding the PRECIS system | Revenues |
| Remanufacturing – exchange standard | Mechanical parts and components remanufactured [5] by Renault or its subcontractors | Revenues |

*(1) See "Recycling: develop new recycling routes, use recycled materials" in section 2.3.3.B Resources and the circular economy.*
*(2) See "New business areas" in section 2.3.2.D Environment and competitiveness.*
*(3) See "Reuse" in section 2.3.3.B Resources and the circular economy.*
*(4) In proportion to the amount of Renault Environnement's stake in Indra, which developed and now operates the PRECIS software, i.e., 50%. See also "Collect, sort, dismantle, direct" in section 2.3.3.B Resources and the circular economy.*
*(5) See "Reuse" in section 2.3.3.B Resources and the circular economy.*

### 2.6.1.2 Methodological comments on the table "Site environmental indicators in 2019"

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2019 Environmental Protocol for Renault Sites. The following is an explanation of the main methodological choices of the Protocol. This Protocol is available on request from Environment department of the Group's HSE division.

#### Scope

The "scope" of the reported data over the industrial subsidiaries (body assembly, final assembly, powertrain and foundry) and the support sites (product and process design, logistics) in the Groupe Renault financial scope of consolidation. Reporting for AVTOVAZ (in which Groupe Renault acquired a majority stake at the end of December 2016) covers energy consumption and emissions related to this energy consumption, as well as water supply. Indicators not yet available for AVTOVAZ are: quantities of toxic metals in liquid effluents, quantities of waste and share of waste recycled, emissions of VOCs, $SO_2$ and NOx. The scope covered by the priority indicators represents 87% of the vehicles produced by the Group in 2019.

N.B. The Renault Sport site in Viry-Châtillon, which produces engines exclusively for competition vehicles (Formula 1) is excluded from the environmental reporting scope.

- Impacts of suppliers or third parties present on site are not included, with the exception of the sites listed under the "Site environmental indicators in 2019" table. All impacts arising from employee catering facilities, CSR activities and social partner activities are included in the data for the Renault sites.
- The data for sites included in the scope of reporting in year Y are presented for information and are consolidated with those of other sites only from year Y+1.

Data from Gaïa is taken into account at sites where Gaïa operates, except the Choisy-le-Roy and Flins sites (France), where Gaïa waste is recorded separately.

The drinking water production and Davidesti waste storage activity at the Pitesti site (Dacia) were removed from the reporting scope. The data is shown for information purposes.

#### Procedures for controlling and consolidating data

Experts from the Group Health, Safety, Environment and Ergonomics department check the consistency of data at each site. These checks include a comparison with data from previous years and an analysis of the impact of events occurring on site during the year.

The environmental data presented in the Universal registration document have also been subjected to external verification by the independent third party, KPMG. Their conclusions are set out in the report in section 2.6.5.

#### Water consumption

Water consumption is expressed in thousands of cubic meters ($m^3$).

Measured volumes include water obtained by pumping (underground and surface water) and/or external networks (drinking water, industrial water). Collected rainwater (Giheung, Guyancourt, Flins, Maubeuge and Medellin) is also included.

#### Liquid discharges

Data on pollutant flows are based on measurements of effluents after they have been treated in the Group's plants and before they are discharged to the outside. Discharges from some plants may subsequently be treated in municipal treatment plants (see plant codes).

Under the Reporting Protocol, the frequency of discharge analysis must comply with the regulations applicable to the Renault sites.

The quantity of SS represents the flow of suspended solids discharged, expressed in metric tons per year.

The quantity of COD (Chemical Oxygen Demand) represents the flow of organic pollutants discharged. This quantity is expressed in metric tons per year.

The toxic metals quantity represents the sum of the flow of toxic metals discharged, weighted by a toxicity coefficient. This quantity, expressed in metric tons per year, is calculated as follows:

Toxic metals =
5 flows (Ni+Cu) +10 flows (Pb+As) +1 flow (Cr+Zn) +50 flows (Hg+Cd).

The data presented only take into account the discharges relating to metals, Suspended Solids (SS) and Chemical Oxygen Demand (COD), for which concentration and flow must be measured by law, and the discharges from the plants in Bursa (Turkey), Curitiba (Brazil), Moscow (Russia), Santa Isabel de Cordoba (Argentina) and Casablanca (Morocco), for which voluntary controls are taken into account in light of the significant contribution of these discharges to the Group's impacts.

For sites that are not subject to a regulatory requirement to measure pollutant flows or to consolidated voluntary controls at the Group level, the reported value is noted as "NC". Black water discharges, for which there is no regulatory measurement and/or reporting obligation, are not included in the water discharges. This concerns 40% of manufacturing sites (one of which is covered in a partial statement) and 70% of engineering, logistics and support sites.

The Moscow, Santa Isabel de Cordoba and Batilly (SOVAB) sites are subject to specific regulatory requirements, and receive an exemption on the calculation methodology of the specific flows.

#### Air emissions

The atmospheric emissions of volatile organic compounds (VOC) included in the data are the emissions produced when bodywork is painted (body assembly plants). The application of paint on bumpers and on parts and accessories is not taken into account.

The indicator shown corresponds to the metric tons of VOC emissions and the ratio of VOC emissions per square meters of painted vehicle surface. The consolidated ratio for the Group corresponds to the total VOC emissions generated by the body assembly plants divided by the total of the painted surfaces.

The atmospheric emissions of $SO_2$ and $NO_x$ counted represent the emissions from the combustion of fossil energies in fixed combustion installations at all sites, excluding on-site transport.

Emissions generated by engine tests are not taken into account, since the $SO_2$ emissions are insignificant and $NO_x$ emissions are difficult to calculate (unreliable assessment method).

Greenhouse gas (GHG) discharges include the direct and indirect GHG emissions and are expressed in metric tons of carbon dioxide equivalent.

Greenhouse gas (GHG) direct emissions are extracted from an inventory of GHG sources conducted in 2004 and updated in 2011. Following this inventory, Renault modified its guidelines to better reflect the total emissions of Groupe Renault and to comply with the recommendations of the Greenhouse Gas Protocol (GHG Protocol) and the French protocol developed by Entreprises pour l'Environnement.

Emissions from the following sources were included:

- combustion of fossil energies transported to the site and those transformed by the site for third parties;
- coolant fill-up of the air conditioning systems fitted in vehicles produced by the plant. Only HFC 134a fill-up is taken into account. It is not considered pertinent to declare HFO1234yf use under French legislation (Article R. 543-75 of the French Environment Code excludes this gas from coolant fluids) and in view of its negligible impact on GHG emissions;
- fuel consumption during testing of engines, gearboxes endurance vehicles and tests on test benches;
- forklift trucks using compressed natural gas or propane;
- fuel consumption relating to Renault's company vehicles (taxi pools, shuttles, service vehicles, handling equipment, *etc.*);
- coolant leaks from fixed air conditioning systems and processes with a nominal load in excess of 5 $tCO_2eq$.

These emissions make up more than 95% of the GHG direct emissions produced by Groupe Renault.

The following emission sources have been excluded from the reporting scope, since the corresponding emissions are not significant (less than 1% of total GHG direct emissions):

- solvent incineration;
- tests on vehicles leaving the assembly line (test benches).

It is not yet possible to correctly assess certain emissions, so the following are not included in the reporting scope:

- emissions associated with transport on sites not listed above among the emissions counted (particularly the delivery by a road haulier external to Groupe Renault);
- fugitive emissions occurring when tanks of coolant (for vehicle air conditioning systems) are filled and emptied;
- emissions linked to SF6-type circuit breaker installations.

Greenhouse gas (GHG) indirect discharges are related to purchased electricity, steam and hot water. The emission factors used for the 2019 reporting are:

- for electricity, those published by the IEA (International Energy Agency) in its $CO_2$ Emissions from Fuel Combustion 2019 publication;
- for steam and hot water, data calculated on the basis of information provided by suppliers.

Certain emissions from the foundry activity are not reported. Emissions from fossil fuel combustion in the foundries are however taken into account.

Emissions factors used in the calculations of $SO_2$, $NO_x$ and GHG emissions are taken from the CITEPA's OMINEA National Inventory Report (updated in May 2019) and are consistent with the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

The emission factor from fixed combustion installations of low-$NO_x$ natural gas burners was calculated in 2011, based on an internal study of 88% of sites in the scope having low-$NO_x$ burners. The factor thus obtained (0.0266kg/MWh NCV) is the average of the factors obtained at each site weighted by the power of the installations.

## Waste

The waste reported is the waste that leaves the site's geographical scope; the quantities are expressed in metric tons.

The waste reported includes hazardous waste (HW), non-hazardous waste (NHW), and construction site waste.

For the sake of clarity, non-hazardous waste is presented in two sub-categories:

- metallic waste from production processes (scrap metals, machining chips, *etc.*);
- non-metallic waste (mixed ordinary waste, for example).

Construction waste from Renault sites is not reported unless a contractual clause explicitly states that the construction company is not responsible for it.

## Energy Consumption

This metric represents the quantity of gas, heating oil, LPG (excluding vehicles), biomass, steam, hot water, and electricity consumed at Renault sites, expressed in MWh LHV (Lower Heating Value). However, the data indicated does not include the propane used by forklift trucks or the fuel consumed by the site (engine and gearbox testing, company vehicles).

The primary or converted energy supplied to third parties is not included. The purpose of the energy consumption indicators is to reflect the energy performance of Renault's manufacturing processes.

The lower heating values (LHV) are consistent with CITEPA's OMINEA National Inventory report (updated in May 2019) and the Order of October 31, 2012 on the verification and quantification of emissions declared within the GHG Emissions Trading Scheme, with the exception of LHV from natural gas in Spanish plants (Spanish national inventory of greenhouse gas emissions 1990-2017, 2019 edition). The LHVs are consistent with the emissions reported in the EU Emissions Trading Scheme.

## 2.6.1.3 Site environmental indicators in 2019 [1]

| | | | | Liquid discharges | | | Air emissions | | | | | | | Waste, excluding waste from construction sites [14] | | | | | | Energy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Site name | Vehicle manufacturing | External supply of water *in thousands of m³* | Treatment plant | Suspended solids *in metric tons* | COD *in metric tons* | Toxic metals *in metric tons* | Total GHG *$tCO_2eq$* | o/w direct GHG | o/w indirect GHG | VOC *in g/m²* | VOC *in metric tons* | SO2 *in metric tons* | NOx *in metric tons* | Total NHW *in metric tons* | o/w non-metallic NHW *in metric tons* | o/w metallic NHW *in metric tons* | Total HW *in metric tons* | Foundry waste *in metric tons* | Share of recycled waste *(excluding foundry and construction waste)* | Energy consumption *in MWh LHV* |
| **MANUFACTURING SITES** | | | | | | | | | | | | | | | | | | | | |
| **BODY ASSEMBLY PLANTS** | | | | | | | | | | | | | | | | | | | | |
| Batilly (SOVAB) [2, 15] | 148,116 | 298.2 | PB | 1.6 | 11.7 | 0.1 | 40,458 | 35,294 | 5,165 | 36.24 | 876.09 | 0.3 | 33.8 | 3,883 | 3,400 | 483 | 2,239 | NC | 67.7% | 240,715 |
| Casablanca (SOMACA) [13] | 91,344 | 172.4 | PU | 20.1 | 138.0 | 1.0 | 26,291 | 8,274 | 18,017 | 62.16 | 537.97 | 0.3 | 7.3 | 5,917 | 5,567 | 351 | 749 | NC | 80.5% | 60,039 |
| Cordoba Santa Isabel [11] | 30,818 | 173.0 | PU | 2.7 | 8.2 | 0.2 | 16,680 | 6,571 | 10,108 | 56.87 | 173.71 | 0.05 | 5.1 | 9,787 | 6,245 | 3,542 | 491 | NC | 85.9% | 52,591 |
| Dieppe | 4,244 | 9.0 | U | nc | nc | nc | 3,677 | 3,191 | 487 | 69.39 | 29.28 | 0.03 | 2.0 | 664 | 648 | 16 | 269 | NC | 61.8% | 21,858 |
| Douai [6, 15] | 91,565 | 609.9 | PB | 5.3 | 26.0 | 0.3 | 42,386 | 35,879 | 6,507 | 26.50 | 278.13 | 0.3 | 26.5 | 34,407 | 3,151 | 31,256 | 1,633 | NC | 93.0% | 253,733 |
| Flins [7, 15] | 160,146 | 800.4 | PB | 15.9 | 46.6 | 1.5 | 59,690 | 52,710 | 6,980 | 32.76 | 490.20 | 0.5 | 33.9 | 51,365 | 6,998 | 44,367 | 1,459 | NC | 93.5% | 301,972 |
| Maubeuge [15] | 149,741 | 224.3 | PB | 0.9 | 3.7 | 0.1 | 32,524 | 27,561 | 4,964 | 30.91 | 502.16 | 0.2 | 25.4 | 32,469 | 3,053 | 29,416 | 1,972 | NC | 94.2% | 198,572 |
| Envigado (Sofasa) | 65,649 | 176.6 | PU | 5.6 | 64.9 | 0.1 | 8,388 | 5,840 | 2,549 | 58.32 | 380.05 | 0.04 | 2.6 | 7,832 | 7,326 | 506 | 269 | NC | 93.4% | 35,943 |
| Moscow | 100,224 | 356.4 | PU | 22.2 | 81.7 | 0.3 | 42,728 | 17,643 | 25,085 | 52.48 | 564.44 | 0.5 | 23.0 | 7,732 | 7,056 | 676 | 1,490 | NC | 72.2% | 169,263 |
| Novo Mesto [15] | 198,521 | 264.2 | PU | 1.3 | 65.6 | 0.1 | 39,191 | 17,731 | 21,460 | 26.48 | 450.38 | 0.2 | 14.7 | 34,468 | 3,929 | 30,539 | 2,314 | NC | 88.8% | 162,158 |
| Palencia [8, 15] | 240,126 | 451.0 | PB | 0.5 | 18.3 | 0.3 | 52,824 | 28,554 | 24,271 | 24.73 | 645.69 | 0.3 | 29.3 | 40,939 | 4,840 | 36,099 | 1,653 | NC | 99.6% | 219,768 |
| Sandouville [10, 16] | 132,233 | 334.8 | PB | 2.1 | 12.2 | 0.1 | 36,874 | 30,165 | 6,709 | 37.01 | 719.08 | 0.3 | 28.3 | 32,561 | 3,398 | 29,163 | 3,138 | NC | 89.5% | 257,031 |
| Valladolid Carrosserie [15] | | 129.9 | PU | 0.4 | 6.8 | 0.1 | 24,624 | 10,540 | 14,083 | NC | NC | 0.2 | 10.8 | 65,298 | 1,296 | 64,002 | 643 | NC | 100% | 98,345 |
| Valladolid Montage [15] | 236,442 | 569.5 | PU | 2.7 | 35.0 | 0.6 | 58,210 | 34,676 | 23,535 | 26.46 | 621.80 | 0.3 | 36.1 | 6,352 | 5,499 | 853 | 1,966 | NC | 98.6% | 247,752 |
| Tangiers | 303,558 | 348.3 | PBRU | nc | nc | nc | 5,253 | 5,253 | 0 | 22.03 | 700.76 | 0.1 | 4.0 | 66,154 | 11,607 | 54,547 | 4,247 | NC | 91.0% | 233,452 |
| **POWERTRAIN PLANTS** | | | | | | | | | | | | | | | | | | | | |
| Villeurbanne | | 19.1 | U | NC | NC | NC | 2,565 | 1,980 | 585 | NC | NC | 0.02 | 2.1 | 1,400 | 167 | 1,233 | 61 | NC | 96.0% | 17,987 |
| Cacia | | 85.3 | PB | 10.6 | 25.9 | 0.2 | 26,550 | 2,946 | 23,604 | NC | NC | 0.03 | 1.4 | 8,311 | 970 | 7,341 | 1,568 | NC | 86.4% | 78,290 |
| Choisy-le-Roi [5] | | 10.9 | PU | 0.00 | 0.00 | 0.00 | 1,060 | 842 | 217 | NC | NC | 0.01 | 0.8 | 3,543 | 448 | 3,095 | 203 | NC | 92.5% | 6,817 |
| Cléon [15] | | 1 431.1 | PU | 8.6 | 186.4 | 0.4 | 36,993 | 17,813 | 19,180 | NC | NC | 0.1 | 15.2 | 36,668 | 8,590 | 28,078 | 6,727 | 4,224 | 86.6% | 349,906 |
| Le Mans [15] | | 2 227.7 | P | 29.6 | 55.1 | 0.2 | 30,713 | 19,003 | 11,710 | NC | NC | 0.2 | 12.3 | 38,405 | 19,959 | 18,446 | 1,480 | 20,082 | 95.0% | 251,543 |
| Los Andes | | 35.9 | U | NC | NC | NC | 9,080 | 1,687 | 7,394 | NC | NC | 0.02 | 1.5 | 2,841 | 650 | 2,191 | 1,294 | NC | 64.0% | 24,285 |
| Ruitz (STA) | | 19.5 | U | 1.2 | 2.7 | 0.0 | 4,948 | 3,331 | 1,617 | NC | NC | 0.03 | 3.3 | 1,445 | 219 | 1,226 | 738 | NC | 64.7% | 38,620 |
| Seville | | 96.0 | PU | 0.7 | 37.2 | 0.0 | 25,201 | 5,161 | 20,040 | NC | NC | 0.04 | 5.0 | 8,303 | 475 | 7,828 | 1,240 | NC | 92.5% | 92,513 |
| Valladolid Motores [15] | | 162.7 | PU | 0.873 | 11.591 | 0.199 | 69,392 | 17,361 | 52,031 | NC | NC | 0.14 | 16.0 | 23,061 | 3,826 | 19,235 | 3,268 | 367 | 94.0% | 254,364 |
| **MIXED PLANTS** | | | | | | | | | | | | | | | | | | | | |
| Bursa [3] | 342,253 | 673.6 | PBU | 52.3 | 134.9 | 5.3 | 110,828 | 36,543 | 74,285 | 34.47 | 1,202.09 | 0.31 | 32.5 | 72,348 | 12,137 | 60,211 | 2,554 | NC | 94.9 | 328,538 |
| Busan (RSM) [4,16] | 163,644 | 409.0 | PBU | 0.8 | 7.0 | 0.6 | 86,557 | 31,238 | 55,319 | 24.5 | 426.8 | 0.3 | 21.9 | 26,535 | 6,254 | 20,282 | 1,544 | 854 | 95.9 | 219,719 |
| Curitiba Complexe Ayrton Senna | 311,856 | 465.1 | PU | 47.6 | 279.6 | 0.4 | 23,992 | 23,990 | 2 | 42.3 | 1,239.8 | 0.3 | 24.4 | 57,033 | 18,611 | 38,422 | 4,941 | 1,141 | 95.2 | 247,876 |
| Dacia Automobile [9, 15] | 349,528 | 1 331.5 | PU | 82.1 | 383.9 | 0.3 | 176,916 | 73,009 | 103,907 | 34.5 | 1,325.8 | 0.6 | 49.3 | 149,980 | 13,562 | 136,419 | 6,688 | 1,075 | 95.3 | 605,355 |
| **FOUNDRIES** | | | | | | | | | | | | | | | | | | | | |
| Cordoba Fonderie Aluminium | | 9.9 | U | NC | NC | NC | 3,616 | 2,142 | 1,474 | NC | NC | 0.02 | 2.2 | 253 | 8 | 245 | 1,907 | 200 | 2.3 | 14,425 |
| Fonderie de Bretagne | | 55.8 | PU | 0.281 | 0.339 | 0.006 | 5,970 | 3,145 | 2,825 | NC | NC | 0.03 | 3.0 | 7,771 | 5,389 | 2,382 | 202 | 6,846 | 61.86 | 55,307 |
| **TOTAL** | **3,120,008** | **11,951** | | **316** | **1,643** | **13** | **1,104,179** | **560,070** | **544,109** | **698** | **11,164** | **5.7** | **473.7** | **837,728** | **165,278** | **672,449** | **58,947** | **34,788** | **92.9%** | **5,138,737** |

| Site name | Vehicle manufacturing | External supply of water *in thousands of $m^3$* | Treatment plant | Liquid discharges: Suspended solids *in metric tons* | COD *in metric tons* | Toxic metals *in metric tons* | Air emissions: Total GHG *$tCO_2eq$* | o/w direct GHG | o/w indirect GHG | VOC *in $g/m^2$* | VOC *in metric tons* | SO2 *in metric tons* | NOx *in metric tons* | Waste, excluding waste from construction sites [14]: Total NHW *in metric tons* | o/w non-metallic NHW *in metric tons* | o/w metallic NHW *in metric tons* | Total HW *in metric tons* | Foundry waste *in metric tons* | Share of recycled waste *(excluding foundry and construction waste)* | Energy: Energy consumption *in MWh LHV* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ENGINEERING, LOGISTICS AND SUPPORT SITES** | | | | | | | | | | | | | | | | | | | | |
| Aubevoye | | 33.1 | U | NC | NC | NC | 6,834 | 5,597 | 1,237 | NC | NC | 0.02 | 1.3 | 3,540 | 461 | 3,079 | 134 | NC | 94.0 | 31,258 |
| Boulogne (Head office andother entities) | | 47.7 | U | NC | NC | NC | 5,783 | 4,552 | 1,231 | NC | NC | 0.02 | 2.8 | 536 | 527 | 9 | 128 | NC | 38.2 | 30,707 |
| Cergy-Pontoise | | 6.3 | U | NC | NC | NC | 4,143 | 158 | 3,985 | NC | NC | 0.01 | 0.04 | 2,469 | 2,203 | 266 | 44 | NC | 84.8 | 19,776 |
| Dacia centre logistique CKD | | 7.9 | U | NC | NC | NC | 3,358 | 2,477 | 881 | NC | NC | 0.01 | 0.8 | 1,689 | 1,608 | 81 | 1 | NC | 90.3 | 10,668 |
| Flins CDPA | | 0.0 | | NC | NC | NC | 368 | 0 | 367 | NC | NC | 0.00 | 0.00 | 4,604 | 3,135 | 1,469 | 71 | NC | 86.4 | 37,167 |
| Giheung (RSM) | | 55.3 | B | NC | NC | NC | 15,950 | 4,936 | 11,015 | NC | NC | 0.01 | 0.7 | 804 | 364 | 441 | 941 | NC | 44.9 | 27,795 |
| Grand-Couronne | | 7.0 | U | NC | NC | NC | 1,470 | 1,329 | 141 | NC | NC | 0.01 | 0.5 | 937 | 882 | 55 | 7 | NC | 59.3 | 6,810 |
| Guyancourt | | 236.5 | U | NC | NC | NC | 22,667 | 17,279 | 5,388 | NC | NC | 0.1 | 5.8 | 2,480 | 1,854 | 626 | 344 | NC | 63.8 | 136,070 |
| Lardy | | 112.7 | U | 34.2 | 75.8 | 0.1 | 20,164 | 15,413 | 4,751 | NC | NC | 0.1 | 3.6 | 586 | 452 | 134 | 513 | NC | 60.2 | 106,527 |
| Saint-André-de-l'Eure | | 4.5 | U | NC | NC | NC | 1,570 | 1,419 | 151 | NC | NC | 0.02 | 0.6 | 1,785 | 1,785 | 0 | 32 | NC | 72.1 | 8,348 |
| Titu | | 61.8 | U | NC | NC | NC | 11,573 | 5,360 | 6,213 | NC | NC | 0.02 | 0.8 | 1,215 | 367 | 847 | 91 | NC | 84.2 | 26,271 |
| Valladolid Services Centraux | | 49.3 | U | 0.5 | 2.5 | 0.0 | 8,435 | 4,557 | 3,877 | NC | NC | 0.1 | 2.2 | 441 | 439 | 3 | 215 | NC | 99.9 | 23,640 |
| Villeroy (DLPA) | | 5.8 | U | NC | NC | NC | 2,030 | 1,731 | 299 | NC | NC | 0.02 | 0.8 | 3,002 | 2,761 | 241 | 41 | NC | 63.1 | 12,520 |
| Villiers-Saint-Frédéric | | 10.5 | U | NC | NC | NC | 2,779 | 2,067 | 712 | NC | NC | 0.01 | 0.6 | 358 | 244 | 114 | 50 | NC | 84.4 | 16,872 |
| Voisins-le-Bretonneux | | 2.8 | U | NC | NC | NC | 1,047 | 0.00 | 1,047 | NC | NC | 0.00 | 0.00 | 3 | 3 | 0 | 0 | NC | 100.0 | 15,167 |
| **TOTAL** | | **641.13** | | **35** | **78** | **0.1** | **108,171** | **66,877** | **41,295** | **NC** | **NC** | **0.42** | **21** | **24,450** | **17,086** | **7,364** | **2,610** | **NC** | **75.9%** | **509,596** |
| **GROUP TOTAL 2019** [17](√) | **3,120,008** | **12,592** | | **351** | **1,722** | **13** | **1,212,351** | **626,947** | **585,404** | **33.5** | **11,164** | **6.1** | **494,2** | **862,177** | **182,364** | **679,813** | **61,558** | **34,788** | **92.4%** | **5,648,333** |
| **GROUP TOTAL 2018** [12] | **3,254,514** | **12,615** | | **587.4** | **2,414.4** | **12.0** | **1,216,711** | **663,344** | **553,366** | **34.0** | **11,746** | **6.1** | **518.0** | **913,185** | **192,719** | **720,465** | **67,265** | **40,424** | **92.2%** | **5,828,748** |
| **AVTOVAZ** [18] | | | | | | | | | | | | | | | | | | | | |
| Togliatti | 352,134 | 34,612.2 | PU | NA | NA | NA | 982,974 | 86,702 | 896,272 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 3,879,368 |
| Izhevsk | 128,486 | 969.6 | PU | NA | NA | NA | 107,737 | 22,812 | 84,925 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 461,535 |
| **SITES OUTSIDE THE SCOPE OF CERTIFICATION, FOR INFORMATION PURPOSES ONLY:** | | | | | | | | | | | | | | | | | | | | |
| Dacia Drinking water production site | | 254.1 | U | 3.6 | 0.4 | 0.00 | 425.5 | 80.4 | 345.1 | NC | NC | 0.00 | 0.04 | 0 | NC | NC | NC | NC | NC | 1,399 |
| Dacia Davidesti waste storage facility | | 0.1 | PB | 0.1 | 0.2 | 0.00 | 10 | 0 | 10 | NC | NC | 0.00 | 0.00 | 0 | NC | NC | NC | NC | NC | 28 |
| Grets-Armainvilliers | | 0.8 | U | NC | NC | NC | 447 | 396 | 52 | NC | NC | 0.00 | 0.3 | 156 | 58 | 98 | 6 | NC | 84.1% | 2,289 |

*NC: Not concerned (see comments on methodology).*
*NA: not available.*
*Treatment Plant Codes (means of treatment of liquid discharges): P: physico-chemical, B: biological, U: urban, R: internal recycling.*
*MES: suspended solids.*
*COD: Chemical Oxygen Demand.*
*Toxic Metals: total flow of metals to which a coefficient of toxicity is applied (arsenic 10, cadmium 50, copper 5, mercury 50, nickel 5, lead 10, zinc 1, chrome 1).*
*GHG: Greenhouse gases (direct and indirect discharges).*
*VOC: volatile organic compounds.*
*NHW: non-hazardous waste.*
*HW: hazardous waste.*

(1) *The scope of inclusion for the indicators and the associated methodological choices are detailed in the methodological notes in section 2.6.1.2.*
(2) *Data from the Batilly (SOVAB) plant includes liquid discharges from the Industrial Supplier Park and the Compagnie d'Affrètement et de Transport (CAT) as well as the Industrial Supplier Park waste.*
(3) *Water consumption at the Bursa plant includes that of the Industrial Supplier Park.*
(4) *The Welfare Center of the Busan site is excluded from the scope of accounting of the site impacts.*
(5) *For Choisy-le-Roi, the waste from Gaïa is excluded.*
(6) *The liquid discharges from the Douai site include those of the Industrial Supplier Park and all the impacts of the Delivery Dispatch Center.*
(7) *Water consumption at the Flins site includes that of the Spare Parts Distribution Center. The environmental impacts of the company Gaïa are also included in the scope of reporting from the site, excluding waste.*
(8) *Water consumption at the Palencia plant includes that of the Industrial Supplier Park.*
(9) *Liquid discharges at the Pitesti (Dacia) plant include those of the Industrial Supplier Park.*
(10) *Water consumption and liquid discharges at the Sandouville site include those of the Industrial Supplier Park. Waste from the Industrial Supplier Park is excluded.*
(11) *Liquid discharges from the Santa Isabel Cordoba plant include those of the Compagnie d'Affrètement et de Transport (CAT), the Delivery Dispatch Center and the Parts and accessories department and the ILN (Logistics center).*
(12) *The total impacts for the previous year are provided for information and relate to the certified scope of the year in question.*
(13) *Liquid discharges from the Casablanca (SOMACA) plant include those of an industrial complex not operated by Renault and adjacent to the site.*
(14) *From FY 2013, the waste indicators do not take into account construction waste, for which tonnage is not directly related to the activity of the Group. Because of this change in methodology, the data for 2013 and subsequent years cannot be directly compared with previous years' data. For a comparison at an equivalent scope of accounting, see section 2.3.3.B.*
(15) *Site subject to the EU Emissions Trading Scheme (EU-ETS).*
(16) *Site subject to the South Korean Emissions Trading Scheme (KETS).*
(17) *Within the environmental reporting scope, 20 sites are officially classified for environmental protection purposes under French ICPE regulations. Of these, 18 require permits, one must be declared and one must be registered. The environmental protection classification is specific to the Group's activities (stamping, surface treatment, painting, foundry, test bench, etc.), on-site utilities (cooling tower, heating system, air conditioning system, etc.) and storage.*
(18) *For AVTOVAZ, in 2019 only GHG emissions linked to energy use are included*
(√) *Indicators audited by the independent third party KPMG at a reasonable level of assurance for 2019 (excluding VOC in $g/m^2$ and foundry waste).*

### 2.6.1.4 Renault Retail Group (RRG) environmental indicators

| | France | Europe (excluding France) | Principal management and impact reduction measures |
|---|---|---|---|
| Number of sites [4] | 47 | 36 | |
| Reporting coverage ate | 100% | 100% | All sites report according to the protocol. |
| Waste *(metric tons)* | 11,268 | 4,546 [2] | 4 accredited service providers in France.<br>Raising awareness of peers to sorting practices. |
| *o/w hazardous* | *3,079* | *1,952* | |
| *o/w non-hazardous* | *8,189* [2] | *2,594* [2] | |
| Energy consumption *(MWh LHVs)* | 110,620 | 58,443 [3] | RRG works with Alertéo for better energy consumption management: 40 sites monitored, tracking consumption and anomalies in France.<br>Consumption tracking via invoices for Europe excluding France. |
| Greenhouse gas emissions *($tCO_2eq$)* | 17,048 | 15,498 | Energy consumption management plan |
| *o/w from combustion* | *14,070* | *6,331* | |
| *o/w from electricity consumption* | *2,906* | *9,167* | |
| *o/w from gas coolants* | 72 | *Unavailable* | |
| VOC emissions *(kg)* | 59,090 | Unavailable | The reliability of the calculation method has been improved |
| Water consumption *($m^3$)* | 138,168 | 128,038 | Tracking of consumption and anomalies with Alertéo for France.<br>Consumption tracking via invoices for Europe excluding France. |
| Soil and water tables | | | Extraction or neutralization of buried single-wall tanks<br>Preventive Equipment (spillage retention trays, double-wall tanks or above-ground tanks)<br>29 sites decontaminated between 2003 and end-2019. |

*(1) A site comprises one or more dealerships and vehicle maintenance facilities.*
*(2) Figures showing estimates based on activity for some sites*
*(3) The figure includes an over-estimate of gas consumption on certain UK-based sites (representing around 10% of the total consumed in this country) due to the average calorific value used.*
*(4) Rules for entering and leaving the reporting scope: newly acquired sites enter the reporting scope from the second full year spent under the operational control of RRG. Sites leaving the RRG operational scope are included in the reporting until their transfer date, if this is after June 30.*

## 2.6.1.5 Environmental indicators for products

### ENVIRONMENTAL CHARACTERISTICS FOR THE BEST-SELLING PASSENGER CARS IN EUROPE (EU 28) AT END-2019

| | | Best-selling version | | | | | Lowest $CO_2$ emitting version at end-2019 Model | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Model** | **Fuel** | **Emissions standard** | **External Noise** *(dBA)* | **Engine** | **NEDC consumption*** *(l/100km)* | **$CO_2$ Emissions*** *(g/km)* | **Emissions standard** | **External Noise** *(dBA)* | **Engine** | **NEDC consumption*** *(l/100km)* | ***$CO_2$ Emissions**** *(g/km)* |
| **RENAULT BRAND** | | | | | | | | | | | |
| Twingo | G | EURO6 | 71.9 | Tce 70 | 5,6 | 125 | EURO6 | 71.4 | Sce 70 S&S | 4,2 | 95 |
| | LPG | EURO6 | 71 | Tce GPL 90 | 7.6 | 120 | EURO6 | 71 | Tce GPL 90 | 7.6 | 120 |
| ZOE | EV | EURO ZX | 70.2 | R240 | 0 | 0 | EURO ZX | 70.2 | R240 | 0 | 0 |
| | D | EURO6 | 73.5 | dCi 90 | 4 | 104 | EURO6 | 72.3 | dCi 90 | 3.2 | 82 |
| Clio | G | EURO6 | 72.8 | Tce 90 | 4.9 | 113 | EURO6 | 72.8 | Tce 90 | 4.2 | 94 |
| | LPG | EURO6 | 72.8 | Tce 90 | 6.9 | 109 | EURO6 | 72.8 | Tce 90 | 6.9 | 98 |
| | D | EURO6 | 69 | dCi 90 | 3.7 | 95 | EURO6 | 69 | dCi 115 | 3.7 | 95 |
| New Clio | G | EURO6 | 66 | Tce 100 | 3.9 | 100 | EURO6 | 66 | Tce 70 | 4.5 | 100 |
| | LPG | EURO6 | 68 | Tce GPL 100 | 6.0 | 94 | EURO6 | 68 | Tce GPL 100 | 6.0 | 94 |
| Captur | D | EURO6 | 68 | dCi 90 | 4.3 | 111 | EURO6 | 71 | dCi 90 | 3.7 | 95 |
| | G | EURO6 | 71.5 | Tce 90 | 5.5 | 123 | EURO6 | 71.5 | Tce 90 | 5.1 | 113 |
| New Captur | D | EURO6 | 67 | dCi 115 | 4.2 | 108 | EURO6 | 68 | dCi 70 | 4.7 | 106 |
| | G | EURO6 | 66 | Tce 130 | 5.6 | 125 | EURO6 | 68 | Tce 100 | 5.3 | 118 |
| Megane | D | EURO6 | 67 | dCi 115 | 4.0 | 102 | EURO6 | 70.6 | dCi 110 | .3,4 | 86 |
| | G | EURO6 | 67 | Tce 140 | 5.6 | 125 | EURO6 | 68 | Tce 140 | 5.1 | 114 |
| Scenic | D | EURO6 | 67 | dCi 115 | 3.9 | 127 | EURO6 | 71.1 | dCi 110 | 3,6 | 94 |
| | G | EURO6 | 68 | Tce 140 | 6.1 | 136 | EURO6 | 68 | Tce 130 | 5.4 | 122 |
| Kadjar | D | EURO6 | 70 | dCi 115 | 4.5 | 115 | EURO6 | 72.9 | dCi 110 | 3.8 | 99 |
| | G | EURO6 | 69 | Tce 140 | 6.1 | 135 | EURO6 | 69.9 | Tce 130 | 5.6 | 125 |
| Talisman | D | EURO6 | 66 | dCi 150 | 4.7 | 122 | EURO6 | 70.6 | dCi 110 | 3.6 | 95 |
| | G | EURO6 | 67 | Tce 225 | 7.3 | 164 | EURO6 | 68 | TCe 150 EDC | 5.6 | 127 |
| Espace | D | EURO6 | 68 | dCi 200 | 5.4 | 139 | EURO6 | 70.3 | dCi 130 | 4.4 | 116 |
| | G | EURO6 | 67 | Tce 225 | 7.5 | 168 | EURO6 | 70.1 | TCe 200 EDC | 6.2 | 140 |
| Kangoo | D | EURO6 | 71 | dCi 90 | 4.7 | 120 | EURO6 | 72.2 | dCi 90 | 4.3 | 112 |
| | G | EURO6 | 71.1 | Tce 115 | 6.2 | 140 | EURO6 | 71.1 | Tce 115 | 6.2 | 140 |
| Koleos | D | EURO6 | 69 | dCi 180 | 6.5 | 168 | EURO6 | 68 | dCi 120 | 4.6 | 120 |
| Trafic | D | EURO6 | 71.4 | dCi 120 | 6.3 | 163 | EURO6 | 73.9 | dCi 125 | 5.6 | 145 |
| Master | D | EURO6 | 73.8 | dCi 145 | 7.7 | 200 | EURO6 | 73.8 | dCi 170 | 7.4 | 165 |
| **DACIA BRAND** | | | | | | | | | | | |
| | D | EURO6 | 68 | dCi 90 | 4.0 | 103 | EURO6 | 67 | dCi 75 | 3.7 | 96 |
| Sandero | G | EURO6 | 74.0 | Tce 90 | 5.6 | 125 | EURO6 | 71 | Tce 70 | 5.0 | 113 |
| | LPG | EURO6 | 74 | Tce GPL 90 | 7.2 | 114 | EURO6 | 74 | Tce GPL 90 | 7.2 | 114 |
| | D | EURO6 | 68 | dCi 90 | 4.0 | 103 | EURO6 | 68 | dCi 90 | 4.0 | 103 |
| Logan | G | EURO6 | 69.0 | Tce 70 | 5.2 | 117 | EURO6 | 74 | Tce 90 | 5.6 | 125 |
| | LPG | EURO6 | 74 | Tce GPL 90 | 7.4 | 117 | EURO6 | 74 | Tce GPL 90 | 7.2 | 114 |
| | D | EURO6 | 75.0 | dCi 110 | 4,5 | 115 | EURO6 | 70 | dCi 90 | 4,4 | 108 |
| Duster II | G | EURO6 | 73.8 | Tce 115 | 6.5 | 149 | EURO6 | 70 | Tce 100 | 5.4 | 121 |
| | LPG | EURO6 | 73.8 | Tce GPL 115 | 8.2 | 141 | EURO6 | 73.8 | Tce GPL 115 | 8.9 | 141 |
| | D | EURO6 | 68 | dCi 115 | 4,2 | 109 | EURO6 | 73.5 | dCi 90 | 4,0 | 103 |
| Lodgy | G | EURO6 | 74 | Tce 100 | 6.8 | 152 | EURO6 | 72.3 | Tce 115 | 5.5 | 124 |
| | LPG | EURO6 | 68 | Tce GPL 110 | 8.7 | 137 | EURO6 | 74 | Tce GPL 100 | 8.2 | 129 |
| | D | EURO6 | 68 | dCi 95 | 4.4 | 113 | EURO6 | 73.2 | dCi 75 | 4.1 | 108 |
| Dokker | G | EURO6 | 74 | Tce 100 | 7.0 | 156 | EURO6 | 72.3 | Tce 115 | 5.7 | 130 |
| | LPG | EURO6 | 68 | Tce GPL 110 | 9.4 | 148 | EURO6 | 74 | Tce GPL 100 | 9.1 | 143 |

*G: Gas, D: Diesel, NC: Not concerned, EV: Electric Vehicle*

*(*) For vehicles homologated with the new WLTP procedure, figures are converted in NEDC equivalent with the correlation procedure developed by the European Commission ("NEDC back-translation")*

## 2.6.1.6 TCFD cross-reference table

The Task Force on Climate-related Financial Disclosures (TCFD) published in June 2017 its recommendations on information regarding climate change to be published by companies.

The correspondence table below identifies the actions taken by the Group in response to these recommendations. In addition to information published in the Universal registration document, this table also refers to the Group's responses to the CDP "Climate Change" and "Water Security" questionnaires, which have taken into account TCFD's recommendations since 2018. The Group's responses are public and may be accessed at www.cdp.net.

| Theme | | Recommendations of the TCFD | Groupe Renault |
|---|---|---|---|
| Governance | Disclose the organization's governance around climate related risks and opportunities. | a/ Describe the Board's oversight of climate-related risks and opportunities. | DR: 1.5.1.3, 1.6.1, 2.1.7, 2.3.3.A<br>CDP: C1, W6 |
| | | b/ Describe management's role in assessing and managing climate-related risks and opportunities. | DR: 1.5.1.3, 1.6.1, 2.1.7, 2.3.3.A<br>CDP: C2, W4 |
| Strategy | Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material. | a/ Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. | DR: 2.3.3.A<br>CDP: C2, C3, W4 |
| | | b/ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. | DR: 2.3.3.A<br>CDP: C2, W4, W7 |
| | | c/ Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | DR: 2.3.3.A<br>CDP: C2, C3, W7 |
| Risk Management | Disclose how the organization identifies, assesses and manages climate-related risks. | a/ Describe the organizations processes for identifying and assessing climate-related risks. | DR: 1.6.1, 2.1.7, 2.3.3.A<br>CDP: C2, W3 |
| | | b/ Describe the organization's processes for managing climate-related risks. | DR: 1.6.1, 2.1.7, 2.3.3.A<br>CDP: C2, W3 |
| | | c/ Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management. | DR: 1.6.1, 2.1.7, 2.3.3.A<br>CDP: C2, W3 |
| Metrics and targets | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material | a/ Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | DR2018: 2.3.3.A<br>CDP:C4, W8 |
| | | b/ Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. | DR2018: 2.3.3.A<br>CDP: C6, C7, W8 |
| | | c/ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | DR: 2.3.3.A<br>CDP:C4, W8 |

## 2.6.2 Appendices concerning social commitment

### Data collection

Several methods are used to collect employee data:

- the new People@Renault HR information system was deployed in 2019 in 39 countries (Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Iran, Ireland, Italy, Malta, Mexico, Morocco, Netherlands, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom and Ukraine); it collects part of the data for the entire scope and ensures the overall consistency of results;
- a questionnaire is sent to the Regions. This questionnaire includes a number of indicators: headcount by gender and age, number of recruitment and redundancies, absenteeism rate, number and subjects of major collective agreements signed during the year, number of employees covered by a collective bargaining agreement and selected at corporate level from the most relevant agreements, total cumulative training hours in the year, training access rate, average training rate per employee and percentage of disabled employees. Each indicator has a specific definition and calculation method that is shared with the Regions. This questionnaire also enables data to be cross-referenced with last year's figures to monitor developments;
- for the data specific to health and safety (number of workplace accidents, commuting accidents and occupational illnesses), a reporting process with monthly consolidation is put in place with the Group entities. Each month, the data is checked at the corporate level, using the protocol, to ensure the quality of their classification. A digital reporting tool is being rolled out, contributing to improving the reliability of data.

A continuous improvement process for these collection methods is in place, taking into account the recommendations of the statutory auditors.

### Definitions and calculation methods for labor-related indicators

**Total workforce:** number of employees holding an employment contract with the entity (permanent or fixed-term). Every employee on the payroll is counted as "one" regardless of his or her contractual working time (or activity rate). All employees on the payroll are counted, even if they are sent to another entity.

**Average Group workforce =** (Group workforce at December 31st of the previous year + Group workforce at December 31st of the current year)/2.

Group workforce at December 31st of a year is equal to the total of its workforce at the end of the month for all Regions except the Europe Region. For the Europe Region, the regional workforce is equal to end-of-month total workforce excluding employees under exemption of activity in the framework of the CAP 2020 Agreement in France.

**Region average workforce =** (Region workforce at December 31st of the previous year + Region workforce at December 31st of current year)/2.

Region workforce as of December 31 is equal to end-December total workforce for all Regions except Europe. For the Europe Region, the regional workforce is equal to end-of-month total workforce excluding employees under exemption of activity in the framework of the CAP 2020 Agreement in France.

**Average active workforce:** the average active workforce is equal to the total registered workforce for the entity concerned, excluding "inactive" employees. The active workforce is measured every month. The average active workforce is equal to the average calculated over 12 months.

**"Inactive":** persons appearing in the entity's workforce but physically absent from the entity for a long period and paid only partially or not at all. This category consists mainly of: unworked notice periods, leave of absence unpaid for various reasons including long-term parental leave, sabbatical leave, end of professional career leave including exemptions from activity in France, leave for business creation, parental educational leave, absence due to long-term illness or accident after using up the amount of leave paid by the Company (amount linked to the current work absence), and military service. Persons on sick leave (excluding long-term) and on maternity or paternity leave are not considered as "inactive" employees.

**Number of Group redundancies**: termination of permanent contract or early termination of fixed-term contract by the employer for one or more reasons that may or may not relate personally to the employee in question, and which may be either collective or individual. Conventional severance, voluntary departure plans, non-continuation at the end of a trial period, and abandonment of post are not considered as redundancy.

**Number of Group recruitments:** hiring on permanent contract and fixed-term contracts.

**Percentage of women managers:** number of women in managerial roles out of the total number of managers as of the end of December. "Manager" is defined as a white collar employee, supervising at least one other white collar employee.

**Key position:** position identified as key at a local, regional or global level, within the scope used in the People@Renault tool (excluding RCI and the expertise network).

**Number of hours of training:** cumulative number of training hours delivered, whether the training is provided on site by internal/external trainers, outside the company by a training organization, or followed remotely. This indicator measures the overall training effort.

**Training access rate:** number of employees trained at least once during the year who are still with the Company at the end of the year, as a percentage of the active workforce at year-end.

**Average training hours per employee:** total hours of employee training carried out during the year for employees present at the end of the year, as a percentage of the active workforce at the end of the year.

**Employment rate of people with disabilities:** percentage of employees with disabilities in the total workforce as of December 31st. It should be noted however, that it is difficult to prepare statistics that accurately reflect the number of disabled employees, given the different regulations and the lack of legal reporting requirements in numerous countries.

**Absenteeism (absence due to unforeseen circumstances):** the absenteeism rate is expressed as a percentage and is calculated on the basis of the average active workforce (permanent + fixed-term contracts) and the theoretical yearly number of working days.

The number of days of absence is expressed in working days, excluding short-time working, layoffs, strikes, training and leave (including maternity and paternity leave).

Formula: number of absence days per year/(active workforce x number of theoretical days per year) x 100.

The choice of assumptions for the calculation of theoretical days number is left up to the entities, since local factors may result in minor differences.

All definitions of **health and safety indicators** were updated on January 1, 2017.

The FR0, FR1 and FR2 rates correspond to the incident rates divided by 1,000,000 hours worked.

For example:

$$FR0 = \frac{\text{Number of incidents requiring first aid}}{\text{Number of hours worked}} \times 1{,}000{,}000$$

In 2018, accidents involving Renault employees and temporary workers were monitored jointly (FR0, FR1, FR2).

**FR0:** frequency of workplace accidents requiring first aid for Renault and temporary employees.

**FR1:** frequency rate of workplace accidents requiring more significant medical treatment than first aid for Renault and temporary employees. This rate corresponds to a defined list of injuries on which Groupe Renault intends to concentrate.

**FR2:** frequency rate of workplace accidents with sick leave involving Renault and temporary employees (several additional exclusions compared with F2).

The FR0r, FR1r and FR2r rates are defined in the same way as FR0, FR1 and FR2 but apply only to Renault employees and not temporary workers.

Most of the AVTOVAZ (plant and subsidiaries) health and safety data comes from dispensaries managed by government authorities.

**Severity rate G1:** [number of days of sick leave during the year due to workplace accidents that year or in previous years - number of days of sick leave due to discharges] x 1,000/number of hours of exposure to occupational risks during the year.

**Occupational illnesses:** rate of occupational illnesses contracted by Renault employees following prolonged exposure to an occupational risk (noise, chemicals, posture, *etc.*), reported as such to an external body if the regulations in force in the country so provide. Rate of reported occupational illness per 1,000 employees to end-2016. Occupational illness rate reported per million hours of exposure to occupational risks from 2017 onwards. This rate includes occupational illnesses, reported with or without sick leave.

**Accidents on public roads:** accidents involving Renault employees on public roads while commuting to work or traveling on business.

## GROUP SAVINGS AND COLLECTIVE RETIREMENT PLAN

| Composition | | Number of subscribers at December 31, 2019 | Assets *(€ million)* | Perf. 2019 *(in %)* |
|---|---|---|---|---|
| **ACTIONS RENAULT MUTUAL FUNDS (GROUP SAVINGS PLAN)** | | | | |
| Renault France Fund [1][3] | Almost 100% Renault shares | 21,221 | 27,18 | -21.91% |
| Actions Renault Fund [1] | Almost 100% Renault shares | 24,431 | 192,7 | -21.91% |
| Renault International Fund [2] | Almost 100% Renault shares | 8,804 | 5,97 | -21.91% |
| Renault Shares Fund [2] | Almost 100% Renault shares | 6,104 | 42,54 | -21.91% |
| **DIVERSIFIED MUTUAL FUNDS (GROUP SAVINGS PLAN AND COLLECTIVE RETIREMENT SAVINGS PLAN)** | | | | |
| Multipar Actions Soc Resp | 100% euro zone shares | 8,820 | 65,9 | 23.58% |
| CMC CIC Perspective conviction Monde | 0 to 40% cash or bonds<br>60 to 100% shares | 5,793 | 28,3 | 25.31% |
| CMC CIC Perspective certitude | 0 to 40% cash or bonds<br>0 to 100% OECD shares | 6,249 | 20,54 | 3.95% |
| Multipar Equilibre Soc Resp | 50% shares<br>50% bonds | 14,623 | 199,05 | 13.34% |
| Renault Mobilize Solidaire [3] | 30% diversified shares<br>30% bonds<br>30% monetary<br>10% solidarity | 6,590 | 23,57 | 9.806% |
| Multipar Equilibre Soc Resp | 90/95% monetary and bonds<br>5/10% solidarity securities | 12,426 | 90,61 | 0.93% |
| Multipar Monétaire Soc.Responsable | 100% monetary | 22,870 | 121,88 | -0.37% |
| **BNP PARIBAS PERSPECTIVES (PERCO) [3][4]** | | | | |
| BNP PARIBAS Perspectives Short Term | Diversified | 1,250 | 13,6 | 5.13% |
| 2024 | Diversified | 816 | 8,8 | 10.79% |
| 2027 | Diversified | 575 | 5,7 | 17.21% |
| 2030 | Diversified | 523 | 4,4 | 22.03% |
| 2033 | Diversified | 473 | 3,1 | 25.65% |
| 2036 | Diversified | 377 | 2,2 | 27.34% |
| 2039 | Diversified | 276 | 1,3 | %- |
| BNP PARIBAS Perspectives Long Term | International shares | 663 | 1,7 | 28.83% |

*(1) FCPE Actions Renault and Renault France mutual fund for French tax residents.*
*(2) FCPE Actions Renault and Renault International mutual fund for tax residents outside France.*
*(3) Fund open for payments throughout the year.*
*(4) FCPE mutual fund whose maturity date corresponds to the planned date of the employee's departure.*

# 2.6.3 Appendices concerning societal commitments

## 2.6.3.1 Methodological comments on key societal reporting figures

The information included in the comprehensive reporting of societal initiatives is collected from a network of correspondents covering all countries in which Renault operates. This information includes:

- actions that fall under one of the five CSR strategy priorities: diversity, education, environment, social business, road safety plus "communication and other" (including CSR communication, humanitarian aid, culture, sport, health, *etc.*);
- the purpose of each initiative determines the category to which it is assigned. For example, donating a vehicle for transporting children to school would be classified under "education";
- actions stemming from Renault s.a.s. philanthropy (see 2.4.4.2).

The various CSR initiatives undertaken internally by Groupe Renault employees (disability awareness, road safety operations, Mobilize Days, *etc.*) are included in societal investments.

However, donations in kind (mainly donations and loans of vehicles) and the provision of employees (hourly cost) are not included in societal investments, with the exception of the 544 vehicles donated by the CSR department to firefighters in France, which are valued at €1,088,000 (€2,000 per vehicle).

The many visits organized by the sites are not included. 2,200 people, including 1,500 schoolchildren and students, visited the Douai plant in 2019, the Sandouville plant hosted 1,500 visitors, and the Ile-de-France sites (mainly the Technocentre and Lardy) welcomed more than 1,600 visitors.

## 2.6.3.2 Organizations having benefited from sponsorship in 2019

| Theme | Name |
|---|---|
| Sustainable mobility | eHOP |
| | FNH Fondation Nicolas Hulot pour la Nature et l'Homme |
| | FNSP Fédération Nationale Des Sapeurs-Pompiers |
| | GRSP/IFRC Global Road Safety Partnership (International Federation of Red Cross) |
| | La Prévention Routière |
| | Mobilité 07 26 |
| | WWF |
| | Zero Waste |
| Inclusion | Comme les Autres |
| | École de la deuxième chance |
| | EIAPIC |
| | Elles Bougent |
| | Énergie Jeunes |
| | Femmes pour le Dire Femmes pour Agir |
| | FFH French Disabled Sports Federation |
| | Fondation Georges Besse |
| | Fondation HEC |
| | Fonds Universcience |
| | Handicap international |
| | Institut de l'Engagement |
| | La cravate solidaire |
| | Led By Her |
| | Nouvelle Cour |
| | ONU Femmes |
| | Spécial Olympics |

# 2.6.4 Extra-financial ratings and indexes

The development of Socially Responsible Investment (SRI) give rise to the need for an extra-financial rating. This rates the Company not only on its financial performance but also on its attitude toward the environment, respect for social values, societal commitment and corporate governance.

Each area analyzed produces a rating based on different criteria (transparency, innovation, communication, *etc.*) and is weighted to obtain a final rating. This serves as a reference for fund managers and investors who wish to invest in companies which are successful in terms of social responsibility. Some of these rating agencies have developed, most of the time in partnership with providers of equity indexes, some specific indexes composed of the top-rated companies for environmental, social or governance (ESG) aspects.

Groupe Renault is evaluated each year by the main international extra-financial rating agencies on the basis of its public and declarative information.

## Extra-financial performance

**The CDP** (formerly the carbon disclosure project), founded in 2000, is tasked by a group of institutional investors to enhance understanding of the impacts of climate change on the value of the assets managed by its signatories. It is an independent not-for-profit organization which collates and maintains a large database relating to greenhouse gas emissions.

Since 2002, the CDP has sent companies annual requests for information in a standard format about their greenhouse gas emissions and policies on climate change. The CDP includes, in particular, members of the FT500 (the 500 largest companies in the world by market capitalization).

**2019 results:** having submitted its responses to the CDP Climate Change questionnaire, which can be seen at www.cdp.net, Groupe Renault obtained an A-rating, which keeps it in the "Leadership" category.

**ISS-Corporate Solutions** is one of the largest sustainability ratings agencies in the world. It has 2,000 employees, a presence on 35 sites in the United States and internationally and analyzes over 20,000 companies worldwide.

**Latest results – December 2019:** Groupe Renault ESG performances received a Prime rating. The Group received a score of 1/10 for environment, 2/10 for social and 3/10 for governance (on a scale of 1 to 10, 1 being the highest score). For more information see: www.issgovernance.com/esg/.

**Sustainalytics** is one of the global leaders in environmental, social and governance (ESG) research and analysis related to Socially Responsible Investment (SRI). This independent agency offers extra-financial rating services and advice to institutional investors and asset managers.

**Latest results – December 2019:** Groupe Renault ranks twelfth (out of 72) of companies in the automotive sector and second (out of 61) of companies of the same size in the automotive sector. For more information see: www.sustainalytics.com.

**MSCI** is a leading supplier of investment decision-support tools worldwide. Companies are rated on a scale from AAA to CCC according to the standards and performance of their segment peers. MSCI also manages the MSCI Global Sustainability index series, which includes companies whose MSCI ESG rating is high compare to segment peers in a given region.

**Latest results – October 2019:** Groupe Renault was once again awarded an overall A ESG performance, and ranks third out of the major automotive industry players. Groupe Renault is a component of the MSCI Global Sustainability index series, which includes the MSCI ACWI ESG index, the MSCI World ESG index, the MSCI EM ESG index and the MSCI USA IMI ESG index. For more information: www.msci.com.

**Vigeo Eiris** is an American financial rating agency specializing in ESG challenges which rates, analyzes, audits and advises targeted organizations according to their results, initiatives and practices in these key areas. Vigeo proposes the issue of "ethics" indices which include Euronext-Vigeo and the CAC governance index. Vigeo was taken over by American financial rating agency Moody's in 2019.

**Latest results – October 2019:** For more information: www.vigeo-eiris.com

**EcoVadis is** a French agency established in France in 2008. It established the first rating platform to assess the social and environmental performance of suppliers worldwide. It covers 55,000 suppliers, 198 business sectors and 155 countries.

**Latest results – March 2019:** Groupe Renault obtained an overall score of 70/100. For more information see: www.ecovadis.com

## Inclusion in socially responsible indexes

Renault is part of the following indexes:

**The Global Challenges index**, set up in 2007 by the German agency Oekom Research, lists 50 companies worldwide recognized for their contribution to sustainable development through their products and services and for initiatives related to the development of their businesses. Groupe Renault is still part of this index at January 7, 2020.

**The MSCI global sustainability index series,** which contains the MSCI ACWI ESG index, the MSCI World ESG index, the MSCI EM ESG index and the MSCI USA IMI ESG index. The MSCI ACWI ESG index covers mid- and large-cap companies in 23 developed market countries and 21 emerging market countries. The MSCI World ESG index covers mid- and large-cap companies in developed markets. The MSCI EM ESG index covers mid- and large-cap companies. The MSCI USA IMI ESG index covers small-, mid- and large-cap US companies.

**Indices of the STOXX family.** On March 13, 2020, Renault is part of the **STOXX Global ESG Impact** which counts 882 companies. Renault is also in the **STOXX Europe 600 ESG-X, STOXX Global Climate Awareness, STOXX Europe Climate Impact,** and the **STOXX Global Electric & Driving Technology** indices.

## 2.6.5 Report by one of the Statutory Auditors, appointed as anindependent third party, on the consolidated non-financialperformance statement

For the year ended December, 31st 2019

To the Renault Annual General Meeting,

In our capacity as Statutory Auditor of Renault (hereinafter the "entity") appointed as the independent third party, certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049 [1], we hereby report to you on the consolidated non-financial performance statement for the year ended December, 31st 2019 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the provisions of Articles L.225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### Responsibility of the entity

It is the Management Board's responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

### Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and professional standards.

### Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

It is our responsibility to express, at the request of the entity and outside of the scope of accreditation, reasonable assurance that the information selected by the entity presented in the Appendices and identified with the symbol √ in chapter "Renault: a responsible company" of the Management Report has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, particularly relating to Duty of Care and the fight against corruption and tax evasion.

*(1) Accreditation scope available at www.cofrac.fr.*

## Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 and seq. of the French Commercial Code (*Code de commerce*) the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement and with ISAE 3000 [(1)].

- We gained an understanding of the activity of all companies in the consolidation scope;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes a clear, substantiated explanation in the event that the information required by sub-paragraph two of Article L.225-102-1, Paragraph III of the French Commercial Code is missing;
- We verified that the Statement presents the disclosures provided for in II of Article R. 225-105 where relevant, in respect of the principal risks and includes, where appropriate, an explanation of the reasons justifying any absence of the disclosures required under the second paragraph of III of Article L. 225-102-1;
- We verified that the Statement presents the business model and a description of the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators relating to the principal risks;
- We consulted documentary sources and conducted interviews in order to: obtain an understanding of the process for selecting and validating the main risks; as well as the consistency of the including the key performance indicators used in respect of the main risks and policies presented, and
- to corroborate the qualitative data (actions and results) which we considered most important, presented in the Appendix. for certain risks [(2)], our work was carried out at the consolidating entity. For the remaining risks, work was carried out at the consolidating entity and in a selection of entities [(3)];
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- We gained an understanding of the internal control and risk management procedures put in place by the entity and assessed the data collection process to ensure the completeness and fair presentation of the Information;
- For key performance indicators and the other quantitative outcomes that we considered the most important, presented in the Appendices, we set up:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of contributing to the reported data and represents between 25% and 92% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

*(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*
*(2) Non-compliance with social dialog bodies; dissatisfaction related to certain aspects of life at work: business relationships, inclusion, work-life balance, work environment; risks related to the Group's international exposure; risks related to transactions with third parties (suppliers, intermediaries and customers); risks related to transactions with public agents; discrimination (job and profession); compensation inequality; insufficient adaptation of goods and services to the imperatives of "sustainable regions"; insufficient contribution by the Group to development of the regions where it operates; inadequate use of vehicles or equipment by customers; breach of protection of Group data, that of its personnel, its customers or stakeholders; non-compliance with the Group's responsible purchasing policy by suppliers; use of sensitive supply networks (for corporate, social and/or environmental reasons); uncertainties regarding interpretation of regulations or discharging the business' tax obligations.*
*(3) Environmental indicators: Colombia (Sofasa), Brazil (Curitiba), Romania (Dacia Automobile), South Korea (Busan), Russia (Moscow, Togliatti and Izhevsk), Turkey (Bursa), France (Batilly, Le Mans, Cléon, Flins, Douai), Renault Retail Group (RRG).*
*Social indicators: Russia (Togliatti and Izhevsk), South Korea (Busan).*
*Health and safety indicators: France (Cléon), South Korea (Busan), Russia (Togliatti), Romania (Dacia).*

### Means and resources

Our work drew on the skill seven individuals and was conducted between November 2019 and April 2020 for a total working time of approximately thirty weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted around ten interviews with the individuals responsible for preparing the Statement, particularly from the CSR, Human Resources, Health and Safety, Environment, Purchasing, Tax, Governance, Risk and Compliance departments.

### Opinion

Key performance indicators covering topics identified as principal risks, namely, the frequency rate of workplace accidents for Renault employees requiring more significant medical intervention than first aid (FR1), the quantities of toxic metals in liquid effluents, non-recycled waste and volatile organic compounds (VOC) discharges are communicated across the entire Group scope, excluding AVTOVAZ, accounting for 74% of the consolidated workforce and 87% of the vehicles produced by the Group.

Based on our work, with the exception of the elements described above, we have no material misstatements to report that would call into question the compliance of the non-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

## Reasonable assurance on a selection of non-financial information

### Nature and scope of our work

With regard to the information selected by the entity, , presented in the Appendices, and identified with the symbol √ in chapter "Renault: a responsible company", we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 56% and 92% of the information identified with the symbol √.

We believe that these procedures enable us to express reasonable assurance regarding the information selected by the entity and identified with the symbol √.

### Conclusion

In our opinion, the information selected by the entity and identified with the symbol √ in chapter "Renault: a responsible company" has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, February 19,2020

KPMG SA

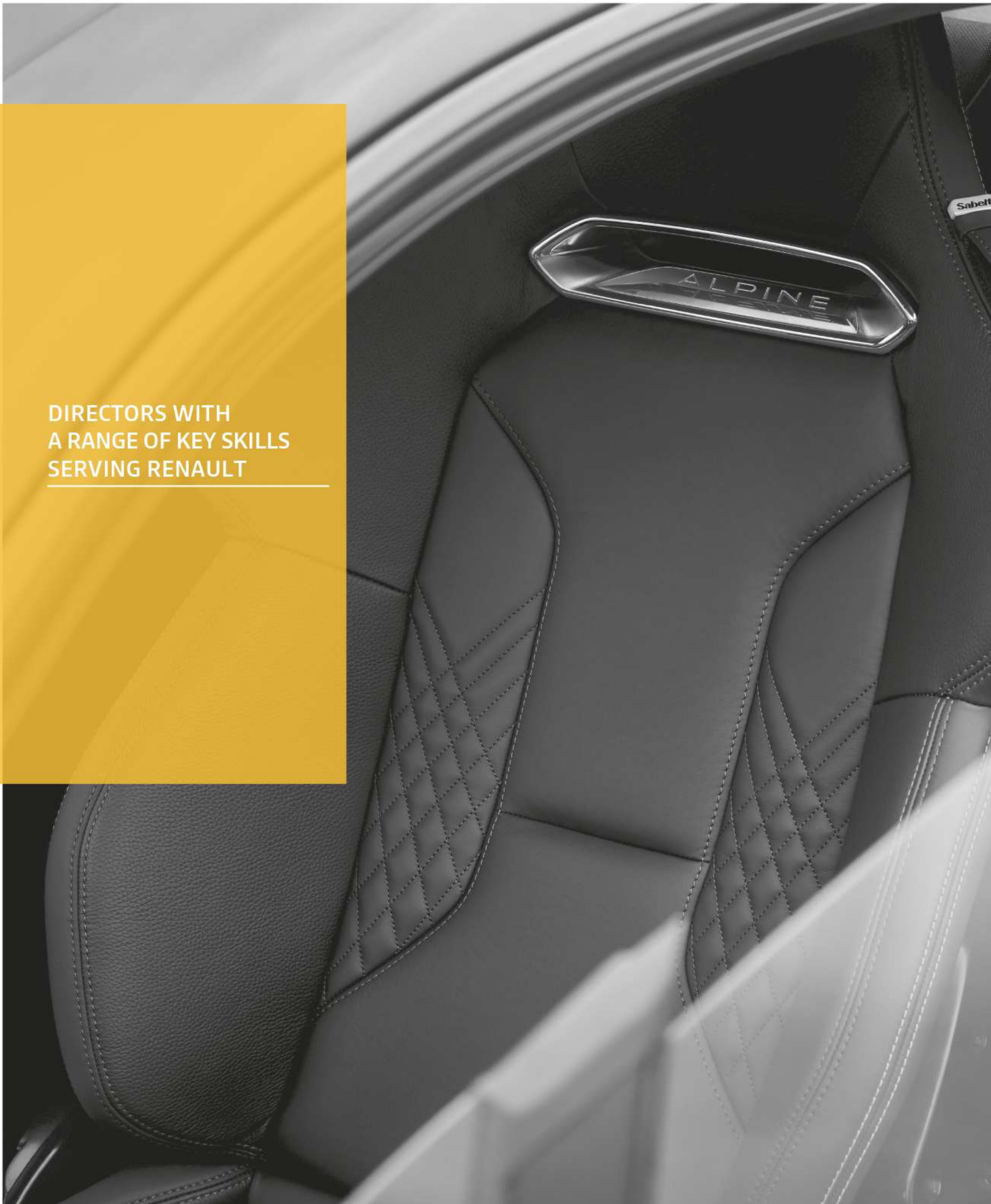
| | |
|---|---|
| Anne Garans | Laurent des Places |
| *Partner* | *Partner* |
| *Sustainability Services* | |

## Appendix

**Qualitative information (actions and results) considered the most important**

- Health and safety measures taken for employees
- Plans for managing the skills and development of employees
- Plans for assessing the well-being of employees
- Policies and actions implemented to promote diversity
- Social dialog organization
- Actions rolled out to reduce the carbon footprint of the vehicles
- Measures to reduce energy consumption
- Measures for waste production management and intelligent use of resources
- Vehicle life cycle analysis procedures
- Policy and plans implemented in matters of ethics and the fight against corruption
- Measures undertaken to promote Human Rights
- Policy and plans implemented in the fight against tax evasion
- Actions taken in social business matters
- Actions taken to promote road safety awareness
- Policy and plans implemented for protection of personal data and to combat cybercrime
- Plans implemented for responsible purchasing and supplier assessment

| Key performance indicators and other quantitative results considered the most important | Level of assurance |
|---|---|
| Workforce and distribution (age, gender, region) | Moderate |
| Number of recruitments | |
| Number of dismissals | |
| Absenteeism rate | |
| Total number of training hours dispensed to employees still in the company at the end of the year | |
| Total number of cumulative training hours | |
| Number of employees trained | |
| Number of employees with disabilities | |
| Frequency rate of workplace accidents requiring more significant medical treatment than first aid (FR1) and with sick leave (FR2) for Renault and temporary employees | |
| Frequency rate of workplace accidents requiring more significant medical treatment than first aid (FR1) and with sick leave (FR2) for Renault employees only | |
| Severity (G1) for Renault employees only | |
| Rate of reported occupational illness | |
| Water consumption | Reasonable |
| Total energy consumption | |
| Greenhouse gas emissions (GHG – scopes 1 & 2) | |
| Weight of waste in metric tons (excluding construction site and foundry waste) | |
| Proportion of waste (excluding construction site and foundry waste) recycled | |
| Discharges of volatile organic compounds (VOC) | |
| Discharges in water: suspended matter (MES), chemical oxygen demand (COD), toxic metals (Metox) | |
| $SO_2$ emissions | |
| $NO_x$ emissions | |




# DIRECTORS WITH A RANGE OF KEY SKILLS SERVING RENAULT

# 03 CORPORATE GOVERNANCE



The elements of the annual financial report are identified by the AFR symbol.

# REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code (*Code de commerce*), the following developments form the report on corporate governance, notably containing information on:

(i) the composition of the Board of Directors' and the conditions for the preparation and organization of the Board of Directors' work; and

(ii) the compensation of corporate officers.

This report was approved by the Board of Directors during its meeting held on February 13, 2020.

Pursuant to the provisions of Article L. 225-37-4 8° of the French Commercial Code, the Company declares that it has opted to refer to the AFEP-MEDEF Corporate Governance Code of listed companies (hereinafter, the "**AFEP-MEDEF Code**"). The potential recommendations from this code which have not been followed are shown in a section (see chapter 3.1.8 of the Universal registration document).

The AFEP-MEDEF Code is available for consultation at the Company's registered office and on its website.

# 3.1 COMPOSITION, PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS



This chapter describes the method for managing and directing Renault SA as a listed company and the parent company of Groupe Renault. This management method is also applicable to Renault s.a.s., a subsidiary of Renault SA and the umbrella company for Groupe Renault's automotive and financial businesses.

The operating principles and missions of the Board of Directors are described in the Board Charter, which is available in full on Groupe Renault's website. The main contents of the Board Charter are reproduced below.

## 3.1.1 Governance structure

### Evolution of the mode of governance

During its meeting of January 24, 2019, the Board of Directors, on the recommendation of the Appointments and Governance Committee, decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer. The Board of Directors considers that this governance structure is appropriate to Renault's current challenges. It enables the Company to benefit from both the Chairman's stature and expertise in corporate governance and the managerial background and industrial and automotive expertise of the Chief Executive Officer, in charge of the management and the implementation of the Company's mid-term plan.

The office of Chairman of the Board of Directors was entrusted to Mr Jean-Dominique Senard following his appointment as a Director pursuant to the provisions of Article L. 225-17 par. 3 of the French Commercial Code. His appointment as a Director was ratified by the Annual General Meeting held on June 12, 2019.

The office of Chief Executive Officer was entrusted to Mr Thierry Bolloré, who was previously appointed Deputy Chief Executive Officer on November 20, 2018.

During its meeting of October 11, 2019, the Board of Directors decided to end Mr Thierry Bolloré's term of office as Chief Executive Officer of Renault SA and Chairman of Renault s.a.s. with immediate effect. The Board of Directors has also decided to appoint Ms Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period, until a process is completed to appoint a new Chief Executive Officer.

Following the selection process conducted by the Governance and Compensation Committee, the Board of Directors, at its meeting on January 28, 2020, decided to appoint Mr Luca de Meo as Chief Executive Officer of Renault SA and Chairman of Renault s.a.s., effective July 1, 2020.

The Board of Directors was of the opinion that Mr Luca de Meo, due to his background, experience and success in his previous functions, possesses all of the qualities required to contribute to the growth and transformation of Groupe Renault in all its dimensions.

## Powers of the Chairman of the Board of Directors

The Company's articles of association specify that the Board of Directors must appoint one of its members as its Chairman; this must be a natural person, who may be elected for more than one term.

### Excerpt of the Board Charter provisions governing the powers of the Chairman of the Board of Directors

The Chairman shall organize and direct the Board of Directors' work, on which he/she shall report to the General Meeting of Shareholders. The Chairman shall determine the schedule and the agenda of and convene the Board meetings.

The Chairman shall chair the meetings of the Board of Directors. If the Chairman is unable to attend, Board meetings shall be chaired (i) by the Lead Independent Director or (ii) if there is no Lead Independent Director, or if he/she is absent or unable to attend, by the Chair of the Governance and Compensation Committee.

Except in specific circumstances, the Chairman is the sole person empowered to communicate on behalf of the Board of Directors, in accordance with the principle of collegiality of the Board.

The Chairman shall ensure that Renault's corporate bodies correctly operate, particularly the Board of Directors and its committees. The Chairman shall ensure that directors receive the information they need to fulfill their duties and, more generally, that they are able to take part in the work of the Board of Directors and its committees.

In addition, the Chairman shall also ensure that members of the Board of Directors take part in the Board of Directors' work effectively, with diligence, expertise and loyalty, and that they take the time necessary to address the issues, including strategic issues, concerning Renault, the Group and the Alliance with Nissan and Mitsubishi (the "Alliance").

The Chairman shall ensure that the work of the Board of Directors is well organized, in a manner conducive to constructive discussion and decision-making. The Chairman shall lead the work of the Board of Directors and coordinate its work with that of the committees, which he/she may consult, at any time, on any matter within their competence. In that respect, the Chairman may add any matter he/she deems relevant to the agenda of any meeting of a committee of the Board of Directors. The Chairman may attend, if he/she so wishes, committee meetings, except where his/her personal situation is being discussed. The Chairman shall have access to the committees' work.

<u>Other duties of the Chairman:</u>

The Chairman shall also have the following duties, which he/she shall perform in liaison with the Chief Executive Officer:

- be the contact person of Nissan and Mitsubishi in respect of any discussion regarding the organization and development of the Alliance;
- propose to the Board of Directors any new agreement or alliance that he/she deems useful for Renault's future; and
- subject to applicable laws and regulations, as well as the provisions of the agreements entered into among Alliance members, be selected as Renault's candidate for appointment to the management or administrative bodies of the Alliance and of its members.

The Chairman shall keep the Board of Directors informed of the performance of his/her duties relating to the Alliance and shall make recommendations on any decisions to be taken on this matter.

In all circumstances, the Chairman shall, together with the Chief Executive Officer, work to ensure the development of the Alliance and to strengthen and secure the relations between Renault, Nissan and Mitsubishi.

Finally, the Chairman shall work to ensure that high-quality relations are maintained with Renault shareholders and shall contribute to promoting Renault's values and image among its staff and partners.

The Chairman shall have access to the Company's corporate functions that he/she needs in order to perform his/her duties. The Chairman may ask the Chief Executive Officer for any information that may be useful for the performance of his/her duties, as well as for the work of the Board of Directors or its committees, including regarding the operation, the organization and the development of the Alliance, strategy, financial reporting, major investment and divestment projects and major financial transactions.

## JEAN-DOMINIQUE SENARD

### Chairman of the Board of Directors

**Birth date:** 3/7/1953

**Nationality:** French

**Date of first appointment:** January 2019

**Start date of current term of office:** January 2019

**Current term expires:** 2023 AGM

**Number of registered shares held:** 4,940

**Skills:**

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Jean-Dominique Senard graduated from France's HEC business school (Hautes Études Commerciales). He also holds a Master's Degree in Law. He began his career in various financial and operations positions with Total, from 1979 to 1987, and then with Saint-Gobain from 1987 to 1996.

From 1996 to 2001, he was Chief Financial Officer of Pechiney and a member of its Group Executive Council. He was also head of Pechiney's Primary Aluminum sector until 2004. As a member of Alcan's Executive Committee, he was in charge of integrating Pechiney and served as Chairman of Pechiney SA.

Jean-Dominique Senard joined Michelin in March 2005 as Chief Financial Officer and a member of the Michelin Group Executive Council.

In May 2007, he was appointed as Managing Partner of the Michelin Group.

On May 13, 2011, Jean-Dominique Senard was appointed as Managing General Partner of the Michelin group alongside Michel Rollier.

From 2012 to 2019, Jean-Dominique Senard was Chief Executive Officer of Michelin and supervised the Executive Committee and the Corporate Legal and Digital Activities departments.

On January 24, 2019, Jean-Dominique Senard was appointed as Chairman of the Board of Directors of Renault.

### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

#### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Chairman of the Board of Directors of Renault SA (France)

**Non-listed companies:**

Chief Executive Officer of Renault s.a.s (France)

**Other legal entities:**

Chairman of the Fondation d'entreprise Groupe Renault

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

Vice-Chairman of the Board of Directors and member of the Appointments Committee of Nissan Motor Co, Ltd. (Japan)

Lead Independent Director and Chairman of the Strategy and CSR Committee of Saint-Gobain (France)

**Non-listed companies:**

Member of the Supervisory Board of Fives S.A.S. (France)

**Other legal entities:**

Chairman of Association Française des Entreprises pour l'Environnement (France)

Co-Chairman of the Agence Auvergne-Rhône-Alpes Entreprises (France)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Managing Partner of Compagnie Financière Michelin SCmA (France) | 2017 |
| Chief Executive Officer and General Partner of Michelin (France) | 2019 |

Finance | Senior Executive experience | Automotive industry | International experience | Digital and innovation | Environmental, Social and Governance

## Powers of the Chief Executive Officer

### Excerpt of the Board Charter provisions governing the powers of the Chief Executive Officer

The Chief Executive Officer shall direct the Company's activities. In this respect, the Group's operational and functional departments shall report to the Chief Executive Officer.

The Chief Executive Officer shall have the broadest powers to act under all circumstances on behalf of the Company, subject to legal restrictions and limitations imposed by the articles of association and the provisions of this Board Charter.

The Chief Executive Officer shall represent the Company in its relations with third parties.

The Chief Executive Officer shall be appointed by the Board of Directors. If the Chief Executive Officer is not a director, he/she shall be a permanent guest to the meetings of the Board of Directors. In such capacity, he/she may attend all Board meetings without voting rights. However, he/she shall not participate in discussions relating to his/her term of office or compensation.

**CLOTILDE DELBOS**

**Interim Chief Executive Officer**

**Birth date:** 09/30/1967

**Nationality:** French

**Date of first appointment:** October 2019

**Number of registered shares held:** 41,989 shares and 116.64 FCPE units

**Main areas of expertise and experience:** see biography hereafter

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Clotilde Delbos began her career in California, then at Price Waterhouse in Paris before joining the Pechiney Group in 1992. She held various positions in France and Brussels in internal audit, treasury and mergers and acquisitions before becoming Division Chief Financial Officer (Bauxite Alumina and International Trade). After the acquisition of Pechiney by the Quebec-based Alcan group, Clotilde Delbos became Chief Financial Officer of the Engineered Products division in 2005, a position she held until its sale in 2011 to the Apollo Global Management investment fund and the Strategic Investment Fund. In the new Constellium entity, she successively held the positions of Deputy Chief Financial Officer and Chief Risk Officer.

Clotilde Delbos joined Groupe Renault in 2012 as Senior Vice President, Group Controller. In May 2014, she was appointed Alliance SVP, Group Controller, in addition to her position as Groupe Renault Senior Vice President, Group Controller. In April 2016, Clotilde Delbos was appointed Chief Financial Officer and member of the Groupe Renault Executive Committee and Chairwoman of the Board of Directors of RCI Banque. On April 1, 2019, Clotilde Delbos is also appointed in charge of Internal Control.

On October 11, 2019, the Board of Directors decided to appoint, with immediate effect, Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period, until a process is completed to appoint a new Chief Executive Officer. She remains Chief Financial Officer of Groupe Renault and Chairwoman of the Board of Directors of RCI Banque.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Interim Chief Executive Officer of Renault SA (France)

**Non-listed companies:**

Chairman of the Board of Directors of RCI Banque (France)

Chairman of Renault Venture Capital (France)

Chairman of Mobilize Invest (France)

Member of the Supervisory Board of Alliance Ventures B.V. (Netherlands)

Member of the Management Board of Alliance Rostec Auto B.V. (Netherlands)

Member of the Management Board of Renault Nissan B.V. (Netherlands)

Director of Renault España SA (Spain)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

Director of Alstom SA (France)

**Non-listed companies:**

Co-Manager of Hactif Patrimoine (France)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## Limitation on the powers of the Chief Executive Officer

The Board Charter specifies that the Board of Directors is to deliberate on the strategic orientations of the Company once a year, including those relating to the Alliance, as proposed by the Chief Executive Officer, taking into account social and environmental issues. It examines any changes to be made to these orientations and gives its opinion before any major decision that may be deemed not to be consistent with the Company's strategy.

In addition, the Board Charter limits the powers of the Chief Executive Officer as follows:

### Excerpt of the Board Charter provisions governing the limitations on the powers of the Chief Executive Officer

The Chief Executive Officer must obtain the authorization of the Board of Directors for any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €250 million.

The Chief Executive Officer must inform the Board of Directors of any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €60 million.

The Board of Directors shall determine every year the total amount of sureties (*cautions*), endorsements (*avals*) or guarantees (*garanties*), which the Chief Executive Officer may provide without requesting the Board's specific authorization.



# 3.1.2 Composition of the Board of Directors

The members of the Board of Directors are appointed by the Annual General Meeting, with the exception of the Director designated by the French State pursuant to Article 4 of French Order No. 2014-948 of August 20, 2014 on corporate governance and equity transactions in companies with public shareholding and the Directors representing the employees.

The term of office for Directors is four years. Pursuant to the recommendations of the AFEP-MEDEF Code, these terms of office are staggered, to avoid them all ending and coming up for renewal at the same time.

### Excerpt of the Board Charter provisions governing the composition of the Board of Directors

The composition of the Board aims to achieve a balance between professional experience, qualifications, independence and ethics, together with a balanced representation of women and men and diversity in terms of recruitment consistent with the Group's international development.

## Diversity policy applied to the Board of Directors

Pursuant to Article L. 225-37-4 of the French Commercial Code, the Board, of Directors has defined a diversity policy based on its past practices.

### Policy criteria

The composition of the Board of Directors seeks a balance between experience, competence, independence and ethics, all while respecting a balanced representation of women and men and a diversity of recruitment in line with the internationalization of Groupe Renault. More precisely:

- regarding the size of the Board of Directos, the number of Board of Directors members must be such as to enable reconciliation of the skills, independence and specificities of Groupe Renault's shareholding;
- regarding gender balance, the Company must comply with the law, the recommendations of the AFEP-MEDEF Code and best market practices;
- diversity is not limited to different nationalities and cultures but extends to the knowledge of foreign markets and of international development challenges;
- in terms of skills, the Company seeks above all the complementarity of skills, profiles and experiences but also their relevance to the Company's strategy and to the challenges it faces;
- in terms of seniority, the Company seeks a balance between experience within the Board of Directors and progressive renewal of its composition;
- the Board of Directors expects a high level of commitment and ethics from each of its members.

## Policy implementation

To implement this diversity policy, the Board of Directors uses annual evaluations of its work (for more details on the Board's evaluation, see section 3.1.7 of the Universal registration document). The progressive and planned renewal of the terms of offices makes it possible to anticipate the skills to be renewed or to evolve according to the evolution of the industry and of the markets in which the Company operates.

Implementation of the diversity policy in 2019:

- the number of members of the Board of Directors was reduced to 18 Directors. This number remains higher than the average for CAC 40 companies, but is explained by the significant number of directors elected or designated directly pursuant to the law, the articles of association or agreements entered into with Nissan, and given the will to ensure the presence of a majority of Independent Directors. Accordingly, the proportion of Independent Board Directors as at December 31, 2019 was 64.34%, down from 66.7% as at December 31, 2018;
- the number of women on the Board of Directors at the close of the 2019 Annual General Meeting remained at seven, or 46.7% of members, up from 43.7% the previous year. Moreover, three of the Board of Directors' four committees are chaired by women, an increase over the previous year;
- the Board of Directors' expertise, in the automotive industry and in executive management especially, was reinforced by the appointment of Mr Senard as Chairman of the Board of Directors and Ms Winkler as Director;
- the Board of Directors contains five different nationalities and a majority of Directors who work or have worked abroad or in international groups;
- three Directors representing employees and one Director representing employee shareholders are fully associated in the work of the Board of Directors and its committees. Each year, these four Directors benefit from a training cycle. They benefit from in-house training provided by Groupe Renault's employees and training provided by external organizations. This training helps them to exercise their mandate to the fullest, by enabling them to quickly acquire the specific skills of a company director. In addition, their professional background as well as their trade union activity within Groupe Renault gives them a solid knowledge of the Group's organization and activities;
- the appointments approved at the Annual General Meeting of June 12, 2019, as well as the changes in the composition of the Board of Directors committees are part of the continuing implementation of this diversity policy of the Board of Directors.

With the exception of the Directors appointed on the proposal of Nissan and the Directors designated by the French State, no contracts or agreements have been concluded with main shareholders, clients, suppliers, or other parties allowing any of these persons or one of their representatives to be selected as a member of the Board or other Senior Management body in the Company, thus mitigating potential or actual conflicts of interest.

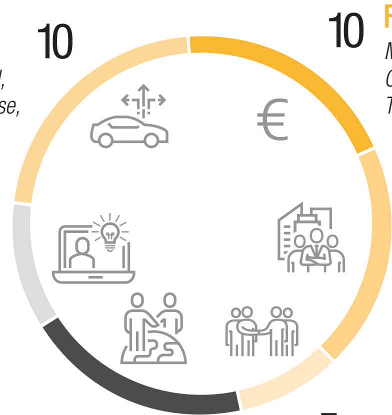
## Diversity policy applied to Senior Management

The Board of Directors also oversees the implementation of the Group's diversity policy, particularly with regard to the balanced representation of women and men on the Group's Executive Committee and in positions of higher responsibility.

As of December 31, 2019, there were two women on the Group Executive Committee. Globally, just under 20% of white-collar employees are women and an action plan is in place to continue to increase the percentage of women in the 250 key positions.

For further information on the diversity policy applied within the Group Executive Committee and, more generally, within the Group, see chapter 2.4.1 of the Universal registration document.

## SKILLS MAPPING OF THE MEMBERS OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2019




**AUTO INDUSTRY** 10

*MM. Barrat, Derez, Gentil, Ostertag, Personne, Senard, Vial, Yamauchi, Mmes Sourisse, Winkler*

**FINANCE** 10

*MM. Courbe, Derez, Fleuriot, Ostertag, Personne, Senard, Thomas, Vial, Mmes Serizawa, Winkler*

**DIGITAL AND INNOVATION** 5

*MM. Senard, Yamauchi, Mmes Barba, Qiu, Sourisse*

**SENIOR EXECUTIVE EXPERIENCE** 10

*Mmes Bensalah-Chaqroun, Qiu, Sourisse, Serizawa Winkler, MM. Derez, Fleuriot, Senard, Thomas, Yamauchi*

**INTERNATIONAL EXPERIENCE** 8

*MM. Senard, Yamauchi, Mmes Barba, Bensalah-Chaqroun, Qiu, Serizawa, Sourisse, Winkler*

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE** 5

*Mmes Bensalah-Chaqroun, Darmaillac, Serizawa MM. Ostertag, Senard*

**Finance:** experience in financial sector (banks, accounting, financial market), capital management or risk management; in-depth understanding of financial reporting processes and corporate finance

**Senior Executive experience:** experience serving as CEO or senior executive in organization of significant size

**Automotive industry:** automotive industry experience; knowledge of Groupe Renault's business and competitive environment

**International experience:** extensive relevant experience doing business in multiple geographies and overseeing multinational operations

**Digital and innovation:** recent expertise or experience with the development and implementation of technology strategies; experience in companies having a strong technology focus

**Environmental, Social and Governance:** experience in managing ESG issues and their relationships to the company's business

## CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE 2019 FINANCIAL YEAR

| Director | Event | Replaced by | Date |
|---|---|---|---|
| Cherie Blair | Term expiry | - | June 12, 2019 |
| Carlos Ghosn | Resignation | - | June 12, 2019 |
| Philippe Lagayette | Term expiry | - | June 12, 2019 |
| Jean-Dominique Senard | Appointment | - | January 24, 2019 (ratification by the Annual General Meeting of June 12, 2019) |
| Annette Winkler | Appointment | - | June 12, 2019 |

## OVERVIEW OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2019

| Personal information | | | | | Position on the Board | | | | Participation in Board Committees | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Director | Gender | Age | Nationality | Number of shares | Indepen-dence | Initial date of appointment | Term of office expires | Length of service on the Board | CARC | RGC | ECSRC | SC |
| Jean-Dominique Senard | M | 66 | French | 1,700 | c | January 2019 | 2023 AGM | 1 year | | | | |
| Catherine Barba | F | 46 | French | 100 | ID | June 2017 | 2022 AGM | 2 years and 7 months | | | m | m |
| Frédéric Barrat | M | 47 | French | 194.53 units in an FCPE | DRE | November 2016 | November 2020 | 3 years and 2 months | | | m | |
| Miriem Bensalah Chaqroun | F | 57 | Moroccan | 250 | ID | June 2017 | 2021 AGM | 2 years and 7 months | | | | m |
| Thomas Courbe | M | 47 | French | N/A | FSR | October 2018 | 2021 AGM | 1 years and 3 months | | | | m |
| Marie-Annick Darmaillac | F | 65 | French | 100 | ID | June 2017 | 2021 AGM | 2 years and 7 months | | m | c | |
| Thierry Derez | M | 62 | French | 300 | ID | February 2018 | 2020 AGM | 1 years and 11 months | m | m | | |
| Pierre Fleuriot | M | 65 | French | 100 | ID | June 2018 | 2022 AGM | 1 year and 7 months | m | | | |
| Richard Gentil | M | 51 | French | 1 | DRE | November 2012 | November 2020 | 7 years and 2 months | | | | m |
| Benoît Ostertag | M | 54 | French | 152.09 units in an FCPE | DRES | May 2011 | 2021 AGM | 8 years and 8 months | m | | | m |
| Éric Personne | M | 57 | French | 100 shares and 151.98 units in an FCPE | DRE | November 2012 | November 2020 | 7 years and 2 months | | m | m | |
| Olivia Qiu | F | 53 | French-Chinese | 800 | ID | April 2016 | 2020 AGM | 3 years and 9 months | | | | c |
| Yu Serizawa | F | 61 | Japanese | 100 | NR | December 2016 | 2021 AGM | 3 years and 1 month | | | m | |
| Pascale Sourisse | F | 57 | French | 1,000 | ID | April 2010 | 2022 AGM | 9 years and 9 months | c | | | |
| Patrick Thomas | M | 72 | French | 100 | ID | April 2014 | 2022 AGM | 5 years and 9 months | m | c | | |
| Martin Vial | M | 65 | French | N/A | FSR | September 2015 | N/A | 4 years and 4 months | m | m | | |
| Annette Winkler | F | 60 | German | 1,000 | ID | June 2019 | 2023 AGM | 7 months | | | | m |
| Yasuhiro Yamauchi | M | 63 | Japanese | 10,385 | NR | February 2017 | 2022 AGM | 2 years and 11 months | | | | m |

*CARC: Audit, Risks and Compliance Committee*
*CGR: Governance and Compensation Committee*
*ECSRC: Ethics and CSR Committee*
*CS: Strategy Committee*

*c: Chairperson*
*m: Member*
*ID: Independent Director*
*F: Female*
*M: Male*

*DRE: Director representing employees*
*DRES: Director representing employee shareholders*
*FSR: French State Representative*
*NR: Nissan representative*

## AS AT DECEMBER 31, 2019

**18**
DIRECTORS

**58.2** AVERAGE AGE

**3.8** YEARS SENIORITY

**64.3%[(1)]** INDEPENDENT DIRECTORS

**5** NATIONALITIES

**7** WOMEN

**3 committee chairs**

(1) Excluding the directors representing employees and the director representing employee shareholders.

## ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2019

| Directors as at December 31, 2019 | Board | Audit, Risks and Compliance Committee | Governance and Compensation Committee (1) | Ethics and CSR Committee (2) | Strategy Committee |
|---|---|---|---|---|---|
| Jean-Dominique Senard | 100% | - | - | - | - |
| Catherine Barba | 100% | - | 33.33% | 100% | 100% |
| Frédéric Barrat | 92.86% | - | - | 0% | - |
| Miriem Bensalah Chaqroun | 78.57% | - | - | - | 66.67% |
| Thomas Courbe | 71.43% | - | - | - | 33.33% |
| Marie-Annick Darmaillac | 100% | - | 92.30% | 100% | - |
| Thierry Derez | 100% | 100% | 100% | - | - |
| Pierre Fleuriot | 100% | 100% | 100% | - | - |
| Richard Gentil | 92.86% | - | - | - | 100% |
| Benoît Ostertag | 100% | 100% | - | - | 100% |
| Éric Personne | 100% | 100% | 100% | 100% | - |
| Olivia Qiu | 85.71% | 71.43% | - | - | 100% |
| Yu Serizawa | 100% | - | - | 100% | - |
| Pascale Sourisse | 92.86% | 100% | - | - | - |
| Patrick Thomas | 78.57% | 75% | 100% | - | - |
| Martin Vial | 100% | 90.91% | 100% | - | - |
| Annette Winkler | 100% | - | - | - | 66.67% |
| Yasuhiro Yamauchi | 100% | - | - | - | 66.67% |

*(1) The Board of Directors, at its meeting on June 12, 2019, decided to merge the Appointments and Governance Committee and the Compensation Committee in order to create the Governance and Compensation Committee. The attendance rates for the Governance and Compensation Committee were calculated, for each current or former member, over the duration of his or her term of office on the committee or either of the merged committees.*

*(2) The Ethics and CSR Committee, which was created on June 12, 2019, met once in 2019.*

## OVERVIEW OF THE TERMS OF OFFICE OF THE MEMBERS OF THE BOARD OF DIRECTORS

| Year of expiry | Director | Method of appointment | Date of first appointment |
|---|---|---|---|
| 2020 AGM | Thierry Derez * | Director elected by the Annual General Meeting | February 2018 |
| | Olivia Qiu * | Director elected by the Annual General Meeting | April 2016 |
| November 2020 | Frédéric Barrat | Director elected by employees | November 2016 |
| | Richard Gentil | Director elected by employees | November 2012 |
| | Éric Personne | Director elected by employees | November 2012 |
| 2021 AGM | Miriem Bensalah Chaqroun * | Director elected by the Annual General Meeting | June 2017 |
| | Thomas Courbe | Director elected by the Annual General Meeting, proposed by the French State | October 2018 |
| | Marie-Annick Darmaillac * | Director elected by the Annual General Meeting | June 2017 |
| | Benoît Ostertag | Director elected by the Annual General Meeting, proposed by the employee shareholders | May 2011 |
| | Yu Serizawa | Director elected by the Annual General Meeting, proposed by Nissan | December 2016 |
| 2022 AGM | Catherine Barba * | Director elected by the Annual General Meeting | June 2017 |
| | Pierre Fleuriot * | Director elected by the Annual General Meeting | June 2018 |
| | Pascale Sourisse * | Director elected by the Annual General Meeting | April 2010 |
| | Patrick Thomas * | Director elected by the Annual General Meeting | April 2014 |
| | Yasuhiro Yamauchi | Director elected by the Annual General Meeting, proposed by Nissan | February 2017 |
| 2023 AGM | Jean-Dominique Senard | Director elected by the Annual General Meeting | January 2019 |
| | Annette Winkler * | Director elected by the Annual General Meeting | June 2019 |
| N/A | Martin Vial | Director designated by the French State | September 2015 |

* *Independent Director.*

03

## 3.1.3 List of offices and functions exercised by the directors

### Directors as at December 31, 2019

The main office or function exercised by a director is underlined.

**CATHERINE BARBA**

**Independent Director**

**Birth date:** 02/28/1973

**Nationality:** French

**Date of first appointment:** June 2017

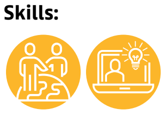
**Start date of current term of office:** June 2018

**Current term expires:** 2022 AGM

**Number of registered shares held:** 100

**Main areas of expertise and experience:** see biography hereafter

**Skills:**



**Member of the Ethics and CSR Committee**
**Member of the Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Entrepreneur, e-commerce pioneer, expert in retail digital transformation, Catherine Barba is one of the most active female business angels in France and committed to the promotion of diversity for years.

A graduate of ESCP Europe, she created and sold several e-commerce companies. She has been living in New York since 2015, where she created PEPS Lab to help retail brands accelerate their transformation. She is also the author of several reference books about the future of retail, including "Stores are not dead".

Catherine Barba invests in and serves on the Board of Directors of successful tech start-ups, including Retency (analytics in store), Reech (influencer marketing), Popshop (next generation of e-commerce), Euveka (CES 2018 Innovation Awards Honoree for mannequin technology), Cargo (in-car commerce) and Showfields (next generation of physical stores).

She was awarded with many distinctions among which that of "Femme en Or" in 2011, "Alumni of the Year" of ESCP Europe in 2012, Women of economic influence in France in 2014, the "Inspiring Fifty" prize in 2015 and 2016 which rewards the 50 most inspiring women of the digital ecosystem in Europe. Catherine Barba is a director of Etam, Knight of the French National Order of Merit and Knight of the National Order of the Legion of Honor.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

None

**Non-listed companies:**

Chairwoman of CB Group (SAS, France)

Member of the Supervisory Board of Étam (France)

Director of Euveka (France)

Director of Popshop Live (United States)

Director of Reech (France)

Director of RelevanC (France)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Director of Leetchi (France) | 2015 |
| Director of MangoPay (France) | 2015 |
| Director of So Shape (France) | 2016 |
| Director of Electronic Business Group (France) | 2016 |

## FRÉDÉRIC BARRAT

### Director elected by employees

**Birth date:** 09/05/1972

**Nationality:** French

**Date of first appointment:** November 2016

**Start date of current term of office:** November 2016

**Current term expires:** November 2020

**Number of registered shares held:** 206.48 units in an FCPE mutual fund

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

## Member of the Ethics and CSR Committee

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Holder of a BTS in automated manufacturing, Frédéric Barrat joined Renault in 1995 as an assessment and reception leader at the prototype manufacturing center in Guyancourt, the leading operating segment of the Guyancourt Technocentre. In December 1999, he joined the Quality department. His initial role was a quality assessment technician for new product launches, and he later went on to become a quality manager for the C and D-segments. During this time, he notably led the quality assessment of the SCENIC II, the first Renault vehicle to be assessed using the new Renault-Nissan Alliance (AVES) rating guidelines.

Since March 2005, he has worked on the Special Requirements operation (vehicle images), where he initially coordinated trial and preparation missions. His current role is leader of processes and planning for Special Requirements.

### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

#### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## MIRIEM BENSALAH CHAQROUN

### Independent Director

**Birth date:** 11/14/1962

**Nationality:** Moroccan

**Date of first appointment:** June 2017

**Start date of current term of office:** June 2017

**Current term expires:** 2021 AGM

**Number of registered shares held:** 250

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of an MBA in International Management and Finance from the University of Dallas, Texas (USA), Miriem Bensalah Chaqroun held various positions within the Société Marocaine de Dépôt et de Crédit from 1986 to 1989 before joining the Holmarcom group (her family holding company, among the top five industrial and financial groups in Morocco) in 1989. Since then, she has been Group Director and Vice-President and Chief Executive Officer of Les Eaux Minérales d'Oulmès.

As part of her professional activities, Miriem Bensalah Chaqroun is also Chairman of the Board of Orangina Morocco and Chief Executive Officer of Oulmès Drinks Development.

From 2012 to 2018, she was President of the Confédération Générale des Entreprises du Maroc, the Moroccan employers' association.

### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

#### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

<u>Vice-President and Chief Executive Officer of Les Eaux Minérales d'Oulmès</u> (Morocco)

Director and Chairwoman of the Strategy Committee of Suez (France)

**Non-listed companies:**

Director of Holmarcom (Morocco)

*Miriem Bensalah Chaqroun holds several offices with non-listed subsidiaries and/or participations of Les Eaux Minérales d'Oulmès. For the sake of clarity, these offices are not listed here.*

**Other legal entities:**

Member of the Global Investors for Sustainable Development Alliance – GISD (UN)

Member of the Board and Chairman of the Audit Committee of Bank Al Maghrib (Central Bank of Morocco, Morocco)

Director of Al Akhawayn University (Morocco)

Chairman of the Centre Euro-Méditerranéen d'Arbitrage (Morocco)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Director of Eutelsat (France) | 2017 |
| Chairman of the Confédération Générale des Entreprises du Maroc (Morocco) | 2018 |

## THOMAS COURBE

### Director representing the French State

**Birth date:** 10/03/1972

**Nationality:** French

**Date of first appointment:** October 2018

**Start date of current term of office:** October 2018

**Current term expires:** 2021 AGM

**Number of registered shares held:** N/A

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Thomas Courbe is Ingénieur général de l'Armement and a graduate of the École Supérieure de l'Aéronautique et de l'Espace (SUPAERO).

He began his career in 1995 at the Ministry of Defense as head of fighter aircraft programs then Chief of Staff of the Director of aircraft prograMs

He joined the Directorate General of the Treasury in 2002 where he was successively deputy head of the Asia office, head of the Africa -Maghreb office, head of the aeronautical, military and naval business office, Secretary General of the Paris Club and then Deputy Director of bilateral economic relations.

In 2010, he was appointed Chief of Staff of the State Secretary in charge of Foreign Trade (Pierre Lellouche) and Deputy Chief of Staff of the French Minister of Economy, Finance and Industry (Christine Lagarde and then François Baroin).

In 2012, he returned to the Treasury department where he served as Secretary General, then Deputy Director General from 2015 to 2018.

In August 2018, Thomas Courbe was appointed Director General for Entreprises.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

Censor of Orano SA (France)

Government Representative on the Board of La Poste (France)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Director of Dexia SA (France) | 2018 |
| Director of Dexia Crédit Local (France) | 2018 |

## MARIE-ANNICK DARMAILLAC

### Independent Director

**Birth date:** 11/24/1954

**Nationality:** French

**Date of first appointment:** June 2017

**Start date of current term of office:** June 2017

**Current term expires:** 2021 AGM

**Number of registered shares held:** 100

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Chairwoman of the Ethics and CSR Committee
### Member of the Governance and Compensation Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A magistrate by training, Marie-Annick Darmaillac successively held the positions of judge at the Versailles Court and bureau head at the DGCCRF (the French Directorate-General for Competition, Consumer Affairs and Prevention of Fraud). She was subsequently Deputy Director of Continuing Education at the École Nationale de la Magistrature and Technical Advisor to the French Ministry of Justice.

Marie-Annick Darmaillac also held the position of Deputy of the Mediator of the French Republic, before being appointed Secretary General of the Public Prosecutor's Office of the Court of Appeal of Paris and Deputy-prefect of the City of Paris until October 2005. She then joined the Bolloré group, where, as Deputy General Secretary, she was responsible in particular for oversight of the management of the Group's major talents as well as ethical and sustainable development issues.

In October 2015, Marie-Annick Darmaillac became Director of Internal Talent Promotion and Development for the Canal+ group.

In January 2017, she joined Vivendi as Corporate Social Responsibility (CSR) Director.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

Permanent Representative of Financière V on the Board of Bolloré (France)

Permanent Representative of Financière V on the Board of Financière de l'Odet (France)

Permanent Representative of Socfrance on the Board of Société Industrielle et Financière de l'Artois (France)

Permanent Representative of the Société des Chemins de Fer & Tramways du Var et du Gard on the Board of Financière Moncey (France)

**Non-listed companies:**

President of the Société Immobilière Mount Vernon (France)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## THIERRY DEREZ

### Independent Director

**Birth date:** 02/18/1957

**Nationality:** French

**Date of first appointment:** February 2018

**Start date of current term of office:** February 2018

**Current term expires:** 2020 AGM

**Number of registered shares held:** 300

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Audit, Risks and Compliance Committee

### Member of the Governance and Compensation Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Admitted to the Paris Bar before joining the insurance group AM-GMF in 1995, first as Chief Operating Officer of GMF and then as Chairman and Chief Executive Officer of Assurances Mutuelles de France and of GMF in 2001, Thierry Derez was appointed Chairman and Chief Executive Officer of the AZUR-GMF group in September 2003.

He is currently Chairman of the Board of Directors of Assurances Mutuelles de France, of GMF Assurances and Chairman and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (GMF).

He was appointed as Director of MAAF Assurances in November 2004 and became its Chairman and Chief Executive Officer in June 2005.

Since June 2007, he has been the Chairman of the Board of Directors of MMA IARD Assurances Mutuelles, MMA IARD, MMA Vie Assurances Mutuelles and MMA Vie. Since 2008, he has been Chairman and Chief Executive Officer of Covéa.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

Chairman and Chief Executive Officer of Covéa (SGAM) (France)

*Thierry Derez holds numerous offices in non-listed subsidiaries and/or participations of Covéa. For the sake of clarity, these offices are not listed here.*

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Director of Scor SE (France) | 2018 |

*Thierry Derez has held numerous offices in subsidiaries of Covéa. For the sake of clarity, these offices are not listed here.*

## PIERRE FLEURIOT

### Independent Director

**Birth date:** 01/31/1954

**Nationality:** French

**Date of first appointment:** June 2018

**Start date of current term of office:** June 2018

**Current term expires:** 2022 AGM

**Number of registered shares held:** 100

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Lead Independent Director
### Member of the Audit, Risks and Compliance Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of the Institut d'Études Politiques de Paris, Masters' degree in Law and alumni of the École Nationale d'Administration, Pierre Fleuriot started his career as financial auditor, then became general manager of the Commission des Opérations de Bourse.

In 1997 he joined ABN AMRO, where he held various positions and lastly served as Senior Executive Vice-President of ABN AMRO and Vice-President of Wholesale Clients.

In 2009 he became Chief Executive Officer of Credit Suisse France, in charge of the Investment Banking, Private Banking and Asset Management for France, Belgium and Luxembourg.

Following his departure from the management of Credit Suisse France in 2016, he founded PCF Conseil & Investissement, a consulting firm of which he is the Chairman.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

Chairman of PCF Conseil & Investissement (France)

Director and Chairman of the Risk Committee of Bank of America Securities Europe SA (France)

Director and Chairman of the Governance, Appointments and Remuneration Committee of the Casablanca Stock Exchange (Morocco)

**Other legal entities:**

Chairman of Cercle de l'Orchestre de Paris (France)

Chairman of the Fondation de l'Orchestre de Paris (France)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Chief Executive Officer of Credit Suisse France (France) | 2016 |

## RICHARD GENTIL

### Director elected by the employees

**Birth date:** 04/29/1968

**Nationality:** French

**Date of first appointment:** November 2012

**Start date of current term of office:** November 2016

**Current term expires:** November 2020

**Number of registered shares held:** 1

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Richard Gentil was hired as a maintenance technician at the Fonderie (foundry) in 1988. He specializes in hydraulics, pneumatics and gas for the whole foundry. Holding electro-technical and electro-mechanical vocational certificates (BEP and CAP) and a Baccalauréat in the maintenance of Automated Mechanical Systems, he speaks and writes English fluently. He is a member of the Solidarity Committee of the Works Council of Renault Cléon.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

**CURRENT OFFICES**

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## BENOÎT OSTERTAG

### Director elected upon proposal of the employee shareholders

**Birth date:** 08/02/1965

**Nationality:** French

**Date of first appointment:** May 2011

**Start date of current term of office:** June 2017

**Current term expires:** 2021 AGM

**Number of registered shares held:** 161.22 units in an FCPE

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Audit, Risks and Compliance Committee
### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of the École Centrale de Paris, Benoît Ostertag started his engineering career at Renault in 1990.

He then worked as a project manager and team leader in mechanical engineering at the Lardy and Rueil sites. He currently works in the Quality department at the Guyancourt Technocentre supporting various Renault engineering projects worldwide.

Meanwhile, he has served as a CFDT trade union representative on the Works Council since 1996 and on the Renault Central Works Council from 2006 to 2011. Through his professional and trade union career, he has acquired extensive knowledge of Renault, both in France and abroad.

Since 2012, he has been the Chairman of the Supervisory Board of the FCPE Actions Renault, a savings plan for employee shareholders. Since 2015, he has also been the Chairman of the Supervisory Board of the FCPE Renault Mobiliz solidaire, a solidarity-based savings plan for Renault employees based on socially responsible funds. He has represented employee shareholders on Groupe Renault's Board of Directors since May 2011. Convinced that Renault's performance and sustainability are indissociable from Corporate Social Responsibility (CSR), he has long been developing and sharing his CSR expertise.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

None

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## ÉRIC PERSONNE

### Director elected by the employees

**Birth date:** 10/14/1962

**Nationality:** French

**Date of first appointment:** November 2012

**Start date of current term of office:** November 2016

**Current term expires:** November 2020

**Number of registered shares held:** 100 shares and 151.98 units in an FCPE mutual fund

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Governance and Compensation Committee
### Member of the Ethics and CSR Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After starting his career as a photographer, Éric Personne became a Renault dealer in 1988 and led a 15-member team selling 250 vehicles per year. In 2002 he joined the Renault Retail Group where he performed a number of roles including head of after-sales and head of ISO certification.

Since 2007, Éric Personne has been responsible for commercial and quality reporting for Renault Retail Group. From 2005 to 2012, he served as a CFE-CGC representative on the Groupe Renault Works Council, and has built up more than 30 years of experience in employer and employee industrial action in his various professional circles.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

**CURRENT OFFICES**

**Offices and functions in Groupe Renault companies:**

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

**Offices and functions in companies outside of Groupe Renault:**

**Listed companies:**

None

**Non-listed companies:**

None

**Other legal entities:**

Director of Institut Français des Administrateurs (France)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| None | |

## OLIVIA RONGHONG QIU

### Independent Director

**Birth date:** 08/19/1966

**Nationality:** French, Chinese

**Date of first appointment:** April 2016

**Start date of current term of office:** April 2016

**Current term expires:** 2020 AGM

**Number of registered shares held:** 800

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

## Chairwoman of the Strategy Committee

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Olivia Qiu graduated from University of Electronic Science and Technology of China (UESTC) with a degree in BS, Electronic Engineering. She obtained her Ph.D. in Management Science from the École Supérieure des Affaires de Grenoble.

In 1987, Olivia Qiu became an engineer responsible for military radar design then for research and development at the China Chengdu Design Institute No. 784.

She joined Alcatel in 1997 as a project manager responsible for negotiating three joint-ventures for Alcatel China Cable Sector. In 1998, she was appointed Sales Director of the Alcatel China East Region then, in 2000, Commercial Operations Director. In 2002, she became Marketing and 3G Operations Vice President for Alcatel Shanghai Bell, and from 2004 to 2005, Asia-Pacific Region Vice President of Business Development for Alcatel Asia Pacific Region.

In 2005, she became Vice President of Sales, Marketing, Technical Solutions and Service Implementation at Alcatel China. In 2008, she was appointed Regional President for Alcatel-Lucent East Asia Region as well as Chief Executive Officer of Alcatel-Lucent Shanghai Bell.

Olivia Qiu was the Global Head of "Strategic Industries Business Group" at Alcatel-Lucent until 2013.

She is currently Chief Innovation Officer at Philips Lighting, renamed Signify.

## OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Director of Saint-Gobain SA (France) | 2017 |

*Olivia Qiu has held numerous offices with subsidiaries of Alcatel-Lucent. For the sake of clarity, these offices are not listed here.*

## YU SERIZAWA

### Director appointed upon proposal of Nissan

**Birth date:** 07/25/1958

**Nationality:** Japanese

**Date of first appointment:** December 2016

**Start date of current term of office:** December 2016

**Current term expires:** 2021 AGM

**Number of registered shares held:** 100

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Ethics and CSR Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After a short career as economist and financial analyst at Crédit Lyonnais (Tokyo Branch and Paris head office), Yu Serizawa was involved in the creation of InfoPlus Incorporated in 1985, and then founded Forma Corporation in 1992.

She advises numerous multinational companies in cross-cultural adaptation and international strategy.

She also advises several institutional investors on alternative investment strategies.

Yu Serizawa was Senior Advisor for Japan to the World Economic Forum between 1990 and 2005.

Since 2000, she has also been a Senior Advisor to the President of Mori Building Company Limited, and in 2003, she helped establish the Science and Technology in Society forum.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

None

**Non-listed companies:**

President and Chief Executive Officer of Forma Corporation (Japan)

Advisor to the President of Mori Building Company, Limited (Japan)

**Other legal entities:**

Director General for International Affairs, Science and Technology in Society (STS) Forum (non-profit organization, Japan)

Director of the Japanese Committee of Honour of the Royal Academy of Arts in London (United Kingdom)

Auditor for Daisen-In Temple, Daitokuji (Japan)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Secretary General for International Affairs, Science and Technology in Society Forum (Japan) | 2013 |

## PASCALE SOURISSE

### Independent Director

**Birth date:** 03/07/1962

**Nationality:** French

**Date of first appointment:** April 2010

**Start date of current term of office:** June 2018

**Current term expires:** 2022 AGM

**Number of registered shares held:** 1,000

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Chairwoman of the Audit, Risks and Compliance Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of the École Polytechnique and the École Nationale Supérieure des Télécommunications (ENST), Pascale Sourisse began her career holding management positions within France Télécom, Jeumont-Schneider and Compagnie Générale des Eaux, as well as with the French Ministry of Industry. In 2001 she became President and Chief Executive Officer of Alcatel Space and then of Alcatel Alenia Space in 2005.

In 2007, she was appointed Assistant Chief Executive Officer of Thales, a member of the Executive Committee, responsible for the Space division and Chairman and Chief Executive Officer of Thales Alenia Space. In 2008, she was appointed Senior Vice-President and Chief Executive Officer of Thales' Land & Joint Systems division and in February 2010, became Senior Vice-Chairwoman of the Defense & Security C4I Systems division. Since 2012 she has also served as Chairwoman and Chief Executive Officer of Thales Communications & Security, and President of Thales Services.

Since February 2013, she has been Chief Executive Officer of International Development for the Thales group.

Pascale Sourisse is an Officer of the French Legion of Honor (Officier de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite).

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

**CURRENT OFFICES**

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

Director, member of the Strategy and CSR Committee and Compensation Committee of Vinci (France)

**Non-listed companies:**

Chairwoman and Director of Thales International SAS (France)

Chairwoman of Thales Europe SAS (France)

Permanent Representative of Thales in its capacity of Director of ODAS (France)

Member of the ODAS Compensation Commission (France)

**Other legal entities:**

Member of the National Academy of Technology (France)

Member of the Board of Directors of the École Polytechnique (France)

Member of the Board of Directors (College of Founding Members) of the Fondation de l'École Polytechnique (France)

Administrator of the Thales Solidarity Endowment Fund (France)

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Permanent Representative of Thales in its capacity as director of SOFRESA (France) | 2015 |
| Director of the Agence Nationale de la Recherche (France) | 2016 |
| Président of Conseil d'École de Télécom Paris Tech (France) | 2017 |
| Director of the Agence Nationale des Fréquences (France) | 2017 |
| Director, member of the Audit and Ethics Committee and Chairwoman of the End-of-Cycle Obligations Oversight Committee of Areva SA (France) | 2017 |

*Pascale Sourisse has held numerous offices with subsidiaries of Thales and Australian Defence Industries. For the sake of clarity, these offices are not listed here.*

## PATRICK THOMAS

### Independent Director

**Birth date:** 06/16/1947

**Nationality:** French

**Date of first appointment:** April 2014

**Start date of current term of office:** June 2018

**Current term expires:** 2022 AGM

**Number of registered shares held:** 100

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Chairman of the Governance and Compensation Committee
### Member of the Audit, Risks and Compliance Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After graduating from the École Supérieure de Commerce de Paris (ESCP), Patrick Thomas chaired the Lancaster group from 1997 to 2000, and from 2000 to 2003 served as Chief Executive Officer of the British company William Grant & Sons.

Patrick Thomas served as Chief Executive Officer of Hermès International from 1989 to 1997. On July 15, 2003 he rejoined the Hermès group as Chief Executive Officer of Hermès International before being appointed manager, a role which he performed from September 15, 2004 until his retirement on January 31, 2014.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

Lead Independent Director of Teleperformance SE (France)

Vice-Chairman of the Supervisory Board and Chairman of the Compensation and Corporate Governance Committee of Laurent Perrier (France)

**Non-listed companies:**

Member of the Supervisory Board of Leica Camera AG (Germany)

Member of the Supervisory Board of Château Palmer (France)

Chairman of the Supervisory Committee, Compensation Committee and Investments Committee of Ardian Holding (France)

Vice-Chairman of the Supervisory Board of Massilly Holding (France)

Chairman of the Board and Director of Shang Xia Trading (Shanghai)

Chairman and Director of Full More Group (Hong Kong)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| *Patrick Thomas has held numerous offices within the Hermès group's subsidiaries. For the sake of clarity, these offices are not listed here.* | |

## MARTIN VIAL

### Director representing the French State

**Birth date:** 02/08/1954

**Nationality:** French

**Date of first appointment:** September 2015

**Start date of current term of office:** September 2015

**Current term expires:** N/A

**Number of registered shares held:** N/A

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Audit, Risks and Compliance Committee
### Member of the Governance and Compensation Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After graduating from the École Supérieure des Sciences Économiques et Commerciales (ESSEC) and the École Nationale Supérieure des Postes et Télécommunications, Martin Vial began his career as director of PTT (French administration for postal services and telecommunications) within the Finance department of the Direction Générale des Postes.

In 1986 he joined the Treasury department at the French Ministry for the Economy and Finance. He assumed a series of positions between 1988 and 1993, including Technical Advisor, Deputy Chief of Staff and Chief of Staff of the Ministry of Postal Services, Telecommunications and Space, the Ministry of Infrastructure, Housing and Transport, and finally the Ministry of Postal Services and Telecommunications.

In 1993, Martin Vial was appointed Chairman and Chief Executive Officer of Aéropostale and was elected Chairman of the CSTA (French air transport association) and the FNAM (Fédération Nationale de l'Aviation Marchande).

At the end of 1997, he became Chief Executive Officer of La Poste group. In September 2000, he was appointed both Chairman of La Poste group and Vice-President of the Caisse Nationale de Prévoyance (CNP). Martin Vial joined the Cour des Comptes in September 2002 as a Conseiller Maître.

From 2003 to 2014, he was Chief Executive Officer of the Europ Assistance group, the world leader in care services, and Director and Chief Executive Officer of Europ Assistance Holding. He also chairs several boards of directors for the companies of this group. In January 2015 he founded Premium Care, a care company for the elderly.

He has been Commissioner for the French State Holdings (Commissaire aux Participations de l'État) since August 2015.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

Director and member of the Strategy Committee and of the Appointments and Compensation Committee of EDF (France)

Director and member of the Audit Committee of Air France-KLM (France)

**Non-listed companies:**

Director and member of the Audit Committee, Risk Committee and Appointments and Compensation Committee of Bpifrance SA (France)

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| SICAV Libertés et Solidarité | 2015 |
| Director and member of the Strategy Committee and of the Governance and Appointments of Thales | 2017 |

## ANNETTE WINKLER

### Independent Director

**Birth date:** 09/27/1959

**Nationality:** German

**Date of first appointment:** June 2019

**Start date of current term of office:** June 2019

**Current term expires:** 2023 AGM

**Number of registered shares held:** 1,000

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Annette Winkler holds a doctorate in economics from the University of Frankfurt (Germany) and was Managing Partner of a medium-sized construction company.

In 1995, she joined the Mercedes-Benz group, where she held various positions, including Director of Public Relations and Communications.

After two years at the head of the Mercedes-Benz sales and service establishment in Brunswick, she became Chief Executive Officer of DaimlerChrysler Belgium and Luxembourg (1999-2005), and, as Vice President Global Business Management & Wholesale Europe (2006-2010), she became responsible for the development of the Mercedes-Benz global dealer network. From 2010 to 2018 she was Chief Executive Officer of Smart (with worldwide responsibility for the brand and also in charge of the Smart plant in Lorraine).

Annette Winkler has been a member of the Board of Directors of the listed company L'Air Liquide since 2014.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

*Offices and functions in Groupe Renault companies:*

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

**Other legal entities:**

None

*Offices and functions in companies outside of Groupe Renault:*

**Listed companies:**

Director, Member of the Compensation Committee and of the Appointments and Governance Committee of L'Air Liquide SA (France)

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Vice-Chairman of Daimler AG (Germany) | 2018 |
| Chief Executive Officer of Smart (Germany) | 2018 |
| Member of the Supervisory Board of Mercedes-Benz South Africa (South Africa) | 2019 |

## YASUHIRO YAMAUCHI

**Director appointed upon proposal of Nissan**

**Birth date:** 02/02/1956

**Nationality:** Japanese

**Date of first appointment:** February 2017

**Start date of current term of office:** June 2018

**Current term expires:** 2022 AGM

**Number of registered shares held:** 10,385

**Main areas of expertise and experience:** see biography hereafter

**Skills:**

### Member of the Strategy Committee

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yasuhiro Yamauchi holds a degree in Social Sciences from the International Christian University, College of Liberal Arts. He joined Nissan Motor Co., Ltd. in 1981, where he held various management positions in the Purchasing department, as well as in Renault-Nissan Purchasing Organization (RNPO). He joined RNPO in April 2008 as Senior Vice-President in charge of Purchasing.

In April 2014, Yasuhiro Yamauchi was appointed Alliance Global Vice-President, Senior Vice-President, Alliance Purchasing, in charge of the convergence of Management and Human Resources of the Renault and Nissan Purchasing, Engineering, Manufacturing & Supply Chain departments.

From November 2016 to May 2019, he was Chief Competitive Officer of Nissan Motor Co, Ltd, responsible for global manufacturing and R&D, as well as purchasing, manufacturing, supply chain management, R&D, Connected Vehicle and Mobility Services for the Alliance.

He then served as Chief Operating Officer, Representative Executive Officer and, until December 2019, Interim Chairman and Chief Executive Officer of Nissan Motor Co., Ltd.

#### OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

##### CURRENT OFFICES

Offices and functions in Groupe Renault companies:

**Listed companies:**

Director of Renault SA (France)

**Non-listed companies:**

Director of Renault s.a.s. (France)

Member of the Management Board of Renault Nissan b.v. (Netherlands)

**Other legal entities:**

None

Offices and functions in companies outside of Groupe Renault:

**Listed companies:**

Director of Nissan Motor Co, Ltd. (Japan)

**Non-listed companies:**

None

**Other legal entities:**

None

| OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD | Term expired |
|---|---|
| Chief Competitive Officer of Nissan Motor Co., Ltd. (Japan) | 2019 |
| Chief Operating Officer of Nissan Motor Co., Ltd. (Japan) | 2019 |
| Representative Executive Officer of Nissan Motor Co., Ltd. (Japan) | 2019 |
| Interim Chairman and Chief Executive Officer of Nissan Motor Co., Ltd. (Japan) | 2019 |

The business address of all directors in the context of their duties is that of the Company's head office (see chapter 5.1.1.1 of the Universal registration document).

### Changes in the composition of the Board of Directors in 2020

At its meeting on February 13, 2020, the Board of Directors noted that the terms of office of Ms Olivia Qiu and Mr Thierry Derez as Directors expire at the close of the 2020 Annual General Meeting and that they do not wish to seek the renewal of their terms of office. On the recommendation of the Governance and Compensation Committee, the Board of Directors decided not to replace them and, consequently, to reduce the number of directors from 18 to 16 at the end of the 2020 Annual General Meeting.

Following the Annual General Meeting on April 24, 2020, the Board of Directors will be composed of 16 members and will be as follows:

| | Composition following the 2019 Annual General Meeting | Composition following the 2020 Annual General Meeting |
|---|---|---|
| Independence rate | 71.4% | 58.3% |
| Feminization rate | 46.7% | 46.2% |
| Rate of non-French directors | 37.5% | 33.3% |



Therefore:

- the independence rate of the Board of Directors will remain above that recommended by the AFEP-MEDEF Code; and
- the feminization rate will be above that required by law (namely a proportion of women of at least 40%).

It is reminded that, pursuant to the recommendation of the AFEP-MEDEF Code, the directors representing the employees and the directors representing employee shareholders are not taken into account when calculating the independence rate of the Board of Directors.

For the sake of coherence, directors representing the employees and the director representing shareholder employees are not taken into account when calculating the percentage of non-French directors.

Moreover, pursuant to Article L. 225-27 of the French Commercial Code, directors representing the employees are not taken into account when calculating the percentage of women on the Board of Directors. Article L. 225-23 of the French Commercial Code resulting from Law No. 2019-486 of May 22, 2019 (Pacte Law) excludes directors representing employee shareholders from the calculation of the percentage of women on the Board. However, this provision enters into force at the end of the term of office of the employee shareholder representative in progress on the date of publication of the Pacte Law, *i.e.*, as regards Renault, at its Annual General Meeting to be held in 2021. Prior to that date, Renault will continue to take into account the Director elected on the proposal of employee shareholders when calculating the percentage of women on the Board of Directors.

## 3.1.4 Additional information about the directors

### 3.1.4.1 Rights and obligations of the directors

The Board Charter specifies the rights and obligations of the Company directors with respect to:

- the rules governing the operation of the Board of Directors and its committees;
- the duty of confidentiality;
- the independence and the duty of expression;
- the management of conflicts of interest;
- ethical requirements with respect to financial market transactions; and
- holding shares in the Company. Pursuant to the AFEP-MEDEF Code, the Board of Directors' Charter recommends that the directors hold a significant number of shares in registered form in a personal capacity in relation to the attendance fees received, except for directors who do not personally receive attendance fees. In this respect, the directors representing the employees and employee shareholders do not personally receive attendance fees (these being passed on to their respective trade unions); they are therefore not required to hold a significant number of shares in the Company. Furthermore, legislation prohibits directors designated by the French State from personally owning shares.

### 3.1.4.2 No convictions

To the best of Groupe Renault's knowledge, none of the Company's current corporate officers has, over the last five years:

- been convicted of fraud;
- taken part as a corporate officer, general partner or founder in bankruptcy, receivership, or liquidation proceedings;
- been the subject of any charge and/or official public sanction pronounced by a statutory or regulatory authority; or
- been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer, or from taking part in managing or conducting the business of an issuer.

### 3.1.4.3 No potential or actual conflicts of interest

To the best of the Company's knowledge, there is no potential or actual conflict of interest between any of the private interests of the Company directors and their duties towards the Company.

There are no family ties between the members of the Board of Directors.

The corporate officers are not bound to the Company or any of its subsidiaries by a service contract providing for any form of benefit to be granted.

# 3.1.5 Board organization, operation and missions

## 3.1.5.1 Organization of the Board of Directors

| | | | | | |
|---|---|---|---|---|---|
| NUMBER OF MEMBERS | | | NUMBER OF MEETINGS | | |
| **18** | vs | 19 | **14** | vs | 7 |
| *2019* | | *2018* | *2019* | | *2018* |
| PERCENTAGE OF INDEPENDENT DIRECTORS | | | ATTENDANCE RATE | | |
| **64.3%** | vs | 66.7% | **89.1%** | vs | 86.1% |
| *2019* | | *2018* | *2019* | | *2018* |

### Independence of the Board of Directors

The Board of Directors is committed to respecting the principle of independence, which is set forth in its Board Charter.

#### Excerpt of the Board Charter provisions governing the independence of the directors

At least half of the directors, not including any directors elected by the employees (*administrateurs élus par le personnel salarié*) and the director representing the employee shareholders (*administrateur représentant les salariés actionnaires*), shall be considered as independent according to the criteria set forth in the AFEP-MEDEF Code.

However, the Board of Directors, on the recommendation of the Governance and Compensation Committee, may consider that a director who meets the criteria set forth in the AFEP-MEDEF Code may not be considered as independent given his/her particular situation or that of the Company. Conversely, the Board may consider that a director who does not meet the aforementioned criteria should nevertheless be considered as independent.

Each year, the Governance and Compensation Committee shall discuss for each director, whether such director should be considered as independent, and the independence of each director shall be examined on a case-by-case basis by the Board of Directors in light of the criteria set forth in the AFEP-MEDEF Code. Upon appointment of a new director or renewal of the terms of office a director, the question of whether such director may be considered as independent should also be discussed.

Pursuant to the Board Charter, the Board of Directors refers to the criteria set forth in the AFEP-MEDEF Code to identify situations that may compromise the exercise of freedom of judgment by directors.

In any event, it is recalled that, in accordance with the AFEP-MEDEF Code, every director is under an obligation to inform the Board of Directors of any potential conflict of interest situation and to refrain from attending the debate and from participating in the vote of the corresponding deliberation.

Each year, the Company sends a questionnaire to each director in order to assess his or her independence in accordance with the criteria of the AFEP-MEDEF Code.

The Governance and Compensation Committee and the Board of Directors shall also review the classification of each director as independent in light of these same criteria.

As part of this review, the Governance and Compensation Committee and the Board of Directors pays particular attention to the assessment of the materiality of the business relationships between the directors and the Company, both from the standpoint of the Group and of the relevant director. This assessment shall be carried out in the light of qualitative criteria, such as the nature of the business relationships, and quantitative criteria, such as the amounts committed under these relationships.

Accordingly, to qualify as independent, the Board of Directors ensures that there were no significant cash flows between the Company and any company of which Company's directors are directors or Executive Officers, in particular by examining the share these companies account for in the Company's revenue.

The table below summarizes the results of the appraisal of the independence of directors as at December 31, 2019 in view of the criteria defined by the AFEP-MEDEF Code.

| | | Employee or corporate officer (Criterion 1) | Cross-directorships (Criterion 2) | Significant business relationships (Criterion 3) | Family ties (Criterion 4) | Statutory Auditor (Criterion 5) | 12 years on the Board (Criterion 6) | NEO (1) variable compensation (Criterion 7) | Ties with shareholders (Criterion 8) | Status assigned |
|---|---|---|---|---|---|---|---|---|---|---|
| Jean-Dominique | SENARD | Yes | No | No | No | No | No | No | No | Non-independent |
| Catherine | BARBA | No | No | No | No | No | No | N/A | No | Independent |
| Frédéric | BARRAT | Yes | No | No | No | No | No | N/A | No | N/A (2) |
| Miriem | BENSALAH-CHAQROUN | No | No | No | No | No | No | N/A | No | Independent |
| Thomas | COURBE | No | No | No | No | No | No | N/A | Yes | Non-independent |
| Marie-Annick | DARMAILLAC | No | No | No | No | No | No | N/A | No | Independent |
| Thierry | DEREZ | No | No | Yes | No | No | No | N/A | No | Independent |
| Pierre | FLEURIOT | No | No | No | No | No | No | N/A | No | Independent |
| Richard | GENTIL | Yes | No | No | No | No | No | N/A | No | N/A (2) |
| Benoît | OSTERTAG | Yes | No | No | No | No | No | N/A | No | N/A (2) |
| Éric | PERSONNE | Yes | No | No | No | No | No | N/A | No | N/A (2) |
| Olivia | QIU | No | No | No | No | No | No | N/A | No | Independent |
| Yu | SERIZAWA | No | No | No | No | No | No | N/A | Yes | Non-independent |
| Pascale | SOURISSE | No | No | No | No | No | No | N/A | No | Independent |
| Patrick | THOMAS | No | No | No | No | No | No | N/A | No | Independent |
| Martin | VIAL | No | No | No | No | No | No | N/A | Yes | Non-independent |
| Annette | WINKLER | No | No | No | No | No | No | N/A | No | Independent |
| Yasuhiro | YAMAUCHI | No | No | No | No | No | No | N/A | Yes | Non-independent |

*(1) CEO means "Chief Executive Officer".*
*(2) Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*

At its meeting on February 13, 2020, the Board of Directors reviewed the situation of Mr Jean-Dominique Senard with regard to Criterion 1 of the AFEP-MEDEF Code, which states that an Independent Director must not be an executive officer of a subsidiary. In view of his appointment as Interim Chairman of Renault s.a.s. on October 11, 2019, the Board of Directors noted that it was not possible to classify him as an Independent Director, despite the fact that all of the other independence criteria stated in the AFEP-MEDEF Code had been met.

At its meeting on February 13, 2020, the Board of Directors reviewed Mr Pierre Fleuriot's situation with regard to Criterion 1 of the AFEP-MEDEF Code in view of his appointment as Director of Nissan proposed by Renault at the Nissan Extraordinary General Meeting of February 18, 2020, pursuant to the agreements existing between the two companies.

The AFEP-MEDEF Code states that one of the criteria that the Board of Directors must examine to rule out the status of Independent Director is "not being or not having been, during the previous five years, an employee, executive officer or director of a company within the company's scope of consolidation". According to the AFEP-MEDEF application guide, this recommendation also applies when the director exercises "a term of office in a company in which the former holds a non-majority but significant shareholding, or in a sister company".

Nissan is not fully consolidated by Renault. Renault has significant influence over Nissan and therefore recognizes its stake in Nissan using the equity method (for more details on Renault's stake in Nissan, see Note 12 to chapter 4.2.6.4 of the Universal registration document).

The Board of Directors, on the recommendation of the Governance and Compensation Committee, held that Renault's proposal to appoint its Lead Independent Director to the Nissan Board of Directors with a view to developing and strengthening cooperation between the Boards of Directors of the two Alliance partners was not such as to call into question Mr Pierre Fleuriot's freedom of judgment and independence with respect to Renault.

Furthermore, if such a situation were to give rise to any conflict of interest, the provisions of the Board charter requiring the director in question to abstain from participating in the Board of Directors' deliberations and voting would apply.

At its meeting on February 13, 2020, the Board of Directors also reviewed with particular attention the situation of Mr Thierry Derez in light of Criterion 3 of the AFEP-MEDEF Code.

Pursuant to the recommendations of the French Financial Markets Authority, the Board of Directors assessed the relationship between Groupe Renault and Covéa from the point of view of each of the two groups, taking into account both quantitative and qualitative criteria (such as duration, continuity, economic dependence, exclusivity, organization of the relationship).

On this occasion, the Board of Directors concluded that the links between the Company and Covéa – whether it is repairs entrusted to Renault garages, insurance marketed by RCI or real estate affairs – are not sufficiently significant or strategic for Groupe Renault.

Following an analysis of the independence of the Directors, on February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee and in accordance with the criteria set forth in the AFEP-MEDEF Code, drew up the following list of Directors classified as independent as at December 31, 2019: Catherine Barba, Miriem Bensalah Chaqroun, Marie-Annick Darmaillac, Olivia Qiu, Pascale Sourisse, Annette Winkler, Thierry Derez, Pierre Fleuriot and Patrick Thomas.

Thus, as of December 31, 2019, the Company's Board of Directors was composed of 18 members, 9 of whom were deemed to be independent. Pursuant to the recommendations of the AFEP-MEDEF Code, the directors representing the employees and the director representing employee shareholders have not been taken into account when calculating the independence rate, which is thus 64.3%.

## Lead Independent Director

The Board of Directors has decided to maintain a Lead Independent Director appointed from among the independent directors despite the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer.

The position of Lead Independent Director was first filled in 2019 by Mr Philippe Lagayette, whose term of office as Director expired at the Annual General Meeting of June 12, 2019.

At its meeting on July 25, 2019, the Board of Directors then appointed Mr Pierre Fleuriot as Lead Independent Director for the remainder of his term of office as Director, i.e., until the Annual General Meeting called to approve the financial statements for financial year 2021.

The powers of the Lead Independent Director are set out in the Board Charter.

### Excerpt of the Board Charter provisions governing the Lead Independent Director

The Board of Directors may, on the proposal of the Governance and Compensation Committee, appoint a Lead Independent Director from among directors considered to be independent.

If the functions of the Chairman of the Board of Directors and the Chief Executive Officer are combined, the Board of Directors is required to appoint a Lead Independent Director.

The Lead Independent Director shall be appointed for a term that shall not exceed his/her term of office as director. He/she shall be eligible for reappointment as Lead Independent Director. The functions of the Lead Independent Director may be terminated at any time by the Board of Directors.

The Lead Independent Director shall replace the Chairman in the following cases:

- if the Chairman is temporarily unavailable, for the duration of his/her unavailability;
- in the event of the Chairman's death, until the election of a new Chairman.

More generally, the Lead Independent Director shall chair meetings of the Board of Directors in the absence of the Chairman.

The Lead Independent Director shall:

- be consulted by the Chairman regarding the agenda of each meeting of the Board of Directors and the schedule of meetings; the Lead Independent Director may propose to the Chairman additional agenda items for a Board of Directors' meeting or the convening of a Board of Directors' meeting regarding a particular matter, whose importance or urgency would justify holding an extraordinary meeting;
- convene the Board in exceptional circumstances, after having sought the opinion of all Committees Chairs;
- convene, at least once per year, if the functions of the Chairman and the Chief Executive Officer are combined, a meeting of the Board's members in the absence of the Chairman and Chief Executive Officer and, as the case may be, of the Chief Operating Officer(s). Those meetings shall be convened, in particular, to assess the performance of the Chairman and Chief Executive Officer and, as the case may be, of the Deputy Chief Executive Officer(s), and to examine their respective compensation; the Lead Independent Director shall preside over the debates during such meetings;
- ensure that the Independent Directors liaise with the other members of the Board of Directors and General Management; the Lead Independent Director shall work to ensure that the directors are able to fulfill their duties under the best possible conditions and, in particular, receive comprehensive information prior to the Board of Directors' meetings;
- prevent conflicts of interest, particularly by carrying out prevention and awareness-raising activities among the directors; the Lead Independent Director shall bring to the Chairman's attention any potential conflicts of interest concerning the Chief Executive Officer and the Deputy Chief Executive Officers, as well as members of the Board of Directors he/she may have identified;
- be appointed by the Board of Directors as Chair or member of one or more Committees of the Board of Directors; in any event, the Lead Independent Director may attend meetings and have access to the work of all committees;
- take note of requests made by directors regarding governance and shall work to ensure that such requests are addressed; the Lead Independent Director shall assist the Chairman or the Chief Executive Officer in responding to shareholders' requests, be available to meet some of them with the approval of the Chairman or the Chief Executive Officer, and inform the Board of shareholders' concerns regarding governance;
- ensure compliance with this Board Charter; and
- report on the assessment of his/her duties once a year to the Board of Directors; the Lead Independent Director may be invited by the Chairman to report on his/her activities during Annual General Meetings.

## Review of the Lead Independent Director's activity in 2019

During the financial year 2019 and until the end of his term as director, Mr Philippe Lagayette attended all meetings of the Board of Directors, the Compensation Committee and the Audit, Risks and Ethics Committee, which he chaired.

Mr Pierre Fleuriot also attended all meetings of the Board of Directors and of the Audit, Risks and Ethics Committee, renamed Audit, Risks and Compliance Committee as from June 12, 2019, and meetings of the Governance and Compensation Committee.

The Lead Independent Director plays a major role in the governance of the Company by fulfilling several missions, which focus on the following areas:

### Governance and compensation

As Lead Independent Director, Mr Philippe Lagayette played a particularly important role in the implementation of Renault's new governance structure. To that end, he participated in the selection process for the Chairman of the Board of Directors and chaired the Board of Directors' deliberations on January 24, 2019 concerning the separation of the functions of Chairman and Chief Executive Officer, the division of roles between those two functions and the appointment of the Chairman and the Chief Executive Officer.

Following his appointment as Lead Independent Director, Mr Pierre Fleuriot was closely involved in the work of the Governance and Compensation Committee, particularly in the process of selecting a new Chief Executive Officer following the dismissal of Mr Thierry Bolloré.

They also participated in the determination of the compensation of executive officers both in connection with the departure of former directors and the appointment of new directors.

### Board of Directors' meetings

The Lead Independent Director was involved in the preparation of the Board meetings, giving his opinion on the agendas for each of the meetings and overseeing the quality of the information supplied to the members of the Board of Directors and its committees.

In 2019, both Mr Philippe Lagayette and Mr Pierre Fleuriot asked the Board of Directors to examine a number of specific points in light of current events at the Group and in the automotive industry.

They regularly met with all the directors and in particular with the chairpersons of the various committees.

### Discussions with the senior management and Independent Directors

Mr Philippe Lagayette and Mr Pierre Fleuriot each had regular discussions with:

- the Independent Directors, to ensure that the conditions are in fact met for them to be able to fully exercise their mandate;
- the Chairman of the Board of Directors, the Chief Executive Officer, the members of the Group Executive Committee, and the heads of key functions (VP, Group Accounting, General Counsel, Head of Tax, etc.), as well as the Statutory Auditors.

They also kept themselves informed of the latest news of the Group and its competitors.

### Relations with shareholders

During their term of office as Lead Independent Directors, Mr Philippe Lagayette and Mr Pierre Fleuriot reviewed the concerns of shareholders and in particular the major shareholders, and ensured that they were satisfactorily addressed by the Company.

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## 3.1.5.2 Operation of the Board of Directors

The rules governing the operation of the Board of Directors are specified in the Board Charter. The latest version of the Board of Directors' Charter was adopted by the Board of Directors at its meeting of June 12, 2019, on the basis of the work of the Appointments and Governance Committee. This update aims to take into account both the evolution of the Company's governance and the new version of the AFEP-MEDEF Code of June 2018.

### Excerpt of the Board Charter provisions governing the operation of the Board of Directors

The Board of Directors shall be convened to discuss a specific agenda.

Each director shall be free and shall have the responsibility to request the Chairman to add certain items to the draft agenda if he/she believes that they fall within the competence of the Board of Directors. The Chairman shall inform the Board of this addition.

The Board of Directors may during any meeting, in case of emergency, discuss matters that are not on the agenda which was previously communicated.

The Chairman shall ensure that the directors receive, including from the Chief Executive Officer, any documents and information necessary to perform their duties.

Minutes shall be drawn up for each meeting of the Board of Directors in accordance with applicable laws and provisions of the articles of association.

### 3.1.5.3 Missions of the Board of Directors

#### Excerpt of the Board Charter provisions governing the missions of the Board of Directors

The Board of Directors shall determine, on the proposal of the Chief Executive Officer, the strategic orientations of the Company's activities, taking into account social and environmental issues. It shall ensure their implementation.

Subject to the powers expressly granted to shareholders' meetings and within the limits of the Company's corporate purpose, the Board shall address any matter relating to the proper operation of the Company and settle by its deliberations any matters affecting the Company.

In accordance with applicable laws and regulations, and pursuant to the terms and conditions set forth, as the case may be, in this Board Charter, the Board of Directors shall:

- have authority to convene general meetings of the shareholders of the Company and to determine the agenda of such meetings;
- examine and approve the parent company financial and consolidated financial statements, report on its activity in the annual report and approve the statutory and regulatory reports;
- examine the Group's annual budget and medium-term plan presented by the Chief Executive Officer and any modification thereto;
- discuss each year the strategic orientations of the Company and the Alliance, taking into account social and environmental issues;
- examine on a regular basis any opportunities and risks associated with the strategy that it has defined;
- give its opinion on any important decision that is not in line with the Company's strategy;
- be alerted by Senior Management, at the earliest opportunity, of the occurrence of any external event or internal developments that significantly affect the Company's outlook or the forecasts that have been presented to the Board of Directors;
- promote long-term value creation by the Company and the Group, taking into account ethical, social and environmental responsibility issues;
- choose the form of exercise of the Senior Management in accordance with Article 17 of the Company's articles of association;
- appoint or dismiss the Chairman, the Chief Executive Officer and, as the case may be, on the proposal of the Chief Executive Officer, the Deputy Chief Executive Officer(s), and determine their compensation;
- determine the powers of the Chief Executive Officer and, as the case may be, in agreement with the Chief Executive Officer, those of the Chief Operating Officer(s);
- decide, on the proposal of the Chairman, to create committees in accordance with applicable law and provisions of the articles of association and this Board Charter;
- determine, on the proposal of the Chairman, the duties assigned to the committees created in accordance with applicable law and provisions of the articles of association and this Board Charter;
- appoint, on the proposal of the Governance and Compensation Committee, the members of the committees created in accordance with applicable law and provisions of the articles of association and the Board Charter;
- determine every year, on the proposal of the Governance and Compensation Committee, the list of directors considered to be independent according to the criteria set forth in the AFEP-MEDEF Code;
- allocate, on the proposal of the Governance and Compensation Committee, attendance fees among directors in accordance with this Board Charter;
- decide to grant stock options and/or performance shares to eligible Group employees and corporate officers in accordance with the authorizations granted to the Board by the Annual General Meeting;
- present to the Annual General Meeting a report on corporate governance;
- monitor the implementation of the system for preventing and detecting bribery and influence peddling;
- monitor the implementation of a non-discrimination and diversity policy;
- define the Company's financial communication policy;
- ensure that shareholders and investors are provided with relevant, balanced and educational information about strategy, the development model, the way in which material extra-financial issues affecting the Company are taken into account and the Company's long-term outlook; and
- authorize agreements and undertakings governed by Articles L. 225-38 *et seq.* of the French Commercial Code.

The Board of Directors shall also carry out any controls and verifications it deems appropriate. Each director shall receive any information necessary for the performance of his/her duties.

The Chairman shall periodically, and at least once a year, add to the agenda of a Board meeting a review of the budget, the industrial strategy of the Group, market developments, the competitive environment and the main issues, including concerning ethics and the Group's social and environmental responsibility, the Group's financial strategy and the Company's policy regarding gender equality and equal pay.

The Board of Directors shall meet at least once a year without the presence of senior executive officers. These meetings shall be dedicated, in particular, to the assessment of the performance of the Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), and the review of their respective compensation.

### 3.1.5.4 Activity of the Board of Directors in 2019

In 2019, the Board of Directors met fourteen times. The average length of the meetings of the Board of Directos was three hours, it being specified that one meeting, dedicated to the Group's strategy, lasted a full day.

All decisions on the Board of Directors meeting agenda were discussed, the agenda being amended to include items affecting the Company, thus demonstrating the Board of Directors' high degree of agility. In 2019, the attendance rate was 89.1% (for details of attendance rates for each individual director, see chapter 3.1.2 of the Universal registration document).

The Board of Directors discussed and passed resolutions on the following items relating to the key aspects of its remit:

#### Corporate governance

During the course of 2019, the Board achieved the following:

- noted the resignation of Mr Carlos Ghosn from his positions as Chairman of the Board of Directors and Chief Executive Officer of Renault with effect from January 23, 2019 and from his position as director with effect from June 12, 2019;
- decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer. On that occasion, the Board Directors appointed Mr Jean-Dominique Senard as Chairman of the Board of Directors and Mr Thierry Bolloré as Chief Executive Officer of the Company;
- decided to end the term of office as Chief Executive Officer of Mr Thierry Bolloré and to appoint Ms Clotilde Delbos as Interim Chief Executive Officer of the Company while a process for the appointment of a new Chief Executive Officer is conducted;
- decided to maintain a Lead Independent Director appointed from among the Independent Directors at the end of Mr Philippe Lagayette's term of office and to appoint Mr Pierre Fleuriot in that capacity as from July 25, 2019;
- proposed to the Annual General Meeting of June 12, 2019 the appointment of Ms Annette Winkler as Independent Director to replace Ms Cherie Blair, whose term of office expired;
- established the list of Independent Directors, on the proposal of the Appointments and Governance Committee;
- convened the Annual General Meeting held on June 12, 2019, *inter alia*, by setting its agenda;
- ruled on the composition of its specialized committees; On this occasion, the Board of Directors decided to reorganize its committees (for details of this reorganization, see chapter 3.1.6 of the Universal registration document);
- adopted the reports from the Chairs of each specialized committee;
- performed an evaluation of its operation;
- set the elements composing the compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for financial year 2019;
- set the compensation policies for the Chairman and Chief Executive Officer, the Chairman of the Board of Directors and the Chief Executive Officer for financial year 2019;
- approved the compensation of Ms Clotilde Delbos in her capacity as Interim Chief Executive Officer of the Company, and ruled on the financial conditions of Mr Thierry Bolloré's departure;
- reviewed the overall budget and the allocation policy for the directors' attendance fees;
- determined the details of the performance share plan for 2019;
- adopted the management report of the Board of Directors and the report on corporate governance for the 2018 financial year, pursuant to Articles L. 225-100 and L. 225-37 of the French Commercial Code;
- analyzed and approved the answers to the written questions asked by shareholders of the Company prior to the Annual General Meeting;
- reviewed the non-discrimination and diversity policy in particular with regard to the balanced representation of women and men in management bodies and beyond, as well as the equal pay policy within the Group, pursuant to Article 1.7 of the AFEP-MEDEF Code and the law No. 2018-771 of September 5, 2018 for the freedom to choose one's professional future;
- reviewed the final conclusions of the internal verification mission at Renault by the Ethics and Compliance department, which was given that task on November 23, 2018, and made recommendations on the necessary measures, particularly in terms of internal organization, required by the situations identified during those verifications;
- reviewed the conclusions of the joint audit mission conducted with Nissan for RNBV and asked Senior Management to approach Nissan to jointly remedy the deficiencies found as soon as possible and to examine at the RNBV level the legal actions available in the Netherlands.

### The Group's strategy

The Board of Directors reviewed the following strategic topics:

- the proposal by Fiat Chrysler Automobiles for a potential 50/50 merger between Groupe Renault and Fiat Chrysler Automobiles;
- industrial performance and the FAST program;
- sales performance;
- securing of the Group's performance in Europe;
- the medium/long-term strategy for After-sales.

As in previous years, the Board of Directors organized its annual one-day strategy seminar, which was held at the Technocentre, to discuss issues of importance to Groupe Renault. During this seminar, the directors were able to discover the future vehicles of Groupe Renault's product range and benefit from an in-depth presentation, by operational managers, on the macroeconomic environment of the automotive market, the strategy of Groupe Renault and its prospects.

### Accounts and budget

During the course of 2019, the Board of Directors achieved the following:

- approved Groupe Renault's consolidated financial statements, the parent company financial statements of the Company, and those of Renault s.a.s., for the 2018 financial year;
- determined the allocation of the 2018 profits and dividend payments proposed to the Shareholder's Annual General Meeting;
- examined the consolidated financial statements for the first half of 2019; and
- reviewed the 2020 budget.

### Related-party agreements

During its meeting held on February 13, 2019, the Board of Directors:

- confirmed that, with the exception of the second amendment to the Master Cooperation Agreement between the Company, Nissan, Daimler, RNBV and Mitsubishi, no regulated agreements were entered into during financial year 2018; and
- re-examined the related-party agreements entered into and authorized during previous financial years, the performance of which continued during the 2018 financial year.

At its meeting on April 3, 2019, the Board of Directors authorized the signature of a non-compete agreement with Mr Thierry Bolloré and the implementation of a supplementary pension commitment for Mr Thierry Bolloré. The non-compete agreement and the supplementary pension commitment were approved by the Shareholders' Annual General Meeting on June 12, 2019.

At its meeting of October 11, 2019, the Board of Directors decided to revoke Mr Thierry Bolloré from his position as Chief Executive Officer of the Company effective immediately. On that occasion, the Board of Directors noted that Mr Thierry Bolloré would (i) retain the rights acquired under the defined-contribution scheme under the conditions stated by the rules of that plan and (ii) lose the benefit of the defined-benefit scheme insofar as the benefit was subject to a presence condition in Groupe Renault at the time he asserted his retirement rights.

At its meeting on November 8, 2019, the Board of Directors decided to waive the application of the non-compete undertaking of Mr Thierry Bolloré, and that consequently no indemnity would be due by the Company to Mr Thierry Bolloré under said non-compete agreement.

For further details on the related-party agreements and undertakings, see chapter 4.3.2 of the Universal registration document.

## 3.1.6 Activity of the specialized committees of the Board of Directors in 2019

To examine specific issues within the remit of the Board of Directors in more detail, four specialized committees have been set up to assist the Board of Directors in its remit and work. The recommendations of the committees are presented to the Board in the form of reports given in Board of Directors meetings by their respective Chairs.

At its meeting on June 12, 2019, the Board of Directors decided to reorganize its committees as follows:

- the merger of the Appointments and Governance Committee and the Compensation Committee, now called the "Governance and Compensation Committee";
- the creation of an Ethics and CSR Committee, for better consideration of the company's ethics and CSR issues;
- the renaming of the Audit, Risks and Ethics Committee, now called the "Audit, Risks and Compliance Committee"; and
- the simplification of the name of the International, Industrial and Digital Strategy Committee, which is now called the "Strategy Committee".

The general operation of the committees is mainly defined in the Board Charter.

### Excerpt of the Board Charter provisions governing committees

The committees shall be solely composed of members of the Board of Directors.

The Board of Directors shall appoint, on the proposal of the Governance and Compensation Committee, the members of the committees, taking into account the skills, experience and availability of the directors, for terms not exceeding their terms of office as members of the Board of Directors.

These members shall be appointed in a personal capacity and may not be represented.

Each committee shall be chaired by an Independent Director appointed by the Board of Directors, on the proposal of the Governance and Compensation Committee, for a maximum term corresponding to his/her term as member of the Board of Directors. The Chair of a committee may be reappointed.

The Chair of each committee shall determine the conditions under which he/she shall report to the Board of Directors on the work of the committee. If he/she is unable to do so, the Chair shall name a committee member to report to the Board of Directors on such committee's work.

Any matter falling within a Committee's area of competence as determined by the Board Charter shall be referred to that Committee.

The Chairman may also refer to a Committee any matter included or to be included on the agenda of the Board of Directors.

Finally, the Board of Directors and the Chairman may also, at any time, refer to a Committee other matters falling within its area of competence.

The Chair of each Committee shall establish the agenda of each meeting and determine its annual program. Where the agenda of a committee meeting includes certain matters that also fall within the area of competence of another committee, the Chair of the first committee shall ensure coordination with the Chair of the second.

Notices of meetings may be issued by any means, including verbally, according to the conditions provided for in respect of each committee.

Committees must be in a position to fully perform their duties. For that purpose, information and documents relating to the agenda of the committee meetings shall be sent, except in case of emergency or where necessary and justified, at least three (3) calendar days prior to the meeting.

Committees shall be held at least two (2) days before the meeting of the Board of Directors during which items examined during committee meetings will be discussed, except in case of emergency or where impossible.

Committees may, in fulfilling their respective remit, hear members of the Executive Committee of the Group and other senior executives of the Group, and request that external technical studies be conducted, at the Company's expense, after having informed the Chairman or the Board of Directors. If committees resort to the services of external advisors, the committees must ensure that the advisors concerned remain objective.

The committees shall report on the information obtained and the opinions received.

The Chairman and the Chief Executive Officer may, if they so wish, take part in committee meetings, except in cases where their personal situation is under discussion. They have access to the work of the committees.

## 3.1.6.1 Audit, Risks and Compliance Committee (CARC)

| NUMBER OF MEMBERS | | | NUMBER OF MEETINGS | | |
|---|---|---|---|---|---|
| 6 | vs | 8 | 11 | vs | 6 |
| 2019 | | 2018 | 2019 | | 2018 |

| PERCENTAGE OF INDEPENDENT DIRECTORS ** | | | ATTENDANCE RATE | | |
|---|---|---|---|---|---|
| 80% | vs. | 83.3% | 92.3% | vs. | 90.7% |
| 2019 | | 2018 | 2019 | | 2018 |

**MEMBERS AS OF DECEMBER 31, 2019**

- Ms Sourisse * (Chairwoman)
- Mr Derez *
- Mr Fleuriot *
- Mr Ostertag **
- Mr Thomas *
- Mr Vial

* *Independent Director.*
** *In accordance with the recommendations of the AFEP-MEDEF Code, the director representing employee shareholders is not taken into account when calculating the independence rate.*

## Composition

The Board Charter lists the principles for the composition of CARC.

### Excerpt of the Board Charter provisions governing the composition of CARC

The CARC is composed of three (3) to six (6) members appointed by the Board, and at least two-thirds (2/3) of such members shall be selected from among the Independent Directors. It may not include any senior executive officer. Directors members of the CARC shall hold qualifications or have technical or managerial experience in the financial or accounting fields.

The CARC Chair, selected from among the Independent Directors on the proposal of the Governance and Compensation Committee, shall be appointed or reappointed after a specific examination by the Board.

Upon their appointment, CARC members shall receive information on the Company's specific accounting, financial, extra-financial and operational features.

The CARC meets at least four (4) times a year, before each closing of the annual and half-yearly financial statements. It meets when convened by the Chair of the committee or at the request of half of its members.

The composition of CARC has been designed to ensure that all its members have finance and/or accounting skills or appropriate professional experience in the areas within the CARC's remit (see the biographical information on the directors concerned in chapter 3.1.3 of the Universal registration document).

Ms Pascale Sourisse has had a career in management positions in various large companies in France and abroad. Before her appointment as Chair of the CARC, she had been a member of that committee since 2010.

Mr Derez is Chairman and Chief Executive Officer of Covéa. He has held and currently holds numerous offices in insurance companies. His experience allows him to participate in this committee and enrich its work.

Mr Pierre Fleuriot, former General Manager of the Commission des Opérations de Bourse (now French Securities Market Authority), has held various positions at the head of international banking institutions. This professional experience gives him particular legitimacy to participate in this committee.

Mr Benoît Ostertag is a director representing employee shareholders. He has received specific training for the role of director, including training covering the accounting and financial aspects of company management. His thorough knowledge of the Company enables him to have a firm grasp of the committee's business and actively take part in it.

Mr Thomas has had a career as the head of large international groups. His experience, which was acquired in particular as manager of the Hermès group for ten years, gives him the ability to participate actively in all discussions of this committee.

Mr Martin Vial, Head of the French State Holding Agency (Agence des Participations de l'État) since August 24, 2015, has been a director of many companies with public shareholding.

## Missions

### Excerpt of the Board Charter provisions governing the missions of the CARC

The CARC shall monitor issues concerning the preparation and audit of the financial statements and accounting and financial information, as well as the effectiveness of internal audit and risk management systeMs

In that respect, the Board assigns the following duties to the CARC:

- regarding the financial statements:
  - monitor issues relating to the preparation and audit of the financial statements and financial information,
  - carry out a prior examination of the Company's financial statements, particularly the annual and half-year parent corporate and consolidated financial statements, and monitor the statutory audit thereof by the Statutory Auditors; the examination of the annual financial statements shall be accompanied by a presentation by management describing the exposure to risks, including social and environmental risks and the Company's material off-balance sheet commitments along with accounting options selected,
  - ensure the relevance and constancy of accounting methods used to prepare the parent corporate and consolidated financial statements, particularly in respect of material transactions and in order to prevent any breach of such rules,
  - examine the scope of consolidated companies and, as the case may be, the reasons for which companies have not been included therein,
  - examine, before their publication, draft annual and half-year financial statements, activity reports, results and all financial statements (including forecasts) prepared for the purposes of specific material transactions, and important financial press releases relating thereto before they are published,
  - examine, in financial terms, certain transactions proposed by the Chief Executive Officer and presented to the Board of Directors, such as capital increases, purchases of participations and acquisitions or disposals,
  - be informed annually of the Group's financial strategy and of the terms of the Group's main financial transactions, and
  - ensure the quality of procedures implemented to ensure compliance with financial markets regulations;
- regarding external control:
  - oversee the selection procedure for Statutory Auditors and submit to the Board a recommendation on the Statutory Auditors proposed for appointment by the general meeting of the shareholders, as well as a recommendation in the event of a renewal of the appointment of one or more Statutory Auditors,
  - monitor the Statutory Auditors' performance of their assignments, including by reviewing their audit plan and program of work, the results of their verifications, their recommendations and related next steps,
  - examine each year with the Statutory Auditors the breakdown of fees invoiced by the Statutory Auditors between audit services in the strict sense, audit-related services and any other services,
  - approve the provision by the Statutory Auditors of non-prohibited services, other than the certification of the financial statements, as authorized by applicable regulations,
  - ensure that the Statutory Auditors meet independence requirements and take necessary measures in accordance with applicable law, and
  - mediate, as the case may be, on areas of disagreement between the Statutory Auditors and Senior Management that may arise in such activities;
- regarding internal control:
  - monitor the effectiveness of the Group's internal control and internal audit systems and procedures, including regulatory and operational compliance,
  - examine with internal audit officers the plans for internal control work and action, the conclusions of such work and action, the resulting recommendations and related outcome,
  - be informed by Senior Management of any complaints by third parties or internal information relating to criticism of the Company's accounting documents or internal control procedures, as well as procedures adopted for that purpose and steps taken to address such complaints or criticism, and
  - examine the section relating to internal control and risk management procedures included in the Company's annual management report;
- regarding risks:
  - monitor the effectiveness of systems and procedures for identifying and assessing the Group's risks concerning procedures relating to the preparation and treatment of accounting and financial information,
  - examine material risks and off-balance sheet commitments, assess the importance of failures or weaknesses reported to it and inform, as the case may be, the Board of Directors, and
  - ensure, as the case may be, that a system for preventing and detecting bribery and influence-peddling has been implemented.

As part of its duties, the CARC shall hear the Statutory Auditors, particularly during meetings concerning the examination of the process for preparing financial information and accounting information, in order for the Statutory Auditors to report on the performance of their duties and the conclusions of their work.

The CARC shall also hear finance, accounting, treasury and internal audit officers. These hearings must be held, if the committee so wishes, without the presence of the Company's Senior Management.

The CARC shall report to the Board regularly on the performance of its duties. It shall also report on the results of the audit of the financial statements, the way in which such audit contributed to the integrity of financial information and the role it played in this process. It shall inform the Board without delay of any difficulty encountered.

### Committee activity

The CARC met eleven times in 2019, with an attendance rate of 92.3% (for details of attendance rate for each individual director, see the table in chapter 3.1.2 of the Universal registration document).

Pursuant to the applicable laws and regulations in force and the AFEP-MEDEF Code, the CARC dealt in particular with the following topics:

- examining the Group's consolidated financial statements, the financial statements of the Company and Renault s.a.s. for 2018, the Group's consolidated financial statements for the first half of 2019, and the related financial press releases. In particular, the CARC studied the valuation of assets in the operational sector, asset depreciation tests, and trends in the automotive market and their consequences on the Company's financial performance;
- reviewing the accounting and financial impacts of certain Group's partnerships;
- monitoring the 2019 performance with respect to the budget;
- the preparation of the 2020 budget;
- reviewing the draft financial resolutions proposed to the Annual General Meeting of June 12, 2019;
- reviewing the guarantees granted in 2019;
- monitoring the 2019 internal audit plan and presentation of the 2020 internal audit plan;
- the external audit plan presented by the Statutory Auditors as part of their statutory auditing mission;
- the independence of the Statutory Auditors;
- monitoring the non-audit services provided by the Statutory Auditors;
- the Statutory Auditors' renewal process;
- mapping of the corruption risks and update on the action plan for the implementation of the French "Sapin II Act";
- Groupe Renault's actions to prevent corruption;
- RCI's governance and risk control scheme;
- monitoring of financial risks;
- internal control and risk control (mapping of the Group's major risks);
- updating of the country risk assessment methodology;
- internal control self-assessment;
- monitoring of the main legal and tax disputes;
- developments in the management report on Internal Control (formerly included in the report of the Chairman of the Board of Directors);
- strengthening the regulatory compliance system;
- monitoring of the internal verifications mission entrusted to the Ethics and Compliance department as well as the audit mission carried out on RNBV (for more details regarding this mission and the audit mission carried out on RNBV in 2019, see chapter 3.4 of the Universal registration document).

The following points may also be noted:

- the Company's consolidated financial statements and parent corporate financial statements were examined by CARC during its meetings, held in due time in accordance with the AFEP-MEDEF Code;
- one of CARC's missions is to monitor the effectiveness of the internal control and risk management systems, described in chapter 1.5. As part of this, the examination of the financial statements by the committee, in the presence of the Chief Financial Officer and of the Head of Audit, Risk and Ethics, is accompanied by a presentation given by the Statutory Auditors describing the key aspects of the work performed, their conclusions on the accounting approaches adopted, and developments in regulations in this area; and
- the CARC also auditioned the Company's Statutory Auditors without senior management being present.

After each CARC meeting a report is presented to the next meeting of the Board of Directors. These reports allow the Board of Diretors to be fully informed, thus facilitating its deliberations. Furthermore, minutes are drawn up after each CARC meeting and submitted for the approval of all its members.

## 3.1.6.2 Ethics and CSR Committee

| NUMBER OF MEMBERS | NUMBER OF MEETINGS |
|---|---|
| 5 | 1 |
| *2019* | *2019* |
| **PERCENTAGE OF INDEPENDENT DIRECTORS **** | **ATTENDANCE RATE** |
| 66.7% | 80% |
| *2019* | *2019* |

**MEMBERS AS OF DECEMBER 31, 2019**

- Ms Darmaillac * (Chairwoman)
- Ms Barba *
- Mr Barrat **
- Mr Personne **
- Ms Serizawa

* *Independent Director.*
** *In accordance with the recommendations of the AFEP-MEDEF Code, the directors representing the employees are not taken into account when calculating the independence rate.*

## Composition

The Board Charter lists the principles governing the composition of the Ethics and CSR Committee.

### Excerpt of the Board Charter provisions governing the composition of the Ethics and CSR Committee

The committee shall consist of three (3) to six (6) members appointed by the Board, the majority of whom shall be selected from among the Independent Directors. The Chair of the Committee shall be appointed by the Board, on the proposal of the Governance and Compensation Committee, from among the Independent Directors.

## Missions

### Excerpt of the Board Charter provisions governing the missions of the Ethics and CSR Committee

The Ethics and CSR Committee is tasked by the Board with:

- ensuring that the Company and Group have a high level of commitment in terms of extra-financial compliance, ethics and social and environmental responsibility;
- examining the Group's policies, reference texts and Charters on these matters, including the Group's code of ethics, and ensuring their effectiveness;
- reviewing and assessing procedures for reporting and controlling non-financial indicators (environmental, health and safety indicators and workforce-related reporting);
- receiving, every year, the presentation of the risk-mapping of the Group relating to ethics, social responsibility and sustainable development; it shall review the risks and opportunities identified and shall be kept informed of their evolution and the characteristics of the related management systems;
- reviewing reporting, assessment and control systems to ensure that the Company is able to provide reliable non-financial information and, in particular, issue an opinion on the declaration of extra-financial performance that must be published in accordance with applicable law;
- working to ensure that the Group takes into account extra-financial issues and long-term outlooks;
- promoting ethics, ensure that ethical rules are harmonized within Group entities and monitoring their application;
- examining Human Resources policies; and
- receiving, every year, the presentation of the risk-mapping of the Group relating to ethics and compliance; it shall review the risks and opportunities identified and shall be kept informed of their evolution and the characteristics of related management systeMs

The Ethics and CSR Committee coordinates its work with the other committees in the areas that concern them, in particular the CARC (in particular in matters relating to internal control, compliance, risk analysis and non-financial information) and the Strategy Committee (in particular in matters relating to ethics policy, corporate social responsibility and sustainable development).

## Committee activity

Created on June 12, 2019, this committee met once in 2019. The attendance rate was 80% (for details of attendance rate for each individual director, see chapter 3.1.2 of the Universal registration document).

This meeting was the occasion to present to the committee members the organization and missions of the Ethics and Compliance department, as well as the ethics, compliance, professional whistle-blowing and facilitation systems, and their outlooks.

Moreover, the CSR department presented its activities in 2019, as well as its objectives, including the definition and deployment of a new strategy for this department, the development of the Groupe Renault Corporate Foundation and the updating of the Group's materiality matrix.

### 3.1.6.3 Governance and Compensation Committee

| NUMBER OF MEMBERS | | NUMBER OF MEETINGS (1) | |
|---|---|---|---|
| **5** (2019) | vs. 4 (2018) | **13** (2019) | vs. 13 (2018) |

| PERCENTAGE OF INDEPENDENT DIRECTORS ** | | ATTENDANCE RATE | |
|---|---|---|---|
| **75%** (2019) | vs. 87.5% (2018) | **93.1%** (2019) | vs. 93.8% (2018) |

**MEMBERS AS OF DECEMBER 31, 2019**

- Mr Thomas * (Chairman)
- Ms Darmaillac *
- Mr Derez *
- Mr Personne **
- Mr Vial

* *Independent Director.*

** *In accordance with the recommendations of the AFEP-MEDEF Code, the director representing employees is not taken into account when calculating the independence rate.*

*(1) Total number of meetings of the Appointments and Governance Committee and the Compensation Committee for 2018 and total number of meetings of these committees and the Governance and Compensation Committee for 2019.*

## Composition

The Board Charter lists the principles governing the composition of the Governance and Compensation Committee.

### Excerpt of the Board Charter provisions governing the composition of the Governance and Compensation Committee

The committee shall consist of three (3) to six (6) members appointed by the Board, the majority of whom shall be selected from among the Independent Directors. The Chair of the Committee shall be appointed by the Board, on the proposal of the Governance and Compensation Committee, from among the Independent Directors. A director representing the employees shall be appointed as a member of this committee. The committee may not include any senior executive officer.

## Missions

### Excerpt of the Board Charter provisions governing the missions of the Governance and Compensation Committee

The Board assigns the following duties to the Governance and Compensation Committee:

- regarding the selection of directors and the composition of committees:
  - assess potential candidates for vacancies on the Board of Directors, particularly in the event of unexpected vacancies or the appointment of additional directors, taking into account the Company's diversity policy,
  - assess the appropriateness of renewing the terms of office of directors that have expired, taking into account the Company's diversity policy,
  - examine any proposal relating to the designation of committee members and Chairs, taking into account the Company's diversity policy, and formulate a recommendation to the Board regarding these proposals, and
  - recommend the appointment of a Lead Independent Director;
- regarding the succession of senior executive officers:
  - prepare, when the expiry of their terms of office is approaching, recommendations for the succession of the Chairman and the Chief Executive Officer,
  - establish a succession plan for the Company's senior executive officers; senior executive officers may be involved in the committee's work in performing this mission, and
  - be informed of Senior Management's plans relating to the appointment of members of the Executive Committee of the Group;
- regarding the operation of the Board and the governing bodies:
  - ensure that the senior executive officers implement a non-discrimination and diversity policy, particularly regarding balanced representation of women and men within governing bodies,
  - assist the Board in performing its periodic assessments,
  - prepare the process for assessing the Board's members, organization and operation (including that of its committees) and oversee the Board's self-assessment process, in accordance with the recommendations of the AFEP-MEDEF Code,
  - assess the proper operation of governing bodies and subsequently formulate recommendations to the Board,
  - monitor changes in the Company's shareholding structure and how the Company takes such changes into account with a view to monitoring the representation of shareholders (including employee shareholders) in its governance,
  - assess every year whether each director may individually be considered as independent within the meaning of the AFEP-MEDEF Code,

- be kept informed by the Chairman of the Board each time a director cannot attend or take part in a vote due to a conflict of interest; it shall examine the directors' periodic declarations of conflicts of interest, as the case may be, prepare a list of matters likely to give rise to conflicts of interest and report accordingly to the Board,
- submit a report on the composition and operation of the Board and on the Board's diversity policy, and issue an opinion on draft resolutions relating thereto which will be submitted to the General Meeting of Shareholders in accordance with applicable laws and regulations,
- assess whether governance practices within the Company comply with the AFEP-MEDEF Code and the recommendations of the Autorité des Marchés Financiers and of proxy advisors and ensure their continued compliance therewith, and
- highlight deviations from the recommendations of the AFEP-MEDEF Code and prepare related explanations;

- regarding the compensation of senior executive officers:
  - make recommendations to the Board concerning all compensation items, the pension and benefits system, benefits in kind and the various pecuniary rights of the Chairman and the Chief Executive Officer, including, as the case may be, the granting of stock options or free shares in the Company and, in relation thereto, prepare the annual assessment of senior executive officers;
  - ensure that the elements of the Chairman's and the Chief Executive Officer's compensation are closely linked with the implementation and results of the Group's strategy;
  - ensure that the compensation policy, its structure and its elements comply with applicable law and with the recommendations of the AFEP-MEDEF Code,
  - propose to the Board, as the case may be, the amount of the variable portion of the compensation of senior executive officers, after assessing the fulfillment of the related performance criteria,
  - carry out a prior examination of the terms and conditions of any service agreement that a director or senior executive officer of the Company may wish to enter into; and
  - submit to the Board, every year, a draft report on the compensation policy and issue an opinion on draft resolutions relating thereto which will be submitted to the General Meeting of Shareholders in accordance with applicable laws and regulations;
- regarding director compensation:
  - make recommendations on the overall amount and arrangements for apportioning attendance fees allotted to directors, and
  - examine the section relating to director compensation included in the report on corporate governance;
- regarding compensation of the Group's main executives:
  - be informed of the compensation policy for members of the Executive Committee of the Group, and
  - formulate recommendations on all types of incentive mechanisms for employees of the Company and, more broadly, Group companies, including employee savings plans, supplementary pension plans, reserved issuances of securities giving access to the capital and grants of stock options or free shares.

## Committee activity

This committee met thirteen times in 2019. The attendance rate was 93.1% (for details of attendance rate for each individual director, see chapter 3.1.2 of the Universal registration document).

Its activity included the following:

- the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the appointment of Mr Jean-Dominique Senard as Chairman of the Board of Directors and Mr Thierry Bolloré as Chief Executive Officer of the Company;
- determination of the components of the compensation of the Chairman and Chief Executive Officer and the conditions of his departure;
- determination of the components of the Deputy Chief Executive Officer's compensation for the 2018 financial year;
- determination of the compensation policies for the Chairman and Chief Executive Officer, the Chairman of the Board of Directors and the Chief Executive Officer for the 2019 financial year;
- regulated agreements relating to the compensation of Mr Thierry Bolloré in connection with his appointment as Chief Executive Officer;
- reviewing the list of Independent Directors pursuant to the criteria specified in the AFEP-MEDEF Code, in particular the criterion relating to significant business ties;
- the Board of Directors' assessment for the 2018 financial year;
- the report on corporate governance published in the 2018 Registration document;
- the agenda of the Annual General Meeting of June 12, 2019;
- the appointment of Ms Annette Winkler as an Independent Director;
- the composition of the Board of Directors' committees; On this occasion, the Committee recommended that the Board reorganize its committees (for details of this reorganization, see chapter 3.1.6 of the Universal registration document);
- monitoring the achievement rate of the 2016 performance share allocation plans;
- the methods for calculating the performance criteria for the 2017 performance share plan;
- performance share allocation plans for the 2019 financial year;

- the policy for the allocation of attendance fees;
- changes in the Renault supplementary pension plan following the adoption of the Pacte Law;
- the changes brought about by the Pacte Law in terms of compensation and communication on equity ratios;
- the succession plan for executive officers;
- the end of the term of office as Chief Executive Officer of Mr Thierry Bolloré and the appointment of Ms Clotilde Delbos as Interim Chief Executive Officer of the Company while a process for the appointment of a new Chief Executive Officer is conducted;
- the financial conditions for Mr Thierry Bolloré's departure;
- the compensation components of Ms Clotilde Delbos as Interim Chief Executive Officer of the Company; and
- the management of the selection process for a new Chief Executive Officer.

## 3.1.6.4 Strategy Committee

| | 2019 | | 2018 |
|---|---|---|---|
| NUMBER OF MEMBERS | 8 | vs. | 8 |
| NUMBER OF MEETINGS | 3 | vs. | 3 |
| PERCENTAGE OF INDEPENDENT DIRECTORS ** | 66.7% | vs. | 80% |
| ATTENDANCE RATE | 79.2% | vs. | 85.2% |

**MEMBERS AS OF DECEMBER 31, 2019**

- Ms Qiu * (Chairwoman)
- Ms Barba *
- Ms Bensalah Chaqroun *
- Mr Courbe
- Mr Gentil **
- Mr Ostertag **
- Ms Winkler *
- Mr Yamauchi

* *Independent Director.*
** *In accordance with the recommendations of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*

### Composition

The Board Charter lists the principles governing the composition of the Strategy Committee.

#### Excerpt of the Board Charter provisions governing the composition of the Strategy Committee

The committee shall consist of three (3) to eight (8) members appointed by the Board. The Chair of the Committee shall be appointed by the Board, on the proposal of the Governance and Compensation Committee, from among the Independent Directors. Directors who are members of the committee must have (i) in-depth knowledge of the industrial or digital sector or (ii) specific skills in international development.

### Missions

#### Excerpt of the Board Charter provisions governing the missions of the Strategy Committee

The Strategy Committee's main duty, as part of the work of the Board of Directors, shall be to regularly review the overall strategy of the Group and the Alliance, including, but not limited to, the following:

- mergers and acquisitions, disposals, strategic and partnership agreements that have a material impact on the strategy of the Group and the Alliance;
- the strategy as regards product and technology development;
- the competitiveness of production sites and of their supplier base;
- growth and financial strategy; and
- the Group's geographical expansion strategy,

and to make recommendations to the Board of Directors in this respect.

### Committee activity

The committee met three times in 2019. The committee meets three or four times a year in rather long meetings in order to examine Group strategic issues in depth. The attendance rate was 79.2% (for details of attendance rate for each individual director, see chapter 3.1.2 of the Universal registration document).

In particular, the committee examined the following topics:

- the electric vehicle strategy and its supply chain;
- the vehicle quality improvement strategy;
- the hybridization strategy;
- the connected vehicles and autonomous driving strategy;
- the collaboration with Waymo and the creation of companies within the Alliance to focus on mobility;
- the hydrogen technology strategy for light commercial vehicles;
- the industrial and sales strategy in India;
- the strategy for China;
- areas of future growth for Renault (markets and technologies);
- the renewal of certain models in the Dacia and Renault ranges; and
- the medium/long-term strategy for After-sales.



## 3.1.7 Evaluation of the Board of Directors

Each year, the Board of Directors carries out an evaluation of its operation with a view to improving the efficiency of its work and, at least once every three years, a formal evaluation with the help of external consultants.

Formal evaluations took place in 2014 and 2017.

The Board of Directors conducted a self-evaluation of its operation and the operation of its committees for 2019.

Board of Directors' members responded to a detailed questionnaire and the responses were reviewed by the Governance and Compensation Committee at its meeting on February 10, 2020. A summary of the conclusions of the evaluation was presented to the Board of Directors at its meeting on February 13, 2020.

The purpose of the questionnaire was to evaluate the following themes:

- the composition, role, structure and operation of the Board of Directors and its committees;
- the relationships between the Board of Directors and Senior Management; and
- the individual contribution of each director and collective efficiency;
- follow-up on the points for improvement identified in the previous evaluation.

The evaluation was an opportunity to learn from recent events and reexamine the ways the Board of Directors and its committees operate.

It highlighted several positive points:

- concerning the missions of the Board of Directors and committees:
  - clearly defined Board of Directors and committee missions,
  - sufficiently precise rules for prior information and consultation of the Board of Directors (in particular with regard to investments, divestments and financial transactions),
  - an appropriate financial communication policy,
  - a positive assessment of the number, nature and tasks of the committees;
- composition of the Board of Directors and its committees adapted to the shareholder structure, age, nationality, balanced representation of men and women and the number of Independent Directors;
- concerning the independence of directors:
  - a positive assessment of the Board of Directors' independence from the Senior Management,
  - the usefulness of having a Lead Independent Director,
  - clear, precise rules on conflicts of interest that are complied with appropriately;
- concerning the meetings of the Board of Directors and committees:
  - a positive assessment of attendance, punctuality and participation in Board of Directors' meetings,
  - a positive assessment of diligence in meeting preparation, communication and attendance at Board of Directors' and committee meetings,
  - efficient committee meetings,
  - a positive assessment of the work of the Committee Chairs,
  - Board of Directors' meetings that are efficient in terms of duration and time spent on matters of secondary importance,
  - a positive assessment of the practice of informal lunches prior to certain Board of Directors' meetings,
  - minutes that record the content of the Board of Directors' discussions and decisions in a satisfactory manner.

Several points of improvement have already been noted:

- involvement of directors in the definition of strategic trajectories in progress;
- a consideration of CSR issues that is being improved, in particular through the creation of the Ethics and CSR Committee;

- concerning the committees:
  - a more balanced composition of committees in terms of profiles and skills,
  - reports on the work of the various committees in terms of improved structure and completeness;
- concerning the relationship with Senior Management:
  - an improvement in the relationship of trust and transparency between Senior Management and the Board of Directors and in collegiality within the Board of Directors,
  - a positive assessment of the management team's implementation of the decisions made by the Board of Directors;
- concerning the composition of the Board:
  - the appointment of Ms Annette Winkler, in response to the desire to broaden the Board of Directors' expertise by recruiting executives with experience in the automotive world.

An analysis of the responses reveals the following areas for improvement:

- concerning Renault's strategy:
  - the desire of Board of Directors members to be even more involved in defining budgetary and strategic trajectories,
  - the need to devote more time to monitoring the implementation of Renault's long-term strategy,
  - the desire of Board of Directors members to better understand the impact of decisions made at the Alliance level;
- the desire to have more time to handle CSR issues in a cross-functional manner;
- the desire to review the Group's risks more thoroughly at Board of Directors level (not just at Committee level); and
- the desire to continue strengthening the Board of Directors' automotive profiles and to reduce the total number of directors.

## 3.1.8 Implementation of the "comply or explain" rule

Pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code, the Company refers to the AFEP-MEDEF Code, whose recommendations it follows.

Pursuant to the "comply or explain" rule in Article 27.1 of the AFEP-MEDEF Code and the provisions of Article L. 225-37-4 of the French Commercial Code, the recommendations of that Code that have not been followed and the related explanations are summarized in the table below:

| Recommendation of the AFEP-MEDEF Code (January 2020 version) | Comments |
|---|---|
| Director independence criteria Article (9.5) | At its meeting on February 13, 2020, the Board of Directors reviewed Mr Pierre Fleuriot's situation with regard to Criterion 1 of the AFEP-MEDEF Code in view of his appointment as director of Nissan proposed by Renault at the Nissan Extraordinary General Meeting of February 18, 2020, pursuant to the agreements existing between the two companies.<br>The AFEP-MEDEF Code states that one of the criteria that the Board of Directors must examine to rule out the status of Independent Director is "not being or not having been, during the previous five years, an employee, executive officer or director of a company within the company's scope of consolidation."<br>According to the AFEP-MEDEF guidelines, this recommendation also applies when the director exercises "a term of office in a company in which the former holds a non-majority but significant shareholding, or in a sister company".<br>Please note that Nissan is not fully consolidated by Renault. Renault has significant influence over Nissan and therefore recognizes its stake in Nissan using the equity method (for more details on Renault's stake in Nissan, see note 12 to chapter 4.2.6.4 of the Universal registration document).<br>The Board of Directors, on the recommendation of the Governance and Compensation Committee, held that Renault's proposal to appoint its Lead Independent Director to the Nissan Board of Directors with a view to developing and strengthening cooperation between the Boards of Directors of the two Alliance partners was not such as to call into question Mr Pierre Fleuriot's freedom of judgment and independence with respect to Renault.<br>Furthermore, if such a situation were to give rise to any conflict of interest, the provisions of the Board Charter requiring the director in question to abstain from participating in the Board's deliberations and voting would apply. |
| Termination of the employment contract of the Chief Executive Officer (Article 22.1) | At its meeting of October 11, 2019, the Board of Directors decided (i) to terminate Mr Thierry Bolloré's office as Chief Executive Officer of Renault SA with immediate effect and (ii) to appoint, with immediate effect, Ms Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period, until a new Chief Executive Officer is appointed.<br>Given the exceptional circumstances and transitory nature of this situation, the Board of Directors held, on the recommendation of the Governance and Compensation Committee, that there was no reason to terminate Ms Clotilde Delbos' employment contract with Renault s.a.s., which corresponds to her functions as Chief Financial Officer of Groupe Renault (separate from her office as interim Chief Executive Officer of Renault SA) which she continued to exercise under the supervision of the Chairman of Renault s.a.s., Mr Jean-Dominique Senard.<br><br>This temporary situation will end with the arrival of Mr Luca de Meo as Chief Executive Officer of Renault SA and Chairman of Renault s.a.s. on July 1, 2020 |

## 3.1.9 Assessment procedure for current agreements concluded under arm's length terms

During its meeting of February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee, adopted an internal procedure on the qualification of agreements signed by the Company allowing it to assess the agreements covering current operations concluded under arm's length terms, in accordance with the provisions of Article L. 225-39 of the French Commercial Code (resulting from law No. 2019-486 of May 22, 2019).

The internal procedure approved by Renault's Board of Directors describes the methodology used to qualify the different agreements to which Renault SA is a party as related-party agreements or current agreements. It also recalls the legal related-party control procedures.

This internal procedure will be assessed on an annual basis by the Company's Board of Directors, after having been reviewed by the Governance and Compensation Committee, in order, notably, to take into account any legislative or regulatory amendments, changes in best practices and any application difficulties during the financial year.

## 3.1.10 Procedures for shareholders' participation in the Annual General Meeting

Article 21 of the Company's articles of association specifies the procedures for shareholders' participation in the Annual General Meeting. These procedures are set out in chapter 5, entitled "Renault and its shareholders" (see chapter 5.1.2.2 of the Universal registration document).

## 3.1.11 Factors likely to have an effect in the event of a public offer

Factors that are likely to have an effect in the event of a public offer as defined by Article L. 225-37-5 of the French Commercial Code are detailed in chapter 5.2.6.2 of the Universal registration document.

## 3.1.12 Summary table of ongoing delegations in respect of capital increases

The summary table of ongoing delegations authorized by the Annual General Meeting of the Company to the Board of Directors with respect to capital increases is presented in chapter 5.2.4.2 of the Universal registration document.

# 3.2 COMPENSATION OF COMPANY OFFICERS

As stated in the introduction to chapter 3 of the Universal registration document, and pursuant to the provisions of Article L. 225-37-4 8° of the French Commercial Code, the Company refers to the recommendations of the AFEP-MEDEF Code.

## 3.2.1 General principles relating to the compensation of the corporate officers

Once a year, as recommended by the Governance and Compensation Committee, the Board of Directors sets the components of the compensation awarded to the corporate officers.

The Company's compensation policy is regularly reviewed at meetings of the Governance and Compensation Committee, which is composed mainly of Independent Directors and chaired by an Independent Director in accordance with the Board of Directors' charter. In its recommendations, the Governance and Compensation Committee takes into account the balance of the different components of the corporate officers' compensation.

The compensation policy for the non-executive corporate officer is based on a fixed compensation and does not include any variable or exceptional cash compensation, nor compensation for directorship.

The compensation policy for the executive officer is based on six simple, stable, transparent practices:

| | |
|---|---|
| • **1 Closely linked to the Company's strategy** | • The compensation is closely linked to the implementation and results of the strategy. |
| • **2 Performance-oriented** | • The variable component of the executive officer's compensation represents a fraction of the total compensation that is more significant compared to the one usually applied in the market and ensures the interests of the executive officer are aligned with the Company's performance.<br>• No variable compensation is granted in the event of under-performance. |
| • **3 Focus on long-term performance** | • A large part of the executive officers' compensation depends on multi-year targets being achieved. |
| • **4 Close alignment with shareholders** | • The number of performance shares allocated to the executive officer is expressed as an absolute number, rather than a percentage of the salary, so that upward and downward fluctuations in the share price affect the corresponding total value.<br>• The executive officer must retain 25% of the shares vested pursuant to performance share plans until the end of his term of office. |
| • **5 Competitive compensation** | • Competition between corporate officers in the automotive market is intense. It is therefore of prime importance to ensure that the overall compensation of the executive officer is competitive compared to the practices of the Company's peers, both CAC 40 companies and, more generally, comparable companies in the Automotive sector in Europe and worldwide. |
| • **6 Compensation which does not encourage excessive risk-taking** | • The setting of performance targets, a sufficiently long evaluation period, and compensation capping allow excessive short-term risk-taking to be avoided. |

These principles are established in compliance with the recommendations of the AFEP-MEDEF Code.

More generally, the Governance and Compensation Committee regularly ensures that corporate officers' compensation complies with all applicable laws and requirements in terms of corporate governance.

In addition, the committee takes into account market best practices regarding the compensation of executive officers:

| Best practices that we follow: | Practices we do not follow: |
|---|---|
| • Use appropriate peer groups (country based and sector based) to inform (but not dictate) compensation policy;<br>• Only make modifications to performance criteria when there are material changes to our business strategy and in order to maintain the alignment with shareholders' interests<br>• Clear mention of a cap for all variable elements;<br>• Set demanding performance conditions;<br>• Include CSR criteria that are significant for the Company's performance and aligned with the corporate strategy;<br>• Have a long-term performance criterion linked to shareholder return;<br>• Subject long-term compensation plans to minimum three-year vesting conditions;<br>• Implement post-mandate vesting policy for long-term incentives;<br>• Engage and meet regularly with our shareholders;<br>• A Governance and Compensation Committee comprised of a majority of independent Board members. | • Pay for failure: pay variable components in the event of poor performance of the Group;<br>• Place a disproportionate weight on short-term variable compensation versus long-term variable compensation;<br>• Overly weight qualitative criteria in the annual variable compensation;<br>• Reward excessive or inappropriate risk-taking;<br>• Have extraordinary severance payments in addition to the two-year non-compete indemnity;<br>• Provide excessive severance or sign-on arrangements to our executives. |

To evaluate the corporate officers' compensation in light of market practices with a view to ensure the competitiveness of the compensation, the Governance and Compensation Committee, assisted by a firm of specialized consultants, annually examines the components of compensation due or awarded by comparable companies to their executive officers. This analysis is based, firstly, on a panel of CAC 40 companies, all of which are leading French companies, and secondly, on the practices of comparable multinational organizations in the Automotive sector (Fiat Chrysler, General Motors, Ford, Honda, PSA, Daimler, BMW, Volkswagen, Volvo and Toyota).

The Governance and Compensation Committee also takes into account the expectations voiced by Renault's main shareholders by way of regular meetings.

## Compensation structure for the executive officer

The compensation policy for the Chief Executive Officer consists of:

- **a fixed portion**, corresponding to a fixed compensation in cash determined in line with the role, level of responsibility, and experience of the executive officer;
- **a portion subject to performance conditions**, comprising two distinct sub-components:
  - **annual variable compensation**: this aims to ensure that part of the compensation of the executive officer depends on the Company's main operational, financial, and managerial objectives being achieved during the year,
  - **long-term compensation**: this consists of performance shares, designed to strengthen the alignment of the interests of the executive officer with those of shareholders by making their vesting subject to the achievement of performance criteria assessed over a period of three years. In addition to the performance criteria, the vesting of shares is subject to a presence condition of three years following the allocation of the performance shares.

In addition to these compensation components, the Chief Executive Officer may benefit from top-up pension schemes, a termination benefit in the event of dismissal and a non-compete agreement.

Pursuant to the recommendations of the AFEP-MEDEF Code and the recommendations of the French Financial Market Authority (Autorité des Marchés Financiers, **AMF**), the Chief Executive Officer does not hold an employment contract with the Company.

# 3.2.2 Compensation of the corporate officers in 2019

## 3.2.2.1 Compensation of Mr Carlos Ghosn as Chairman and Chief Executive Officer (from January 1 to 23, 2019)

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided that no compensation should be paid or awarded for the 2019 financial year to Mr Carlos Ghosn, who resigned from his functions as Chairman of the Board and Chief Executive Officer on January 23, 2019, given his impediment until that date.

In accordance with the provisions of article L. 225-37-2 of the French Commercial Code, the Annual General Meeting of June 12, 2019 approved this compensation policy for the Chairman and Chief Executive Officer for the 2019 financial year (i.e. the period from January 1, 2019 up to his resignation on January 23, 2019).

In accordance with this policy, no compensation or benefits were paid or awarded to Mr Carlos Ghosn during the 2019 financial year.

## 3.2.2.2 Compensation of Mr Jean-Dominique Senard as Chairman of the Board of Directors in 2019

On the recommendation of the Compensation Committee, the compensation policy of the Chairman of the Board of Directors for the 2019 financial year was set by the Board of Directors on April 3, 2019, then approved by the Annual General Meeting on June 12, 2019 in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code (12th resolution).

This compensation policy for the Chairman of the Board of Directors consists of a fixed compensation and benefits in kind, to the exclusion of any other variable or exceptional compensation, any allocation of stock-based compensation and compensation of the directorship .

For more details on the compensation policy for the Chairman of the Board of Directors for the 2019 financial year, see chapter 3.2.4.2 of the 2018 Registration document.

The compensation components of Mr Jean-Dominique Senard for the 2019 financial year presented in this chapter 3.2.2.2 are part of the information indicated in Article L. 225-37-3 I of the French Commercial Code notably including the total compensation and benefits of any kind paid in respect of their corporate office during the 2019 financial year or awarded in respect of the same financial year to all corporate officers. This information will be submitted to a general vote in application of II of Article L. 225-100 of the French Commercial Code during the Annual General Meeting of April 24, 2020.

Moreover, in application of III of Article L. 225-100 of the French Commercial Code, the Annual General Meeting of April 24, 2020 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2019 financial year or awarded in respect of the same financial year to Mr Jean-Dominique Senard in respect of his office as Chairman of the Board of Directors.

The table below presents the information for the specific vote on Mr Jean-Dominique Senard's compensation components as Chairman of the Board of Directors:

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Fixed compensation 2019** | €422,883 | €422,883 | The Chairman of the Board of Directors receives annual fixed compensation of €450,000 payable in 12 monthly installments (pro rated from January 24, 2019). |
| **Annual variable compensation 2019** | N/A | N/A | The Chairman of the Board of Directors does not receive any annual variable compensation. |
| **Multiyear variable compensation** | N/A | N/A | The Chairman of the Board of Directors does not receive any multi-year variable compensation. |
| **Exceptional compensation** | N/A | N/A | The Chairman of the Board of Directors does not receive any exceptional compensation. |
| **Stock options, performance shares or any other long-term benefit (stock warrants, etc.)** | | N/A | The Chairman of the Board of Directors does not benefit from any long-term compensation in the form of stock options or performance shares. |
| **Compensation for directorship** | N/A | N/A | The Chairman of the Board of Directors does not receive any compensation in respect of his office as director. |
| **Benefits of any kind** | €1,716 | €1,716 | The Chairman benefited from one company car since June 2019 and one car with driver. |
| **Termination benefit** | N/A | N/A | The Chairman of the Board of Directors does not benefit from any termination benefit clause. |
| **Top-up pension scheme** | N/A | N/A | The Chairman of the Board of Directors does not benefit from any top-up pension scheme. |

### 3.2.2.3 Compensation of Mr Thierry Bolloré as Chief Executive Officer in 2019

On the recommendation of the Compensation Committee, the compensation policy of the Chief Executive Officer for the 2019 financial year was set by the Board of Directors on April 3, 2019, then approved by the Annual General Meeting on June 12, 2019 in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code (13th resolution).

For more details on the compensation policy of the Chief Executive Officer for the 2019 financial year, see chapter 3.2.4.3 of the 2018 Registration document.

During its meeting of October 11, 2019, the Board of Directors decided to end Mr Thierry Bolloré's term of office as Chief Executive Officer of Renault SA with immediate effect. On the recommendation of the Governance and Compensation Committee, the Board of Directors' meeting on November 8, 2019 ruled on the financial conditions for the departure of Mr Thierry Bolloré.

#### Compensation components of Mr Thierry Bolloré in respect of his office as Chief Executive Officer

The compensation components of Mr Thierry Bolloré for the 2019 financial year presented below are part of the information indicated in Article L. 225-37-3 I of the French Commercial Code notably including the total compensation and benefits of any kind paid in respect of the their corporate offices during the 2019 financial year or awarded in respect of the same financial year to all corporate officers. This information will be submitted to a general vote in application of II of Article L. 225-100 of the French Commercial Code during the Annual General Meeting of April 24, 2020.

Moreover, in application of III of Article L. 225-100 of the French Commercial Code, the Annual General Meeting of April 24, 2020 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2019 financial year or awarded in respect of the same financial year to Mr Thierry Bolloré in respect of his office as Chief Executive Officer.

It is recalled that the payment of the variable compensation to the Chief Executive Officer for the 2019 financial year is subject to the approval by the Annual General Meeting of April 24, 2020 of the components of the overall compensation and of benefits of any kind paid or allocated to the Chief Executive Officer for the 2019 financial year.

The table below presents the information for the specific vote on Mr Thierry Bolloré's compensation components as Chief Executive Officer:

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Fixed compensation 2019** | **€651,915** (from January 24 to October 11, 2019) | **€651,915** (from January 24 to October 11, 2019) | The Chief Executive Officer receives an annual fixed compensation of €900,000, payable in twelve monthly installments (prorated from January 24, 2019). |

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Annual variable compensation 2019** | **€0** | **€329,869**<br><br>(amount awarded in respect of the 2019 financial year and payable in 2020) | The Chief Executive Officer's annual variable portion fully payable in cash corresponds to a percentage of the fixed portion that may reach 125% if all performance objectives are fully achieved.<br><br>On February 13, 2020, on the recommendation of the Governance and Compensation Committee, the Board of Directors set the rate of achievement of the performance criteria that determine the amount of annual variable compensation for the Chief Executive Officer in respect of the 2019 financial year, as follows:<br><br>• **Quantifiable criteria** related to financial performance: 30% (out of a maximum of 100%) broken down as follows:<br>• 0% (out of a maximum of 40%) for the Group operating margin criterion. Budgeted Group operating margin was 6% and the actual Group operating margin for 2019 was 4.8%.<br>• 0% (out of a maximum of 30%) for the Group revenues criterion. Budgeted revenues were €57,500 million, and actual 2019 revenues were €55,537 million.<br>• 30% (out of a maximum of 30%) for the free cash flow (FCF) criterion. Budgeted FCF was €150 million and the actual FCF was €153 million at December 31, 2019.<br><br>• **Qualitative criteria**: 20.60% (out of a maximum of 25%) broken down as follows:<br>• Renault's contribution to the Alliance Mid-Term Plan: 5.60% (out of a maximum of 8.33%),<br>This target is broken down, on the one hand, into an achievement rate for cars produced on common platforms and on the other, an achievement rate for the use of common parts. These factors generate economies of scale that contribute to reducing development, purchasing and manufacturing costs for Group vehicles.<br>In its assessment, the Governance and Compensation Committee noted the progress of these two indicators in 2019 while taking into account certain delays due to the implementation of a new governance structure within the Alliance.<br>• Quality of CSR and environmental commitments: 7.60% (out of a maximum of 8.33%)<br>The targets set on workplace safety were exceeded; these are notably measured by the FR1 rate (frequency rate of workplace accidents for Renault employees requiring external medical care), which improved compared to 2018 (see Chapter 2.4.2.4 of the Universal registration document).<br>The Group's CSR approach, entitled Mobilize, is structured around two areas of action– inclusion and sustainable mobility – and focuses on five commitments: diversity, education, social entrepreneurship, road safety and environment. The Mobilize program has developed as planned within the Group, with an increased budget (see Chapter 2.1 of the Universal registration document).<br>However, in terms of compliance, certain rules and procedures still need to be deployed within the Group, which explains that the quality of CSR and environmental commitments criterion was not achieved at 100%.<br>• Monitoring of the France multiyear agreement: 7.40% (out of a maximum of 8.33%).<br>Among the 3 sub-criteria assessed and indicated in the CAP2020 agreement, the average of production volumes in France over the 2017-2019 period is slightly lower than the 2016 volume. However, the targets for allocation of new vehicles to French plants and manufacturing of chassis and powertrain parts, as well as the level of CAPEX and the number of hires in France were achieved (see Chapter 2.4.1.4 C of the Universal registration document).<br><br>Having noted that the overall rate of achievement of the performance criteria was 50.60% for the 2019 financial year and recalling that Mr Thierry Bolloré's gross annual fixed compensation was €651,915 for his term of office during the 2019 financial year (the gross annual amount of €900,000 prorated over the period from January 24 to October 11, 2019), the Board of Directors decided to set Mr Thierry Bolloré's gross variable compensation in respect of the 2019 financial year at €329,869. |
| **Multiyear variable compensation** | N/A | N/A | The Chief Executive Officer does not receive any multi-year variable compensation. |
| **Exceptional compensation** | N/A | N/A | The Chief Executive Officer does not receive any exceptional compensation. |

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Stock options, performance shares or any other long-term benefit (stock warrants, etc.)** | | Performance shares<br>= €177,592<br>(Book value of the 5,520 shares allocated in respect of the 2019 financial year, prorated) | The Board of Directors of June 12, 2019 awarded 50,000 performance shares in respect of the 2019 financial year to the Chief Executive Officer. This allocation of performance shares to the Chief Executive Officer represents 0.018% of Renault SA's share capital.<br><br>The Board of Directors on November 8, 2019, ruling on the financial conditions for the departure of Mr Thierry Bolloré, noted that the latter's rights to the performance shares allocated in 2019 in respect of his office as Chief Executive Officer of Renault SA and not yet definitively vested were maintained, it being specified that:<br>(i) the allocation rate of these performance shares shall be on a pro rata basis to take into account the effective presence of Mr Thierry Bolloré within Renault SA during the vesting period,<br>(ii) the vesting period shall not be accelerated and<br>(iii) the plans rules of the said performance shares, including the performance conditions, shall continue to apply, in accordance with the compensation policy approved by the Annual General Meeting of June 12, 2019.<br>Accordingly, the number of performance shares in respect of the 2019 financial year may amount to a maximum of 5,520 performance shares if all performance criteria are achieved at the end of the 3-year period.<br><br>Out of these 5,520 performance shares, the number of shares definitively vested will depend on achievement of the following performance criteria:<br>• total shareholder return (TSR) (10% maximum),<br>• free cash flow (FCF) (30% maximum),<br>• percentage of models manufactured on the Alliance platforms (30% maximum), and<br>• electric vehicles sales volume (30% maximum).<br>These performance criteria are measured over a cumulative three-year period (2019, 2020 and 2021). |
| **Compensation for directorship** | N/A | N/A | The Chief Executive Officer, as he is not a director, did not receive any compensation in this respect. |
| **Benefits of any kind** | | **€5,487** | The Chief Executive Officer benefited from two company cars and one company car with driver. |
| **Termination benefit** | N/A | N/A | The Chief Executive Officer does not benefit from any severance pay clause. |
| **Non-compete indemnity** | **€0** | | On April 3, 2019, the Board of Directors authorized the signature of a non-compete agreement for Mr Thierry Bolloré. Pursuant to this authorization, the agreement was entered into between the Company and Mr Thierry Bolloré on April 3, 2019.<br><br>In accordance with the recommendation of the AFEP-MEDEF Code, the Board of Directors of November 8, 2019 decided, upon the end of Mr Thierry Bolloré's term of office, to waive the benefit of the non-compete agreement subscribed by Mr Thierry Bolloré on April 3, 2019. Consequently, no monetary consideration has been paid to Mr Thierry Bolloré.<br><br>The signature of this agreement was approved by the Shareholders' Annual General Meeting of June 12, 2019 (14th resolution).<br>Under this agreement, Mr Thierry Bolloré undertook, as of the end of his term of office as Chief Executive Officer, not to engage, directly or indirectly, in an activity that competes with those of the Group, on his own behalf, on behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and commercial vehicles), or on behalf of automotive suppliers.<br>The application of this clause was limited to:<br>• a period of twenty-four (24) months following the date on which Mr Thierry Bolloré effectively ceased to exercise his term of office (mandate social);<br>• the territories in which the Group operates at the time of the termination of the term of office, excluding countries located in Africa and Oceania, and, in the case of equipment manufacturers, North America (United States, Canada).<br>In consideration for his non-compete obligation, Mr Thierry Bolloré would receive from the Company, during the period of application of the agreement (twenty-four months) and subject to there being no breach of this agreement, gross financial compensation corresponding to two years of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twenty-four monthly installments. The gross annual compensation retained for this calculation will be the one paid during the twelve months preceding the date of termination of the corporate office. |

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Top-up pension scheme** | | €0 | Mr Thierry Bolloré benefited from the collective top-up pension scheme set up for the members of Groupe Renault's Executive Committee. This plan was authorized by the Board of Directors on April 3, 2019 and approved by the General Meeting of June 12, 2019 (15th resolution).<br><br>On November 8, 2019, ruling on the financial conditions for the departure of Mr Thierry Bolloré, the Board of Directors noted that:<br>(i) Mr Thierry Bolloré will retain the rights acquired in respect of the defined-contribution pension scheme under the conditions set by the scheme's rules.<br>(ii) Mr Thierry Bolloré lost his rights to the defined-benefit top-up pension scheme as a result of his departure from Renault SA.<br><br>It is reminded that the pension scheme from which Mr Thierry Bolloré benefited was composed of (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme.<br>(a) **Defined-contribution pension scheme (Article L. 242-1 of the French Social Security Code)**<br>Mr Thierry Bolloré benefited from a defined-contribution scheme; these contributions correspond to 8% of that part of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this, 5% is paid by the Company and 3% by Mr Thierry Bolloré.<br>The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme.<br>The estimated amount of the Chief Executive Officer's annuity at December 31, 2018, based on the seniority acquired at that date, represented €6,022 per year in respect of the top-up defined-contribution pension scheme, assuming retirement entitlements are taken at the age of 65.<br>(b) **Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)**<br>Mr Thierry Bolloré also benefited from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm.<br>Benefiting from this scheme is subject to a seniority condition (five years minimum with the Company and at least two years on the Group Executive Committee) and a presence condition as corporate officer, applied as of retirement.<br>The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.The annual amount paid into this pension scheme is equal to 10% of the reference compensation, this percentage rising by 1.4 percentage points per year of seniority in excess of five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority other than on the Group Executive Committee, in the case of more than five years' seniority with the Company.<br>The amount is capped at 30% of the reference compensation. The reference compensation in question is capped at 65 times the annual French Social Security cap. In any event, the annual total of these pension amounts for the Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of the top-up defined-benefit pension will be reduced accordingly.<br>The Company's commitment to its Chief Executive Officer as of December 31, 2018, based on his seniority at that date, represented €169,138 in gross annual pension in respect of this top-up defined-benefit pension scheme. |

## Compensation components of Mr Thierry Bolloré in respect of his employment contract

Mr Thierry Bolloré was appointed as Deputy Chief Executive Officer on November 20, 2018. He did not receive any compensation for his office and retained the benefit of his employment contract until his appointment as Chief Executive Officer on January 24, 2019, date on which his employment agreement was terminated.

Pursuant to his employment contract, the compensation elements and benefits of all kinds paid to Mr Thierry Bolloré during the 2019 financial year (from January 1 to 24) were as follows:

- fixed compensation of €48,208;
- variable compensation allocated in respect of the 2018 financial year and paid in 2019 of €885,840;
- a profit-sharing payment of €19,614 allocated in respect of the 2018 financial year and paid in 2019;
- other benefits (two company cars) valued at €277; and
- the benefit of an additional defined-contribution collective pension scheme.

## Information about the financial conditions for Mr Thierry Bolloré's departure

On the recommendation of the Governance and Compensation Committee, the Board of Directors of November 8, 2019, ruling on the terms Mr Thierry Bolloré's departure, approved the signature by Renault SA of a settlement agreement with Mr Thierry Bolloré notably covering the waiver by the latter to any claim in respect to his functions and their termination.

As part of this transaction, it was decided that Mr Thierry Bolloré should maintain the benefit of:

- 25,000 performance shares allocated as part of his employment contract in respect of the 2017 financial year, not yet definitively vested, it being stipulated (i) that the vesting period shall not be accelerated and (ii) that the plans rules of the said performance shares, including the performance conditions, shall continue to apply. The number of performance shares in respect of the 2017 financial year may accordingly amount to 25,000 performance shares if all performance criteria are achieved at their maximum level;

- 50,000 performance shares allocated as part of his employment contract in respect of the 2018 financial year, not yet definitively vested, it being stipulated (i) that the allocation rate for these performance shares shall be on a pro rata basis to take into account the effective presence of Mr Thierry Bolloré within Renault SA during the vesting period, (ii) the vesting period shall not be accelerated and (iii) the plans rules of the said performance shares, including the performance conditions, shall continue to apply. The number of performance shares in respect of the 2018 financial year may accordingly amount to 27,509 performance shares if all performance criteria are achieved at their maximum level.

Moreover, it was decided that Mr Thierry Bolloré should retain the possibility of exercising the 14,865 stock-options holder granted in 2012 under his employment contract, up to the end of the financial year ending on December 12, 2020. The exercise price of these options, each giving the right to one share, amounts to €37.43 per share.

As these components of compensation do not concern a corporate office, they are not submitted for shareholder approval at the Annual General Meeting of April 24, 2020.

### 3.2.2.4 Compensation of Ms Clotilde Delbos as interim Chief Executive Officer in 2019

At its meeting of October 11, 2019, the Board of Directors decided (i) to terminate Mr Thierry Bolloré's office as Chief Executive Officer of Renault SA with immediate effect and (ii) to appoint, with immediate effect, Ms Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period, until a new Chief Executive Officer is appointed.

Given the exceptional circumstances and transitory nature of the appointment of Ms Clotilde Delbos as interim Chief Executive Officer, the Board of Directors' meeting of November 8, 2019 decided, on the recommendation of the Governance and Compensation Committee, to maintain the employment contract between Ms Clotilde Delbos and Renault s.a.s. for her functions as Group Chief Financial Officer, under the supervision of the Chairman of Renault s.a.s., Mr Jean-Dominique Senard.

Consequently, the Board of Directors decided to maintain the compensation of Ms Clotilde Delbos in respect of her employment contract and to grant an additional compensation in respect of her new functions as interim Chief Executive Officer.

#### Compensation components of Ms Clotilde Delbos as interim Chief Executive Officer

Ms Clotilde Delbos' compensation in respect of her office as interim Chief Executive Officer was set based on the compensation policy for the Chief Executive Officer approved by the Shareholders' Annual General Meeting of June 12, 2019 and taking into account the compensation received in respect of her employment contract.

The compensation components of Ms Clotilde Delbos for the 2019 financial year, presented below, are part of the information indicated in Article L. 225-37-3 I. of the French Commercial Code notably including the total compensation and benefits of any kind paid in respect of the office during the 2019 financial year or awarded in respect of the same financial year to all company officers. This information will be submitted to a general vote in application of II of Article L. 225-100 of the French Commercial Code during the Annual General Meeting of April 24, 2020.

Moreover, in application of III of Article L. 225-100 of the French Commercial Code, the Annual General Meeting of April 24, 2020 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2019 financial year or awarded in respect of the same financial year to Ms Clotilde Delbos in respect of her office as interim Chief Executive Officer.

The table below presents the information for the specific vote on the compensation components of Ms Clotilde Delbos, interim Chief Executive Officer:

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Fixed compensation 2019** | **€83,307** (from October 11 to December 31, 2019) | **€83,307** (from October 11 to December 31, 2019) | The interim Chief Executive Officer receives annual fixed compensation of €371,329, payable in twelve monthly installments (prorated from October 11, 2019).<br>Ms Clotilde Delbos, who also benefits from annual fixed compensation of €528,671 in respect of her employment contract with Renault s.a.s. (see paragraph - Compensation components of Ms Clotilde Delbos in respect of her employment contract with Renault s.a.s. - below), benefits, therefore, from a total fixed compensation equal to €900,000 on an annual basis (amount paid on a pro rata basis from October 11, 2019). |

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Annual variable compensation 2019** | **€0** | **€42,153**<br><br>(amount awarded in respect of the 2019 financial year and payable in 2020) | The interim Chief Executive Officer's variable portion which is fully payable in cash, corresponds to a percentage of the fixed portion that may reach 125% if all performance objectives are achieved.<br><br>On February 13, 2020, on the recommendation of the Governance and Compensation Committee, the Board of Directors set the level of achievement of the performance criteria that determine the amount of annual variable compensation for the interim Chief Executive Officer in respect of the 2019 financial year, as follows:<br><br>• **Quantifiable criteria** related to financial performance: 30% (out of a maximum of 100%) broken down as follows:<br>• 0% (out of a maximum of 40%) for the Group operating margin criterion. Budgeted Group operating margin was 6% and the actual Group operating margin for 2019 was 4.8%.<br>• 0% (out of a maximum of 30%) for the Group revenues criterion. Budgeted revenues were €57,500 million, and actual 2019 revenues were €55,537 million.<br>• 30% (out of a maximum of 30%) for the free cash flow (FCF) criterion. Budgeted FCF was €150 million and the actual FCF was €153 million at December 31, 2019.<br><br>• **Qualitative criteria**: 20.60% (out of a maximum of25%) broken down as follows:<br>• Renault's contribution to the Alliance Mid-Term Plan: 5.60% (out of a maximum of 8.33%),<br>This target is broken down, on the one hand, into an achievement rate for cars produced on common platforms and on the other, an achievement rate for the use of common parts. These factors generate economies of scale that contribute to reducing development, purchasing and manufacturing costs for Group vehicles.<br>In its assessment, the Governance and Compensation Committee noted the progress of these two indicators in 2019 while taking into account certain delays due to the implementation of a new governance structure within the Alliance.<br>• Quality of CSR and environmental commitments: 7.60% (out of a maximum of 8.33%)<br>The targets set on workplace safety were exceeded; these are notably measured by the FR1 rate (frequency rate of workplace accidents for Renault employees requiring external medical care), which improved compared to 2018 (see Chapter 2.4.2.4 of the Universal registration document).<br>The Group's CSR approach, entitled Mobilize, is structured around two areas of action– inclusion and sustainable mobility – and focuses on five commitments: diversity, education, social entrepreneurship, road safety and environment. The Mobilize program has developed as planned within the Group, with an increased budget (see Chapter 2.1 of the Universal registration document).<br>However, in terms of compliance, certain rules and procedures still need to be deployed within the Group, which explains that the quality of CRS and environmental commitments criterion was not achieved at 100%.<br>• Monitoring of the France multiyear agreement: 7.40% (out of a maximum of 8.33%).<br>Among the 3 sub-criteria assessed and indicated in the CAP2020 agreement, the average of production volumes in France over the 2017-2019 period is slightly lower than the 2016 volume. However, the targets for allocation of new vehicles to French plants and manufacturing of chassis and powertrain parts, as well as the level of CAPEX and the number of hires in France were achieved (see Chapter 2.4.1.4 C of the Universal registration document).<br><br>The Board of Directors, having noted that the overall achievement rate of the performance criteria was 50.60% for the 2019 financial year and recalling that the annual fixed compensation of Ms Clotilde Delbos was a gross amount of €83,307 for her term of office during the 2019 financial year (gross annual amount of €371,329 pro-rated over the period from October 11 to December 31, 2019), decided to set the variable compensation of Ms Clotilde Delbos in respect of the 2019 financial year at a gross amount of €42,153.<br><br>Ms Clotilde Delbos also benefits, pursuant to her employment contract with Renault s.a.s., from a variable compensation that may reach 150% of her base compensation if all performance objectives are met (see paragraph - Compensation components of Ms Clotilde Delbos in respect of her employment contract with Renault s.a.s. below). The total variable compensation of Ms Clotilde Delbos in respect of her corporate office and her employment contract may not exceed the maximum annual amount of 1,125,000 euros set for the previous Chief Executive Officer in accordance with the compensation policy voted by the General Meeting of Shareholders on 12 June 2019. |
| **Multiyear variable compensation** | N/A | N/A | The interim Chief Executive Officer does not receive any multi-year variable compensation. |
| **Exceptional compensation** | N/A | N/A | The interim Chief Executive Officer does not receive any exceptional compensation. |

| Compensation components submitted for approval | Amounts paid during the past financial year | Amounts awarded in respect of the past financial year or book value | Presentation |
|---|---|---|---|
| **Stock options, performance shares or any other long-term benefit (stock warrants, etc.)** | | N/A | The interim Chief Executive Officer does not receive any allocations of performance shares in respect of her corporate office.<br>Ms Clotilde Delbos was granted performance shares under her employment contract for the 2019 financial year (see paragraph - Compensation components of Ms Clotilde Delbos compensation under her employment contract with Renault s.a.s. - below). |
| **Compensation for directorship** | N/A | N/A | The interim Chief Executive Officer, as she is not a director, did not receive any compensation in this respect. |
| **Benefits of any kind** | | N/A | The interim Chief Executive Officer does not receive benefits of any kind in respect of her corporate office. |
| **Termination benefit** | N/A | N/A | The interim Chief Executive Officer does not benefit from any severance pay. |
| **Non-compete indemnity** | N/A | N/A | Renault SA has not signed a specific non-compete agreement with Ms Clotilde Delbos in respect of her corporate office.<br>Ms Clotilde Delbos is bound by a non-compete agreement in respect of her employment contract with Renault s.a.s. |
| **Top-up pension scheme** | | **€0** | The interim Chief Executive Officer benefits from the collective pension scheme set up for members of Groupe Renault's Executive Committee.<br>The benefit of this top-up pension scheme to the interim Chief Executive Officer was approved by the Board of Directors on November 8, 2019, in accordance with the compensation policy approved by the Shareholders' Annual General Meeting of June 12, 2019 for the Chief Executive Officer.<br>This scheme includes a defined-contribution pension scheme and a defined-benefit pension scheme.<br>(a) **Defined-contribution pension scheme (Article L. 242-1 of the French Social Security Code)**<br>Ms Clotilde Delbos benefited from a defined-contribution pension scheme; these contributions correspond to 8% of that part of her annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this, 5% is paid by the Company and 3% by Ms Clotilde Delbos.<br>The Company's commitment to its interim Chief Executive Officer is limited to the payment of its share of the contributions to the insurance firm managing the scheme. The contributions paid to the insurance firm as part of this scheme are calculated based on Ms Clotilde Delbos' compensation in respect of both her corporate office and employment contract.<br>The amount of Ms Clotilde Delbos' estimated annual pension in respect of both her corporate office and employment contract represented €4,366 at December 31, 2018 (for a retirement liquidation at 65 years).<br>(b) **Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)**<br>Ms Clotilde Delbos also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm.<br>Benefiting from this scheme is subject to a seniority condition (five years minimum with the Company and at least two years on the Group Executive Committee) and a presence condition as Chief Executive Officer, applied as of retirement.<br>The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.<br><br>Pursuant to the publication of ruling no. 2019-697 of July 3, 2019, based on Article 197 of the "Pacte" Law and reforming the top-up defined-benefit pension scheme as of December 31, 2019, Groupe Renault decided to close this top-up defined-benefit pension scheme, resulting in the loss of the corresponding rights for all active beneficiaries, including Ms Clotilde Delbos (see Note 27-A to the 2019 consolidated financial statements, Chapter 4.2.6.6 of the Universal registration document for provisions reversals triggered by the closure of this scheme). |

## Compensation components of Ms Clotilde Delbos in respect of her employment contract with Renault s.a.s

It is recalled that when Ms Clotilde Delbos was appointed as interim Chief Executive Officer, the Board of Directors decided to maintain her employment contract as Group Chief Financial Officer with Renault s.a.s. and the associated compensation, given the exceptional circumstances and transitory nature of the situation.

Pursuant to her employment contract with Renault s.a.s., the compensation elements and benefits of any kind paid to Ms Delbos in respect of the 2019 financial year are as follows:

- annual fixed compensation in respect of the 2019 financial year of €524,822 paid in twelve monthly installments;
- variable compensation of €590,110 allocated in respect of the 2018 financial year and paid in 2019;
- long-term compensation allocated in respect of the 2019 financial year in the form of 20,000 performance shares;

- a profit-sharing payment of €19,614 in respect of the 2018 financial year paid in 2019;
- other benefits (two company cars) valued at €9,604 in respect of the 2019 financial year.
- a non-compete agreement; and
- the benefit of a top-up collective pension scheme arranged for the members of the Groupe Renault's Executive Committee which includes a defined-contribution scheme and a defined-benefit scheme (Article 39) that was closed on December 31, 2019 with the loss of the corresponding rights.

These compensation components related to the employment contract and not the corporate office are not submitted for approval by shareholders at the Annual General Meeting on April 24, 2020.

### 3.2.2.5 Summary tables of the corporate officers' compensation

The following tables have been drawn up pursuant to the recommendations of the AFEP-MEDEF Code.

**TABLE 1 – SUMMARY OF THE COMPENSATION, OPTIONS, AND SHARES ALLOCATED TO THE EXECUTIVE OFFICERS**

**(TABLE NO. 1 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| **Carlos Ghosn – Chairman and Chief Executive Officer (from January 1 to January 23, 2019)** | | | |
| Compensation allocated for the financial year (details provided in table 2) | 0 | 1,949,610 | 2,734,550 |
| Valuation of options allocated during the financial year (details provided in table 4) [1] | None | None | None |
| Valuation of performance shares allocated during the financial year (details provided in table 6) | 0 | 3,063,859 | 4,641,684 |
| Valuation of other long-term compensation plans | None | None | None |
| **TOTAL (THEORETICAL)** | **0** | **5,013,469** | **7,376,234** |
| Valuation of shares corresponding to the deferred variable compensation of the financial year and permanently lost | N/A | (672,000) | (1,088,550) |
| Valuation of the performance shares allocated during the financial year and permanently lost | N/A | (3,063,859) | (4,641,684) |
| Variable compensation not paid following the negative vote as part of the ex-post say-on-pay (1) | N/A | (224,000) | N/A |
| **TOTAL (ACTUAL)** | **0** | **1,053,610** | **1,646,000** |
| **Thierry Bolloré – Chief Executive Officer** | | | |
| Compensation allocated for the financial year (details provided in table 2) | 987,271 | N/A | N/A |
| Valuation of options allocated during the financial year (details provided in table 4)* | None | N/A | N/A |
| Valuation of performance shares allocated during the financial year (details provided in table 6) | 1,608,625 | N/A | N/A |
| Valuation of other long-term compensation plans | None | N/A | N/A |
| **TOTAL (THEORETICAL)** | **2,595,896** | **-** | **-** |
| Revaluation of performance shares pro rata following the departure of Mr Bolloré | 177,592 | | |
| **TOTAL (ACTUAL)** | **1,164,863** | **-** | **-** |
| **Clotilde Delbos – Interim Chief Executive Officer** | | | |
| Compensation allocated for the financial year (details provided in table 2) | 125,460 | N/A | N/A |
| Valuation of options allocated during the financial year (details provided in table 4) [1] | None | N/A | N/A |
| Valuation of performance shares allocated during the financial year (details provided in table 6) | None | N/A | N/A |
| Valuation of other long-term compensation plans | None | N/A | N/A |
| **TOTAL (ACTUAL)** | **125,460** | | |

*(1) In accordance with the recommendation of the Board of Directors, the Annual General Meeting of June 12, 2019 rejected the 10th resolution concerning Mr Carlos Ghosn's compensation in his capacity as Chairman and Chief Executive Officer for the 2018 financial year. Consequently, pursuant to Article L. 225-100 of the French Commercial Code, the portion payable in cash of Mr Carlos Ghosn's variable compensation for 2018, i.e. €224,000, has not been be paid to him.*

Mr Carlos Ghosn's theoretical total compensation shown in the table above takes into account the book value of his performance shares and shares corresponding to his deferred variable compensation portion, which had been allocated to him in respect of the financial years mentioned. However, during its meetings of February 13 and April 3, 2019 the Board of Directors recorded the loss of Mr Carlos Ghosn's performance shares allocated for the financial years from 2015 to 2018, as well as the shares corresponding to his deferred variable compensation portion for the financial years from 2014 to 2018, given that the presence condition attached to the vesting of these shares is not met, and cannot be met, due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective as from January 23, 2019.

Mr Thierry Bolloré's theoretical total compensation shown in the table above takes into account the book value of the 50,000 performance shares which had been allocated to him for the 2019 financial year. However, the Board of Directors' meeting of November 8, 2019 decided that these performance shares will be allocated pro rata to take into account the effective presence of Mr Thierry Bolloré within Renault SA during the vesting period. The number of Mr Thierry Bolloré's performance shares for financial year 2019 could thus amount to a maximum of 5,520 performance shares if all the performance criteria are met at the end of the 3-year period.

## TABLE 2 – SUMMARY OF THE EXECUTIVE OFFICERS' COMPENSATION

### (TABLE NO. 2 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

| Carlos Ghosn – Chairman and Chief Executive Officer (from January 1to January 23, 2019) | 2019 amounts Allocated | 2019 amounts Paid | 2018 amounts Allocated | 2018 amounts Paid | 2017 amounts Allocated | 2017 amounts Paid |
|---|---|---|---|---|---|---|
| Fixed compensation | 0 | 0 | 1,000,000 | 1,000,000 | 1,230,000 | 1,230,000 |
| Variable compensation paid in cash (1) | 0 | 0 | 224,000 | 362,850 | 362,850 | 353,625 |
| Variable compensation paid in shares, subject to conditions (2) | 0 | 0 | 672,000 | 2,064,866 | 1,088,550 | 0 |
| Exceptional compensation | 0 | 0 | None | None | None | None |
| Compensation allocated for directorship | 0 | 0 | 48,000 | 47,540 | 47,540 | 48,000 |
| Benefits of all kinds | 0 | 0 | 5,610 | 5,610 | 5,610 | 5,610 |
| **TOTAL** | **0** | **0** | **1,949,610** | **3,480,866** | **2,734,550** | **1,637,235** |
| **Thierry Bolloré – Chief Executive Officer** | | | | | | |
| Fixed compensation | 651,915 | 651,915 | N/A | N/A | N/A | N/A |
| Annual variable compensation (3) | 329,869 | 0 | N/A | N/A | N/A | N/A |
| Exceptional compensation | N/A | N/A | N/A | N/A | N/A | N/A |
| Compensation allocated for directorship | N/A | N/A | N/A | N/A | N/A | N/A |
| Benefits of all kinds | 5,487 | 5,487 | N/A | N/A | N/A | N/A |
| **TOTAL** | **987,271** | **657,402** | **-** | **-** | **-** | **-** |
| **Clotilde Delbos – Interim Chief Executive Officer** | | | | | | |
| Fixed compensation | 83,307 | 83,307 | N/A | N/A | N/A | N/A |
| Annual variable compensation | 42,153 | 0 | N/A | N/A | N/A | N/A |
| Exceptional compensation | N/A | N/A | N/A | N/A | N/A | N/A |
| Compensation allocated for directorship | N/A | N/A | N/A | N/A | N/A | N/A |
| Benefits of all kinds | 0 | 0 | N/A | N/A | N/A | N/A |
| **TOTAL** | **125,460** | **83,307** | **-** | **-** | **-** | **-** |

*(1) In accordance with the recommendation of the Board of Directors, the Annual General Meeting of June 12, 2019 rejected the 10th resolution concerning Mr Carlos Ghosn's compensation in his capacity as Chairman and Chief Executive Officer for the 2018 financial year. Consequently, pursuant to Article L. 225-100 of the French Commercial Code, the portion payable in cash of Mr Carlos Ghosn's variable compensation in respect of 2018, i.e., €224,000, was not paid to him.*

*(2) Starting from 2016, the Board of Directors decided that 75% of the variable portion due for any given financial year would be converted into shares, the vesting of which would be subject to presence conditions. During its meetings of February 13, 2019 and April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's shares corresponding to the deferred variable portion of his compensation for the 2014, 2015, 2016, 2017 and 2018 financial years given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.*

## TABLE 3 – SUMMARY OF BENEFITS FOR EXECUTIVE OFFICERS

### (TABLE NO. 11 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

| Chief Executive Officer | Contract of employment | Top-up pension scheme | Payments and benefits due or liable to be due following cessation/change of office | Payments arising from a non-compete agreement | Other compensation |
|---|---|---|---|---|---|
| **Carlos Ghosn**<br>Chairman and Chief Executive Officer<br>Start of term: May 2015<br>End of term: January 2019 | No | No (1) | No | No (2) | No |
| **Thierry Bolloré**<br>Chief Executive Officer<br>Start of term: January 2019<br>End of term: October 2019 | No | No (3) | No | No (4) | No |
| **Clotilde Delbos**<br>Interim Chief Executive Officer<br>Start of term: October 2019<br>End of term: current | Yes | Yes | No (5) | No (5) | No |

*(1) Upon the recommendation of the Compensation Committee, the Board of Directors' meeting held on April 3, 2019 noted, with regard to the defined-contribution pension scheme, that Mr Carlos Ghosn's eligibility conditions for the annual pension can only be assessed on the day on which he exercises his pension rights. The Board of Directors also noted, with respect to the top-up defined-benefit pension scheme, that the circumstances of Mr Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.*

*(2) On the recommendation of the Compensation Committee, at its meeting on February 13, 2019, the Board of Directors decided to waive unilaterally the benefit of the non-compete agreement between Mr Carlos Ghosn and the Company.*

*(3) At its meeting on November 8, 2019, the Board of Directors noted (i) in the case of the defined-contribution pension scheme, that Mr Thierry Bolloré will retain the rights acquired in respect of the scheme under the conditions set by the rules of this scheme; (ii) in the case of the defined-benefit pension scheme, that Mr Thierry Bolloré has lost the benefit of this scheme as a result of his departure from Renault SA.*

*(4) The Board of Directors on November 8, 2019, decided to waive the benefit of the non-compete agreement subscribed by Mr Thierry Bolloré on April 3, 2019. Consequently, no financial counterparty has been paid to Mr Thierry Bolloré.*

*(5) On the recommendation of the Governance and Compensation Committee, the Board of Directors decided at its meeting on November 8, 2019 to maintain Ms Clotilde Delbos' compensation under her employment contract with Renault s.a.s. and to award her additional compensation for her new duties as interim Chief Executive Officer. Ms Clotilde Delbos is bound by a non-compete agreement under her employment contract with Renault s.a.s. and she might be entitled to severance pay under this employment contract in accordance with applicable regulations.*

### TABLE 4 – STOCK OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER

**(TABLE NO. 4 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

No stock options were allocated to the senior executive officers during the financial year.

### TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

**(TABLE NO. 5 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

Mr Carlos Ghosn no longer holds any stock options.

Mr Thierry Bolloré did not exercise any stock options during the 2019 financial year.

Ms Clotilde Delbos does not hold any stock options.

### TABLE 6 – PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE OFFICER

**(TABLE NO. 6 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

| | Number and date of the plan | Number of shares | Value of performance shares using the method adopted for consolidated accounts | Date of acquisition | Availability date | Conditions of performance |
|---|---|---|---|---|---|---|
| Carlos Ghosn | N/A | N/A | N/A | N/A | N/A | N/A |
| Thierry Bolloré | No. 26 6/12/2019 | 5,520 [(1)] | 177,592 | 6/12/2022 | 6/12/2022 | Yes |
| Clotilde Delbos | N/A | N/A | N/A | N/A | N/A | N/A |

*(1) At its meeting on November 8, 2019, the Board of Directors decided that the allocation rate of the 50,000 performance shares that had been granted to Mr Thierry Bolloré in respect of the 2019 financial year would be pro-rated to take into account his actual presence within Renault SA during the vesting period. The number of Mr Thierry Bolloré's performance shares for financial year 2019 could thus amount to a maximum of 5,520 performance shares if all the performance criteria are met at the end of the 3-year period.*

### TABLE 7 – PERFORMANCE SHARES ALLOCATED TO EACH EXECUTIVE OFFICER WHICH VESTED DURING THE FINANCIAL YEAR

**(TABLE NO. 7 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

| | Number and date of the plan | Number of shares becoming available during the financial year | Vesting conditions |
|---|---|---|---|
| Carlos Ghosn | N/A | N/A | N/A |
| Thierry Bolloré | N/A | N/A | N/A |
| Clotilde Delbos | N/A | N/A | N/A |

## 3.2.2.6 Compensation of directors in 2019

Pursuant to the provisions of Article L. 225-45 of the French Commercial Code, the Annual General Meeting may allocate compensation to the directors, the amount of which is maintained until a new decision.

The Combined General Meeting on June 15, 2018 set the annual compensation amount to be divided among the directors for the 2018 financial year and subsequent financial years at €1,500,000, until the Annual General Meeting decides otherwise.

Recommendation 21.1 of the AFEP-MEDEF Code stipulates that compensation paid to directors must include a variable portion relating to effective attendance at Board of Directors and committee meetings. This variable portion must be predominant compared to the fixed portion. The rules for the allocation and calculation of directors' compensation comply with this recommendation.

For 2019, the directors received the following:

- a fixed portion;
- a variable portion which depends on the effective attendance of members at Board of Directors and/or committee meetings.

Committee Chairs receive dedicated compensation for their additional responsibilities in this role.

In addition, the Chairman of the Board of Directors does not receive any compensation for his position as a director.

The calculation rules for 2019 were as follows:

| | Fixed portion | Variable portion (per meeting) | Chairmanship |
|---|---|---|---|
| Board of Directors | €18,000 | €6,000 | € 0 |
| Audit, Risks and Ethics Committee (CARE) | € 1,500 | €3,000 | €15,000 |
| Committees (excluding CARE) | €1,500 | €3,000 | €7,500 |

For the 2019 financial year and in accordance with the calculation rules detailed above, the total gross amount of compensation allocated to the directors was €2,294,750, given the significant number of additional meetings of the Boarof Directors and of the committees and the large number of directors in each committee. As this amount is higher than the envelope approved by the Annual General Meeting on June 15, 2018, a reduction factor of approximately 35.4% has been applied. As a result, the total amount of compensation actually allocated to the directors amounted to €1,500,000.

On the recommendation of the Governance and Compensation Committee, the Board of Directors decided at its meeting on July 27, 2019 to pay an additional compensation of €50,000, not subject to the reduction factor, to Mr Lagayette in view of his significant involvement, as Lead Independent Director, in managing Renault's governance crisis in early 2019. In addition, at its meeting of February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee, decided to pay an additional compensation of €10,000, subject to the reduction factor, to Mr Fleuriot as Lead Independent Director.

It is specified that the three directors representing the employees and the director representing the employee shareholders hold employment contracts within subsidiaries of the Company and receive in this respect a remuneration that is not related to the exercise of their directorship. Consequently, such remuneration is not disclosed.

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### TABLE ON THE COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

**(TABLE NO. 3 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)**

The gross amounts are calculated using the calculation and distribution methods for directors' compensation adopted by the Board of Directors.

| | 2019 financial year | | 2018 financial year | |
|---|---|---|---|---|
| Director | Amounts allocated for the 2019 financial year *(in euros)* | Amounts paid during the 2019 financial year* *(in euros)* | Amounts allocated for the 2018 financial year *(in euros)* | Amounts paid during the 2018* financial year *(in euros)* |
| Mr Senard | 0 | - | - | - |
| Ms Barba | 77,514 | 77,499 | 77,499 | 46,920 |
| Mr Barrat (1) | 62,980 | 58,374 | 58,374 | 54,968 |
| Mr Belda (2) | - | - | - | 34,912 |
| Ms Bensalah Chaqroun | 59,105 | 48,396 | 48,396 | 43,943 |
| Ms Blair (3) | 45,055 | 66,708 | 66,708 | 51,996 |
| Mr Courbe (4) (5) | 53,130 | 4,500 | 4,500 | - |
| Ms Darmaillac | 96,893 | 75,600 | 75,600 | 50,758 |
| Ms de la Garanderie (2) | - | - | - | 34,169 |
| Mr Desmarest (6) | - | 11,550 | 11,550 | 68,338 |
| Mr Derez (7) | 84,781 | 41,213 | 41,213 | - |
| Mr Faure (4)(8) | - | 32,625 | 32,625 | 54,968 |
| Mr Fleuriot (9) | 104,806 | 28,613 | 28,613 | - |
| Mr Gentil (1) | 68,794 | 58,374 | 58,374 | 54,968 |
| Mr Ghosn (3) | 0 | 48,000 | 48,000 | 47,539 |
| Mr Ladreit de Lacharrière (10) | - | 24,150 | 24,150 | 65,367 |
| Mr Lagayette (3) | 119,278 | 76,650 | 76,650 | 83,194 |
| Mr Ostertag (1) | 94,955 | 74,520 | 74,520 | 65,367 |
| Mr Personne (1) | 102,706 | 77,004 | 77,004 | 72,795 |
| Ms Qiu | 78,968 | 72,594 | 72,594 | 57,939 |
| Mr Riboud (2) | - | - | - | 14,856 |
| Ms Serizawa | 68,309 | 47,088 | 47,088 | 47,539 |
| Ms Sourisse | 88,657 | 49,350 | 49,350 | 57,939 |
| Mr Thomas | 91,079 | 86,975 | 86,975 | 75,766 |
| Mr Vial (4) | 102,706 | 105,000 | 105,000 | 65,367 |
| Ms Winkler (11) | 29,552 | - | - | - |
| Mr Yamauchi | 70,732 | 56,244 | 56,244 | 50,387 |

* *The amount of compensation allocated in respect of the 2017 financial year and paid in 2018 are subject to an individual ceiling. In addition, a reduction ratio (of around 0.95%) had been applied to the scale to avoid exceeding the overall budget.*

(1) *The compensation due to the directors representing the employees and the director representing the employee shareholders in respect of their corporate office is paid to their respective trade unions.*

(2) *Director whose term of office ended on June 15, 2017.*

(3) *Director whose term of office ended on June 12, 2019.*

(4) *Director representing the French State. The compensation allocated to Messrs Courbe and Vial is paid to the State budget pursuant to order No. 2014-948 of August 20, 2014.*

(5) *Director co-opted on October 5, 2018. This co-optation was ratified by the Annual General Meeting held on June 12, 2019.*

(6) *Director whose term of office ended on February 15, 2018.*

(7) *Director co-opted on February 15, 2018. This co-optation was ratified by the Annual General Meeting held on June 15, 2018.*

(8) *Director whose term of office ended on October 5, 2018.*

(9) *Director whose term of office started on June 15, 2018.*

(10) *Director whose term of office ended on June 15, 2018.*

(11) *Director whose term of office started on June 12, 2019.*

## 3.2.3 Comparison of compensation levels between corporate officers and employees

In accordance with the provisions of Article L. 225-37-3 of the French Commercial Code, the ratios for measuring the differences between the compensation for the Company's corporate officers and employees are presented in the table below.

Under the terms of Article L. 225-37-3, the scope to be considered for calculating the indicators is that of the listed company issuing the corporate governance report. However, as Renault SA does not have any employees, the indicators were calculated based on the compensation of the France-based employees of Renault s.a.s., wholly owned subsidiary of Renault SA (31,643 employees in 2019).

These elements are part of the information mentioned in Article L. 225-37-3 I. of the French Commercial Code and will be subject to a general vote pursuant to II of Article L 225-100 of the French Commercial Code at the Shareholders' Meeting of April 24, 2020.

Compensation presented in the table includes the following components:

- fixed compensation paid during the indicated financial year,
- variable compensation paid during the indicated financial year,
- compensation for directorship, if applicable, paid during the indicated financial year,
- book value of the benefits in kind paid during the indicated financial year,
- performance shares allocated during the indicated financial year (at IFRS value),
- profit-sharing and incentive bonuses paid during the indicated financial year.

Compensation for both employees and corporate officers of Renault s.a.s has been annualized.

The relevant corporate officers for this comparison are the Chairman of the Board of Directors, the Chief Executive Officer and the Chairman and Chief Executive Officer, the latter function having existed within the Group over the last five years up to January 24, 2019.

The compensation presented is related to the function and not to the person, so that a change in executive officer for a same function does not impact the presentation of the information over the five-year period. For the 2019 financial year, the Chief Executive Officer's compensation was thus annualized on the basis of Mr Thierry Bolloré's compensation, in order not to take into account the exceptional and transitional situation related to the interim position of Ms Clotilde Delbos.

| | | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|
| **CHAIRMAN & CHIEF EXECUTIVE OFFICER** | *Annual compensation* | - | €5,521,258 | €7,292,183 | €7,380,125 | €7,234,929 |
| | *Ratio / average compensation of employees* | - | 92 | 121 | 125 | 126 |
| | *Ratio / average compensation of employees* | - | 115 | 152 | 158 | 158 |
| **CHAIRMAN OF THE BOARD OF DIRECTORS** | *Annual compensation* | €453,499 | - | - | - | - |
| | *Ratio / average compensation of employees* | 7 | - | - | - | - |
| | *Ratio / average compensation of employees* | 9 | - | - | - | - |
| **CHIEF EXECUTIVE OFFICER** | *Annual compensation* | €3,401,812 | - | - | - | - |
| | *Ratio / average compensation of employees* | 56 | - | - | - | - |
| | *Ratio / average compensation of employees* | 70 | - | - | - | - |
| **EMPLOYEES** | *Average compensation* | €60,823 | €60,324 | €60,107 | €58,843 | €57,307 |
| | *Median compensation* | €48,824 | €48,018 | €47,969 | €46,591 | €45,850 |
| **GROUP PERFORMANCE** | *Group operating margin %* | 4.8% | 6.3% | 6.4% | 6.4% | 5.2% |

# 3.2.4 Compensation policies for the corporate officers for the 2020 financial year

At its meeting on February 13, 2020, on the recommendation of the Governance and Compensation Committee, the Board of Directors set the compensation policies for the Chairman of the Board of Directors (Chapter 3.2.4.1 below), the Chief Executive Officer (Chapter 3.2.4.2 below) and the interim Chief Executive Officer (Chapter 3.2.4.3 below).

Pursuant to the provisions of Article L. 225-37-2 II of the French Commercial Code, the compensation policy for each corporate officer for the 2020 financial year will be submitted for approval to the Company's Annual General Meeting to be held on April 24, 2020 .

It should be noted that payment of potential variable compensation component for the 2020 financial year is subject to the subsequent approval, by an Ordinary General Meeting of the Company, of the components of the overall compensation and the benefits of any kind paid or allocated for the 2020 financial year.

## 3.2.4.1 Compensation policy for the Chairman of the Board of Directors

### Draft resolution submitted to the Annual General Meeting of April 24, 2020 pursuant to Article L. 225-37-2 of the French Commercial Code

**12th resolution - Approval of the compensation policy for the Chairman of the Board of Directors for the 2020 financial year**

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for corporate officers set by the Board of Directors, approves, in application of Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the Chairman of the Board of Directors, as presented in the Company's 2019 Universal registration document, chapter 3.2.4.1.

### Annual fixed compensation

The annual fixed compensation for 2020 remains at a gross amount of €450,000 payable in twelve monthly installments (prorated, if relevant).

### Annual variable compensation

The Chairman of the Board of Directors will not receive any annual variable compensation.

### Multiyear variable compensation

The Chairman of the Board of Directors will not receive any multiyear variable compensation.

### Exceptional compensation

The Chairman of the Board of Directors will not receive any exceptional compensation in 2020.

### Long-term compensation

The Chairman of the Board of Directors will not receive any long-term compensation.

### Compensation for directorship

The Chairman of the Board of Directors will not receive any compensation in respect of his office as director.

### Benefits of any kind

The Chairman of the Board of Directors benefits from two company cars, including one with driver.

### Service provision agreements

No service provision agreement will be entered into between the Company and the Chairman of the Board of Directors.

### Sign-on bonus

The Chairman of the Board of Directors does not receive any sign-on bonus.

### Termination benefits

The Chairman of the Board of Directors does not benefit from any termination benefit, non-compete indemnity or top-up pension scheme.

### 3.2.4.2 Compensation policy for the Chief Executive Officer

During its meeting on February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee, set the compensation policy for the Chief Executive Officer for the 2020 financial year.

#### Draft resolution submitted to the Annual General Meetingof April 24, 2020 pursuant to Article L. 225-37-2 II of the French Commercial Code

**13th resolution - Approval of the compensation policy for the Chief Executive Officer for the 2020 financial year**

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for corporate officers set by the Board of Directors, approves, in application of Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the Chief Executive Officer, as presented in the Company's 2019 Universal registration document, chapter 3.2.4.2.

The Board of Directors considered that Mr Luca de Meo, through his background, experience and success in his previous functions, combines all of the qualities required to contribute to all aspects of Groupe Renault's development and transformation.

Competition for the external recruitment of top executives in the global automotive market is intense. It is therefore essential to ensure that the total compensation of the Chief Executive Officer is attractive and competitive compared to the practices of comparable companies. Given the international profile and experience of Mr Luca de Meo in the automotive industry, the Governance and Compensation Committee thus proposed total compensation based on the level of his previous compensation and the compensation allocated by CAC 40 companies and that of international groups in the automotive sector (Fiat Chrysler, General Motors, Ford, Honda, PSA, Daimler, BMW, Volkswagen, Volvo and Toyota), as well as the missions to be entrusted to him.

The benchmark study carried out in December 2019 by a specialized consulting firm in the context of the Chief Executive Officer's external recruitment process showed that the total compensation detailed below is lower than the median of each of the two panels mentioned above.

#### Annual fixed compensation

The annual fixed compensation of the Chief Executive Officer is set at a gross amount of €1,300,000, payable in twelve monthly installments (amount that will be paid pro rata temporis as of the effective start of Mr Luca de Meo's term of office scheduled for July 1, 2020).

#### Annual variable compensation

The amount of annual variable compensation may reach 150% of the fixed compensation paid if all performance criteria are fully achieved . The annual variable compensation will be fully paid in cash.

For the 2020 financial year, the performance criteria set by the Board of Directors include four quantifiable criteria and three qualitative criteria. The Board of Directors has deemed these to be key indicators of Groupe Renault's performance.

The criteria and their weighting are shown in the tables below.

**QUANTIFIABLE CRITERIA FOR THE 2020 FINANCIAL YEAR (0% TO 100% OF FIXED COMPENSATION)**

Given the environmental stakes and new regulations, the criterion of $CO_2$ emissions of passenger cars (CAFE regulation) has been added to the quantifiable criteria of the previous compensation structure. Achievement of this target in 2020 is a financial and reputational stake, and thus a priority objective for the Group. In addition, given the importance of generating cash (free cash flow), it has been decided to maintain the weighting of this criterion and, consequently, to reduce the weighting of Group revenues and operating margin criteria.

| | Group operating margin (Group MOP) | Free cash flow (FCF)* | Group revenues | $CO_2$ emissions |
|---|---|---|---|---|
| **Target** | • The operating margin is the key indicator of the Company's profitability. | • A high level of free cash flow demonstrates the use of strict financial discipline within the Company, allowing growth to be funded and the possibility of dividend payments. | • Revenue is the indicator that reflects the company's level of activity. | • This criterion, which is a major stake for carmakers in 2020, measures the average emissions of passenger cars registered in Europe, based on CAFE regulations (see section 2.3.3 of the Universal registration document). |
| **Weighting** *(as a percentage of fixed compensation)* | • 30% maximum. | • 30% maximum. | • 20% maximum. | • 20% if on target and maximum. |
| **Payout rate** | • 0% if the operating margin is strictly lower than the budget.<br>• 24% if the operating margin is equal to the budget.<br>• 30% if the operating margin is equal to or higher than budget +0.2 points.<br>• Linear interpolation if the operating margin is between budget and budget +0.2 points. | • 0% if free cash flow is strictly lower than the budget.<br>• 24% if free cash flow is equal to the budget.<br>• 30% if free cash flow is equal to or higher than budget +50%.<br>• Linear interpolation if free cash flow is between budget and budget +50%. | • 0% if revenues are strictly lower than the budget.<br>• 16% if revenues are equal to the budget.<br>• 20% if revenues are equal to or higher than the budget +2.5%.<br>• Linear interpolation if revenues are between budget and budget +2.5%. | • 0% if the level of $CO_2$ emissions is strictly above the regulatory target.<br>• 20% if the level of $CO_2$ emissions is equal to or lower than the regulatory target. |

*For reasons of commercial confidentiality, the Company does not disclose ex-ante target figures for these performance criteria. However, it will publish ex-post the rate of achievement of these criteria.*

* *Before restructuring expenses.*

#### QUALITATIVE CRITERIA FOR THE 2020 FINANCIAL YEAR (0% TO 50% OF FIXED COMPENSATION)

On the recommendation of the Governance and Compensation Committee, the Board of Directors decided to change the qualitative criteria in order to take into account the Alliance's new operating appproach and the priority given to customer satisfaction and vehicle quality. Achievement of these three qualitative criteria directly contributes to the Group's performance.

| | Renault-Nissan-Mitsubishi Alliance | Quality of CSR and environmental commitments | Customer Satisfaction/Quality |
|---|---|---|---|
| **Target** | • The Alliance is essential to improving its members' competitiveness, by enabling them to benefit from economies of scale that are particularly important in the context of the automotive industry transition. The indicators mentioned below are key factors in the Alliance's new momentum. | • This criterion aims to strengthen the consideration of stakeholders' interests, thus contributing to the company's sustained performance. | • Product quality and customer satisfaction directly contribute to the Group's performance |
| **Weighting** *(as a percentage of fixed compensation)* | • 16.66% if on target and maximum. | • 16.66% if on target and maximum. | • 16.66% if on target and maximum. |
| **Indicators** | • Meetings of the Alliance Operating Board<br>• Implementation of leader/follower projects<br>• Formalization of the regional optimization plans<br>• Number of new partnership projects | • Health and safety (accident frequency rate)<br>• Gender pay-gap ratio<br>• Car recycling rate<br>• Maintaining good employee-employer relations worldwide and particularly in France (measured by the rate of commitment in the employee satisfaction survey) | • Incident rate<br>• Number of complaints per vehicle<br>• Customer satisfaction level |

For the 2020 financial year only, and in order to offer a competitive remuneration to the new Chief Executive Officer despite taking office at mid-year, Mr Luca de Meo will receive a variable compensation which will be equal to at least 100% of the fixed compensation paid in 2020 (pro-rated over the term of office in 2020).

It should be noted that pursuant to Article L. 225-100 III of the French Commercial Code, payment of the annual variable compensation to the Chief Executive Officer for the 2020 financial year is subject to its approval by the Annual General Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

## Multiyear variable compensation

The Chief Executive Officer will not receive any multiyear variable compensation.

## Exceptional compensation

The Chief Executive Officer will not receive any exceptional compensation in 2020.

## Long-term compensation

Pursuant to the Company's compensation principles, a significant proportion of the Chief Executive Officer's compensation consists of long-term compensation, the vesting of which is subject to performance criteria, to ensure alignment of the Chief Executive Officer's compensation with shareholder interests.

Long-term compensation takes the form of performance shares, allocated annually. The number of performance shares allocated to the Chief Executive Officer is expressed as an absolute number, rather than as a percentage of the salary, so that upward and downward fluctuations in the share price will affect the total value of such long-term compensation.

The Chief Executive Officer receives performance shares under the same criteria as the other executives in the Group (see Chapter 3.2.5 of this Universal registration document), subject to an additional performance criterion (total shareholder return – TSR) applied to him in his capacity as executive officer.

On the recommendation of the Governance and Compensation Committee, the Board of Directors of February 13, 2020 decided that 75,000 performance shares would be allocated to the Chief Executive Officer, representing the maximum number of performance shares that may be awarded in respect of the 2020 financial year.

Performance criteria will be measured over a cumulative three-year period (2020, 2021 and 2022).

Vesting of performance shares is also subject to a three-year presence condition starting from the date of the allocation by the Board of Directors.

The number of shares fully vested by the Chief Executive Officer out of the performance shares allocated to him will depend on the achievement of the following performance criteria:

**LONG-TERM PERFORMANCE CRITERIA**

| | Total shareholder return (TSR) | Free cash flow (FCF) * | Percentage of models manufactured on the Alliance platforms | Total carbon footprint |
|---|---|---|---|---|
| **Targets** | • TSR is the market criterion which reflects variations in share prices, and dividends paid. Relative TSR reflects the value delivered to shareholders, compared to the value created by alternative investments to which they have access.<br>• TSR is calculated by reference to a benchmark, which corresponds to the sum of the average TSR Euro Stoxx Auto & Parts index results and the average Euro Stoxx ex Financials index results (both weighted equally). | • Free cash flow (FCF) is a key component of the Company's growth capacity, as it underlies its capacity for financing the investments necessary for long-term growth and allows dividend payments. | • This criterion is key indicator of the Group's ability to share costs and benefit from the economies of scale provided by the Alliance. | • This criterion corresponds to the target of reducing the average carbon footprint of passenger cars and light commercial vehicles registered worldwide.<br>• It covers greenhouse gases emitted as a result of the energy consumed by the Company to produce vehicles, as well as most other indirect emissions related to their design, manufacture, marketing, use and end-of-life treatment (see Chapter 2.3.3 of the Universal registration document). |
| **Weighting** *(as a percentage of allocation)* | • 20% | • 30% | • 30% | • 20% |
| **Payout rate** | • 0% if the TSR is strictly lower than the benchmark.<br>• 9% if the TSR is equal to the benchmark.<br>• 20% if the TSR is equal to or higher than the benchmark +10%<br>• Linear interpolation if TSR is between the benchmark and the benchmark +10%. | • 0% if FCF is strictly lower than the budget.<br>• 21% if FCF is equal to the budget<br>• 30% if FCF is higher than or equal to the budget +20%.<br>• Linear interpolation if FCF is between the budget and the budget +20%. | • 0% if the percentage of CMF models is strictly lower than the Mid-Term Plan indicator.<br>• 21% if the percentage of CMF models is equal to the Mid-Term Plan indicator.<br>• 30% if the percentage of the CMF manufacturing is higher than or equal to the Mid-Term Plan indicator +5%.<br>• Linear interpolation if the percentage of CMF models is between the Mid-Term Plan indicator and the Mid-Term Plan indicator +5%. | • 0% if the average carbon footprint emissions is strictly higher than the target<br>• 14% if the average carbon footprint emissions is equal to the target<br>• 20% if the average carbon footprint emissions is equal to or the Group target -2.5 points.<br>• Linear interpolation if average carbon footprint is between the Group target -2.5 points and the Group target. |
| | • As this is a relative criterion, the amount of the target is not yet known. The Company will disclose the average figure and the relevant level of achievement at the end of the performance period. | • For reasons of commercial confidentiality, the Company does not disclose ex-ante the target figures for these criteria. However, it will publish the level of achievement for these criteria at the end of the performance cycle. | | • The reduction target is part of the Group's environmental targets and is defined in chapter 2.3.3 of the Universal registration document. |

* *Before restructuring expenses.*

## Obligation of the Chief Executive Officer to hold and retain shares vested as a result of performance share plans

The Chief Executive Officer is subject to an obligation to retain 25% of the vested performance shares in his capacity as executive officer, until the end of his term of office. The aim of this requirement is to ensure that the Chief Executive Officer's interests are sufficiently aligned with those of shareholders.

## Commitment by the Chief Executive Officer not to engage in risk hedging

Pursuant to the AFEP-MEDEF Code recommendations, the Chief Executive Officer will commit, for each performance shares allocation, not to engage in performance share risk hedging.

## Consequences of the departure of the Chief Executive Officer on the vesting of performance shares

In the event of departure from Groupe Renault before the end of the vesting period, the loss or retention of the performance shares allocated to the Chief Executive Officer will depend on the reason for the departure.

| Departure reason | Status of the performance shares not yet vested |
|---|---|
| Dismissal (occuring prior to the last day of the vesting period) | Total loss of the rights to performance shares, in case of a dismissal for serious or gross misconduct. Retention, in all other cases of dismissal, prorated to the vesting period. |
| Resignation (occuring prior to the last day of the vesting period) | Total loss of the rights to performance shares. |
| Expiry of the term of office | Retention of the rights to performance shares, pro-rated to the vesting period.<br>Retention of all rights if the Chief Executive Officer becomes an employee of a Groupe Renault company until the vesting date of the shares. |
| Compulsory or voluntary retirement | Retention, without acceleration of the vesting period. The conditions of the plans, including the performance conditions, will continue to apply. |
| Disability/Long-term illness | Retention of the rights. The performance criteria are deemed to be fully met. |
| Death | Retention of the rights to performance shares for the benefit of heirs or beneficiaries. The performance criteria are deemed to be fully met. |
| Exceptional circumstances | The Board of Directors, on the recommendation of the Governance and Compensation Committee, may decide to exceptionally maintain the rights. The allocation rate would be pro-rated in order to take into account the actual presence of the Chief Executive Officer within the Group during the vesting period. There will be no acceleration of the vesting period and the conditions of the plans, including the performance criteria, will continue to apply. |

Furthermore, there is no acceleration clause on the vesting period of the performance shares in the case of change of control.

## Compensation for directorship

The Chief Executive Officer is not a Director. Therefore, he will not receive any compensation in this respect.

## Benefits of of any kind

The Chief Executive Officer benefits from two company cars and one company car with driver. He may also benefit from international healthcare cover.

In 2020, the Chief Executive Officer benefits from a relocation assistance service similar to the assistance provided to Groupe Renault's employees recruited abroad (administrative and tax procedures, removal costs, assistance in looking for accommodation, temporary housing, etc.)

## Service provision agreement

No service provision agreement will be entered into between the Company and the Chief Executive Officer.

## Sign-on bonus

The Chief Executive Officer does not receive any sign-on bonus.

## Termination benefit

The Chief Executive Officer is entitled to a severance payment equal to the average of the last two years' gross fixed and variable annual compensation, payable in one instalment within six months of the departure, in the event of dismissal at the initiative of the Board of Directors and subject to the achievement of performance conditions set by the Board of Directors.

This termination benefit will not be paid in the event of dismissal for serious or gross misconduct.

The total termination benefit and non-compete indemnity, in the event of the implementation of the non-compete agreement (see below), may not exceed two years of annual fixed and variable compensation.

At its meeting held on February 13, 2020, the Board of Directors set the performance conditions for payment of the termination benefit. In order to receive this benefit, the following cumulative conditions should be met over the last two financial years preceding the departure (only one financial year in the event of departure in 2021):

- a minimum total achievement rate of 80% of the performance criteria for the annual variable compensation of the Chief Executive Officer;
- achievement of the Group's free cash flow target.

## Non-compete indemnity

At its meeting held on February 13, 2020, the Board of Directors authorized the conclusion of a non-compete agreement with Mr Luca de Meo.

The Board of Directors considered that it is in Renault's interest to enter into this non-compete agreement which will protect Groupe Renault's legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and the recognized skills of Mr Luca de Meo in this market, the means available to him, and the sensitive information he holds and to which he can have access.

Under this agreement, Mr Luca de Meo commits, as of the end of his term of office as Chief Executive Officer, not to engage, directly or indirectly, in an activity that competes with those of the Group, on his own behalf, on behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and light commercial vehicles), or on behalf of automotive suppliers.

Application of this clause is limited to:

- a period of twelve (12) months following the date on which Mr Luca de Meo effectively ceases to exercise his term of office;
- the countries of the European continent and in Japan, as well as European and Japanese car and equipment manufacturers.

As consideration for his non-compete obligation, Mr Luca de Meo will receive from the Company, during the period of application of the agreement (twelve months) and subject to there being no breach of this agreement, gross financial compensation corresponding to one year of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twelve monthly instalments. The gross annual compensation used for this calculation will be the one paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code at the time of Mr Luca de Meo's departure, the Board of Directors of the Company will decide whether to apply this non-compete agreement, and may unilaterally waive it. Furthermore, no compensation will be due in the event of retirement or if Mr Luca de Meo has reached the age of 65.

### Top-up pension scheme

During its meeting on February 13, 2020, the Board of Directors authorized a top-up pension scheme for Mr Luca de Meo.

The Board of Directors considered that implementing this scheme to the benefit of Mr Luca de Meo allows the Company to retain and to promote the Chief Executive Officer's loyalty.

The Chief Executive Officer's top-up pension scheme is identical to that available to members of the Group Executive Committee (the so-called "Article 83" plan and "Article 82" plan).

**a) Mandatory defined-contribution pension scheme (Article 83)**

The contributions represent:

- 3.5% of the gross annual compensation between four and eight times the social security cap (Band C), paid 2.5% by the Company and 1% by the Chief Executive Officer;
- then 8% of the gross annual compensation between eight and sixteen times the annual French Social Security cap (Band D), paid 5% by the Company and 3% by the Chief Executive Officer.

The total amount of the contributions (both Company's and officer's share) is capped at a lump sum equal to 8% of eight times the French Social Security cap.

**b) Optional defined-contribution pension scheme (Article 82)**

The Chief Executive Officer will benefit from the new defined-contribution pension scheme that will be set up from May 1, 2020 for the benefit of the corporate officers and members of the Group's Executive Committee.

This new scheme provides for the payment by the Company to a third-party entity (an insurer) of contributions equal to 12.5% of the gross annual compensation (fixed and variable) actually received.

The contributions paid in this way do not benefit from any preferential tax and social security regime. For this reason, the Chief Executive Officer will receive a lump-sum indemnity equal to the amount of the contribution paid on his behalf to the insurer. Payment of this indemnity will be concomitant to the payment of the contribution to the insurer.

The contributions and lump-sum indemnity amounts will be dependent on the Company's performance insofar as the calculation basis includes the variable portion of the compensation which is related to the Group's results.

## 3.2.4.3 Compensation policy for the interim Chief Executive Officer (Ms Clotilde Delbos)

During its meeting held on November 8, 2019, the Board of Directors, on the recommendation of the Governance and Compensation Committee decided to maintain the employment contract that ties Ms Clotilde Delbos to Renault s.a.s. This employment contract corresponds to her functions as Chief Financial Officer of Groupe Renault (separate from her office as interim Chief Executive Officer of Renault SA) that she will continue to exercise under the supervision of the Chairman of Renault s.a.s., Mr Jean-Dominique Senard.

During its meeting held on February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee approved the compensation policy for Ms Clotilde Delbos for the 2020 financial year in respect of her position as interim Chief Executive Officer.

The compensation components of Ms Clotilde Delbos in respect of her employment contract are also listed below.

### Compensation components of Ms Clotilde Delbos as interim Chief Executive Officer

#### Draft resolution submitted to the Annual General Meeting of April 24, 2020 pursuant to Article L. 225-37-2 II of the French Commercial Code

**14th resolution - Approval of the compensation policy for the interim Chief Executive Officer for the 2020 financial year**

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for corporate officers set by the Board of Directors, approves, in application of Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the interim Chief Executive Officer, as presented in the Company's 2019 Universal registration document, chapter 3.2.4.2.

### Annual fixed compensation

The annual fixed compensation of Ms Clotilde Delbos in respect of her position as Chief Executive Officer for 2020 remains at a gross amount of €371,329, payable in twelve monthly installments (the amount will be pro-rated from January 1, 2020 and until the end of the corporate office due to occur on June 30, 2020).

Ms Clotilde Delbos, who also benefits from a gross annual fixed compensation of €528,671 under his employment contract with Renault s.a.s. (see paragraph Compensation components of Ms Clotilde Delbos under her employment contract below), will thus benefit from a total fixed compensation of €900,000 on an annual basis (amount that will be pro-rated from January 1, 2020 and until the end of the corporate office on June 30, 2020).

## Annual variable compensation

The amount of the variable compensation may reach 150% of the fixed portion received in respect of her role as corporate officer if all performance objectives are fully achieved. This variable compensation will be fully paid in cash.

For the 2020 financial year, the performance criteria set by the Board of Directors include four quantifiable criteria and three qualitative criteria. They are the same criteria as those applicable to the annual variable compensation of the Chief Executive Officer.



The criteria and their weighting are shown in the tables below:

### QUANTIFIABLE CRITERIA FOR THE 2020 FINANCIAL YEAR (0% TO 100% OF FIXED COMPENSATION)

Given the environmental stakes and new regulations, the criterion of $CO_2$ emissions of passenger cars (CAFE regulation) has been added to the quantifiable criteria of the previous compensation structure. Achievement of this target in 2020 is a financial and reputational stake, and thus a priority objective for the Group. In addition, given the importance of generating cash (free cash flow), it has been decided to maintain the weighting of this criterion and, consequently, to reduce the weighting of Group revenues and operating margin criteria.

| | Group operating margin (Group MOP) | Free cash flow (FCF)* | Group revenues | $CO_2$ emissions |
|---|---|---|---|---|
| **Target** | • The operating margin reflects the Company's profitability. | • A high level of free cash flow demonstrates the use of strict financial discipline within the Company, allowing growth to be funded and the possibility of dividend payments. | • Revenue is the indicator that reflects the Company's level of activity. | • This criterion, which is a major stake for carmakers in 2020, measures the average emissions of passenger cars registered in Europe, based on CAFE regulations (see section 2.3.3 of the Universal registration document). |
| **Weighting** *(as a percentage of fixed compensation)* | • 30% maximum. | • 30% maximum. | • 20% maximum. | • 20% if on target and maximum. |
| **Payment rate** | • 0% if the operating margin is strictly lower than the budget.<br>• 24% if the operating margin is equal to the budget.<br>• 30% if the operating margin is equal to or higher than budget +0.2 points.<br>• Linear interpolation if the operating margin is between budget and budget +0.2 points. | • 0% if free cash flow is strictly lower than the budget.<br>• 24% if free cash flow is equal to the budget.<br>• 30% if free cash flow is equal to or higher than budget +50%.<br>• Linear interpolation if free cash flow is between budget and budget +50%. | • 0% if revenues are strictly lower than the budget.<br>• 16% if revenues are equal to the budget.<br>• 20% if revenues are equal to the budget +2.5%.<br>• Linear interpolation if revenues are between budget and budget +2.5%. | • 0% if the level of $CO_2$ emissions is strictly above the regulatory target.<br>• 20% if the level of $CO_2$ emissions is equal to or lower than the regulatory target. |

*For reasons of commercial confidentiality, the Company does not disclose ex-ante the target figures for these performance criteria. However, it will publish the achievement rate for this criterion at the end of the performance cycle.*

* *Before restructuring expenses.*

### QUALITATIVE CRITERIA FOR THE 2020 FINANCIAL YEAR (0% TO 50% OF FIXED COMPENSATION)

On the recommendation of the Governance and Compensation Committee, the Board of Directors decided to change the qualitative criteria in order to take into account the Alliance's new operating approach and the priority given to customer satisfaction and vehicle quality. Achievement of these three qualitative criteria directly contributes to the Group's performance.

| | Renault-Nissan-Mitsubishi Alliance | Quality of CSR and environmental commitments | Customer Satisfaction/Quality |
|---|---|---|---|
| **Target** | • The Alliance is essential to improving its members' competitiveness, by enabling them to benefit from economies of scale that are particularly important in the context of the automotive industry transition. The indicators mentioned below are key factors in the Alliance's new momentum. | • This criterion aims to strengthen the consideration of stakeholders' interests, thus contributing to the company's sustained performance. | • Product quality and customer satisfaction directly contribute to the Group's performance. |
| **Weighting** *(as a percentage of fixed compensation)* | • 16.66% if on target and maximum. | • 16.66% if on target and maximum. | • 16.66% if on target and maximum. |
| **Indicators** | • Meetings of the Alliance Operating Board<br>• Implementation of Leader/follower projects<br>• Formalization of the regional optimization plans<br>• Number of new partnership projects | • Health and safety (accident frequency rate)<br>• Gender pay-gap ratio<br>• Car recycling rate<br>• Maintaining good employee-employer relations, worldwide and particularly in France (measured by the rate of commitment in the employee satisfaction survey) | • Incident rate<br>• Number of complaints per vehicles<br>• Level of customer satisfactions |

It should be noted that pursuant to Article L. 225-100-III of the French Commercial Code, payment of the annual variable compensation to the interim Chief Executive Officer for the 2020 financial year is subject to its approval by the Annual General Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

## Multi-year variable compensation

The interim Chief Executive Officer will not receive any multi-year variable compensation.

## Exceptional compensation

The interim Chief Executive Officer will not receive any exceptional compensation in 2020.

## Long-term compensation

Pursuant to the Company's compensation principles, a significant proportion of the interim Chief Executive Officer's compensation consists of long-term compensation, the vesting of which is subject to performance criteria, to ensure alignment of the interim Chief Executive Officer's compensation with shareholder interests.

Long-term compensation takes the form of performance shares, allocated annually. The number of performance shares allocated to the interim Chief Executive Officer is expressed as an absolute number, rather than as a percentage of the salary, so that upward and downward fluctuations in the share price will affect the total value of such long-term compensation.

The interim Chief Executive Officer receives performance shares under the same criteria as the other executives in the Group (see Chapter 3.2.5 of this Universal registration document) subject to an additional performance criterion, the total shareholder return (TSR), applied to her in her capacity as executive officer.

On the recommendation of the Governance and Compensation Committee, the Board of Directors' meeting on February 13, 2020 decided that 27,500 performance shares would be allocated to the interim Chief Executive Officer for the 2020 financial year, representing the maximum number of performance shares that may be awarded in respect of the 2020 financial year.

Performance criteria will be measured over a cumulative three-year period (2020, 2021 and 2022).

Vesting of performance shares is also subject to a three-year presence condition starting from the date of the allocation by the Board of Directors.

The number of shares fully vested by the interim Chief Executive Officer out of the 27,500 performance shares allocated to her will depend on the achievement of the following performance criteria:

### LONG-TERM PERFORMANCE CRITERIA

| | Total shareholder return (TSR) | Free cash flow (FCF) * | Percentage of models manufactured on the Alliance platforms | Total carbon footprint |
|---|---|---|---|---|
| **Target** | • TSR is the market criterion which reflects variations in share prices, and dividends paid. Relative TSR reflects the value delivered to shareholders, compared to the value created by alternative investments to which they have access.<br>• TSR is calculated by reference to a benchmark, which corresponds to the sum of the average TSR Euro Stoxx Auto & Parts index results and the average Euro Stoxx ex Financials index results (both weighted equally). | • Free cash flow (FCF) is a key component of the Company's growth capacity, as it underlies its capacity for financing the investments necessary for long-term growth and allows dividend payments. | • This criterion is key indicator of the Group's ability to share costs and benefit from the economies of scale provided by the Alliance. | • This criterion corresponds to the target of reducing the average carbon footprint of passenger cars and light commercial vehicles registered worldwide.<br>• It covers greenhouse gases emitted as a result of the energy consumed by the Company to produce vehicles, as well as most other indirect emissions related to their design, manufacture, marketing, use and end-of-life treatment (see Chapter 2.3.3 of the Universal registration document). |
| **Weighting** *(as a percentage of allocation)* | • 20% | • 30% | • 30% | • 20% |
| **Payment rate** | • 0% if the TSR is strictly lower than the benchmark.<br>• 9% if the TSR is equal to the benchmark.<br>• 20% if the TSR is equal to or higher than the benchmark +10%<br>• Linear interpolation if TSR is between the benchmark and the benchmark +10%. | • 0% if FCF is strictly lower than the budget.<br>• 21% if FCF is equal to the budget<br>• 30% if FCF is higher than or equal to the budget +20%.<br>• Linear interpolation if FCF is between the budget and the budget +20%. | • 0% if the percentage of CMF models is strictly lower than the Mid-Term Plan indicator.<br>• 21% if the percentage of CMF models is equal to the Mid-Term Plan indicator.<br>• 30% if the percentage of the CMF manufacturing is higher than or equal to the Mid-Term Plan indicator +5%.<br>• Linear interpolation if the percentage of CMF models is between the Mid-Term Plan indicator and the Mid-Term Plan indicator +5%. | • 0% if the average carbon footprint emissions is strictly higher than the target<br>• 14% if the average carbon footprint emissions is equal to the target<br>• 20% if the average carbon footprint emissions is equal to or the Group target -2.5 points.<br>• Linear interpolation if average carbon footprint is between the Group target -2.5 points and the Group target. |
| | • As this is a relative criterion, the amount of the target is not yet known. The Company will disclose the average figure and the relevant level of achievement at the end of the performance period. | • For reasons of commercial confidentiality, the Company does not disclose ex-ante the target figures for these criteria. However, it will publish the level of achievement for these criteria at the end of the performance cycle. | | • The reduction target is part of the Group's environmental targets and is defined in chapter 2.3.3 of the Universal registration document. |

* *Before restructuring expenses.*

### Obligation of the interim Chief Executive Officer to hold and retain shares vested as a result of performance share plans

The interim Chief Executive Officer is subject to an obligation to retain 25% of the vested performance shares in his capacity as Chief Executive Officer, until the end of his term of office. The aim of this requirement is to ensure the interests of the Chief Executive Officer are sufficiently aligned with those of shareholders.

### Commitment by the interim Chief Executive Officer not to engage in risk hedging

Pursuant to the AFEP-MEDEF Code recommendations, the interim Chief Executive Officer will commit, for each performance shares allocation, not to engage in performance share risk hedging.

### Consequences of the departure of the interim Chief Executive Officer on the vesting of performance shares

In the event of departure from Groupe Renault before the end of the vesting period, the loss or retention of the performance shares allocated to the interim Chief Executive Officer will depend on the reason for the departure.



| Departure reason | Status of the performance shares not yet vested |
|---|---|
| Dismissal (occuring prior to the last day of the vesting period) | Total loss, in case of a dismissal for serious or gross misconduct. Retention, in all other cases of dismissal, prorated to the vesting period. |
| Resignation (occuring prior to the last day of the vesting period) | Total loss. |
| Expiry of the term of office | Retention of the rights to performance shares, pro-rated to the vesting period. Retention of th rights to all performace shares if the interim Chief Executive Officer remains an employee of a Groupe Renault's company until the end of the vesting period |
| Compulsory or voluntary retirement | Retention of the rights to performance shares, without acceleration of the vesting period. The conditions of the plans, including the performance conditions, will continue to apply. |
| Disability/Long-term illness | Retention of the rights. The performance criteria are deemed to be fully met. |
| Death | Retention of the rights to performance shares for the benefit of heirs or beneficiaries. The performance criteria are deemed to be fully met. |
| Exceptional circumstances | The Board of Directors, on the recommendation of the Governance and Compensation Committee, may decide to exceptionally maintain the rights. The allocation rate would be pro-rated in order to take into account the actual presence of the interim Chief Executive Officer within the Group during the vesting period. There will be no acceleration of the vesting period and the conditions of the plans, including the performance criteria, will continue to apply. |

Furthermore, there is no acceleration clause for the vesting period of the performance shares in the case of change of control.

## Compensation for directorship

The interim Chief Executive Officer is not a Director. Therefore, she does not receive any compensation in this respect.

## Benefits of any kind

The interim Chief Executive Officer will not receive any other benefits in respect of her corporate office.

Ms Clotilde Delbos benefits from certain benefits in kind in respect of her employment contract with Renault s.a.s. (see section "Components of compensation of Ms Clotilde Delbos in respect of her employment contract" below).

## Service provision agreement

No service provision agreement will be entered into between Renault SA and the interim Chief Executive Officer.

## Sign-on bonus

The interim Chief Executive Officer does not receive any sign-on bonus.

## Termination benefit

The interim Chief Executive Officer does not benefit from any termination benefit.

## Renault SA non-compete agreement.

Renault SA will not sign a specific non-compete agreement with Ms Clotilde Delbos in respect of her corporate office. It is however stipulated that Ms Clotilde Delbos is bound by a non-compete agreement in respect of her employment contract.

## Top-up pension scheme

The interim Chief Executive Officer's pension scheme, in respect of both the corporate office and the employment contract, is similar to that of members of the Group Executive Committee (Articles 82 and 83).

**a) Mandatory defined-contribution pension scheme (Article 83)**

Until April 30, 2020, the contributions represent 8% of the gross annual compensation between eight and sixteen times the annual French Social Security cap (Band D), paid 5% by the Company and 3% by Ms Clotilde Delbos.

From May 1, 2020, the contributions correspond to:

- 3.5% of the gross annual compensation between eight and sixteen times the annual French Social Security cap (Band C), paid 2.5% by the Company and 1% by Ms Clotilde Delbos;
- then 8% of the gross annual compensation between eight and sixteen times the annual French Social Security cap (Band D), paid 5% by the Company and 3% by Ms Clotilde Delbos.

The total amount of the contribution (employer's and employee's share) is capped at a lump sum equal to 8% of eight times the French Social Security cap.

**b) Optional defined-contribution pension scheme (Article 82)**

The interim Chief Executive Officer will benefit from the new defined-contribution pension scheme that will be set up from May 1, 2020 for the benefit of the corporate officers and members of the Group's Executive Committee.

This new system provides for the payment by the Company to a third-party entity (an insurer) of contributions equal to 12.5% of the gross annual compensation (fixed and variable) effectively received.

The contributions paid in this way do not benefit from any preferential tax and social security conditions. For this reason, the interim Chief Executive Officer will receive a lump-sum indemnity equal to the amount of the contribution paid on her behalf to the insurer. Payment of this indemnity will be concurrent with payment of the contribution to the insurer.

The contributions and the lump-sum indemnity amounts will be dependent on the Company's performance insofar as the calculation basis includes the variable portion of the compensation which is related to the Group's results.

## Compensation components of Ms Clotilde Delbos in respect of her employment contract

On the recommendation of the Governance and Compensation Committee, the Board of Directors decided at its meeting held on November 8, 2019 to maintain Ms Clotilde Delbos' compensation under her employment contract with Renault s.a.s. and to award her additional compensation for her new duties as interim Chief Executive Officer.

Pursuant to her employment contract with Renault s.a.s., the compensation elements and benefits for Ms Clotilde Delbos for the 2020 financial year are as follows:

- annual fixed compensation for the 2020 financial year of €528,671 payable in 12 monthly installments;
- annual variable compensation for the 2020 financial year that can represent up to 150% of the fixed compensation if all the qualitative and quantitative performance criteria are achieved;
- long-term compensation allocated for the 2020 financial year in the form of 20,000 performance shares;
- a profit-sharing scheme;
- benefits in kind (company cars);
- a non-compete agreement; and
- the benefit of an additional collective pension scheme arranged for the members of the Group Executive Committee which includes a mandatory defined-contribution scheme (Article 83) and an optional defined-contribution scheme (Article 82).

## 3.2.4.4 Compensation policy for directors for the 2020 financial year

At its meeting held on October 18, 2019, the Board of Directors, on the recommendation of the Governance and Compensation Committee, approved the compensation policy for directors for the 2020 financial year.

### Draft resolution submitted to the Annual General Meeting of April 24, 2020 pursuant to Article L. 225-37-2 of the French Commercial Code

**15th resolution - Approval of the compensation policy for directors for the 2020 financial year**

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the report on corporate governance in accordance with the provisions of Article L. 225-37 of the French Commercial Code, a report which sets out the components of compensation policy of the corporate officers set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the compensation policy for directors referred to in Article L. 225-45 of the French Commercial Code, as presented in the Company's 2019 Universal registration document, chapter 3.2.4.4.

## Overall budget for directors' compensation

The Annual General Meeting of June 15, 2018 set at €1,500,000 the maximum amount of compensation to be allocated among the directors (17th resolution).

## Allocation policy

The new policy for allocating directors' compensation adopted by the Board of Directors for the 2020 financial year consists of setting a maximum annual amount of directors' compensation for participation in Board of Directors' meetings and meetings of each of the committees, which will include:

- a fixed portion, pro-rated according to the duration of the office over the year; and
- a variable portion, pro-rated according to the attendance rate over the total number of meetings for the year.

The variable portion related to attendance at the meetings of the Board of Directors and of committees is preponderant compared to the fixed portion.

The advantages of this new allocation policy are that it will prevent the annual maximum amount for directors' compensation from being exceeded, and there will be a strong correlation between compensation and attendance.

The following table sets out the rules for calculating directors' compensation:

| | Annual fixed portion | Annual variable portion | Total individual amounts | Additional annual fixed portion for Chairmanship | Additional annual fixed portion for Lead Independent Director |
|---|---|---|---|---|---|
| Board of Directors | €18,000 | €35,000 | €53,000 | €0 | €20,000 |
| CARC | €5,000 | €15,000 | €20,000 | €20,000 | - |
| Committees (excluding CARC) | €5,000 | €10,000 | €10,000 | €10,000 | - |

It is reminded that the Chairman of the Board of Directors does not perceive any compensation for his directorship.

The amount of compensation for each director will be set by the Board of Directors called to approve the financial statements for the 2020 financial year.

Directors' compensation for the 2020 financial year will be paid in one instalment in 2021.

It is specified that the three directors representing employees and the director representing employee shareholders hold employment contracts within subsidiaries of the Company and receive in this respect remuneration that is not related to the exercise of their directorship. Therefore, such remuneration will not be disclosed.

In addition, directors are entitled to reimbursement of expenses incurred by them in the exercise of their office, in particular any travel and accommodation expenses in connection with meetings of the Board of Directors and of committees.



## 3.2.5 Compensation of senior executives: performance shares

### 3.2.5.1 Legal framework

In its eighteenth resolution, the Combined General Meeting on June 12, 2019 authorized the Board of Directors to proceed, on one or more occasions, with free allocations of existing Company shares and/or Company shares to be issued (so-called performance shares) for the benefit of salaried members of staff and/or corporate officers and/or French or non-French companies or groups directly or indirectly related to it, or certain categories thereof, pursuant to the terms of Article L. 225-197-2 of the French Commercial Code.

Performance share plans are decided annually by the Board of Directors on the recommendation of the Governance and Compensation Committee.

In accordance with best market practices, the vesting of performance shares is subject to (i) performance conditions set by the Board of Directors assessed over a minimum period of three years and (ii) a minimum vesting period of three years.

In the event of the death, total or partial invalidity, or extended sick leave of the beneficiary, they retain the benefit of the performance shares, and the performance conditions do not apply.

Performance share allocations granted pursuant to the aforementioned authorization are subject to the following caps being observed:

- the total number of performance shares allocated may not exceed 2% of the share capital over three years, with a sub-limit of 0.67% of the share capital each year;
- the total number of performance shares allocated may not exceed 10% of the share capital on the date on which the Board of Directors decides on their allocation;
- the number of performance shares allocated to senior executive officers may not exceed 15% of the total number of shares allocated;
- the number of performance shares allocated to members of the Executive Committee may not exceed 30% of the total number of shares allocated, including performance shares allocated to the Chief Executive Officer.

Pursuant to Resolution 18 of the Combined General Meeting on June 12, 2019, performance share allocations do not result in any dilution for the shareholders, as the performance shares allocated are shares held by the Company itself.

The authorization granted at the Annual General Meeting of June 12, 2019 to the Board of Directors to allocate performance shares will expire in 2022.

## 3.2.5.2 General plan allocation policy

### Governance and Compensation Committee

The Board of Directors approves the performance share plans based on the work and recommendations of the Governance and Compensation Committee. The committee examines the allocation proposals for certain Groupe Renault employees presented by the Chief Executive Officer, pursuant to the general scheme set by the Annual General Meeting.

### The purpose of share allocations

The aim of performance share allocations is primarily to personally associate the worldwide management of Groupe Renault, in particular the members of management bodies, with the development of the Group's value by allowing them to share ownership of the Company.

It also provides recognition of executives whose outstandingly positive action has contributed to Groupe Renault's results.

Lastly, it helps to promote loyalty in executives who are of particular value to the Company, notably executives with a high potential for career development. The allocation of shares increases their commitment and motivation to implement progress and growth in the Company.

This scheme has proved to be a factor in strengthening the role of responsibility centers throughout Groupe Renault worldwide, more particularly in the Automotive sector, sales subsidiaries, vehicle and mechanical engineering, bodywork and power train plant managers, industrial subsidiaries, as well as for all program managers and vehicles or components project managers. It is also applied in sales financing, as well as for the managers of large support functions in Groupe Renault.

### Share allocation policy

Allocation is differentiated according to beneficiaries' level of responsibility and contribution, on the basis of the appraisal of their performance and results, and according to the assessment of their development potential.

Beneficiaries are divided into three categories.

### Top management

As of March 1, 2020, the senior executive team comprises 33 members of Renault's Management Committee (CDR), including the 10 members of the Group's Executive Committee (CEG).

The proportion of performance share allocated to the Chief Executive Officer and members of the Group Executive Committee (including the Chief Executive Officer) does not exceed 15% and 30% respectively of the total number of performance shares allocated.

### Senior executives

Senior executives are beneficiaries and the number of performance shares allocated vary, according to their level of responsibility, performance, and results. Certain senior executives may not be beneficiaries.

### Other beneficiary executives

The other beneficiaries are usually senior managers and managers with high professional or managerial development potential or with a high level of expertise. There are numerous complementary systems for assessing and selecting these beneficiaries (level of responsibility, annual appraisal interview, career committees, specific monitoring for high potential executives, etc.); these systems allow various observations which help us to find the most deserving candidates.

The total number of beneficiaries was 1,060 under the 2017 plan, 1,123 under the 2018 plan, and 1,322 under the 2019 plan.

## 3.2.5.3 Summary tables

### Past allocations of stock options and performance shares

Plan nos. 18, 19 and 20 are share purchase option plans.

Plan nos. 18 bis, 19 bis, 20 bis are performance share allocation plans, of which the Chief Executive Officer is not a beneficiary.

Plan nos. 21 to nos. 26 are performance share allocation plans in which some of the shares were allocated to the Chairman and Chief Executive Officer and subject to an additional performance criterion compared to the shares in the plan allocated to other beneficiaries.

The size of the Plans outstanding as of December 31, 2019 corresponds to 2.54% of the Company's share capital.

## STOCK OPTION PLANS

### (TABLE NO. 8 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

| Allocation date/ Board of Directors' meeting date | | Total number of shares available for purchase | – to the former Chairman and Chief Executive Officer Carlos Ghosn | Start date of exercise period | Expiry (date) | Purchase Price [1] | Number of options exercised as of 12/31/2019 | Total number of cancelled or lapsed options as of 12/31/2019 | Options Outstanding (options) as of 12/31/2019 |
|---|---|---|---|---|---|---|---|---|---|
| **Authorization by the Shareholders' Annual General Meeting on April 29, 2011** | | | | | | | | | |
| Plan no. 18 | 04/29/2011 | 490,000 | 100,000 | 04/30/2015 | 04/28/2019 | 38.80 | 438,612 | 51,388 | 0 |
| Plan no. 19 [2] | 12/08/2011 | 300,000 | 100,000 | 12/09/2015 | 12/07/2019 | 26.87 | 140,000 | 160,000 | 0 |
| Plan no. 20 [2] | 12/13/2012 | 447,800 | 150,000 | 12/13/2016 | 12/12/2020 | 37.43 | 293,235 | 51,578 | 102,987 |

*(1) The purchase price is equal to the average stock market price over the twenty sessions prior to the date of the Board of Directors' meeting.*
*(2) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved, and that the FCF target had been achieved. Consequently, 50% of the Plan no. 19 options were cancelled.*
*(3) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 options were cancelled.*

## PERFORMANCE SHARE PLANS

### (TABLE NO. 9 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

| Allocation date/ Board of Directors' meeting date | | Total number of shares awarded | – to the former Chairman and Chief Executive Officer Carlos Ghosn | – to the former Chief Executive Officer Thierry Bolloré | Vesting date | Availability date | Shares cancelled as of 12/31/2019 | Outstanding shares as of 12/31/2019 |
|---|---|---|---|---|---|---|---|---|
| **Authorization by the Shareholders' Annual General Meeting on April 30, 2013** | | | | | | | | |
| Plan no. 21 bis Shares [1] | 02/12/2014 | 980,045 | 0 | | 06/15/2017 | 06/15/2019 | 91,045 | 889,000 |
| Plan no. 22 Shares [2] | 02/11/2015 | 367,605 | 100,000 [4] | | 02/11/2019 | 02/11/2019 | 121,667 | 245,938 |
| Plan no. 22 bis Shares [2] | 02/11/2015 | 1,053,650 | 0 | | 06/15/2018 | 06/15/2020 | 96,601 | 957,049 |
| **Authorization by the Shareholders' Annual General Meeting on April 29, 2016** | | | | | | | | |
| Plan no. 23 Shares [6] | 04/29/2016 | 361,605 [3] | 0 | | 04/29/2020 | 04/29/2020 | 46,995 | 314,610 |
| Plan no. 23 Shares [6] | 04/29/2016 | 977,200 [3] | 0 | | 04/29/2019 | 04/29/2020 | 8,450 | 968,750 |
| Plan no. 23 bis Shares | 07/27/2016 | 100,000 | 100,000 [4] | | 07/27/2020 | 07/27/2020 | 100,000 | 0 |
| Plan no. 24 Shares | 02/09/2017 | 329,300 [3] | 0 | | 02/09/2021 | 02/09/2021 | 36,650 | 292,650 |
| Plan no. 24 Shares | 02/09/2017 | 989,910 [3] | 0 | | 02/09/2020 | 02/09/2021 | 6,350 | 983,560 |
| Plan no. 24 bis Shares | 02/09/2017 | 100,000 | 100,000 [4] | | 02/09/2021 | 02/09/2021 | 100,000 | 0 |
| Plan no. 25 Shares | 02/15/2018 | 311,750 | 0 | | 02/15/2022 | 02/15/2022 | 33,600 | 278,150 |
| Plan no. 25 Shares | 02/15/2018 | 1,082,200 | 0 | | 02/15/2021 | 02/15/2022 | 19,441 | 1,062,759 |
| Plan no. 25 bis Shares | 02/15/2018 | 80,000 | 80,000 [4] | | 02/15/2022 | 02/15/2022 | 80,000 | 0 |
| **Authorization by the Shareholders' Annual General Meeting on June 12, 2019** | | | | | | | | |
| Plan no. 26 Shares | 6/12/2019 | 1,412,030 | N/A | 0 | 6/12/2022 | 6/12/2022 | 5,400 | 1,406,630 |
| Plan no. 26 Shares | 6/12/2019 | 50,000 | N/A | 50,000 [5] | 6/12/2022 | 6/12/2022 | 44,480 | 5,520 |

*(1) The Board of Directors' meeting of June 15, 2017 noted that the performance criteria had been 92.83% achieved. Consequently, 7.17% of the shares in Plan no. 21 bis were cancelled.*
*(2) The Board of Directors' meeting of June 15, 2018 noted that the performance criteria had been 95% achieved (96.66% for the Chairman and CEO). Consequently, 5% of the shares in Plan no. 22 bis were cancelled.*
*(3) Modification of the allocation of the number of performance shares initially granted, due to international mobilities during the vesting period.*
*(4) During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2015, 2016, 2017 and 2018 financial years due to the non-fulfillment of the presence condition applicable to these allocations as a result of the resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019.*
*(5) On the recommendation of the Compensation Committee, on October 11, 2019 and November 8, 2019 the Board of Directors decided to end the term of office of Chief Executive Officer Thierry Bolloré and acknowledged that his rights to the performance shares allocated in 2019 and not yet definitively vested were maintained in respect of his office as Chief Executive Officer of Renault SA, it being specified that (i) the allocation rate of these performance shares shall be pro-rated to take into account the effective presence of Mr Thierry Bolloré within Renault SA during the vesting period, (ii) the vesting period shall not be accelerated and (iii) the plans rules of the said performance shares, including the performance conditions, shall continue to apply, in accordance with the compensation policy approved by the Annual General Meeting of June 12, 2019. The number of performance shares in respect of the 2019 financial year may amount to 5,520 performance shares if all performance criteria are achieved at their maximum level.*
*(6) On June 12, 2019, the Board of Directors determined that the performance criteria had been 100% achieved.*

### INFORMATION RELATING TO THE 10 NON-OFFICER EMPLOYEES

#### (PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

| Overview of stock options allocated and exercised by the 10 non-officer employees who received the largest number of options | Total number of options allocated/ Acquired shares | Exercise price | Plan no. 18 | Plan no. 19 (1) | Plan no. 20 (2) |
|---|---|---|---|---|---|
| Options granted by the issuer and any company within the scope of allocation of options, to the 10 employees of the issuer and any company within this scope, for whom the number of options thus granted is the highest (overall information) | 478,800 | Plan no. 18 = €38.80<br>Plan no. 19 = €26.87<br>Plan no. 20 = €37.43 | 240,000 | 62,000 | 176,800 |
| Options held for the issuer and companies referred to above, exercised by the 10 employees of the issuer and these companies, for whom the number of options thus purchased or subscribed is the highest (overall information) | 332,202 | | 200,000 | 52,000 | 80,202 |

*(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 options were cancelled.*

*(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 options were cancelled.*

#### (PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

| Overview of performance shares granted to the top 10 allottee non-officer employees and shares vested by them | Total number of shares allocated | Plan no. 18 bis | Plan no. 19 bis (1) | Plan no. 20 bis (2) | Plan no 21bis (3) | Plan no 22 (4) | Plan no. 23 (5) | Plan no. 24 | Plan no. 25 | Plan no. 26 |
|---|---|---|---|---|---|---|---|---|---|---|
| Shares allocated by the issuer and any company within the scope of allocation, to the 10 employees of the issuer and any company within this scope, for whom the number of shares thus allocated is the highest (overall information) | 1,366,000 | 110,000 | 68,000 | 78,000 | 185,000 | 185,000 | 185,000 | 190,000 | 205,000 | 160,000 |
| Shares held for the issuer and companies referred to above, vested by the 10 employees of the issuer and these companies, for whom the number of shares thus vested is the highest (overall information) | 745,501 | 110,000 | 34,000 | 69,015 | 171,736 | 175,750 | 185,000 | 0 | 0 | 0 |

*(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 bis shares were cancelled.*

*(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 bis shares were cancelled.*

*(3) On June 15, 2017, the Board of Directors determined that the performance criteria had been 92.83% achieved. Consequently, 7.17% of the Plan no. 21 shares and 21 bis shares were cancelled.*

*(4) On June 15, 2018, the Board of Directors determined that the performance criteria had been 95% achieved. Consequently, 5% of the Plan no. 22 shares were cancelled.*

*(5) On June 12, 2019, the Board of Directors determined that the performance criteria had been 100% achieved.*

# 3.3 INFORMATION CONCERNING SECURITIES TRANSACTIONS

During the course of their duties, the Board of Directors, and certain employees of Groupe Renault, have access to inside information, and, in this respect, are subject to the provisions of Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (the "**Regulation**") and, in particular, the provisions of Article 9 of the regulation on insider trading.

In this respect, pursuant to the provisions of Article 18 of the Regulation, the Company holds at the disposal of the AMF for each piece of inside information, a list of those persons deemed to be insiders, in the form specified in Appendix I of Implementing Regulation (EU) 2016/347 of March 10, 2016.

The persons concerned within the Company are informed of the rules of good conduct and the reporting obligations (to the AMF and to the Company) incumbent on them with respect to transactions carried out personally and involving Company securities.

To the best of the Company's knowledge, the transactions carried out during the past financial year by the members of the Board of Directors, the senior executives concerned, and the persons closely associated with them, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code, were as follows:

- on February 21, 2019, Mr Jean-Dominique Senard, Chairman of the Board of Directors, acquired 1,700 shares at the price of €59.53 per share;
- on March 15, 2019, Mr Carlos Ghosn, director, acquired 100,000 shares at the price of €70 per share, subsequent to the exercise by the option holders of 1,000 put options on 100 shares each at the price of €70. On the same date, he acquired 100,000 Renault shares at a price of €65 per share, subsequent to exercise by the option holders of 1,000 put options on 100 shares each at the price of €65 per share;
- on April 8, 2019, Mr Laurens Van Den Acker, Groupe Renault Director of Industrial Design, exercised 5,000 stock options at the unit price of €38.80 and sold the 5,000 resulting shares at the price of €61.83 per share. On June 12, 2019, he acquired 11,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016. On November 13, 2019, he exercised 8,309 call options at the unit price of €33.62 and sold the 8,309 resulting shares at the price of €45.04 per share;
- on June 12, 2019, Mr Ali Kassaï Koupaï, Executive Vice-President of Groupe Renault Product Planning and Programs, purchased 2,400 performance shares, pursuant to the conditions that had been set by the Board of Directors' meeting of April 26, 2016;
- on June 12, 2019, Ms Clotilde Delbos, Executive Vice-President, Group Chief Financial Officer, purchased 20,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016;
- on June 12, 2019, Mr Jose Vicente de los Mozos Obispo, Executive Vice-President of Manufacturing and Supply Chain Alliance, purchased 2,500 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016. On December 2, 2019, he sold 14,250 shares at a price of €43.65 per share. On December 5, 2019, he purchased 11,690 shares at a price of €42.11 per share. On December 10, 2019, he purchased 1,066 shares at a price of €41.30 per share.
- on June 12, 2019, Mr Gaspar Gascon-Abellan, Deputy Alliance Executive Vice-President of Engineering, purchased 15,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016;
- on June 12, 2019, Mr Philippe Guérin-Boutaud, Executive Vice President Quality and Total Customer Satisfaction, Groupe Renault, purchased 2,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016;
- on June 12, 2019, Mr Thierry Bolloré, Chief Executive Officer, purchased 25,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016;
- on June 12, 2019, Ms Véronique Sarlat-Depotte, Renault-Nissan-Mitsubishi Alliance Executive Vice President, Purchasing, and Chairman and Chief Executive Officer of the Alliance Purchasing Organization, purchased 11,000 performance shares, pursuant to the conditions that had been set by the Board of Directors on April 26, 2016;
- on June 12, 2019, Mr Frédéric Vincent, Groupe Renault EVP, Information Systems, Digital and Transformation, Chairman of Renault Digital, acquired 2,500 performance shares, in accordance with the conditions set by the Board of Directors on April 26, 2019; and
- on July 31 2019, Ms Annette Winkler, director, purchased 1,000 shares at the price of €50.99 per share.

# 3.4 INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT – AUDIT OF RNBV

## Verifications by the Ethics and Compliance department

Following the arrest of Mr Carlos Ghosn in Japan on November 19, 2018, the Company carried out internal investigations to ascertain whether there were facts within Groupe Renault similar to those alleged against him by the Japanese judicial authorities. These verifications related to (i) the compensation and benefits of all kinds of the Chairman and CEO and the members of the Group Executive Committee, (ii) the expenses of the Chairman's office and the General Management, (iii) the operations carried out by Renault with partners based in the Middle-East, whose names have been publicly quoted, and (iv) Renault's operations with other companies whose names have also been publicly quoted, including RNBV and other Nissan or Alliance entities incorporated in the Netherlands.

Following the verifications, facts were brought to the attention of the judicial authorities (see chapter 3.5 of Renault's 2018 Registration document).

Facts and commitments that could constitute breaches of the rules of ethics in force within Groupe Renault have led to the implementation of an action plan in two areas:

- Strengthening of checks relating to compensation of the Chief Executive Officer and members of the Group Executive Committee;
- Strengthening of checks relating to spending of Senior Management.

The action plan was presented to the Audit Committee on March 11, 2019 and was monitored during committee meetings on April 1 and October 14, 2019.

## Compensation and benefits of any kind of the Chairman and Chief Executive Officer and of the members of the Group Executive Committee

It is reminded that the Ethics and Compliance department was also mandated by Renault's Senior Management in 2018, to review the regularity of all the compensation components and benefits of any kind paid or awarded by the Group to the Chairman and Chief Executive Officer and to the members of the Renault Group Executive Committee, as well as to verify the accuracy of the information relating to the compensation of the Chairman and Chief Executive Officer included in Renault's Registration documents for the financial years from 2010 to 2018.

The conclusions were stated in the 2018 Registration document.

This mission was extended to 2019 and concluded that all the compensation components and benefits of any kind paid or allocated by the Group to the Chairman, the Chief Executive Officer and to other members of Renault's Group Executive Committee for the financial year 2019, complied with French regulations and the recommendations of the AFEP-MEDEF Code.

## Audit of Renault-Nissan b.v.

In January 2019, Renault and Nissan initiated a joint audit on Renault-Nissan b.v. (RNBV). The Audit, Risks and Ethics Committee of Renault validated the launch of this audit on January 17, 2019 and a "Privileged Audit" was launched on February 4. This audit was conducted by an audit firm appointed by a Dutch law firm under the supervision of Renault and Nissan's Internal Audit departments, and covered the governance, control, compliance, and accounts of RNBV.

The Audit, Risk and Ethics Committee, the Board of Directors and the Statutory Auditors of the Company were regularly informed of the progress of the audit, with the definitive conclusions being communicated to the Board of Directors on June 4, 2019, and the final audit report being submitted on July 11, 2019.

These conclusions have confirmed the questions raised by certain expenses by RNBV for a total in the order of €11 million. Within the framework of the RNBV governance bodies and in accordance with the request by the Renault Board of Directors, Renault and Nissan are currently looking at the legal action possible in the Netherlands.

Last, the Public Prosecutor of Nanterre published, on February 19, 2020, a press release announcing the opening of an investigation relating in particular to the same expenses paid by RNBV of which "travel and event expenses [...] - likely to be private." Renault s.a.s. immediately joined the proceedings as a plaintiff on February 24, 2020.

## OPERATING MARGIN

**€2,662**
MILLION IN 2019

**4.8 %**
IN REVENUES




Find out more at www.groupe.renault.com


# 04 FINANCIAL STATEMENTS



The elements of the annual financial report are identified by the AFR symbol.

# 4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

For the year ended December 31, 2019

To the Annual General Meeting of Renault,

## Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Renault for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

### Observation

Without qualifying our opinion expressed above, we draw your attention to the notes 2-A2 and 2-A3 to the notes to the consolidated financial statements which describe the changes resulting from the first application of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments".

## Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

## VALUATION OF INTANGIBLE AND TANGIBLE VEHICLE-SPECIFIC ASSETS OF THE AUTOMOTIVE SECTOR (EXCL. AVTOVAZ)

**Risk identified**

Intangible and tangible assets and goodwill, of the operating segment "Automotive (excluding AVTOVAZ)" amount to 21 701 million euros.
The Group carries out impairment tests at the level of intangible and tangible vehicle-specific assets related to specific vehicle models as soon as an impairment risk indicator has been identified, under the approach described in note 2-M of the consolidated financial statements.
The test consists in comparing the net book value of the intangible and tangible assets related to specific vehicle models with their recoverable value, defined as the higher amount between the value in use and the fair value net of exit costs. The value in use is calculated based on discounted future cash flows.
We have considered that the valuation of the vehicle-specific assets is a key audit matter because of their significance to the financial statements and because of the estimates and judgments required from Management to prepare these tests.

**Our audit response**

During our audit of the consolidated financial statements, our procedures mainly consisted in:
- Understanding the analysis performed by Management in order to identify specific vehicle models presenting impairment indicators.
- For the vehicle models tested:
- Reconciling the net book value of vehicle-specific assets to the consolidated financial statements.
- Assessing the consistency of the forecast volumes and margins assumptions used in the tests with the latest Management assumptions.
- Assessing the reasonableness of the main assumptions used through interviews with the economic controllers in charge of the vehicles being tested and by comparing the assumptions with the data used in the previous impairment tests as well as, if applicable, with the historical performance of the vehicles.
- Testing the arithmetical accuracy of the discounted cash flows projections prepared by management for vehicles subject to an impairment test.
- Comparing the discount rate after tax used with external data available.
- Performing sensitivity analysis on the main assumptions used.

## CONSOLIDATION METHOD AND RECOVERABLE VALUE OF THE EQUITY INVESTMENT IN NISSAN

**Risk identified**

As at December 31, 2019, the Renault equity investment in Nissan amounts to 20,622 million euros, and Nissan contributes for 242 million euros to Renault net profit for the period.
As indicated in note 12 to the consolidated financial statements, Renault has a significant influence over Nissan and accounts for its investment using the equity method. The Nissan accounts used to prepare Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards, adjusted according to group Renault standards for consolidation purposes.
In accordance with the approach described in the accounting policies (note 2-M), an impairment test of the investment in Nissan was carried out at December 31, 2019.
We have considered that the consolidation method and recoverable value of the equity investment in Nissan is a key audit matter given its magnitude to Renault's consolidated financial statements, and given the following areas of attention: (1) the judgment of management to assess the Alliance governance structure as well as facts and circumstances underlying Renault's significant influence over Nissan, (2) the completeness of adjustments to Nissan's financial statements required to account for Renault's share in the result and equity of this company and their accuracy, (3) the estimates used by management in determining the recoverable value of Renault's investment in Nissan.

**Our audit response**

Our audit response to the risks identified mainly consisted in:
- Reading the minutes of the Board of Directors meetings and the related party agreements and commitments register, and obtaining confirmation from management that there were no changes in the governance of Nissan and/or no new contracts structuring the relations between Renault and Nissan which could modify the analysis of the significant influence exercised by Renault over Nissan.
- Understanding the conclusions and the audit work performed by the independent auditor of Nissan in accordance with our instructions which detail the procedures to be performed and the conclusion format required for our audit purposes.
- Understanding the audit work performed by the independent auditor of Nissan over the homogenization adjustments required to Nissan's financial statements to match Renault accounting policies.
- Assessing whether there are any identified impairment indicators, the main indicators being significant adverse changes on markets where Nissan operates or a significant and long lasting drop in Nissan stock market value.
- Examining the relevance of the main assumptions used by Renault in the impairment test performed to assess the recoverable value of its investment in Nissan, by reference to Nissan mid-term plan, historical performance achieved by Nissan as well as the overall perspectives of the Automotive sector.
- Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

## RECOVERABILITY OF THE DEFERRED TAX ASSETS OF THE FRENCH TAX GROUP

**Risk identified**

As indicated in note 8-A of the notes to the consolidated financial statements, the deferred tax charge for 2019 takes into account the discontinuation of the recognition of deferred tax assets on tax losses carryforwards under the French tax consolidation group for an amount of -753 million euros.
The recognition of a deferred tax asset depends on the ability of the legal entities of the French tax group to achieve the financial performance expected by management.
The termination of the recognition of deferred tax assets on tax loss carryforwards of the French tax consolidation group as of December 31, 2019 is a key audit matter given the level of judgment required from Management, with regards specifically to the ability to reliably estimate future taxable results over the historical timeframe.

**Our audit response**

Our audit response to the risks identified mainly consisted in:
- Assessing the consistency of the expected financial results for the French tax group with the main assumptions underlying the revised group mid term plan Drive the Future, which is currently being updated by Management and is expected to be issued in the first half of the year.
- Comparing budgeted and actual results in prior periods to assess the reliability of the budgeting processes.
- In respect of the deferred tax assets no longer recognized, assessing the nature and extent of the positive and negative evidence considered by Management to conclude that the availability of future taxable profits was not sufficiently probable at the balance sheet date.

| RECOVERABLE VALUE OF SALES FINANCING RECEIVABLES (RCI) | |
|---|---|
| Risk identified | The sales financing activity is managed by RCI Banque with dedicated offers for individuals and companies as well as the financing of dealer networks.<br>RCI Banque sets aside provisions to cover the risk of losses resulting from the inability of its clients to meet their financial commitments. Since January 1, 2018, RCI Banque applies IFRS 9 "Financial Instruments", which defines in particular a new methodology for estimating provisions based on a prospective model, moving from a provisioning of ascertained credit losses to a provisioning model for expected losses based on a 3-bucket approach: loans without signs of impairment (bucket 1), loans that have signs of impairment (bucket 2) and loans with serious credit impairment or arreage (bucket 3).<br>We consider the amount of credit loss provisioning as a key point of the audit, due to the size of the amount of customer and network loans in the assets of the Group's balance sheet, the use of numerous parameters and assumptions in the calculation models and the use of judgment made by management in estimating expected credit losses.<br>The provisions related to IFRS 9 are detailed in Note 15 to the consolidated financial statements and amounts to 848 M€ for an outstanding amount of 46 222 M€. |
| Our audit response | Our procedures mainly consisted in:<br>• Assessing the methodological principles followed for the construction of the models, in order to check their compliance, in their significant aspects, with the principles of IFRS 9;<br>• Assessing the governance established in terms of validation of the key parameters and assumptions applied in these models or included in the ex post review of actual losses over the past financial year (back-testing);<br>• Evaluating key controls over processes, IT applications, management accounting data transfers from the customer and dealer network loan portfolio and its breakdown by category, and interfaces between applications involved in calculating expected credit losses. In this objective, our audit teams have integrated members with specific skills in auditing information systems and modelling credit risk;<br>• *On the retail customer credit perimeter:*<br>  • Testing, and assessing on the basis of a representative sample of customer credit agreements, the appropriateness of the "Probability of Default" and "Loss in the event of Default" parameters with the corresponding agreements;<br>• *On the dealer network credit perimeter:*<br>  • Calculating the « Expected losses » on Germany, Brazil, Spain, France, Italy and Great Britain as at December 31st, 2019, based on the determined parameters and loss given default exposure at in the event of default;<br>• Assessing the methodology applied to determine the prospective component of ECL (forward looking) estimation, in particular on the assumptions used in the establishment of the scenarios macro-economic factors, the weighting of these scenarios and their impact on risk parameters;<br>• Carrying out analytical procedures on the evolution of outstanding retail customer and dealer network loans and credit risk impairment;<br>• Assessing the appropriateness of the information presented in Notes 2-G and 15 to the consolidated financial statements. |

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

## Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG S.A. and on by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2019, KPMG S.A. was in the sixth year of total uninterrupted engagement and Ernst & Young Audit was in the forty first year of total uniterrupted engagement, of which twenty-six year since securities of the Company were admitted to trading on a regulated market.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Riks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit, Risks and Compliance Committee

We submit to the Audit, Risks and Compliance Committee *a report* which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 20, 2020

The statutory auditors
*French original signed by*

| KPMG Audit | ERNST & YOUNG Audit | |
|---|---|---|
| A department of KPMG S.A. | | |
| Laurent des Places | Aymeric de La Morandière | Philippe Berteaux |

# 4.2 CONSOLIDATED FINANCIAL STATEMENTS

## 4.2.1 Consolidated income statement

| *(€ million)* | ***Notes*** | **2019** [1] | **2018** |
|---|---|---|---|
| **Revenues** | *4* | **55,537** | **57,419** |
| Cost of goods and services sold | | (44,665) | (45,417) |
| Research and Development expenses | *10-A* | (2,658) | (2,598) |
| Selling, general and administrative expenses | | (5,552) | (5,792) |
| **Operating margin** | *5* | **2,662** | **3,612** |
| Other operating income and expenses | *6* | (557) | (625) |
| *Other operating income* | *6* | *80* | *149* |
| *Other operating expenses* | *6* | *(637)* | *(774)* |
| **Operating income (loss)** | | **2,105** | **2,987** |
| Cost of net financial indebtedness | *7* | (311) | (308) |
| *Cost of gross financial indebtedness* | *7* | *(386)* | *(373)* |
| *Income on cash and financial assets* | *7* | *75* | *65* |
| Other financial income and expenses | *7* | (131) | (45) |
| **Financial income (expenses)** | *7* | **(442)** | **(353)** |
| **Share in net income (loss) of associates and joint-ventures** | | **(190)** | **1,540** |
| *Nissan* | *12* | *242* | *1,509* |
| *Other associates and joint-ventures* | *13* | *(432)* | *31* |
| **Pre-tax income** | | **1,473** | **4,174** |
| Current and deferred taxes | *8* | (1,454) | (723) |
| **NET INCOME** | | **19** | **3,451** |
| Net income (loss) – parent company shareholders' share | | (141) | 3,302 |
| Net income - non-controlling interests' share | | 160 | 149 |
| Basic earnings per share [2] *(€)* | | (0.52) | 12.24 |
| Diluted earnings per share (2) *(€)* | | (0.52) | 12.13 |
| Number of shares outstanding *(thousands)* | | | |
| for basic earnings per share | 9 | 271,639 | 269,850 |
| for diluted earnings per share | 9 | 273,569 | 272,222 |

*(1) The figures for 2019 are established in application of IFRS 16 "Leases". The impacts of application of IFRS 16 from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.*
*(2) Net income (loss) – parent company shareholders' share divided by the number of shares stated.*

## 4.2.2 Consolidated comprehensive income

| | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| *(€ million)* | **Gross** | **Tax effect** | **Net** | **Gross** | **Tax effect** | **Net** |
| **Net income** | **1,473** | **(1,454)** | **19** | **4,174** | **(723)** | **3,451** |
| **Other components of comprehensive income from parent company and Subsidiaries** | | | | | | |
| ***Items that will not be reclassified subsequently to profit or loss*** | ***(137)*** | ***49*** | ***(88)*** | ***(356)*** | ***(3)*** | ***(359)*** |
| Actuarial gains and losses on defined-benefit pension plans | (194) | 50 | (144) | 53 | (16) | 37 |
| Equity instruments at fair value through equity | 57 | (1) | 56 | (409) | 13 | (396) |
| ***Items that have been or will be reclassified to profit or loss in subsequent periods*** | ***(67)*** | ***(81)*** | ***(148)*** | ***(483)*** | ***29*** | ***(454)*** |
| Translation adjustments on foreign activities | 119 | - | 119 | (213) | - | (213) |
| Translation adjustments on foreign activities in hyperinflationary economies | (99) | - | (99) | (175) | - | (175) |
| Partial hedge of the investment in Nissan | (70) | (87) | (157) | (102) | 32 | (70) |
| Fair value adjustments on cash flow hedging instruments (1) | (17) | 6 | (11) | 7 | (4) | 3 |
| Debt instruments at fair value through equity (2) | - | - | - | - | 1 | 1 |
| **TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)** | **(204)** | **(32)** | **(236)** | **(839)** | **26** | **(813)** |
| **Share of associates and joint-ventures in other components of comprehensive income** | | | | | | |
| ***Items that will not be reclassified to profit or loss in subsequent periods*** | ***24*** | ***-*** | ***24*** | ***(206)*** | ***-*** | ***(206)*** |
| Actuarial gains and losses on defined-benefit pension plans | 23 | - | 23 | (68) | - | (68) |
| Other | 1 | - | 1 | (138) | - | (138) |
| ***Items that have been or will be reclassified to profit or loss in subsequent periods (3)*** | ***352*** | ***-*** | ***352*** | ***956*** | ***-*** | ***956*** |
| Translation adjustments on foreign activities | 407 | - | 407 | 960 | - | 960 |
| Other | (55) | - | (55) | (4) | - | (4) |
| **TOTAL SHARE OF ASSOCIATES AND JOINT-VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)** | **376** | **-** | **376** | **750** | **-** | **750** |
| **OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)** | **172** | **(32)** | **140** | **(89)** | **26** | **(63)** |
| **COMPREHENSIVE INCOME** | **1,645** | **(1,486)** | **159** | **4,085** | **(697)** | **3,388** |
| Parent company shareholders' share | | | 1 | | | 3,221 |
| Non-controlling interests' share | | | 158 | | | 167 |

(1) Including €10 million reclassified to profit or loss in 2019 (€6 million in 2018).
(2) Including €(1) million reclassified to profit or loss in 2019 (€2 million in 2018).
(3) Including €3 million reclassified to profit or loss in 2019 following the full consolidation of ZAO GM-AVTOVAZ at December 31, 2019.

## 4.2.3 Consolidated financial position

| *(€ million)* | *Notes* | December 31, 2019 [1] | December 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets and goodwill | *10-A* | 6,949 | 5,913 |
| Property, plant and equipment [2] | *10-B* | 16,900 | 14,304 |
| Investments in associates and joint-ventures | | 21,232 | 21,439 |
| *Nissan* | *12* | *20,622* | *20,583* |
| *Other associates and joint-ventures* | *13* | *610* | *856* |
| Non-current financial assets | *22* | 1,072 | 928 |
| Deferred tax assets | *8* | 1,016 | 952 |
| Other non-current assets | *17* | 1,224 | 1,485 |
| **TOTAL NON-CURRENT ASSETS** | | **48,393** | **45,021** |
| **Current assets** | | | |
| Inventories | *14* | 5,780 | 5,879 |
| Sales Financing receivables | *15* | 45,374 | 42,067 |
| Automotive receivables | *16* | 1,258 | 1,399 |
| Current financial assets | *22* | 2,216 | 1,963 |
| Current tax assets | *17* | 86 | 111 |
| Other current assets | *17* | 4,082 | 3,779 |
| Cash and cash equivalents | *22* | 14,982 | 14,777 |
| **TOTAL CURRENT ASSETS** | | **73,778** | **69,975** |
| **TOTAL ASSETS** | | **122,171** | **114,996** |

(1) The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.
(2) Including €669 million of right-to-use assets resulting from IFRS 16 "Leases" at the date of initial application.

| *(€ million)* | *Notes* | December 31, 2019 [(1)] | December 31, 2018 [(2)] |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | | | |
| Share capital | | 1,127 | 1,127 |
| Share premium | | 3,785 | 3,785 |
| Treasury shares | | (344) | (400) |
| Revaluation of financial instruments | | 232 | 236 |
| Translation adjustment | | (2,584) | (2,826) |
| Reserves | | 32,489 | 30,265 |
| Net income (loss) – parent company shareholders' share | | (141) | 3,302 |
| **Shareholders' equity – parent company shareholders' share** | | **34,564** | **35,489** |
| Shareholders' equity – non-controlling interests' share | | 767 | 599 |
| **TOTAL SHAREHOLDERS' EQUITY** | *18* | **35,331** | **36,088** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | *8* | 1,044 | 135 |
| Provisions for pension and other long-term employee benefit obligations – long-term | *19* | 1,636 | 1,531 |
| Other provisions – long-term | *20* | 1,458 | 1,463 |
| Non-current financial liabilities | *23* | 8,794 | 6,209 |
| Provisions for uncertain tax liabilities – long-term | *8-C* | 187 | 140 |
| Other non-current liabilities | *21* | 1,734 | 1,572 |
| **TOTAL NON-CURRENT LIABILITIES** | | **14,853** | **11,050** |
| **Current liabilities** | | | |
| Provisions for pension and other long-term employee benefit obligations – short-term | *19* | 64 | 56 |
| Other provisions – short-term | *20* | 1,064 | 1,100 |
| Current financial liabilities | *23* | 2,780 | 2,463 |
| Sales Financing debts | *23* | 47,465 | 44,495 |
| Trade payables | | 9,582 | 9,505 |
| Current tax liabilities | *8-C* | 223 | 289 |
| Provisions for uncertain tax liabilities – short-term | *8-C* | 8 | 22 |
| Other current liabilities | *21* | 10,801 | 9,928 |
| **TOTAL CURRENT LIABILITIES** | | **71,987** | **67,858** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **122,171** | **114,996** |

*(1) The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.*

*(2) The figures for 2018 include a reclassification of provisions for uncertain tax liabilities, in application of an IFRIC decision of September 2019. These provisions are presented in specific lines instead of in other provisions as previously (note 2-A3). Shareholders' equity at December 31, 2018, has also been adjusted by an amount of €(57) million due to correction of an error concerning operations in the Americas region, with a corresponding entry in other provisions.*

## 4.2.4 Changes in consolidated shareholders' equity

| (€ million) | Number of shares (thousands) | Share capital | Share premium | Treasury shares | Revaluation of financial instruments | Translation adjustment | Reserves | Net income (loss) (parent company share-holders' share) | Share-holders' equity (parent company share-holders' share) | Share-holders' equity (non-controlling interests' share) | Total share-holders' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **BALANCE AT DECEMBER 31, 2017** [1] | **295,722** | **1,127** | **3,785** | **(494)** | **809** | **(3,376)** | **26,265** | **5,212** | **33,328** | **294** | **33,622** |
| Transition to IFRS 9 "Opening adjustments" | | | | | (21) | | (73) | | (94) | (2) | (96) |
| Transition to IFRS 15 "Opening adjustments" | | | | | | | (229) | | (229) | (9) | (238) |
| Application of IAS 29 "Opening adjustments" | | | | | | 14 | 65 | | 79 | | 79 |
| **ADJUSTED BALANCE AT JANUARY 1, 2018** | **295,722** | **1,127** | **3,785** | **(494)** | **788** | **(3,362)** | **26,028** | **5,212** | **33,084** | **283** | **33,367** |
| 2018 net income | | | | | | | | 3,302 | 3,302 | 149 | 3,451 |
| Other components of comprehensive income [2] [3] | | | | | (538) | 487 | (30) | | (81) | 18 | (63) |
| **2018 COMPREHENSIVE INCOME** | | | | | **(538)** | **487** | **(30)** | **3,302** | **3,221** | **167** | **3,388** |
| Allocation of 2017 net income | | | | | | | 5,212 | (5,212) | | | |
| Dividends | | | | | | | (958) | | (958) | (94) | (1,052) |
| (Acquisitions)/disposals of treasury shares and impact of capital increases | | | | 94 | | | | | 94 | | 94 |
| Changes in ownership interests [4] | | | | | | 33 | 39 | | 72 | 241 | 313 |
| Index-based restatement in 2018 of equity items in hyperinflationary economies | | | | | | 3 | 86 | | 89 | 1 | 90 |
| Cost of share-based payments and other | | | | | (14) | 13 | (112) | | (113) | 1 | (112) |
| **BALANCE AT DECEMBER 31, 2018** [5] | **295,722** | **1,127** | **3,785** | **(400)** | **236** | **(2,826)** | **30,265** | **3,302** | **35,489** | **599** | **36,088** |
| 2019 net income | | | | | | | | (141) | (141) | 160 | 19 |
| Other components of comprehensive income [3] | | | | | (4) | 267 | (121) | | 142 | (2) | 140 |
| **2019 COMPREHENSIVE INCOME** | | | | | **(4)** | **267** | **(121)** | **(141)** | **1** | **158** | **159** |
| Allocation of 2018 net income | | | | | | | 3,302 | (3,302) | | | |
| Dividends | | | | | | | (966) | | (966) | (96) | (1,062) |
| (Acquisitions)/disposals of treasury shares and impact of capital increases | | | | 56 | | | | | 56 | | 56 |
| Changes in ownership interests | | | | | | | (5) | | (5) | 106 | 101 |
| Index-based restatement in 2018 of equity items in hyperinflationary economies | | | | | | (25) | 59 | | 34 | | 34 |
| Cost of share-based payments and other | | | | | | | (45) | | (45) | | (45) |
| **BALANCE AT DECEMBER 31, 2019** | **295,722** | **1,127** | **3,785** | **(344)** | **232** | **(2,584)** | **32,489** | **(141)** | **34,564** | **767** | **35,331** |

*(1) Including €669 million of right-of-use assets resulting from IFRS 16 "Leases" at the date of initial application.*
*(2) Shareholder's equity at December 31, 2018 has been adjusted by an amount of €(57) million due to correction of an error concerning operations in the Americas region, with a corresponding entry in other provisions.*
*(3) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period.*
*(4) Changes in ownership interests in 2018 include the effects of capital increases by Alliance Rostec Auto b.v. and AVTOVAZ, and acquisitions of shares in AVTOVAZ by Alliance Rostec Auto b.v. as a result of a mandatory tender offer and a mandatory squeeze out (note 3-B).*
*(5) The application of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over income tax treatments" did not lead to any adjustments of opening shareholders' equity*

Details of changes in consolidated shareholders' equity in 2019 are given in note 18.

## 4.2.5 Consolidated cash flows

| *(€ million)* | *Notes* | 2019 [(1)] | 2018 |
|---|---|---|---|
| **Net income** | | **19** | **3,451** |
| Cancellation of dividends received from unconsolidated listed investments | | (46) | (44) |
| Cancellation of income and expenses with no impact on cash | | | |
| Depreciation, amortization and impairment | | 3,809 | 3,245 |
| Share in net (income) loss of associates and joint-ventures | | 190 | (1,540) |
| Other income and expenses with no impact on cash before interest and tax | *26-A* | 1,937 | 1,396 |
| Dividends received from unlisted associates and joint-ventures | | 4 | 2 |
| **Cash flows before interest and tax [(2)]** | | **5,913** | **6,510** |
| **Dividends received from listed companies [(3)]** | | **625** | **828** |
| Net change in financing for final customers | | (2,612) | (3,596) |
| Net change in renewable dealer financing | | (659) | (160) |
| **Decrease (increase) in Sales Financing receivables** | | **(3,271)** | **(3,756)** |
| Bond issuance by the Sales Financing segment | *23-C* | 3,869 | 4,245 |
| Bond redemption by the Sales Financing segment | *23-C* | (4,034) | (3,148) |
| Net change in other debts of the Sales Financing segment | | 3,696 | 2,435 |
| Net change in other securities and loans of the Sales Financing segment | | (428) | 61 |
| **Net change in financial assets and debts of the Sales Financing segment** | | **3,103** | **3,593** |
| **Change in capitalized leased assets** | | **(1,059)** | **(519)** |
| **Change in working capital before tax** | ***26-B*** | **1,214** | **551** |
| **CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX** | | **6,525** | **7,207** |
| Interest received | | 78 | 67 |
| Interest paid | | (368) | (332) |
| Current taxes (paid)/received | *8-C* | (636) | (657) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | **5,599** | **6,285** |
| Property, plant and equipment and intangible investments | *26-C* | (5,022) | (4,407) |
| Disposals of property, plant and equipment and intangible assets | | 31 | 131 |
| Acquisitions of investments involving gain of control, net of cash acquired | | 5 | (29) |
| Acquisitions of other investments | | (157) | (215) |
| Disposals of investments involving loss of control, net of cash transferred | | 2 | - |
| Disposals of other investments | | 36 | 8 |
| Net decrease (increase) in other securities and loans of the Automotive segments | | (2) | (150) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | **(5,107)** | **(4,662)** |
| Dividends paid to parent company shareholders | *18-D* | (1,035) | (1,027) |
| Transactions with non-controlling interests | | (10) | 11 |
| Dividends paid to non-controlling interests | *18-H* | (96) | (94) |
| (Acquisitions) sales of treasury shares | | (36) | (41) |
| **Cash flows with shareholders** | | **(1,177)** | **(1,151)** |
| Bond issuance by the Automotive segments | *23-C* | 1,557 | 1,895 |
| Bond redemption by the Automotive segments | *23-C* | (574) | (1,455) |
| Net increase (decrease) in other financial liabilities of the Automotive segments | | (59) | (242) |
| **Net change in financial liabilities of the Automotive segments** | ***23-B*** | **924** | **198** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | **(253)** | **(953)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **239** | **670** |

*(1) The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.*
*(2) Cash flows before interest and tax do not include dividends received from listed companies.*
*(3) Dividends received from Daimler (€46 million in 2019 and €44 million in 2018) and Nissan (€579 million in 2019 and €784 million in 2018).*

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Cash and cash equivalents: opening balance** | **14,777** | **14,057** |
| Increase (decrease) in cash and cash equivalents | 239 | 670 |
| Effect of changes in exchange rate and other changes | (34) | 50 |
| Cash and cash equivalents: closing balance* | 14,982 | 14,777 |

* *Cash subject to restrictions on use is described in note 22-C.*

## 4.2.6 Notes to the consolidated financial statements

## 4.2.6.1 Information on operating segments and Regions

The operating segments defined by Renault are the following:

- the "Automotive excluding AVTOVAZ" segment, consisting of the Group's Automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS 10. This segment comprises the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in Automotive-sector associates and joint-ventures, principally Nissan;
- the "AVTOVAZ" segment, consisting of the Russian Automotive group AVTOVAZ and its parent company Alliance Rostec Auto b.v., which was formed at the end of 2016, after Renault acquired control over them, as defined by IFRS 10, in December 2016;
- the "Sales Financing" segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint-ventures.



### A – Information by operating segment

#### A1 Consolidated income statement by operating segment

| *(€ million)* | Automotive (excluding AVTOVAZ) (1) | AVTOVAZ (1) | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2019 (2)** | | | | | | | |
| **External sales** | 49,002 | 3,130 | - | 52,132 | 3,405 | - | 55,537 |
| Intersegment sales | 105 | 774 | (774) | 105 | 18 | (123) | - |
| **Sales by segment** | 49,107 | 3,904 | (774) | 52,237 | 3,423 | (123) | 55,537 |
| **Operating margin (3)** | 1,289 | 156 | (1) | 1,444 | 1,223 | (5) | 2,662 |
| **Operating income** | 762 | 130 | (1) | 891 | 1,294 | (80) | 2,105 |
| **Financial income (expenses) (4)** | 179 | (111) | - | 68 | (10) | (500) | (442) |
| **Share in net income (loss) of associates and joint-ventures** | (213) | 2 | - | (211) | 21 | - | (190) |
| **Pre-tax income** | 728 | 21 | (1) | 748 | 1,305 | (580) | 1,473 |
| Current and deferred taxes | (1,122) | 51 | - | (1,071) | (383) | - | (1,454) |
| **NET INCOME** | (394) | 72 | (1) | (323) | 922 | (580) | 19 |

*(1) In 2019, external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €246 million in 2019, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.*
*(2) The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.*
*(3) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.*
*(4) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions. They amount to €500 million in 2019.*

| *(€ million)* | Automotive (excluding AVTOVAZ) (1) | AVTOVAZ (1) | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2018** | | | | | | | |
| **External sales** | 51,171 | 3,040 | - | 54,211 | 3,208 | - | 57,419 |
| Intersegment sales | 96 | 815 | (815) | 96 | 18 | (114) | - |
| **Sales by segment** | 51,267 | 3,855 | (815) | 54,307 | 3,226 | (114) | 57,419 |
| **Operating margin (2)** | 2,202 | 204 | - | 2,406 | 1,204 | 2 | 3,612 |
| **Operating income** | 1,583 | 209 | - | 1,792 | 1,193 | 2 | 2,987 |
| **Financial income (expenses) (3)** | (97) | (95) | - | (192) | (11) | (150) | (353) |
| **Share in net income (loss) of associates and joint-ventures** | 1,527 | (3) | - | 1,524 | 16 | - | 1,540 |
| **Pre-tax income** | 3,013 | 111 | - | 3,124 | 1,198 | (148) | 4,174 |
| Current and deferred taxes | (369) | (26) | - | (395) | (330) | 2 | (723) |
| **NET INCOME** | 2,644 | 85 | - | 2,729 | 868 | (146) | 3,451 |

*(1) In 2018, external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €311 million in 2018, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.*
*(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.*
*(3) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions.*

## A2 Consolidated financial position by operating segment

### DECEMBER 31, 2019*

| (€ million) | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment and intangible assets and goodwill | 21,701 | 1,740 | - | 23,441 | 408 | - | 23,849 |
| Investments in associates and joint-ventures | 21,087 | 3 | - | 21,090 | 142 | - | 21,232 |
| Non-current financial assets – equity investments | 7,478 | - | (1,025) | 6,453 | 2 | (5,577) | 878 |
| Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments | 194 | - | - | 194 | - | - | 194 |
| Deferred tax assets and other non-current assets | 1,446 | 469 | (108) | 1,807 | 433 | - | 2,240 |
| **TOTAL NON-CURRENT ASSETS** | **51,906** | **2,212** | **(1,133)** | **52,985** | **985** | **(5,577)** | **48,393** |
| **Current assets** | | | | | | | |
| Inventories | 5,379 | 352 | - | 5,731 | 49 | - | 5,780 |
| Customer receivables | 1,175 | 183 | (87) | 1,271 | 46,252 | (891) | 46,632 |
| Current financial assets | 1,197 | 5 | (7) | 1,195 | 1,948 | (927) | 2,216 |
| Current tax assets and other current assets | 3,003 | 66 | (3) | 3,066 | 5,984 | (4,882) | 4,168 |
| Cash and cash equivalents | 12,231 | 70 | (3) | 12,298 | 2,762 | (78) | 14,982 |
| **TOTAL CURRENT ASSETS** | **22,985** | **676** | **(100)** | **23,561** | **56,995** | **(6,778)** | **73,778** |
| **TOTAL ASSETS** | **74,891** | **2,888** | **(1,233)** | **76,546** | **57,980** | **(12,355)** | **122,171** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | | |
| **Shareholders' equity** | **35,214** | **1,108** | **(1,028)** | **35,294** | **5,632** | **(5,595)** | **35,331** |
| **Non-current liabilities** | | | | | | | |
| Long-term provisions | 2,604 | 37 | - | 2,641 | 640 | - | 3,281 |
| Non-current financial liabilities | 7,106 | 821 | - | 7,927 | 867 | - | 8,794 |
| Deferred tax liabilities and other non-current liabilities | 1,982 | 60 | (108) | 1,934 | 844 | - | 2,778 |
| **TOTAL NON-CURRENT LIABILITIES** | **11,692** | **918** | **(108)** | **12,502** | **2,351** | **-** | **14,853** |
| **Current liabilities** | | | | | | | |
| Short-term provisions | 1,034 | 66 | - | 1,100 | 36 | - | 1,136 |
| Current financial liabilities | 3,785 | 100 | (10) | 3,875 | - | (1,095) | 2,780 |
| Trade payables and Sales Financing debts | 9,520 | 487 | (84) | 9,923 | 48,253 | (1,129) | 57,047 |
| Current tax liabilities and other current liabilities | 13,646 | 209 | (3) | 13,852 | 1,708 | (4,536) | 11,024 |
| **TOTAL CURRENT LIABILITIES** | **27,985** | **862** | **(97)** | **28,750** | **49,997** | **(6,760)** | **71,987** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **74,891** | **2,888** | **(1,233)** | **76,546** | **57,980** | **(12,355)** | **122,171** |

* *The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2.*

## DECEMBER 31, 2018

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment and intangible assets and goodwill | 18,448 | 1,422 | - | 19,870 | 347 | - | 20,217 |
| Investments in associates and joint-ventures | 21,314 | 11 | - | 21,325 | 114 | - | 21,439 |
| Non-current financial assets – equity investments | 6,907 | - | (855) | 6,052 | 2 | (5,201) | 853 |
| Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments | 75 | - | - | 75 | - | - | 75 |
| Deferred tax assets and other non-current assets | 1,738 | 342 | (107) | 1,973 | 464 | - | 2,437 |
| **TOTAL NON-CURRENT ASSETS** | **48,482** | **1,775** | **(962)** | **49,295** | **927** | **(5,201)** | **45,021** |
| **Current assets** | | | | | | | |
| Inventories | 5,515 | 321 | - | 5,836 | 43 | - | 5,879 |
| Customer receivables | 1,295 | 205 | (80) | 1,420 | 42,854 | (808) | 43,466 |
| Current financial assets | 1,415 | - | (6) | 1,409 | 1,369 | (815) | 1,963 |
| Current tax assets and other current assets | 2,764 | 157 | (4) | 2,917 | 5,028 | (4,055) | 3,890 |
| Cash and cash equivalents | 11,691 | 89 | (3) | 11,777 | 3,094 | (94) | 14,777 |
| **TOTAL CURRENT ASSETS** | **22,680** | **772** | **(93)** | **23,359** | **52,388** | **(5,772)** | **69,975** |
| **TOTAL ASSETS** | **71,162** | **2,547** | **(1,055)** | **72,654** | **53,315** | **(10,973)** | **114,996** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | | |
| **Shareholders' equity*** | **36,004** | **908** | **(859)** | **36,053** | **5,249** | **(5,214)** | **36,088** |
| **Non-current liabilities** | | | | | | | |
| Long-term provisions | 2,529 | 27 | - | 2,556 | 578 | - | 3,134 |
| Non-current financial liabilities | 5,508 | 688 | - | 6,196 | 13 | - | 6,209 |
| Deferred tax liabilities and other non-current liabilities | 1,070 | 34 | (106) | 998 | 709 | - | 1,707 |
| **TOTAL NON-CURRENT LIABILITIES** | **9,107** | **749** | **(106)** | **9,750** | **1,300** | **-** | **11,050** |
| **Current liabilities** | | | | | | | |
| Short-term provisions | 1,103 | 44 | - | 1,147 | 31 | - | 1,178 |
| Current financial liabilities | 3,258 | 94 | (9) | 3,343 | - | (880) | 2,463 |
| Trade payables and Sales Financing debts | 9,279 | 495 | (78) | 9,696 | 45,311 | (1,007) | 54,000 |
| Current tax liabilities and other current liabilities | 12,411 | 257 | (3) | 12,665 | 1,424 | (3,872) | 10,217 |
| **TOTAL CURRENT LIABILITIES** | **26,051** | **890** | **(90)** | **26,851** | **46,766** | **(5,759)** | **67,858** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **71,162** | **2,547** | **(1,055)** | **72,654** | **53,315** | **(10,973)** | **114,996** |

* *The figures for 2018 include a reclassification of provisions for uncertain tax liabilities, in application of an IFRIC decision of September 2019. These provisions are presented in specific lines instead of in other provisions as previously (note 2-A3). Shareholders' equity at December 31, 2018, has also been adjusted by an amount of €(57) million due to correction of an error concerning operations in the Americas region, with a corresponding entry in other provisions.*

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## A3 Consolidated cash flows by operating segment

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2019 (1)** | | | | | | | |
| **Net income (2)** | **(394)** | **72** | **(1)** | **(323)** | **922** | **(580)** | **19** |
| Cancellation of dividends received from unconsolidated listed investments | (46) | - | - | (46) | - | - | (46) |
| Cancellation of income and expenses with no impact on cash | | | | | | | |
| Depreciation, amortization and impairment | 3,607 | 120 | - | 3,727 | 82 | - | 3,809 |
| Share in net (income) loss of associates and joint-ventures | 213 | (2) | - | 211 | (21) | - | 190 |
| Other income and expenses with no impact on cash, before interest and tax | 1,355 | 50 | - | 1,405 | 475 | 57 | 1,937 |
| **DIVIDENDS RECEIVED FROM UNLISTED ASSOCIATES AND JOINT-VENTURES** | **4** | **-** | **-** | **4** | **-** | **-** | **4** |
| **Cash flows before interest and tax (3)** | **4,739** | **240** | **(1)** | **4,978** | **1,458** | **(523)** | **5,913** |
| Dividends received from listed companies (4) | 625 | | - | 625 | - | - | 625 |
| Decrease (increase) in sales financing receivables | - | - | - | - | (3,353) | 82 | (3,271) |
| Net change in financial assets and Sales Financing debts | - | - | - | - | 2,968 | 135 | 3,103 |
| Change in capitalized leased assets | (1,002) | - | - | (1,002) | (57) | - | (1,059) |
| Change in working capital before tax | 1,829 | 15 | - | 1,844 | (635) | 5 | 1,214 |
| **CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX** | **6,191** | **255** | **(1)** | **6,445** | **381** | **(301)** | **6,525** |
| Interest received | 73 | 5 | - | 78 | - | - | 78 |
| Interest paid | (301) | (87) | 1 | (387) | - | 19 | (368) |
| Current taxes (paid)/received | (367) | (11) | - | (378) | (258) | - | (636) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **5,596** | **162** | **-** | **5,758** | **123** | **(282)** | **5,599** |

*(1) The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A. The figures for 2018 have not been restated.*
*(2) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. They amount to €500 million in 2019.*
*(3) Cash flows before interest and tax do not include dividends received from listed companies.*
*(4) Dividends received from Daimler (€46 million) and Nissan (€579 million).*

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **5,596** | **162** | **-** | **5,758** | **123** | **(282)** | **5,599** |
| Purchases of intangible assets | (2,016) | (67) | - | (2,083) | (3) | - | (2,086) |
| Purchases of property, plant and equipment | (2,846) | (95) | 15 | (2,926) | (10) | - | (2,936) |
| Disposals of property, plant and equipment and intangibles | 16 | 27 | (14) | 29 | 2 | - | 31 |
| Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired | (55) | (9) | - | (64) | 71 | - | 7 |
| Acquisitions and disposals of other investments and other | (120) | - | - | (120) | (1) | - | (121) |
| Net decrease (increase) in other securities and loans of the Automotive segments | (3) | 1 | - | (2) | - | - | (2) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | **(5,024)** | **(143)** | **1** | **(5,166)** | **59** | **-** | **(5,107)** |
| Cash flows with shareholders | (1,165) | (1) | - | (1,166) | (511) | 500 | (1,177) |
| Net change in financial liabilities of the Automotive segments | 1,180 | (49) | - | 1,131 | - | (207) | 924 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **15** | **(50)** | **-** | **(35)** | **(511)** | **293** | **(253)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **587** | **(31)** | **1** | **557** | **(329)** | **11** | **239** |

| **(€ million)** | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **11,691** | **89** | **(3)** | **11,777** | **3,094** | **(94)** | **14,777** |
| Increase (decrease) in cash and cash equivalents | 587 | (31) | 1 | 557 | (329) | 11 | 239 |
| Effect of changes in exchange rate and other changes | (47) | 12 | (1) | (36) | (3) | 5 | (34) |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE** | **12,231** | **70** | **(3)** | **12,298** | **2,762** | **(78)** | **14,982** |

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2018** | | | | | | | |
| **Net income** | **2,644** | **85** | **-** | **2,729** | **868** | **(146)** | **3,451** |
| Cancellation of dividends received from unconsolidated listed investments | (44) | - | - | (44) | - | - | (44) |
| Cancellation of income and expenses with no impact on cash | | | | | | | |
| Depreciation, amortization and impairment | 3,066 | 109 | - | 3,175 | 70 | - | 3,245 |
| Share in net (income) loss of associates and joint-ventures | (1,527) | 3 | - | (1,524) | (16) | - | (1,540) |
| Other income and expenses with no impact on cash, before interest and tax | 825 | 90 | (1) | 914 | 503 | (21) | 1,396 |
| Dividends received from unlisted associates and joint-ventures | 2 | - | - | 2 | - | - | 2 |
| **Cash flows before interest and tax [(1)]** | **4,966** | **287** | **(1)** | **5,252** | **1,425** | **(167)** | **6,510** |
| **Dividends received from listed companies [(2)]** | **828** | **-** | **-** | **828** | **-** | **-** | **828** |
| Decrease (increase) in sales financing receivables | - | - | - | - | (3,586) | (170) | (3,756) |
| Net change in financial assets and Sales Financing debts | - | - | - | - | 3,593 | - | 3,593 |
| Change in capitalized leased assets | (509) | - | - | (509) | (10) | - | (519) |
| **Change in working capital before tax** | **781** | **16** | **6** | **803** | **(331)** | **79** | **551** |
| **CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX** | **6,066** | **303** | **5** | **6,374** | **1,091** | **(258)** | **7,207** |
| Interest received | 71 | 5 | (2) | 74 | - | (7) | 67 |
| Interest paid | (263) | (95) | 2 | (356) | - | 24 | (332) |
| Current taxes (paid)/received | (388) | (14) | - | (402) | (255) | - | (657) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **5,486** | **199** | **5** | **5,690** | **836** | **(241)** | **6,285** |

*(1) Cash flows before interest and tax do not include dividends received from listed companies.*
*(2) Dividends received from Daimler (€44 million) and Nissan (€784 million).*

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2018** | | | | | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **5,486** | **199** | **5** | **5,690** | **836** | **(241)** | **6,285** |
| Purchases of intangible assets | (1,735) | (32) | - | (1,767) | (4) | - | (1,771) |
| Purchases of property, plant and equipment | (2,557) | (83) | 19 | (2,621) | (15) | - | (2,636) |
| Disposals of property, plant and equipment and intangibles | 126 | 31 | (24) | 133 | - | (2) | 131 |
| Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired | (15) | (2) | - | (17) | (12) | - | (29) |
| Acquisitions and disposals of other investments and other | (159) | - | - | (159) | (48) | - | (207) |
| Net decrease (increase) in other securities and loans of the Automotive segments | (156) | - | 6 | (150) | - | - | (150) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | **(4,496)** | **(86)** | **1** | **(4,581)** | **(79)** | **(2)** | **(4,662)** |
| Cash flows with shareholder | (1,149) | - | - | (1,149) | (153) | 151 | (1,151) |
| Net change in financial liabilities of the Automotive segments | 233 | (139) | (7) | 87 | - | 111 | 198 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **(916)** | **(139)** | **(7)** | **(1,062)** | **(153)** | **262** | **(953)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **74** | **(26)** | **(1)** | **47** | **604** | **19** | **670** |

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive Transactions | TOTAL AUTOMOTIVE | Sales Financing | Intersegment transactions | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|---|
| **2018** | | | | | | | |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **11,718** | **130** | **(3)** | **11,845** | **2,354** | **(142)** | **14,057** |
| Increase (decrease) in cash and cash equivalents | 74 | (26) | (1) | 47 | 604 | 19 | 670 |
| Effect of changes in exchange rate and other changes | (101) | (15) | 1 | (115) | 136 | 29 | 50 |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE** | **11,691** | **89** | **(3)** | **11,777** | **3,094** | **(94)** | **14,777** |

### A4 Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow

The net cash position or net financial indebtedness and operational free cash flow are only presented for the Automotive segments, since these indicators are not relevant for monitoring Sales Financing activity.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

#### NET CASH POSITION (NET FINANCIAL INDEBTEDNESS)

| | December 31, 2019 | | | |
|---|---|---|---|---|
| *(€ million)* | Automotive (excluding AVTOVAZ)* | AVTOVAZ* | Intra-Automotive transactions | TOTAL AUTOMOTIVE |
| Non-current financial liabilities | (7,106) | (821) | - | (7,927) |
| Current financial liabilities | (3,785) | (100) | 10 | (3,875) |
| Non-current financial assets – other securities, loans and derivatives on financing operations | 64 | - | - | 64 |
| Current financial assets | 1,180 | 1 | (7) | 1,174 |
| Cash and cash equivalents | 12,231 | 70 | (3) | 12,298 |
| **NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS** | **2,584** | **(850)** | **-** | **1,734** |

* *The impacts of application of IFRS 16 "Leases" from January 1, 2019 are presented in note 2-A2. The figures for 2018 have not been restated.*

| | December 31, 2018 | | | |
|---|---|---|---|---|
| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE |
| Non-current financial liabilities | (5,508) | (688) | - | (6,196) |
| Current financial liabilities | (3,258) | (94) | 9 | (3,343) |
| Non-current financial assets – other securities, loans and derivatives on financing operations | 55 | - | - | 55 |
| Current financial assets | 1,415 | - | (6) | 1,409 |
| Cash and cash equivalents | 11,691 | 89 | (3) | 11,777 |
| **NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS** | **4,395** | **(693)** | **-** | **3,702** |

### OPERATIONAL FREE CASH FLOW

| | 2019 | | | |
|---|---|---|---|---|
| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE |
| Cash flows (excluding dividends from listed companies) before interest and tax | 4,739 | 240 | (1) | 4,978 |
| Changes in working capital before tax | 1,829 | 15 | - | 1,844 |
| Interest received by the Automotive segments | 73 | 5 | - | 78 |
| Interest paid by the Automotive segments | (301) | (87) | 1 | (387) |
| Current taxes (paid)/received | (367) | (11) | - | (378) |
| Acquisitions of property, plant and equipment, and intangible assets net of disposals | (4,846) | (135) | 1 | (4,980) |
| Capitalized leased vehicles and batteries | (1,002) | - | - | (1,002) |
| **Operational free cash flow of the Automotive segments*** | **125** | **27** | **1** | **153** |

* *The definition of Operational free cash flow used in 2019 is the same as in 2018. In 2018, Operational free cash flow was presented after deduction of rental expenses in cash flows from operating activities, while from 2019, as a result of application of IFRS 16, only cash flows relating to interest paid are presented in cash flows from operating activities. The residual balance, consisting of lease payments, is presented in cash flows from financing activities (net change in financial liabilities of the Automotive segments) and is thus excluded from the Operational free cash flow. Without application of IFRS 16, the Operational free cash flow for 2019 would amount to €57 million.*

| | 2018 | | | |
|---|---|---|---|---|
| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Intra-Automotive transactions | TOTAL AUTOMOTIVE |
| Cash flows (excluding dividends from listed companies) before interest and tax | 4,966 | 287 | (1) | 5,252 |
| Changes in working capital before tax | 781 | 16 | 6 | 803 |
| Interest received by the Automotive segments | 71 | 5 | (2) | 74 |
| Interest paid by the Automotive segments | (263) | (95) | 2 | (356) |
| Current taxes (paid)/received | (388) | (14) | - | (402) |
| Acquisitions of property, plant and equipment, and intangible assets net of disposals | (4,166) | (84) | (5) | (4,255) |
| Capitalized leased vehicles and batteries | (509) | - | - | (509) |
| **Operational free cash flow of the Automotive segments** | **492** | **115** | **-** | **607** |

## B – Information by Region

The Regions presented correspond to the Geographic divisions used for Group management. The Regions are defined in section 1.3.1.3 of the Universal registration document.

Consolidated revenues are presented by location of customers. The Group adjusted its international organization in 2019. The former Asia-Pacific and Africa-Middle East-India Regions were reorganized to form two new Regions:

- the China region specifically covers the Group's activities in China;
- the Africa – Middle East – India – Asia-Pacific region covers Africa and Middle East countries, India, the countries of the ASEAN (Association of South-East Asian Nations), Korea, Japan and Australia.

Figures for 2018 correspond to the new segments adopted in 2019.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

| *(€ million)* | Europe [1] | Americas | China | Africa – Middle East – India– Asia-Pacific | Eurasia | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|
| **2019** | | | | | | |
| Revenues | 36,516 | 4,435 | 127 | 7,038 | 7,421 | 55,537 |
| *Including AVTOVAZ* | *42* | *3* | - | *14* | *3,317* | *3,376* |
| Property, plant and equipment and intangibles | 17,392 | 852 | 179 | 1,307 | 4,119 | 23,849 |
| *Including AVTOVAZ* | - | - | - | - | *1,740* | *1,740* |
| **2018** | | | | | | |
| Revenues | 36,704 | 4,684 | 275 | 8,194 | 7,562 | 57,419 |
| *Including AVTOVAZ* | *39* | *2* | - | *18* | *3,292* | *3,351* |
| Property, plant and equipment and intangibles | 14,800 | 821 | - | 1,180 | 3,416 | 20,217 |
| *Including AVTOVAZ* | - | - | - | - | *1,422* | *1,422* |

*(1) Including the following for France:*

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Revenues** | **13,581** | **13,533** |
| **Property, plant and equipment and intangibles** | **13,773** | **11,735** |

## 4.2.6.2 Accounting policies and scope of consolidation

NOTE 1
### APPROVAL OF THE FINANCIAL STATEMENTS

The Groupe Renault's consolidated financial statements for 2019 were examined at the Board of Directors' Meeting of February 13, 2020 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

NOTE 2
### ACCOUNTING POLICIES

In application of European regulations, the Groupe Renault's consolidated financial statements for 2019 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2019 and adopted by the European Union at the year-end.

#### 2 – A – Changes in accounting policies

##### A1 Changes in accounting policies in 2019

The Groupe Renault applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2019.

**NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2019**

| | |
|---|---|
| IFRS 16 | Leases |
| IFRIC 23 | Uncertainty over income tax treatments |
| IAS 28 amendment | Long-term interests in associates and joint-ventures |
| IFRS 9 amendment | Prepayment features with negative compensation |
| IAS 19 amendment | Plan amendment, curtailment or settlement |
| Annual improvements to IFRS, 2015-2017 cycle | Various measures concerning:<br>• Amendments to IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements" named "Previously held interest in a joint operation";<br>• Amendments to IAS 12 "Income Taxes" named "Income tax consequences of payments on financial instruments classified as equity";<br>• Amendments to IAS 23 "Borrowing Costs" named "Borrowing costs eligible for capitalization". |

The changes related to application of IFRS 16 and IFRIC 23 are presented below.

The other standards and amendments that became mandatory on January 1, 2019 have no significant impact on the Group's financial statements.

**NEW STANDARDS AND AMENDMENTS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION THAT ARE APPLIED EARLY BY THE GROUP**

The Groupe Renault has opted for early application in 2019 of the amendments to IAS 39, "Financial Instruments: recognition and measurement", IFRS 9, "Financial instruments" and IFRS 7 "Financial instruments: Disclosures" concerning the interest rate benchmark reform, which were published in the Official Journal of the European Union on January 16, 2020.

Due to early application of these amendments in the Group's consolidated financial statements at December 31, 2019, the interest rate hedging relationships (cash flow hedges or fair value hedges) remain unchanged during the period of uncertainty caused by the replacement of a benchmark rate.

As the method and date for replacing LIBOR rates in the interest rate benchmark reform is not yet completely finalized, the Groupe Renault applies these amendments to hedging relationships that include LIBOR rates. The Group considers there is no uncertainty over the Euribor rate as the new method for determining Euribor has been validated by the ESMA (European Security and Market Authority).

The Group has not opted for early application of the following new amendments published in the Official Journal of the European Union, which will be mandatory for financial years beginning on or after January 1, 2020.

**NEW AMENDMENTS PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION THAT ARE NOT APPLIED EARLY BY THE GROUP**

| | |
|---|---|
| Amendments to IAS 1 and IAS 8 | Definition of material |
| Amendment to IFRS 3 | Definition of a business |

## A2 Changes in the financial statements as a result of first application of IFRS 16 "Leases"

The Groupe Renault has applied IFRS 16, "Leases" since January 1, 2019. This standard replaces IAS 17 "Leases", and the associated IFRIC and SIC interpretations. It eliminates the previous distinction between operating leases and finance leases for the lessee.

Under IFRS 16, a lessee recognizes an asset related to the right of use and a financial liability that represents the lease obligation. The right-of-use asset is amortized over the expected term of the lease and the lease liability, initially recognized at the present value of lease payments over the expected term of the lease, is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise. In the income statement, amortization of the right-of-use asset is recorded in the operating margin, and a financial expense corresponding to the interest on the lease liability is recorded in financial income and expenses, replacing the lease payments previously charged to the operating margin. The tax impact of this consolidation adjustment is recognized *via* deferred taxes. In the cash flow statement, cash flows from operating activities are impacted by interest expenses paid, and cash flows from financing activities are impacted by the reimbursed lease liability. Previously, cash flows from operating activities were impacted by the total amount of lease payments.

The Group has chosen to apply the exemptions allowed by IFRS 16. Consequently, in the case of leases with a term of 12 months or less, and leases of low-value assets, it continues to recognize lease payments in the income statement on a straight-line basis over the term of the lease contract.

The definition of the performance indicators (see note 4.2.6.1-A4) used to calculate the remuneration of key executives and other members of Group personnel is unchanged. Consequently, these indicators are affected by application of IFRS 16 as described above.

The changes resulting from adoption of IFRS 16 are applied under the simplified retrospective approach in the financial statements of 2019. The comparative figures for the year 2018 have not been restated for application of IFRS 16 and are thus identical to the figures published in the 2018 consolidated financial statements, which complied with the accounting principles in force at the time under IAS 17.

The Group has applied IFRS 16 to lease contracts previously identified as leases under IAS 17 "Leases" and IFRIC 4 "Determining when an arrangement contains a lease", and has chosen to apply the following exemptions and simplification measures to determine values at the date of initial application (January 1, 2019):

- accounting for leases with a residual term of less than 12 months at the date of first application in the same way as short-term leases;
- excluding of initial direct costs from the measurement of right-of-use assets at the date of initial application;
- adjusting the right-of-use asset at the date of initial application by the amount of provisions for onerous leases recognized immediately before the date of initial application.

The term of the lease is the non-cancellable period of a lease contract during which the lessee has the right to use the leased asset, extended by any renewal options the Group is reasonably certain to exercise. For French commercial leases, the lease term is generally 9 years.

The IFRIC's agenda decision of November 2019 concerning the lease contract term and its impact on improvements to leased buildings has no significant impact on the Group's financial statements, and does not affect our analysis of the term of leases.

In the balance sheet at January 1, 2019, the financial liabilities relating to leases are equal to the discounted value of future lease payments, determined using the incremental borrowing rate at December 31, 2018, defined on the basis of the residual term of the lease. As a lessee, the Group uses the incremental borrowing rate, calculated for each monetary zone as the risk-free rate applicable in the zone, plus the Group's risk premium for the local currency. The weighted average incremental borrowing rate applied to lease liabilities at January 1, 2019 was 2.35%.

Right-of-use assets were measured at January 1, 2019 as the value of lease liabilities at that date, adjusted for prepaid lease payments or lease incentives for the leases concerned that were recognized in the statement of financial position at December 31, 2018.

The difference between the lease liability at the date of initial application, and the operating lease commitments reported in the notes to the financial statements at December 31, 2018 under IAS 17 are explained in the following table:

| *(€ million)* | **January 1, 2019** |
|---|---|
| **Off-balance sheet lease commitments at December 31, 2018** | **661** |
| Leases outside the scope of application of IFRS 16 and exemptions | (71) |
| Discount effect on leases | (78) |
| Effects of differences in effective dates | (54) |
| Effects of optional extensions not included in off-balance sheet commitments | 205 |
| Other | 25 |
| Finance leases existing at December 31, 2018 | 78 |
| **Lease liability at January 01, 2019** | **766** |

The table below presents the effects of application of IFRS 16 on the consolidated financial position at January 1, 2019:

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Sales Financing | Total |
|---|---|---|---|---|
| **Tangible assets – rights of use** | **602** | **11** | **56** | **669** |
| Land | - | 8 | - | 8 |
| Buildings | 578 | 3 | 56 | 637 |
| Other [1] | 24 | - | - | 24 |
| **Other current assets and liabilities** | **(1)** | **-** | **1** | **-** |
| **Financial liabilities and Sales Financing debts (current and non-current) – Lease liabilities** | **696** | **15** | **55** | **766** |
| **Financial liabilities and Sales Financing debts (current and non-current) – Other interest-bearing borrowings** | **(74)** | **(4)** | **-** | **(78)** |
| **Provisions [2]** | **(19)** | **-** | **-** | **(19)** |

*(1) Leases of IT, operating, and transportation equipment.*
*(2) Mainly the provision for costs on vacant leased premises in Korea, estimated until the end of the lease contracts and reclassified as a charge to the right of use.*

Application of IFRS 16 has no significant impact on the Group's operating margin and financial income and expenses.

At December 31, 2019, lease payments not restated in the statement of financial position are as follows:

| *(€ million)* | December 31, 2019 |
|---|---|
| Lease payments for short-term leases | (33) |
| Lease payments for leases of low-value assets | (31) |
| Other lease payments including variable lease payments | (48) |

Information relating to lease liabilities is presented in note 23.

Changes in cash flows relating to lease liabilities by operating segment are as follows:

| *(€ million)* | Automotive (excluding AVTOVAZ) | AVTOVAZ | Sales financing | Total |
|---|---|---|---|---|
| **2019** | | | | |
| Net change in other debts of the Sales Financing segment | - | - | (5) | (5) |
| Interest paid | (22) | (2) | - | (24) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **(22)** | **(2)** | **(5)** | **(29)** |
| Net increase (decrease) in other financial liabilities of the Automotive segments* | (94) | (2) | - | (96) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **(94)** | **(2)** | **-** | **(96)** |
| **Increase (decrease) in cash flows** | **(116)** | **(4)** | **(5)** | **(125)** |

* *This corresponds to repayment of the lease liability for the Automotive segments.*

In the statement of consolidated cash flows at December 31, 2019, application of IFRS 16 led to a €96 million increase in cash outflows from financing activities and a decrease of the same amount in cash outflows from operating activities. This impact only concerns the Automotive segments, as all Sales financing segment cash flows are classified as cash flows from operating activities.

### A3 First application of IFRIC 23 "Uncertainty over income tax treatments"

The mandatory application of IFRIC 23 "Uncertainty over income tax treatments" did not lead to identification of any situation that called into question the accounting positions taken in the financial statements at December 31, 2018. It thus has no impact on shareholders' equity at January 1, 2019. To determine the provisions relating to uncertain tax liabilities, the Group uses a case-by-case method, generally based on the most probable value.

During the first half-year of 2019, the IFRIC Committee was asked for guidance on classification of uncertain tax liabilities in the consolidated financial position. In September 2019, the IFRIC concluded that they should be presented as current tax liabilities and/or included in deferred taxes. This was not the approach used by the Group, which had classified provisions for uncertain tax liabilities in provisions (note 20) in view of the qualitative characteristics that determine useful financial information, as defined in the Conceptual Framework for Financial Reporting.

These provisions have now been reclassified and are reported on specific lines in the consolidated financial position (4.2.3), broken down into a short-term and a long-term portion, at December 31, 2019 and for all the periods presented. This presentation on specific lines complies with IAS 1.55.

## 2 – B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future consolidated financial statements could differ from the estimates established at the time the financial statements were finalized.

In general, the main items in the Group's consolidated financial statements that are dependent on estimates and judgments at December 31, 2019 are:

- capitalization of Research and Development expenses and their amortization period (notes 2-K and 10-A);
- the depreciation and amortization periods for fixed assets other than capitalized development expenses (notes 2-K, 2-L and 10);
- any impairment on fixed assets (notes 2-M and 11) and operating receivables (notes 16 and 17), particularly impairment on assets in Argentina, which has been in a hyperinflationary situation since 2018 (note 11-B) and assets in China (notes 6-B and 13);
- the recoverable value of leased vehicles classified as property, plant and equipment or in inventories (notes 2-G, 10-B and 14);
- investments in associates, notably Nissan (notes 2-M, 12 and 13);
- sales financing receivables (notes 2-G and 15);
- recognition of deferred taxes (notes 2-I and 8);
- determination of sales incentive programs recorded in other liabilities (notes 2-G and 21);
- provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (notes 2-S and 19) and provisions for workforce adjustment measures (notes 2-T and 6-A), provisions for legal risks and tax risks (other than income tax risks) (note 20) and provisions for uncertain tax liabilities (note 21);
- determination of lease liabilities, particularly the incremental borrowing rates and the value of renewal options that are reasonably certain to be exercised (note 23);
- the value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-D) and in general the value of Group assets located in all areas concerned by country risks.

## 2 – C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint-ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

Companies in which the Group exercises significant influence (associates) are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Investments in non-significant companies that are controlled exclusively by the Group but not consolidated, even though they fulfil the above criteria, are recorded as other non-current assets.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized *via* impairment losses, and which:

- acquire almost all their purchases from Group companies; or
- carry out almost all their sales transactions with Group companies.

Put options on non-controlling interests are carried in the consolidated financial position at fair value, and classified in other financial liabilities in the Automotive segments and in other non-current liabilities in the Sales Financing segment, with a corresponding adjustment to equity.

## 2 – D – Presentation of the consolidated financial statements

### Valuation basis

The consolidated financial statements are established under the historical cost convention, except for certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are detailed in the following notes.

### Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs. The operating margin corresponds to the operating income before other operating income and expenses, which are by nature unusual or significant and could affect comparability of the margin. Other operating income and expenses cover:

- restructuring costs relating to discontinued activities and workforce adjustment costs;
- gains or losses on partial or total disposal of businesses or operating entities, gains or losses on total or partial disposals of investments in associates and joint-ventures, other gains and losses relating to changes in the scope of consolidation such as acquisitions of control, as defined by IFRS 10, over entities previously accounted for under the equity method, and direct acquisition costs for entities that are fully consolidated or consolidated on a line-by-line percentage of interest basis;

- gains or losses on disposal of property, plant and equipment or intangible assets (except leased assets sales);
- impairment on property, plant and equipment or intangible assets and goodwill (excluding goodwill of associates or joint-ventures);
- unusual items, *i.e.* income and charges that are unusual in their frequency, nature or amount, relating to significant litigation or impairment of operating receivables.

### Share in net income of associates and joint-ventures

The share in net income of associates and joint-ventures reported in the Group's consolidated income statement comprises the share in these entities' profits or losses, impairment and recoveries of impairment relating to these entities (note 2-M). The impairment booked is limited to the net book value of the investment, unless an additional commitment has been made.

The gain or loss resulting from the sale or loss of significant influence or joint control over associates and joint-ventures accounted for by the equity method, and the gain or loss on acquisition of control, as defined by IFRS 10, over companies that were already consolidated but not controlled, is reported in other operating income and expenses in the Group's consolidated income statement. This includes transfers of accumulated translation adjustments during the period the entity was accounted for by the equity method.

The Group recognizes a deferred tax liability on dividend distributions for all differences between the book and tax values of its investments in associates and joint-ventures (note 2-I). This tax is included in current and deferred taxes in the Group's income statement.

Goodwill relating to associates and joint-ventures is included in the value of the relevant entities as stated in the assets in the consolidated statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement *via* the share in net income (loss) of associates and joint-ventures (note 2-J).

Acquisition expenses related to investments in associates and joint-ventures are included in the initial acquisition cost for these investments.

Cross-investments between a consolidated entity and an associate are neutralized in measuring the investment in the associate as stated in the assets of the statement of financial position. Nissan's 15% stake in Renault is therefore neutralized in valuing the investment in Nissan shown in the assets of the consolidated statement of financial position (note 12).

Dividends received from unlisted associates and joint-ventures are included in the Automotive segments' operational free cash flow, while dividends received from listed associates and joint-ventures, *i.e.* Nissan, are excluded from the operational free cash flow of the Automotive (excluding AVTOVAZ) segment.

#### REPORTING BY OPERATING SEGMENT

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" and "Intra-Automotive" columns are reserved for transactions between the segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment are included in the Automotive (excluding AVTOVAZ) segment's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive (excluding AVTOVAZ) segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive (excluding AVTOVAZ) segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive (excluding AVTOVAZ) segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognizes a receivable on the Automotive (excluding AVTOVAZ) segment.

### Current and non-current assets and liabilities

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, because they are used in this operating segment's normal business cycle.

For the Automotive segments, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

## 2 – E – Translation of the financial statements of foreign companies

The Group's presentation currency is the euro. For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing exchange rate;

- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

- Goodwill generated by a business combination with a foreign company is treated as an asset or liability of the entity acquired, as appropriate. It is therefore expressed in the relevant entity's functional currency, and translated into euros at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to other operating income and expenses in the income statement.

In an exception to the above principles, the financial statements of entities in hyperinflationary economies are translated in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Non-monetary balance sheet items, income statement items, comprehensive income items and cash flow statement items are adjusted for inflation in their original local currency, then all the financial statements are translated at the closing exchange rate for the period. This hyperinflationary accounting leads to recognition of a gain or loss resulting from exposure to hyperinflation, which is classified as other financial income and expenses and thus included in reserves the following year.

To determine whether a country is in hyperinflation, the Group refers to the list published by the International Practices Task Force (IPTF) of the Center for Audit Quality. The financial statements of the Group's subsidiaries in Argentina are consolidated in accordance with the principles of IAS 29, which are applied from January 1, 2018.

It should be noted that the IFRIC is currently examining questions submitted to it about application of IAS 21 "The Effects of Changes in Foreign Exchange Rates" and IAS 29 "Financial Reporting in Hyperinflationary Economies" to the financial statements of entities operating in a hyperinflationary economy. These questions particularly concern the classification of accumulated translation adjustments prior to the hyperinflation period, and classification of the effects of index-based restatement and translation of the financial statements of hyperinflationary economy subsidiaries in reserves or in the translation adjustment included in equity. Allocation of the effects of index-based restatement for hyperinflation and translation of the accounts between reserves and the translation adjustment could be affected by the IFRIC's forthcoming conclusions.

## 2 – F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary assets and liabilities in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (note 2-X).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segments are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-X.

## 2 – G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automotive goods, services related to these sales, and the various sales financing products marketed by the Group's companies to their customers.

### Sales of goods and services and margin recognition

#### SALES AND MARGIN RECOGNITION

Sales of automotive goods are recognized at the date control is transferred. The transfer of control over automotive goods takes place when the goods are made available to the distribution network in the case of non-Group dealers (at the time they are added to or removed from stock, depending on the contractual arrangements) or upon delivery to the end-user in the case of direct sales.

However, there is no transfer of control in the case of goods sold under an operating lease by a Group finance company, or in the case of goods sold with a buyback commitment if it is highly likely that they will be returned. In such transactions, the revenues are recognized progressively over the lease period, and a used vehicle sale is recorded when control of the used vehicle is transferred.

The difference between the price paid by the customer and the buyback price is treated as rental income, and spread over the period the automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The forecast resale value takes account of recent known developments on the second-hand automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item is included in property, plant and equipment) is recognized to cover the loss.

#### SALES INCENTIVE PROGRAMS

Sales incentive programs based on the volumes or prices of products sold are deducted from sales when the sales operations concerned are recorded. Any provisions are based on estimates of the most probable amount.

The Group undertakes certain promotional campaigns offering reduced-interest customer credit or discounts on services. Because these are sales incentives, the cost of these operations is recognized as a reduction in sales by the Automotive segment when the vehicle sale takes place, and is not spread over the duration of the financing or the services concerned.

#### WARRANTY

The Group makes a distinction between insurance-type warranties and service-type warranties. Provisions are established for insurance-type warranties, while service-type warranties give rise to revenue that is spread over the duration of the warranty extension.

The estimated or incurred costs relating to manufacturer's product or part warranties classified as insurance-type warranties are charged to expenses when the sales are recorded. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, *i.e.* the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

#### SERVICES RELATED TO SALES OF AUTOMOTIVE PRODUCTS

Revenues from service contracts sold by the Group are recognized on a percentage-of-completion basis. These contracts may be for warranty extensions, maintenance or insurance.

Such service contracts may be sold separately to the final customer or included free of charge in a sale package covering a vehicle and related services. In either case, the Group considers service contracts as a separate service obligation from delivery of the vehicle, and allocates a portion of revenue to the service contract.

When the customer makes regular payments for the service contract, the revenue is recognized on a straight-line basis. When the contract is prepaid (for example, when it is paid for by the customer at the time of the vehicle purchase), the amounts received are recorded as deferred income, and spread over the duration of the contract, on a straight-line basis for warranty extensions and following an experience curve for maintenance contracts.

#### IMPAIRMENT OF CUSTOMER RECEIVABLES

Impairment is booked in respect of the Automotive segment's customer receivables to reflect the prospective assessment of the credit risk at the inception of the receivable and any deterioration of that risk over time. When there is an incurred credit loss, impairment is recorded individually for each receivable.

### Sales financing revenues and operating margin recognition

#### SALES FINANCING REVENUES

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

#### SALES FINANCING COSTS

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer loan transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks related to receivables. Refinancing comes from diversified sources: public and private bond issues, public and private securitization backed by Automotive segments loans, negotiable debt instruments, savings collected and financing from credit institutions and assimilates.

#### COMMISSIONS PAYABLE TO BUSINESS INTERMEDIARIES

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

#### CLASSIFICATION AND IMPAIRMENT OF RECEIVABLES

The impairment method for financial receivables depends on the category concerned. For healthy receivables (stage 1), impairment is equivalent to the 12-month expected credit loss; for receivables on which the credit risk has significantly deteriorated since initial recognition (stage 2), impairment is equivalent to the lifetime expected losses; and for receivables in default (stage 3), impairment is equivalent to the incurred credit loss.

The Sales Financing segment uses an internal scoring system or external ratings to identify any significant deterioration in the credit risk. In addition, this segment has decided to use the assumptions set out in the standard and thus downgrades any receivable outstanding after 30 days to stage 2, and any receivable still outstanding after 90 days to stage 3.

The Sales Financing segment refers to the current recommendations of the Basel Committee to generate the parameters needed to calculate the probability of default and the loss rates in the event of default on loans and financing, finance lease receivables, irrevocable financing commitments, and financial guarantees given to customers and dealers in its principal countries of business (Germany, Brazil, Spain, France, Italy and the United Kingdom for customer and dealer financing, Korea for customer financing only). These assets account for more than 85% of financial assets. For other assets, a standard approach based on a simplified methodology is applied.

As the assumptions used are essentially based on observable market data, the calculation of impairment for expected credit losses in the Sales Financing segment also incorporates forward-looking macro-economic data (GDP, long-term rates, etc.) to reflect changes in indicators and sector-specific information.

#### WRITE-OFF RULES

The gross book value of a financial asset is written off when there are no reasonable expectations of recovery. The asset is derecognized *via* a loss account, and the associated impairment is reversed when the non-recoverability of receivables is confirmed, or at the latest when the Sales Financing segment's rights as creditor are extinguished. Examples of receivables that become non-recoverable and are derecognized are waivers negotiated with customers (notably as part of a recovery plan), time-barred receivables, receivables concerned by an unfavourable legal judgement (when the outcome of a lawsuit or litigation is negative), and receivables owed by a customer that no longer exists.

### 2 – H – Financial income (expenses)

The cost of net financial indebtedness comprises the cost of gross financial indebtedness less income associated with cash, cash equivalents and financial assets of the Automotive segments. The cost of gross financial indebtedness consists of income and expenses generated by the Automotive segments' financial indebtedness during the period, including the impact of the effective portion of the related interest rate hedges.

Other financial income and expenses mainly include foreign exchange gains and losses on financial items and related hedges, the gain or loss caused by exposure to hyperinflation (note 2-E), the net interest on provisions for pensions, and dividends and impairment of companies that are neither controlled nor under significant influence by the Group.

### 2 – I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated statement of financial position. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Recognition of deferred tax assets depends on the probability of future recovery.

For associates and joint-ventures, a deferred tax liability on dividend distributions is booked for all differences between the book value and tax value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

To determine the provisions for uncertain tax liabilities, the Group uses a case-by-case method based on the most probable value. In view of their qualitative characteristics these provisions are reported on specific lines in the consolidated financial position.

### 2 – J – Goodwill

Non-controlling interests (formerly called "minority interests") are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill method. The choice of which method to use is made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less any accumulated impairment.

Goodwill relating to associates and joint-ventures is included in the value of the entities concerned as reported in the assets in the statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement *via* the share in net income (loss) of associates and joint-ventures.

Acquisitions of additional investments concerning non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders' equity.

### 2 – K – Research and Development expenses and other intangible assets

#### Research and Development expenses

Development expenses incurred between the decision to begin development and implement production facilities for a new vehicle or component (*e.g.* engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a "qualifying asset". The capitalization rate for borrowing costs is limited such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the decision to begin product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

#### Other intangible assets

Other intangible assets comprise patents, leasehold rights, intangible business assets, licences, software, brands and similar rights purchased by the Group. When they have a finite useful life, patents, leasehold rights, licences, brands and similar rights purchased are amortized on a straight-line basis over the period of protection stipulated by the contact or the law, or over the useful life if shorter. Intangible business assets and softwares are amortized over their useful life. The useful life of intangible assets is generally between 3 and 5 years. Intangible assets with an indefinite useful life, such as the Lada brand (note 11-C), are subjected to an impairment test at least once a year and when there is any indication of impairment.

## 2 – L – Property, plant and equipment and right-of-use assets

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset's production cost.

The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets leased to customers include vehicles leased for more than one year from a Group finance company with a buyback commitment by the Group, and vehicles sold under an agreement including a clause for buyback after a minimum one year of use. Assets leased to customers also include batteries leased to electric vehicle users by Group finance companies (note 2-G).

### Right-of-use assets

The following policies are applied in the 2019 financial statements, which comply with the standards applicable at January 1, 2019. The 2018 financial statements were prepared under the previous accounting policies: assets used by the Group under finance leases were treated as assets financed by credit, with recognition of a financial liability (note 23-A).

A contract contains a lease if it gives the lessee the right to use an identified asset for a specified period of time in exchange for payment.

At the contract's commencement date, a lessee recognizes an asset related to the right of use, and a financial liability that represents the lease obligation. The right-of-use asset is amortized over the term of the lease. The lease liability is initially recognized at the present value of lease payments over the expected term of the lease. The discount is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise. As lessee, the Group uses the incremental borrowing rate, calculated for each monetary zone as the risk-free rate applicable in the zone, plus the Group's risk premium for the local currency. In the income statement, amortization of the right-of-use asset is recorded in the operating margin, and a financial expense corresponding to the interest on the lease liability is recorded in financial income and expenses, replacing the lease payments previously charged to the operating margin. The tax impact of this consolidation adjustment is recognized *via* deferred taxes. In the cash flow statement, cash flows from operating activities are impacted by interest expenses paid, and cash flows from financing activities are impacted by the reimbursed lease liability.

Lease payments on short-term leases (12 months or less) and leases of low-value assets are treated as operating expenses and amortized on a straight-line basis.

The term of the lease is the non-cancellable period of a lease contract during which the lessee has the right to use the leased asset, extended by any renewal options the Group is reasonably certain to exercise.

Improvements to leased buildings are depreciated over a duration that is equal to or shorter than the lease term used to estimate the lease liability.

When a lease contract contains a purchase option the Group is reasonably certain to exercise, it is in substance a purchase rather than a lease. The corresponding liability is considered as a financial liability under IFRS 9, and the asset as a tangible asset in compliance with IAS 16.

Provisions for repairs required contractually by lessors are recognized at the start of the lease, with a corresponding tangible asset.

The Group is a party to leases of real estate property (land, concessions, warehouses, offices, etc.) and movable property (IT and operating equipment, transport equipment).

### Depreciation

In the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment, depreciation is calculated on a straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings (1) | 15 to 30 years |
| Specific tools | 2 to 7 years |
| Machinery and other tools (other than press lines) | 5 to 15 years |
| Press lines and stamping installations | 20 to 30 years |
| Other tangible assets (2) | 4 to 6 years |

*(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.*
*(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.*

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or component from the market.

Depreciation for the AVTOVAZ segment is calculated on a straight-line basis over useful lives that may be longer than those used in other Groupe Renault companies.

## 2 – M – Impairment

### Impairment of fixed assets (other than leased assets)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the Company operates, or changes affecting the circumstances and manner of use of the assets.

For the **Automotive (excluding AVTOVAZ) segment**, impairment tests are carried out at two levels:

#### AT THE LEVEL OF VEHICLE-SPECIFIC ASSETS (INCLUDING COMPONENTS)

Vehicle-specific assets (including components) consist of capitalized development expenses and tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle and its components. These assets may be specific to the model and/or the country of destination.

#### AT THE LEVEL OF CASH-GENERATING UNITS

A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive (excluding AVTOVAZ) segment. Net fixed assets related to cash-generating units notably include goodwill, specific assets and capacity assets, and components of working capital.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the Company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the **Sales Financing segment**, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. The value in use is based on a market approach, determined by using multiples for each group of cash-generating units made up of legal entities or groups of legal entities in the same country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate. The forecast horizon for income and losses is one year.

**For AVTOVAZ**, impairment tests are also carried out at two levels (on specific assets and on the whole Group).The AVTOVAZ Group as a whole is considered as one cash-generating unit, and no tests are conducted for individual factories or economic entities.

### Impairment of investments in associates and joint-ventures

Impairment tests of the value of investments in associates and joint-ventures are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the Company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate or joint-venture with the recoverable value, which is the higher of value in use and fair value, less selling costs. The value in use is equal to the share of the present value of future estimated cash flows expected by the associate or joint-venture. If the associate or joint-venture is listed, the fair value is its stock market value.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate or joint-venture, and included in the Group's income statement *via* the share in net income (loss) of associates and joint-ventures.

## 2 – N – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for immediate sale and have a high probability of being sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the consolidated financial position.

### 2 – O – Inventories

Inventories are stated at the lower of cost or net realizable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, a share of manufacturing overheads based on a normal level of activity and the results of any related hedges. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment are valued under the FIFO (First In First Out) method. Inventories of AVTOVAZ are valued at weighted average cost.

When the net realizable value is lower than the financial position value, impairment equal to the difference is recorded.

### 2 – P – Assignment of receivables

Receivables assigned to third parties (through securitization, discounting, or factoring) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive (excluding AVTOVAZ) and Sales Financing segments.

### 2 – Q – Treasury shares

Treasury shares are shares held for the purposes of stock-option plans, performance share plans and other share-based payment arrangements awarded to Group managers and executives.

They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

### 2 – R – Stock-option plans/Performance share attribution plans and other share-based payments agreements

The Group awards stock-option plans, performance share attribution plans and other share-based payments, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or performance shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or shares is measured by reference to the fair value of those options or shares at their grant date, using a suitable binomial mathematical model that assumes exercise of the options is spread over the exercise period on a straight-line basis. Entitlements to attribution of performance shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period. The share price volatility factor applied is implicit volatility at the grant date. The expected dividend used is determined by reference to the dividend payout schedule announced at the time each plan is valued.

The total fair value calculated in this way is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

### 2 – S – Pensions and other long-term employee benefit obligations

The Group's payments for defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high-quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

### 2 – T – Workforce adjustment measures

The estimated cost of workforce adjustment measures, which for accounting purposes is treated as an employee benefit, is covered by a provision over the estimated residual employment period of the employees concerned.

The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress.

### 2 – U – Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of a financial instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, marketable securities, negotiable debt instruments, loans, and derivative assets related to financial transactions (note 2-X).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

### Investments in non-controlled companies in which Renault does not have significant influence

Investments in non-controlled companies in which Renault does not have significant influence are classified as equity instruments at fair value through profit and loss. The fair values of such financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

In an exception to this rule, the Group has made an irrevocable option to present the Daimler shares at fair value other components of comprehensive income.

### Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents. These are debt instruments carried at fair value through other components of comprehensive income, except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Impairment equivalent to expected credit losses is booked upon initial recognition of debt instruments carried at fair value through other components of comprehensive income.

### Loans

Loans essentially include loans for investment of cash surpluses and loans to associates.

Loans are carried at amortized cost. Impairment equivalent to expected credit losses is recognized upon initial recognition of the financial asset, and when there is objective evidence of loss of value caused by an event arising after the initial recognition.

## 2 – V – Cash and cash equivalents

Cash includes cash on hand, current accounts and other demand deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be considered as liquid, be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value.

Bank accounts subject to restrictions due to sector-specific regulations (for example, banking or insurance regulations) or bank accounts allocated to increasing credit on securitized receivables are included in cash and cash equivalents.

## 2 – W – Financial liabilities of the Automotive segments and Sales Financing debts

The Group recognizes a financial liability (for the Automotive segments) or a Sales Financing debt when it becomes a party to the contractual provisions of a financial instrument.

Financial liabilities and Sales Financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, lease liabilities in application of IFRS 16 (notes 2-A2 and 2-L), other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-X).

Redeemable shares are listed subordinated debt instruments that earn a variable return indexed on consolidated revenues. They are carried at amortized cost, determined by discounting forecast coupons using the effective interest rate on borrowings.

Financial liabilities not concerned by specific hedge accounting methods (note 2-X) are generally recorded at amortized cost using the effective interest rate method. financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

## 2 – X – Derivatives and hedge accounting

### Measurement and presentation

Derivatives are initially stated at fair value. This fair value is subsequently reviewed at each closing date:

- the fair value of forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates);
- the fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account interest rates forward curves and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest;
- the fair value of commodity derivatives is based on market conditions.

The Automotive segments' derivatives are reported in the financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position as current.

### Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. The Sales Financing segment documents micro-hedges relationships, which hedge one or more homogeneous items, and macro-hedges relationships, which hedge several items involving similar types of risk. This documentation is subsequently updated such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge:

- fair value hedges: the hedged item is adjusted to fair value up to the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument;
- cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income;
- hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of borrowings in yen used to hedge the investment in Nissan is considered as the ineffective portion, and is therefore recorded directly in financial income and expenses.

### Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3

## CHANGES IN THE SCOPE OF CONSOLIDATION

| | Automotive (excluding AVTOVAZ) | AVTOVAZ | Sales Financing | Total |
|---|---|---|---|---|
| **Number of companies consolidated at December 31, 2018** | **118** | **54** | **40** | **212** |
| Newly consolidated companies (acquisitions, formations, etc.) | 10 | 1 | 2 | 13 |
| Deconsolidated companies (disposals, mergers, liquidations, etc.) | - | 2 | - | 2 |
| **Number of companies consolidated at December 31, 2019** | **128** | **53** | **42** | **223** |

The following companies were included in the scope of consolidation for the first time in 2019.

### 3 – A – Automotive (excluding) AVTOVAZ segment

- In March and June 2019, Renault s.a.s. took a 15% stake in new electricity storage companies Tokay 1 and Tokay 2, which have registered share capital of €3.5 million and €1. 3 million respectively. As the Group has significant influence over Tokay 1 and Tokay 2, they are accounted for by the equity method in the consolidated financial statements.
- In June 2019, Renault s.a.s., in partnership with the Nissan group, set up the joint-ventures Alliance Mobility Company France and Alliance Mobility Company Japan, which are dedicated to driverless mobility services. The Group holds 50% of the capital of each of these entities, which amounted to a total €100,000 and ¥10 million respectively at June 30, 2019. Both entities undertook capital increases subscribed in equal shares by Renault and Nissan during the second half-year of 2019, for amounts of €51.6 million and ¥4,901 million respectively. These two joint-ventures are accounted for by the equity method in the consolidated financial statements.
- In July 2019, Renault s.a.s. acquired an investment in the Chinese company JMEV Jiangxi Jiangling Group Electric Vehicle Co. Ltd. and committed to participate, subject to conditions, in a capital increase of up to RMB 1 billion, after which the Group will own 50% of JMEV. Renault holds the majority on the Board of Directors, with 4 of the total 7 directors, and key decisions for control analysis purposes are taken by a simple majority. This takeover reinforces the Group's presence in the electric vehicle sector on the Chinese market. The terms and amount of the capital increases are still in negotiation with the Chinese partner, and a first capital increase is expected to take place in 2020.

  Due to the fact that the Group has effective control, after analysis of the substance of this acquisition JMEV and its subsidiaries are fully consolidated in the Group's consolidated financial statements to reflect the assets acquired and liabilities transferred as required by IFRS 10, with a three-month time lag in accounting data. The accounts of JMEV and its subsidiaries included in the consolidation are for the period July 16 to September 30, 2019. The costs of this takeover are not significant at December 31, 2019 and are recorded in other operating expenses.

The assets acquired and liabilities transferred are recorded at December 31, 2019 at their book value in the financial statements of JMEV and its principal subsidiary, JMEVS. No contingent liabilities or translation adjustments have been recognized at this stage. The goodwill stated in the financial statements at December 31, 2019 is thus provisional and the final fair values of the assets acquired and liabilities transferred will be determined within 12 months.

A breakdown of the net assets acquired is shown in the following table:

| | Amounts at the date of acquisition of control | |
|---|---|---|
| | *(€ million)* | *(RMB million)* |
| Property, plant and equipment and intangible assets | 192 | 1,477 |
| Inventories | 28 | 215 |
| Customer receivables | 229 | 1,762 |
| Other assets | 490 | 3,769 |
| Cash and cash equivalents | 17 | 131 |
| Financial liabilities | (253) | (1,946) |
| Other liabilities | (443) | (3,407) |
| **NET ASSETS ACQUIRED** | **260** | **2,000** |

| | Amounts at the date of acquisition of control | |
|---|---|---|
| | *(€ million)* | *(RMB million)* |
| Fair value of the consideration paid (A) | 130 | 1,000 |
| JMEV net assets – 50% acquired | 260 | 2,000 |
| Share of net assets acquired (B) | 130 | 1,000 |
| **PROVISIONAL GOODWILL (A) - (B)** | **-** | **-** |

- In December 2019, the Group set up the new entity Renault MAI (Mobility As an Industry) to accelerate development in new types of mobility and form strategic partnerships. The company's share capital is €165 million. As of December 31, 2019 it holds the investments in Flit Tech (a taxi reservation platform), iCabbi (software development for taxis) and Marcel (a private car hire app) which were previously held by RCI Banque.
- The Group has finalized determination of the fair values of the assets acquired and liabilities transferred from Les Éditions Croque Futur, in which it acquired a 40.26% investment in March 2018. This company operates in the written press sector, notably owning the magazine titles *Challenges, Historia, Sciences et Avenir, Histoire* and *La Recherche*. Les Éditions Croque Futur, over which the Group has significant influence, is accounted for by the equity method. The principal adjustments concern the magazine titles, recognized at €9.7 million (on a 100% basis), and subscriber relations, recognized at €8.1 million (on a 100% basis). The final goodwill at the acquisition date is €8 million. In July 2019, after a capital increase to which the Group did not subscribe, its investment was reduced to 35.11%.
- The Group has finalized determination of the fair values of the assets acquired and liabilities transferred from Carizy, in which it acquired a 96.08% investment in June 2018. Carizy operates in the expert advice and intermediation sector for used vehicles, notably owning the website Carizy.com. It is fully consolidated. The main adjustment concerns the brand, recognized at €3 million. The final goodwill at the acquisition date is €24 million.

### 3 – B – AVTOVAZ

- There was no change during 2019 in Renault's percentage ownership of Alliance Rostec Auto b.v. At December 31, 2018, Renault held 61.09% of the capital of Alliance Rostec Auto b.v., which held 100% of AVTOVAZ. The percentage ownership applied in the consolidated financial statements at December 31, 2018 was 67.61% including the capital increase that took place in early 2019 in accordance with the shareholders' decisions made on November 28, 2018 and signed by Renault s.a.s.. The impact of these operations and the change in Renault s.a.s.'s investment in Alliance Rostec Auto b.v. and Alliance Rostec Auto b.v.'s investment in AVTOVAZ were recognized directly in shareholders' equity – parent company shareholders' share and non-controlling interests' share, in the respective amounts of €72 million and €245 million.

  The value of the non-controlling interest at December 31, 2019 is €83 million (€52 million at December 31, 2018).
- In July 2019, AVTOVAZ sold AO Smolensk-LADA and AO Dal-Lada. The operation generated a gain of €0.5 million.
- In December 2019 PAO AVTOVAZ acquired a further 50% interest in addition to its initial 50% shareholding in ZAO GM-AVTOVAZ, for the price of €5.9 million. ZAO GM-AVTOVAZ and its subsidiary JVS were previously accounted for by the equity method in the Groupe Renault consolidation. Among other consequences, the takeover entails ownership of the right to use the NIVA brand. Control was acquired on December 16, 2019. As the impact of these entities on net income and changes in cash between December 16 and 31, 2019 are non-significant, full consolidation is applied from December 31, 2019.

The fair value of the consideration paid at the acquisition date breaks down as follows:

- €5.9 million (411 million roubles) corresponding to the previous investment. This valuation has led to recognition of a loss on the sale of the previously-held shares amounting to €(7.3) million, recorded in other operating expenses.
- €5.9 million in cash (411 million roubles).

The costs of the takeover recorded in other operating expenses are not significant.

Determination of the fair values of assets acquired and liabilities transferred will take place within 12 months. The assets acquired and liabilities transferred were recorded at their book value in the accounts of ZAO GM-AVTOVAZ, established under US GAAP and restated under IFRS at December 31, 2019.

A breakdown of the net assets acquired is shown in the following table:

| | At December 31, 2019 | |
|---|---|---|
| | *(€ million)* | *(RUB million)* |
| Property, plant and equipment and intangible assets | 17 | 1,213 |
| Other assets | 40 | 2,809 |
| Cash and cash equivalents | 9 | 589 |
| Provisions | (33) | (2,290) |
| Financial liabilities | (13) | (934) |
| Other liabilities | (27) | (1,872) |
| **NET ASSETS ACQUIRED** | **(7)** | **(476)** |

At December 31, 2019, goodwill breaks down as follows:

| | At December 31, 2019 | |
|---|---|---|
| | *(€ million)* | *(RUB million)* |
| Fair value of the consideration paid (A) | 12 | 822 |
| ZAO – GM AVTOVAZ net assets – 100% acquired | (7) | (476) |
| Share of net assets acquired (B) | (7) | (476) |
| **PROVISIONAL GOODWILL (A) - (B)** | **19** | **1,298** |

## 4.2.6.3 Consolidated income statement

### NOTE 4
### REVENUES

#### 4 – A – Breakdown of revenues

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Sales of goods - Automotive segment (including AVTOVAZ)** | **43,901** | **44,226** |
| **Sales to partners of the Automotive segment (including AVTOVAZ) (1)** | **6,203** | **8,046** |
| Rental income on leased assets (2) | 630 | 578 |
| Sales of other services | 1,398 | 1,361 |
| **Sales of services - Automotive segments (including AVTOVAZ)** | **2,028** | **1,939** |
| **Sales of goods - Sales Financing segment** | **36** | **27** |
| Rental income on leased assets (2) | 116 | 119 |
| Interest income on sales financing receivables | 2,210 | 2,100 |
| Sales of other services (3) | 1,043 | 962 |
| **Sales of services - Sales Financing segment** | **3,369** | **3,181** |
| **TOTAL REVENUES** | **55,537** | **57,419** |

*(1) Most partners are automakers. The Automotive segments' main partners are Nissan and Daimler. Sales to partners include sales of parts, components, and vehicles to be sold under the partners' own brands, and other services such as engineering developments.*
*(2) Rental income recorded by the Group on vehicle sales with a buyback commitment or fixed asset rentals.*
*(3) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.*

### 4 – B – 2018 revenues applying 2019 scope and methods

| (€ million) | Automotive (excluding AVTOVAZ) | AVTOVAZ | Sales Financing | Total |
|---|---|---|---|---|
| **2018 revenues** | **51,171** | **3,040** | **3,208** | **57,419** |
| Changes in scope of consolidation | 5 | (10) | - | (5) |
| **2018 revenues applying 2019 scope and methods** | **51,176** | **3,030** | **3,208** | **57,414** |
| **2019 revenues** | **49,002** | **3,130** | **3,405** | **55,537** |

## NOTE 5
## OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

### 5 – A – Personnel expenses

Personnel expenses amount to €6,706 million in 2019 (€6,703 million in 2018).

The average workforce during the year for consolidated entities is presented in section 2.4- Human Capital of the 2019 Universal registration document.

Details of pensions and other long-term employee benefit expenses are presented in note 19.

Share-based payments concern stock-options, performance shares and other share-based payments granted to personnel, and amounted to a personnel expense of €89 million for 2019 (€97 million in 2018).

The plan valuation method is presented in note 18-G.

### 5 – B – Foreign exchange gains/losses

In 2019, the operating margin includes a net foreign exchange gain of €42 million, mainly related to movements in the Turkish lira (compared to a net foreign exchange loss of €72 million in 2018 related to movements in the Argentinian peso, Brazilian real and Turkish lira).

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## NOTE 6
## OTHER OPERATING INCOME AND EXPENSES

| (€ million) | 2019 | 2018 |
|---|---|---|
| Restructuring and workforce adjustment costs | (236) | (306) |
| Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation | (5) | 3 |
| Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales) | (10) | 65 |
| Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint-ventures) | (229) | (276) |
| Impairment related to operations in Iran | - | (47) |
| Other unusual items | (77) | (64) |
| **TOTAL** | **(557)** | **(625)** |

### 6 – A – Restructuring and workforce adjustment costs

Restructuring and workforce adjustment costs mainly concern the Europe region in 2019 and 2018.

In 2019 these costs include €89 million of complementary expenses related to revision of the assumptions regarding the higher than anticipated numbers signing up to the French career-end work exemption plan set out in the initial agreement signed on January 13, 2017 and amended on April 16, 2018 named *"Renault France CAP 2020 – Contrat d'Activité pour une Performance durable"* (activity contract for sustainable performance).

### 6 – B – Impairment of fixed assets and goodwill (excluding goodwill of associates and joint-ventures)

At December 31, 2019, impairment amounting to €(229) million net was recorded (€(276) million in 2018), comprising €(239) million of new impairment and €10 million of impairment reversals. This impairment concerns intangible assets (net increase of €(201) million) and property, plant and equipment (net increase of €(28) million) (notes 10 and 11). New impairment was principally recorded as a result of impairment tests on internal combustion engine vehicles made for the Chinese market, in view of the lower sales volumes and the downward revision of Renault's prospects on that market (notes 10 and 11). Reversals of impairment relate to electric vehicles.

### 6 – C – Impairment related to operations in Iran

The Group's exposure to risks on business with Iran has been fully written off since 2013 and consists of securities, a shareholder loan and commercial receivables. This situation changed little during 2019. The gross amount in the assets at December 31, 2019 was €782 million, including €677 million of customer receivables (€782 million and €677 million respectively at December 31, 2018).

As a result of the United States' withdrawal from the JCPOA (Joint Comprehensive Plan of Action) and the reinstatement from August 6, 2018 of sanctions for the automobile sector in Iran, there were no sales of CKD in 2019. Sales of CKD represented €319 million in 2018.

### 6 – D – Other unusual items

In 2018 and 2019, impairment tests on certain vehicles led to recognition of unusual expenses corresponding to advance and future payments to partners and suppliers in connection with those vehicles, amounting to €(78) million in 2019 and €(71) million in 2018.

## NOTE 7
## FINANCIAL INCOME (EXPENSES)

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Cost of gross financial indebtedness (1) | (386) | (373) |
| Income on cash and financial assets | 75 | 65 |
| **COST OF NET FINANCIAL INDEBTEDNESS** | **(311)** | **(308)** |
| Dividends received from companies that are neither controlled nor under significant influence | 59 | 78 |
| Foreign exchange gains and losses on financial operations | 30 | 14 |
| Gain/Loss on exposure to hyperinflation | (34) | (31) |
| Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations | (28) | (25) |
| Other (2) | (158) | (81) |
| **OTHER FINANCIAL INCOME AND EXPENSES** | **(131)** | **(45)** |
| **FINANCIAL INCOME (EXPENSE) (3)** | **(442)** | **(353)** |

*(1) The financial interest determined upon initial application of IFRS 16 in 2019 is presented in note 2-A2.*
*(2) Other items mainly comprise expenses on assignment of receivables, changes in fair value (the investments in FAA and Partech Growth), bank commissions, discounts and late payment interest.*
*(3) No impairment was recognized in 2019 on financial items included in or excluded from net financial indebtedness.*

The net liquidity position (or net financial indebtedness) of the Automotive segments is presented in the information by operating segment (see section 4.2.6.1 – A4).

## NOTE 8
# CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Groupe Renault also applies other optional tax consolidation systems in Germany, Italy, Spain, Romania and the UK.

## 8 – A – Current and deferred taxes

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Current income taxes | (626) | (690) |
| Deferred tax income (charge) | (828) | (33) |
| **CURRENT AND DEFERRED TAXES** | **(1,454)** | **(723)** |

The current income tax charge for entities included in the French tax consolidation group amount to €117 million in 2019 (€90 million in 2018).The increase in the current income tax charge between 2018 and 2019 is notably due to the higher level of provisions for tax risks.

In 2019, €509 million of the current income tax charge comes from foreign entities including AVTOVAZ (€600 million in 2018). This charge decreased in 2019, largely due to the lower taxable income in certain subsidiaries, and tax reassessments recognized in 2018.

The deferred tax charge for 2019 reflects the fact that recognition of deferred tax assets on tax loss carryforwards under the French tax consolidation system has been discontinued (with an effect of €(753) million), mainly as there were no prospects of taxable income for the tax consolidation group on the horizon of the Drive the Future plan. The plan's assumptions are currently being revised to reflect the unfavourable market conditions.

## 8 – B – Breakdown of the tax charge

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Income before taxes and share in net income of associates and joint-ventures** | **1,663** | **2,634** |
| Statutory income tax rate in France | 34.43% | 34.43% |
| **Theoretical tax income (charge)** | **(573)** | **(907)** |
| Effect of differences between local tax rates and the French rate (1) | 194 | 249 |
| Tax credits | 78 | 33 |
| Distribution taxes | (56) | (86) |
| Change in unrecognized deferred tax assets (2) | (1,012) | 73 |
| Other impacts (3) | 8 | - |
| **Current and deferred tax income (charge) excluding taxes based on interim taxable profits** | **(1,361)** | **(638)** |
| Taxes based on interim taxable profits (4) | (93) | (85) |
| **Current and deferred tax income (charge)** | **(1,454)** | **(723)** |

*(1) The main contributors to the tax rate differential are Korea, Spain, Morocco, Romania, Switzerland, Turkey and the United Kingdom.*
*(2) The deferred tax charge for 2019 includes the effect of discontinued recognition of deferred tax assets on tax loss carryforwards related to entities included in the French tax consolidation group (see note 8-A).*
*(3) Other impacts mainly include the effect of permanent differences, reduced-rate taxations, tax reassessments, specific tax regimes, prior year adjustments and changes in future year tax rates adopted before the end of the period.*
*(4) The Group's main taxes based on taxable profits are the CVAE in France and the IRAP in Italy.*

### French tax consolidation group

For the French tax consolidation group, the current tax charge amounts to €(117) million, principally consisting of the business tax *Cotisation sur la valeur ajoutée des entreprises* (CVAE), and the deferred tax charge amounts to €(950) million, principally due to discontinuation of recognition of deferred tax assets on tax loss carryforwards (see note 8-A).

### Entities not in the French tax consolidation group

The effective tax rate across all foreign entities including AVTOVAZ is 19.4% in 2019 (28.7% in 2018).

## 8 – C – Changes in current tax liabilities, current tax receivables and provisions for uncertain tax liabilities

| *(€ million)* | December 31, 2018 | Current taxes in the income statement | Net taxes paid | Translation adjustment and other | December 31, 2019 |
|---|---|---|---|---|---|
| Current taxes excluding uncertain tax positions | | (570) | 570 | | |
| Provisions for uncertain tax liabilities – short- term | (22) | (5) | 12 | 7 | (8) |
| Provisions for uncertain tax liabilities – long-term | (140) | (51) | 13 | (9) | (187) |
| Tax receivables – short-term | 111 | | (28) | 3 | 86 |
| Tax receivables – long-term | 19 | | 5 | (3) | 21 |
| Current tax liabilities – short-term | (289) | | 64 | - | (225) |
| Current tax liabilities – long-term | - | | - | - | - |
| **TOTAL** | **(321)** | **(626)** | **636** | **(2)** | **(313)** |

## 8 – D – Breakdown of net deferred taxes

### D1 Change in deferred tax assets and liabilities

| *(€ million)* | December 31, 2018 | Income statement* | Other components of comprehensive income | Translation adjustments | Other | December 31, 2019 |
|---|---|---|---|---|---|---|
| Deferred tax assets | 952 | 86 | (35) | 32 | (19) | 1,016 |
| Deferred tax liabilities | (135) | (914) | 3 | (22) | 24 | (1,044) |
| **Net deferred taxes** | **817** | **(828)** | **(32)** | **10** | **5** | **(28)** |
| *French tax consolidation group* | *178* | *(952)* | *(46)* | *-* | *(20)* | *(840)* |
| *AVTOVAZ* | *196* | *70* | *-* | *31* | *4* | *301* |
| *Other* | *443* | *54* | *14* | *(21)* | *21* | *511* |

* *The deferred tax charge for 2019 includes the effect of discontinued recognition of deferred tax assets on tax loss carryforwards related to entities included in the French tax consolidation group (see note 8-A).*

### D2 Breakdown of net deferred tax assets by nature

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Deferred taxes on:** | | |
| Investments in associates and joint-ventures excluding AVTOVAZ [(1)] | (193) | (181) |
| Fixed assets excluding AVTOVAZ | (2,350) | (2,044) |
| Provisions and other expenses or valuation allowances deductible upon utilization excluding AVTOVAZ | 815 | 750 |
| Loss carryforwards excluding AVTOVAZ [(2)] | 4,871 | 4,434 |
| Other items excluding AVTOVAZ | 783 | 764 |
| **NET DEFERRED TAX ASSETS (LIABILITIES) EXCLUDING AVTOVAZ** | **3,926** | **3,723** |
| Fixed assets of AVTOVAZ | (23) | (16) |
| Provisions and other expenses or valuation allowances deductible upon utilization of AVTOVAZ | 56 | 54 |
| Loss carryforwards of AVTOVAZ | 327 | 294 |
| Non-interest bearing financial liabilities in roubles of AVTOVAZ | (43) | (42) |
| Other items of AVTOVAZ | 19 | (12) |
| **NET DEFERRED TAX ASSETS (LIABILITIES) OF AVTOVAZ** | **336** | **278** |
| Unrecognized deferred tax assets related to tax losses (note 8-D3) | (4,023) | (2,944) |
| Other unrecognized deferred tax assets | (267) | (240) |
| **NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED** | **(28)** | **817** |

*(1) Including tax on future dividend distributions.*
*(2) Including €4,286 million for the French tax consolidation group entities and €585 million for other entities at December 31, 2019 (€3,864 million and €570 million respectively at December 31, 2018).*

The residual unrecognized deferred tax assets of entities included in the French tax consolidation group amounted to €3,442 million (€2,344 million at December 31, 2018). They comprise tax losses that can be carried forward indefinitely to set against future taxable income up to a limit of 50% of that income. €393 million of these unrecognized assets were generated by items booked through shareholders' equity (effects of the partial hedge of the investment in Nissan), and €3,049 million were generated by items affecting the income statement (respectively €265 million and €2,079 million at December 31, 2018).

For entities not in the French tax consolidation group, unrecognized deferred tax assets totalled €848 million at December 31, 2019 (€840 million at December 31, 2018), including €34 million for AVTOVAZ (€82 million at December 31, 2018) and €814 million for the Group excluding AVTOVAZ (€758 million at December 31, 2018) and principally comprise tax loss carryforwards generated by the Group in Brazil, India, and to a lesser extent in Argentina.

### D3 Breakdown of deferred taxes on tax losses by expiry date

Unrecognized loss carryforwards represent a potential tax saving of €4,023 million at December 31, 2019.

| *(€ million)* | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| **Deferred taxes on:** | **Recognized** | **Unrecognized** | **Total** | **Recognized** | **Unrecognized** | **Total** |
| Tax losses that can be carried forward indefinitely* | 879 | 3,848 | 4,727 | 1,565 | 2,760 | 4,325 |
| Tax losses expiring in more than 5 years | - | 29 | 29 | 5 | 53 | 58 |
| Tax losses expiring in between 1 and 5 years | 3 | 104 | 107 | - | 49 | 49 |
| Tax losses expiring within 1 year | - | 8 | 8 | 2 | - | 2 |
| **TOTAL DEFERRED TAXES ON TAX LOSSES (EXCLUDING AVTOVAZ)** | **882** | **3,989** | **4,871** | **1,572** | **2,862** | **4,434** |
| **TOTAL DEFERRED TAXES ON TAX LOSSES OF AVTOVAZ** | **293** | **34** | **327** | **212** | **82** | **294** |
| **TOTAL DEFERRED TAXES ON TAX LOSSES OF THE GROUP** | **1,175** | **4,023** | **5,198** | **1,784** | **2,944** | **4,728** |

* *Including recognized and unrecognized deferred taxes corresponding to tax loss carryforwards of entities included in the French tax consolidation group, which amount to €842 million and €3,442 million respectively at December 31, 2019 and €1,520 million and €2,344 million respectively at December 31, 2018 (note 8-D2).*

## NOTE 9
## BASIC AND DILUTED EARNINGS PER SHARE

| *(thousands of shares)* | 2019 | 2018 |
|---|---|---|
| Shares in circulation | 295,722 | 295,722 |
| Treasury shares | (4,700) | (6,490) |
| Shares held by Nissan x Renault's share in Nissan | (19,383) | (19,382) |
| **Number of shares used to calculate basic earnings per share** | **271,639** | **269,850** |

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, *i.e.* after neutralization of treasury shares and Renault shares held by Nissan.

| *(thousands of shares)* | 2019 | 2018 |
|---|---|---|
| Number of shares used to calculate basic earnings per share | 271,639 | 269,850 |
| Dilutive effect of stock-options, performance share rights and other share-based payments | 1,930 | 2,372 |
| **Number of shares used to calculate diluted earnings per share** | **273,569** | **272,222** |

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, *i.e.* the number of shares used to calculate the basic earnings per share plus the number of stock-options and rights to performance shares awarded under the relevant plans, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional (note 18-G).

## 4.2.6.4 Operating assets and liabilities, shareholders' equity

### NOTE 10
### INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

### 10 – A – Intangible assets and goodwill

#### A1 Changes in intangible assets and goodwill

Changes in 2019 in intangible assets were as follows:

| *(€ million)* | December 31, 2018 | Acquisitions/ (amortization and impairment) | (Disposals)/ reversals | Translation adjustment | Change in scope of consolidation and other | December 31, 2019 |
|---|---|---|---|---|---|---|
| Capitalized development expenses | 9,671 | 1,985 | (69) | 14 | 12 | 11,613 |
| Goodwill | 996 | - | - | 112 | 43 | 1,151 |
| Other intangible assets | 1,044 | 101 | (14) | 23 | 6 | 1,160 |
| **Intangible assets, gross** | **11,711** | **2,086** | **(83)** | **149** | **61** | **13,924** |
| Capitalized development expenses | (5,078) | (1,123) | 69 | (2) | - | (6,134) |
| Goodwill | | (24) | - | - | - | (24) |
| Other intangible assets | (720) | (109) | 14 | (2) | - | (817) |
| **Amortization and impairment** | **(5,798)** | **(1,256)** | **83** | **(4)** | **-** | **(6,975)** |
| Capitalized development expenses | 4,593 | 862 | - | 12 | 12 | 5,479 |
| Goodwill | 996 | (24) | - | 112 | 43 | 1,127 |
| Other intangible assets | 324 | (8) | - | 21 | 6 | 343 |
| **INTANGIBLE ASSETS, NET** | **5,913** | **830** | **-** | **145** | **61** | **6,949** |

Most goodwill is located in Europe and Eurasia.

Acquisitions of intangible assets in 2019 comprise €1,985 million of self-produced assets and €101 million of purchased assets (respectively €1,717 million and €55 million in 2018).

In 2019, amortization and impairment of intangible assets include €206 million of impairment concerning vehicles (including components), compared to €42 million of impairment in 2018 (note 6-B).

Changes in 2018 in intangible assets were as follows:

| *(€ million)* | Gross value | Amortization and impairment | Net value |
|---|---|---|---|
| **Value at December 31, 2017** | **10,721** | **(5,481)** | **5,240** |
| Acquisitions/(amortization and impairment)* | 1,772 | (950) | 822 |
| (Disposals)/reversals | (623) | 623 | - |
| Translation adjustment | (159) | 10 | (149) |
| Change in scope of consolidation and other | - | - | - |
| **Value at December 31, 2018** | **11,711** | **(5,798)** | **5,913** |

* *Including impairment of €42 million concerning intangible assets.*

#### A2 Research and Development expenses included in income

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Research and Development expenses | (3,697) | (3,516) |
| Capitalized development expenses | 1,985 | 1,717 |
| Amortization of capitalized development expenses | (946) | (799) |
| **TOTAL INCLUDED IN INCOME** | **(2,658)** | **(2,598)** |

Research and Development expenses are reported net of research tax credits for the vehicle development activity.

The rise in Research and Development expenses is explained by efforts to respond to new issues for connected, driverless and electric vehicles, and ensure that engines comply with new regulations applicable, particularly in Europe. In addition to reflecting this rise in development expenses, the increase in capitalized development expenses is also attributable to the start of the capitalization phase for development expenses on significant programs, and resumption of capitalization of development expenses concerning electric vehicles.

## 10 – B – Property, plant and equipment

Changes in 2019 in property, plant and equipment were as follows:

| *(€ million)* | December 31, 2018 | Acquisitions/ (depreciation and impairment) | (Disposals)/ reversals | Translation adjustments | Change in scope of consolidation and other [1] | December 31, 2019 |
|---|---|---|---|---|---|---|
| Land | 571 | 12 | (4) | 2 | 73 | 654 |
| Buildings | 6,623 | 189 | (50) | 7 | 82 | 6,851 |
| Specific tools | 16,831 | 1,185 | (227) | (52) | 249 | 17,986 |
| Machinery and other tools | 12,793 | 821 | (287) | (17) | 318 | 13,628 |
| Fixed assets leased to customers | 3,734 | 1,752 | (973) | 15 | - | 4,528 |
| Other tangibles | 914 | 70 | (29) | (2) | 25 | 978 |
| Right-of-use assets | - | 117 | (1) | 5 | 749 | 870 |
| • *Land* | - | *3* | - | *1* | *10* | *14* |
| • *Buildings* | - | *103* | *(1)* | *3* | *704* | *809* |
| • *Other assets* | - | *11* | - | *1* | *35* | *47* |
| Construction in progress [2] | 2,116 | 758 | (1) | 21 | (391) | 2,503 |
| **Gross value** | **43,582** | **4,904** | **(1,572)** | **(21)** | **1,105** | **47,998** |
| Land | | | | | | |
| Buildings | (4,226) | (259) | 41 | 3 | (23) | (4,464) |
| Specific tools | (14,240) | (1,003) | 225 | 27 | (78) | (15,069) |
| Machinery and other tools | (9,069) | (701) | 270 | 16 | (63) | (9,547) |
| Fixed assets leased to customers | (831) | (419) | 282 | (5) | 5 | (968) |
| Other tangibles | (912) | (53) | 18 | 69 | (36) | (914) |
| Right-of-use assets | - | (114) | - | - | (22) | (136) |
| • *Land* | - | *(1)* | - | - | - | *(1)* |
| • *Buildings* | - | *(103)* | - | - | *(15)* | *(118)* |
| • *Other assets* | - | *(10)* | - | - | *(7)* | *(17)* |
| Construction in progress | - | - | - | - | - | - |
| **Depreciation and impairment [3]** | **(29,278)** | **(2,549)** | **836** | **110** | **(217)** | **(31,098)** |
| Land | 571 | 12 | (4) | 2 | 73 | 654 |
| Buildings | 2,397 | (70) | (9) | 10 | 59 | 2,387 |
| Specific tools | 2,591 | 182 | (2) | (25) | 171 | 2,917 |
| Machinery and other tools | 3,724 | 120 | (17) | (1) | 255 | 4,081 |
| Fixed assets leased to customers | 2,903 | 1,333 | (691) | 10 | 5 | 3,560 |
| Other tangible | 2 | 17 | (11) | 67 | (11) | 64 |
| Right-of-use assets | - | 3 | (1) | 5 | 727 | 734 |
| • *Land* | - | *2* | - | *1* | *10* | *13* |
| • *Buildings* | - | - | *(1)* | *3* | *689* | *691* |
| • *Other assets* | - | *1* | - | *1* | *28* | *30* |
| Construction in progress [2] | 2,116 | 758 | (1) | 21 | (391) | 2,503 |
| **NET VALUE** | **14,304** | **2,355** | **(736)** | **89** | **888** | **16,900** |

*(1) Including right-of-use assets following first application of IFRS 16. Details of the impacts of this standard are given in note 2-A2.*
*(2) Items classified as "construction in progress" are transferred to completed asset categories via "acquisitions/(depreciation and impairment)".*
*(3) Depreciation and impairment in 2019 include impairment of €33 million, mainly concerning vehicles (including components) (see note 6-B).*

Changes in property, plant and equipment in 2018 were as follows:

| *(€ million)* | Gross value | Depreciation and impairment | Net value |
|---|---|---|---|
| **Value at December 31, 2017** | **41,343** | **(27,761)** | **13,582** |
| Acquisitions/(depreciation and impairment) [1] | 4,029 | (2,294) | 1,735 |
| (Disposals)/reversals | (1,506) | 697 | (809) |
| Translation adjustments | (656) | 312 | (344) |
| Change in scope of consolidation and other [2] | 372 | (232) | 140 |
| **Value at December 31, 2018** | **43,582** | **(29,278)** | **14,304** |

*(1) Including €234 million of impairment on property, plant and equipment.*
*(2) This includes right-of-use assets resulting from first application of IFRS 16. Details of the impacts of this standard are given in note 2-A2.*

## NOTE 11
# IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED ASSETS)

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (note 2-M).

### 11 – A – Impairment tests on vehicle-specific assets (including components)

Following impairment tests of specific assets dedicated to vehicles (including components), impairment of €239 million was booked during 2019, comprising €206 million for intangible assets and €33 million for property, plant and equipment (impairment in 2018 amounted to €126 million, comprising €63 million for intangible assets and €63 million for property, plant and equipment). This impairment was allocated in priority to capitalized development expenses. It mainly concerns vehicles made for the Chinese market, in view of the lower sales volumes and the downward revision of the prospects for those assets.

Impairment for intangibles and property, plant and equipment was recognized in 2013 in respect of electric vehicles. As the market for electric vehicles grew substantially in 2018 and that trend was confirmed in 2019, residual impairment of €5 million on intangible assets and €3 million on property, plant and equipment was reversed in 2019. Residual impairment of €38 million was reversed during 2018 (€21 million for intangible assets and €17 million for property, plant and equipment).

### 11 – B – Impairment tests of country-specific assets or cash-generating units of the Automotive (excluding AVTOVAZ) segment

#### Argentina, China and other countries:

In 2018, the cash-generating unit corresponding to Argentina was subjected to an impairment test following the application of hyperinflationary accounting, and in view of the recession on the local automobile market in the second half-year.

An analysis of specific assets dedicated to the Chinese market (in the second half-year of 2019), the Turkish market (in the second half-year of 2018) and the Iranian market was also conducted following the significant decline in automobile sales in China and Turkey and the suspension of Renault's activities in Iran (see note 6-C).

The tests performed in 2018 for the Argentina cash-generating unit led to recognition of impairment on its assets amounting to €188 million at December 31, 2018 (*i.e.* the total value of the industrial assets). No impairment was booked at January 1, 2018.

The test conducted in 2019 on specific assets dedicated to the Chinese market led to recognition of impairment as described in note 11-A above, and impairment on investments in joint-ventures operating on the Chinese market (see note 13).

In 2018, no impairment was recognized on intangibles and property, plant and equipment dedicated to the Iranian and Turkish markets as a result of the impairment tests conducted.

#### Automotive (excluding AVTOVAZ) segment:

The recoverable value used for the purpose of impairment tests for the Automotive (excluding AVTOVAZ) segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

| | 2019 | 2018 |
|---|---|---|
| Growth rate to infinity | 1.7% | 1.9% |
| After-tax discount rate | 8.5% | 8.7% |

The assumptions used for impairment testing at December 31, 2019 are taken from the six-year strategic plan, Drive the Future 2017-2022, which was announced in October 2017. These assumptions were updated using data from the 2020 budget and Renault's best estimate of trends in results for 2021 and 2022, which will be affected by adverse market conditions. The revision of the strategic plan, which was still in process at the year-end, will be finalized during 2020.

In 2019 as in 2018, no impairment was recognized on assets included in the Automotive (excluding AVTOVAZ) segment as a result of the impairment test.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the assets tested.

### 11 – C – Impairment tests on the AVTOVAZ cash-generating unit and the Lada brand

#### Impairment tests of the AVTOVAZ cash-generating unit

AVTOVAZ was delisted from the Moscow Stock exchange in May 2019, and consequently reference is no longer made to its market capitalization to assess the recoverable value of its net assets (including goodwill).

In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2018), an impairment test was conducted at June 30, 2019 but no impairment was recognized at that date as a result. A further test was conducted at December 31, 2019 due to the decline of the Russian market. The annual impairment test will now be conducted at December 31 every year.

For the impairment test of the AVTOVAZ cash-generating unit, an after-tax discount rate of 14% and a growth rate to infinity (including the effect of inflation) of 4% were used to calculate value in use.

The test results did not lead to recognition of any impairment at December 31, 2019. A reasonably possible change in the key assumptions used should not result in a recoverable value that is below book values.

### Impairment tests of the Lada brand

For the purpose of allocation of the purchase price of AVTOVAZ, the Lada brand was recognized at its fair value at the date control was acquired (in late 2016), *i.e.* 9,248 million Russian roubles (€132 million at the exchange rate of December 31, 2019). Since this brand is an intangible asset with an indefinite useful life, an impairment test was carried out at December 31, 2019 based on a discount rate of 14% and a growth rate to infinity of 4%. No impairment was booked in 2019, as the recoverable value was higher than the book value.

A reasonably possible change in the key assumptions used should not result in a recoverable value that is below the book value.

The annual impairment test will now be conducted at December 31 every year.



## NOTE 12
## INVESTMENT IN NISSAN

Renault's investment in Nissan in the income statement and financial position:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Consolidated income statement** | | |
| Share in net income (loss) of associates accounted for by the equity method | 242 | 1,509 |
| **Consolidated financial position** | | |
| Investments in associates accounted for by the equity method | 20,622 | 20,583 |

### 12 – A – Nissan consolidation method

Renault and the Japanese automaker Nissan have developed an alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; Renault cannot unilaterally appoint the President of Nissan;
- in March 2019, Renault, Nissan and Mitsubishi announced the creation of the new Alliance Board, a supervisory body to oversee Alliance operations and governance involving Renault, Nissan and Mitsubishi. This Board has four members: The Chairman of the Board of Renault, the Chief Executive Officer of Renault, the Chief Executive Officer of Nissan and the Chief Executive Officer of Mitsubishi Motors. Decisions are taken by consensus. In November 2019, the Board added the post of Alliance General Secretary, who reports to the Alliance Board and the CEOs of the three alliance companies;
- at December 31, 2019, the Groupe Renault occupied two seats on Nissan's Board of Directors and was represented by Jean-Dominique Senard, Chairman of the Renault Board. The appointment of Pierre Fleuriot to replace Thierry Bolloré will be put to the vote at the next Extraordinary General Shareholders' Meeting to be held on February 18, 2020. Pierre Fleuriot is the Senior Independent Director in the Groupe Renault;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

### 12 – B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January through December are consolidated in Renault's annual financial statements).

Nissan held 0.7% of its own treasury shares at December 31, 2019 (0,7% at December 31, 2018). Consequently, Renault's percentage interest in Nissan is 43.7% (43.7% at December 31, 2018). Renault holds 43.7% of voting rights in Nissan at September 30, 2019 (43.7% at September 30, 2018).

## 12 – C – Changes in the investment in Nissan as shown in Renault's statement of financial position

| | Share in net assets | | | | |
|---|---|---|---|---|---|
| *(€ million)* | Before neutralization | Neutralization proportional to Nissan's investment in Renault (1) | Net | Goodwill | Total |
| **At December 31, 2018** | **20,822** | **(974)** | **19,848** | **735** | **20,583** |
| 2019 net income | 242 | | 242 | | 242 |
| Dividend distributed | (579) | | (579) | | (579) |
| Translation adjustment | 353 | | 353 | 24 | 377 |
| Other changes (2) | (1) | | (1) | | (1) |
| **At December 31, 2019** | **20,837** | **(974)** | **19,863** | **759** | **20,622** |

*(1) Nissan has held 44,358,000 Renault shares since 2002, corresponding to an investment of around 15%. The neutralization is based on Renault's percentage holding in Nissan.*

*(2) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.*

## 12 – D – Changes in Nissan equity restated for the purposes of the Renault consolidation

| *(¥ billion)* | December 31, 2018 | 2019 net income | Dividends | Translation adjustment | Other changes (1) | December 31, 2019 |
|---|---|---|---|---|---|---|
| **Shareholders' equity – parent company shareholders' share under Japanese GAAP** | **5,338** | **42** | **(151)** | **(117)** | **(61)** | **5,051** |
| **Restatements for compliance with IFRS:** | | | | | | |
| Provision for pension and other long-term employee benefit obligations | (65) | (14) | | 1 | 51 | (27) |
| Capitalization of development expenses | 712 | 41 | | (1) | | 752 |
| Deferred taxes and other restatements | (99) | 4 | | (10) | (17) | (122) |
| **Net assets restated for compliance with IFRS** | **5,886** | **73** | **(151)** | **(127)** | **(27)** | **5,654** |
| Restatements for Groupe Renault requirements (2) | 111 | (6) | (10) | 41 | 25 | 161 |
| **Net assets restated for Groupe Renault requirements** | **5,997** | **67** | **(161)** | **(86)** | **(2)** | **5,815** |
| (€ million) | | | | | | |
| **Net assets restated for Groupe Renault requirements** | **47,650** | **554** | **(1,325)** | **808** | **-** | **47,687** |
| Renault's percentage interest | 43.7% | | | | | 43.7% |
| Renault's share (before neutralization effect described below) | 20,822 | 242 | (579) | 353 | (1) | 20,837 |
| Neutralization of Nissan's investment in Renault (3) | (974) | | | | | (974) |
| **Renault's share in the net assets of Nissan** | **19,848** | **242** | **(579)** | **353** | **(1)** | **19,863** |

*(1) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares. In 2019, they also include the impacts of the first application of IFRS 16 (€(16) million) and IFRIC 23 (€(37) million).*

*(2) Restatements for Groupe Renault requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for under the equity method.*

*(3) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%. The neutralization is based on Renault's percentage holding in Nissan.*

## 12 – E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2019 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2018 financial year and the first three quarters of its 2019 financial year.

| | January to March 2019 | | April to June 2019 | | July to September 2019 | | October to December 2019 | | January to December 2019 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Fourth quarter of Nissan's 2018 financial year | | First quarter of Nissan's 2019 financial year | | Second quarter of Nissan's 2019 financial year | | Third quarter of Nissan's 2019 financial year | | Reference period for Renault's 2019 consolidated financial statements | |
| | *(¥ billion)* | *(€ million)** | *(¥ billion)* | *(€ million)** | *(¥ billion)* | *(€ million)** | *(¥ billion)* | *(€ million)** | *(¥ billion)* | *(€ million)** |
| Net income – Parent company shareholders' share | 2 | 20 | 7 | 52 | 59 | 495 | (26) | (217) | 42 | 350 |

* *Converted at the average exchange rate for each quarter.*

### 12 – F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated under IFRS for the purposes of the Renault consolidation, for the years 2018 and 2017. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for under the equity method.

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | *(¥ billion)* | *(€ million)* (1) | *(¥ billion)* | *(€ million)* (2) |
| Revenues | 10,316 | 84,520 | 11,764 | 90,201 |
| **Net income** | | | | |
| Parent company shareholders' share | 85 | 698 | 451 | 3,458 |
| Non-controlling interests' share | (14) | (115) | 20 | 151 |
| **Other components of comprehensive income** | | | | |
| Parent company shareholders' share | (154) | (1,264) | (220) | (1,688) |
| Non-controlling interests' share | 23 | 185 | 31 | 237 |
| **Comprehensive income** | | | | |
| Parent company shareholders' share | (69) | (566) | 231 | 1,771 |
| Non-controlling interests' share | 9 | 70 | 51 | 388 |
| Dividends received from Nissan | 71 | 579 | 101 | 784 |

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| | *(¥ billion)* | *(€ million)* (1) | *(¥ billion)* | *(€ million)* (2) |
| Non-current assets | 7,877 | 64,597 | 7,886 | 62,664 |
| Current assets | 11,186 | 91,734 | 11,797 | 93,736 |
| **TOTAL ASSETS** | **19,063** | **156,331** | **19,683** | **156,400** |
| Shareholders' equity | | | | |
| Parent company shareholders' share | 5,655 | 46,378 | 5,887 | 46,775 |
| Non-controlling interests' share | 364 | 2,984 | 297 | 2,359 |
| Non-current liabilities | 5,345 | 43,828 | 5,874 | 46,675 |
| Current liabilities | 7,699 | 63,142 | 7,625 | 60,591 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **19,063** | **156,331** | **19,683** | **156,400** |

*(1) Converted at the average exchange rate for 2019 i.e.122.06 JPY = 1 EUR for income statement items, and at the December 31, 2019 rate i.e. 121.94 JPY = 1 EUR for financial position items.*
*(2) Converted at the average exchange rate for 2018 i.e.130.4 JPY = 1 EUR for income statement items, and at the December 31, 2018 rate i.e. 125.8 JPY = 1 EUR for financial position items.*

### 12 – G – Hedging of the investment in Nissan

The Group has partially hedged the yen/euro exchange risk on its investment in Nissan since 1999. Details of this hedge are given in note 25-B2.

At December 31, 2019, the corresponding hedging operations totalled ¥84 billion (€689 million) of private placements in bonds issued directly in yen on the Japanese Samurai bond market.

During 2019, these operations generated unfavourable foreign exchange differences of €(70) million (unfavourable difference of €(102) million in 2018). The net unfavourable effect of €(157) million after deferred taxes (including the effect of non-recognition as described in note 8) is recorded in the Group's translation adjustment reserve (note 18-E).

### 12 – H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2019 of ¥636 per share, Renault's investment in Nissan is valued at €9,554 million (€12,809 million at December 31, 2018 based on the price of ¥880 per share).

### 12 – I – Impairment test of the investment in Nissan

At December 31, 2019, the stock market value of the investment was 53.7% lower than the value of Nissan in Renault's statement of financial position (37.8% at December 31, 2018).

In application of the approach presented in the note on accounting policies (note 2-M), an impairment test was carried out at December 31, 2019. An after-tax discount rate of 6.95% and a growth rate to infinity (including the effect of inflation) of 2.25% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan at December 31, 2019.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the investment in Nissan.

## 12 – J – Operations between the Groupe Renault and the Nissan group

### J1 Automotive (excluding AVTOVAZ) and Sales Financing

Renault and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. Since April 1, 2014 the two companies have also been engaged in a convergence project for four key functions: Engineering, Manufacturing and Supply Chain Management, Purchasing and Human Resources. This cooperation is reflected in synergies that reduce costs, particularly in the support functions and sales to Nissan.

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- industrial production: crossover production of vehicles and components in the Alliance's manufacturing plants:
  - sales by the Groupe Renault to the Nissan group in 2019 totalled approximately €3,374 million (€4,162 million in 2018), comprising around €2,272 million for vehicles (€2,871 million in 2018), €985 million for components (€1,169 million in 2018), and €117 million for services (€123 million in 2018). The decrease is mainly driven by sales of vehicles made by Renault Samsung Motors for Nissan North America, and the Nissan Micra made in Flins, France,
  - purchases by the Groupe Renault from the Nissan group in 2019 totalled approximately €1,896 million (€2,184 million in 2018), comprising around €1,046 million of vehicles (€1,068 million in 2018), €655 million of components (€884 million in 2018), and €195 million of services (€223 million in 2018),
  - the balance of Groupe Renault receivables on the Nissan group is €521 million at December 31, 2019 (€859 million at December 31, 2018) and the balance of Groupe Renault liabilities to the Nissan group is €738 million at December 31, 2019 (€872 million at December 31, 2018);
- Finance: In addition to its activity for Renault, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange and interest rate risks. Renault Finance undertook approximately €17 billion of forex transactions on the foreign exchange market for Nissan in 2019 (€18 billion in 2018). Operations undertaken with Nissan on foreign exchange and interest rate derivatives are recorded at market price and included in the positions managed by Renault Finance. In the balance sheet, the derivative assets on the Nissan group amount to €26 million at December 31, 2019 (€30 million at December 31, 2019) and derivative liabilities amount to €4 million at December 31, 2019 (€69 million at December 31, 2018).

Renault's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In 2019, RCI Banque recorded €148 million of service revenues in the form of commission and interest received from Nissan (€158 million in 2018). The balance of sales financing receivables on the Nissan group is €86 million at December 31, 2019 (€133 million at December 31, 2018) and the balance of liabilities is €184 million at December 31, 2019 (€148 million at December 31, 2018).

The Alliance partners hold investments in associates and joint-ventures that manage their cooperation. Details of these entities' activity and location, and the Groupe Renault's influence over them, are given in note 13.

### J2 AVTOVAZ

In 2019, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €118 million and €23 million respectively (€260 million and €35 million in 2018).

In the AVTOVAZ financial position at December 31, 2019, the balances of transactions between AVTOVAZ and the Nissan group consist mainly of:

- a non-current receivable for jointly controlled assets amounting to €25 million (€27 million at December 31, 2018);
- operating receivables and payables amounting respectively to €0 million and €18 million (€12 million and €37 million at December 31, 2018).

## NOTE 13
# INVESTMENTS IN OTHER ASSOCIATES AND JOINT-VENTURES

Details of investments in other associates and joint-ventures are as follows in the Group's financial statements:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Consolidated income statement** | | |
| **Share in net income (loss) of other associates and joint-ventures** | **(432)** | **31** |
| Associates accounted for under the equity method | 43 | 27 |
| Joint-ventures accounted for under the equity method* | (475) | 4 |
| **Consolidated financial position** | | |
| **Investments in other associates and joint-ventures** | **610** | **856** |
| Associates accounted for under the equity method | 479 | 420 |
| joint-ventures accounted for under the equity method | 131 | 436 |

* *The loss recorded in 2019 principally corresponds to impairment of investments in joint-ventures accounted for under the equity method: Dongfeng Renault Automotive Company and Renault Brilliance Jinbei Automotive Company (note 13-C).*



## 13 – A – Information on the principal other associates and joint-ventures accounted for under the equity method

| Name | Country of location | Main activity | Percentage ownership and voting rights held by the Group: December 31, 2019 | Percentage ownership and voting rights held by the Group: December 31, 2018 | Investments in other associates and joint-ventures at December 31, 2019 | Investments in other associates and joint-ventures at December 31, 2018 |
|---|---|---|---|---|---|---|
| **Associates** | | | | | | |
| ***Automotive (excluding AVTOVAZ)*** | | | | | | |
| Motorlu Araclar Imal ve Satis AS (MAIS) | Turkey | Automotive sales | 49% | 49% | 59 | 34 |
| Renault Nissan Automotive India Private Limited (RNAIPL) | India | Vehicle manufacturing | 30% | 30% | 210 | 206 |
| **Sales Financing** | | | | | | |
| RN Bank | Russia | Automotive sales financing | 30% | 30% | 84 | 63 |
| **Joint-ventures** | | | | | | |
| ***Automotive (excluding AVTOVAZ)*** | | | | | | |
| Renault Algérie Production | Algeria | Vehicle manufacturing | 49% | 49% | 22 | 8 |
| Dongfeng Renault Automotive Company | China | Automaker | 50% | 50% | - | 260 |
| Renault Brilliance Jinbei Automotive Company | China | Commercial vehicle manufacturing in China | 49% | 49% | - | 74 |
| Alliance Ventures b.v. | Netherlands | Finance for new technology start-ups | 40% | 40% | 61 | 51 |
| Alliance Mobility Company Japan* | Japan | Driverless vehicle and mobility services | 50% | | 3 | |
| Alliance Mobility Company France (1) | France | Driverless vehicle and mobility services | 50% | | 4 | |
| Other non-significant associates and joint-ventures | | | | | 167 | 160 |
| **TOTAL** | | | | | **610** | **856** |

* *Newly consolidated companies in 2019.*

The tables below show the total amount of sales and purchases made between the Groupe Renault and the principal other associates and joint-ventures accounted for by the equity method, as well as the Groupe Renault's balance sheet positions with those entities.

| *(€ million)* | 2019 | | 2018 | |
|---|---|---|---|---|
| **In the consolidated income statement** | **Sales to other associates and joint-ventures** | **Purchases** | **Sales to other associates and joint-ventures** | **Purchases** |
| Motorlu Araclar Imal ve Satis AS (MAIS) | 817 | (2) | 1,261 | 12 |
| Renault Nissan Automotive India Private Limited (RNAIPL) | 6 | (406) | 3 | (357) |
| RN Bank | - | (11) | (3) | - |
| Renault Algérie Production | 3 | (125) | 9 | (102) |
| Dongfeng Renault Automotive Company | 67 | (30) | 206 | (7) |

| *(€ million)* | December 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| In the consolidated financial position | Financial assets | Automotive receivables | Other assets | Sales Financing debts | Trade payables | Other liabilities |
| Motorlu Araclar Imal ve Satis AS (MAIS) | - | - | - | - | 5 | - |
| Renault Nissan Automotive India Private Limited (RNAIPL) | 20 | 53 | 201 | - | 68 | - |
| RN Bank | 60 | - | - | - | - | 1 |
| Renault Algérie Production | - | 40 | - | - | 114 | 5 |
| Dongfeng Renault Automotive Company | - | 20 | - | - | 24 | 3 |

| *(€ million)* | December 31, 2018 | | | | | |
|---|---|---|---|---|---|---|
| In the consolidated financial position | Financial assets | Automotive receivables | Other assets | Sales Financing debts | Trade payables | Other liabilities |
| Motorlu Araclar Imal ve Satis AS (MAIS) | - | - | - | - | 25 | 4 |
| Renault Nissan Automotive India Private Limited (RNAIPL) | 18 | 54 | 402 | - | 57 | 3 |
| RN Bank | 80 | - | 2 | 3 | - | 3 |
| Renault Algérie Production | - | 86 | - | - | 115 | 3 |
| Dongfeng Renault Automotive Company | - | 9 | - | - | 9 | 3 |

## 13 – B – Cumulative financial information on other associates accounted for under the equity method

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Investments in associates | 479 | 420 |
| Share in income (loss) of associates | 43 | 27 |
| Share of associates in other components of comprehensive income | 1 | (29) |
| Share of associates in comprehensive income | 44 | (2) |

## 13 – C – Cumulative financial information on joint-ventures accounted for under the equity method

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Investments in joint-ventures | 131 | 436 |
| Share in income (loss) of joint-ventures* | (475) | 4 |
| Share of joint-ventures in other components of comprehensive income | 4 | (7) |
| Share of joint-ventures in comprehensive income | (471) | (3) |

* *Including €(466) million of share in income (loss) and impairment on the investments in the joint-ventures Dongfeng Renault Automotive Company and Renault Brilliance Jinbei Automotive Company (including a financial liability of €63 million (RMB 490 million) in connection with the capital increase by Renault Brilliance Jinbei Automotive Company which took place in early January 2020 and for which the Groupe Renault was committed at December 31, 2019).*

## NOTE 14
# INVENTORIES

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| *(€ million)* | Gross value | Impairment | Net value | Gross value | Impairment | Net value |
| Raw materials and supplies | 1,724 | (290) | 1,434 | 1,748 | (299) | 1,449 |
| Work in progress | 330 | (7) | 323 | 395 | (3) | 392 |
| Used vehicles | 1,465 | (141) | 1,324 | 1,383 | (126) | 1,257 |
| Finished products and spare parts | 2,842 | (143) | 2,699 | 2,931 | (150) | 2,781 |
| **TOTAL** | **6,361** | **(581)** | **5,780** | **6,457** | **(578)** | **5,879** |

## NOTE 15
## SALES FINANCING RECEIVABLES

### 15 – A – Sales financing receivables by nature

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Dealership receivables | 10,901 | 10,233 |
| Financing for end-customers | 25,016 | 23,606 |
| Leasing and similar operations | 10,305 | 9,008 |
| **Gross value** | **46,222** | **42,847** |
| Impairment | (848) | (780) |
| **Net value** | **45,374** | **42,067** |

Details of fair value are given in note 24-A.

### 15 – B – Assignments and assets pledged as guarantees for management of the liquidity reserve

#### B1 Assignment of sales financing assets

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Balance sheet value | Fair value | Balance sheet value | Fair value |
| Assigned receivables carried in the balance sheet | 10,508 | 10,504 | 11,010 | 10,980 |
| Associated liabilities | 3,243 | 3,264 | 2,781 | 2,645 |

The Sales Financing segment has undertaken several public securitization operations and several conduit financing operations (in Germany, Brazil, France, the United Kingdom and Italy) involving loans to final customers and receivables on the dealership network. Both types of operation are conducted through special purpose vehicles. Some public operations were subscribed by RCI Banque, which makes it possible to have securities eligible as collateral for the European Central Bank.

The receivables assigned through such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, and are recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

#### B2 Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France (under France's central collateral management system 3G (*Gestion Globale des Garanties*) in the form of assets with book value of €5,882 million at December 31, 2019 (€7,454 million at December 31, 2018). These guarantees comprise €5,325 million in the form of shares in securitization vehicles, €151 million in euro bonds and €406 million in sales financing receivables (€6,184 million of shares in securitization vehicles, €159 million in euro bonds and €1,111 million in sales financing receivables at December 31, 2018). The funding provided by the Banque de France against these guarantees amounts to €2,700 million at December 31, 2019 (€2,500 million at December 31, 2018). All assets provided as guarantees to the Banque de France remain in the balance sheet.

### 15 – C – Sales financing receivables by maturity

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| -1 year | 23,174 | 21,184 |
| 1 to 5 years | 21,675 | 20,403 |
| +5 years | 525 | 480 |
| **TOTAL SALES FINANCING RECEIVABLES – NET** | **45,374** | **42,067** |

## 15 – D – Breakdown of sales financing receivables by level of risk

| *(€ million)* | Financing for final customers | Dealer financing | December 31, 2019 |
|---|---|---|---|
| **Gross value** | **35,321** | **10,901** | **46,222** |
| Healthy receivables | 31,690 | 10,527 | 42,217 |
| Receivables showing higher credit risk since initial recognition | 3,034 | 298 | 3,332 |
| Receivables in default | 597 | 76 | 673 |
| % of total receivables in default | 1.7% | 0.7% | 1.5% |
| **Impairment** | **(747)** | **(101)** | **(848)** |
| Impairment in respect of healthy receivables | (94) | (57) | (151) |
| Impairment in respect of receivables showing higher credit risk since initial recognition | (167) | (10) | (177) |
| Impairment in respect of receivables in default | (486) | (34) | (520) |
| **Total net value** | **34,574** | **10,800** | **45,374** |

| *(€ million)* | Financing for final customers | Dealer financing | December 31, 2018 |
|---|---|---|---|
| **Gross value** | **32,614** | **10,233** | **42,847** |
| Healthy receivables | 28,754 | 9,705 | 38,459 |
| Receivables showing higher credit risk since initial recognition | 3,324 | 445 | 3,769 |
| Receivables in default | 536 | 83 | 619 |
| % of total receivables in default | 1.6% | 0.8% | 1.4% |
| **Impairment** | **(670)** | **(110)** | **(780)** |
| Impairment in respect of healthy receivables | (93) | (69) | (162) |
| Impairment in respect of receivables showing higher credit risk since initial recognition | (154) | (10) | (164) |
| Impairment in respect of receivables in default | (423) | (31) | (454) |
| **Total net value** | **31,944** | **10,123** | **42,067** |

## 15 – E – Exposure of sales financing to credit risk

The maximum exposure to credit risk for the Sales Financing activity is represented by the net book value of sales financing receivables plus the amount of irrevocable financing commitments for customers reported under off-balance sheet commitments given (note 28-A). This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €821 million at December 31, 2019 (€678 million at December 31, 2018).

Customer credit risk is assessed (using a scoring system) and monitored by type of activity (customers and dealers). There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base as defined by the regulations.

## NOTE 16
## AUTOMOTIVE RECEIVABLES

### NET VALUE OF AUTOMOTIVE RECEIVABLES

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Gross value | 2,073 | 2,178 |
| Impairment for incurred credit losses* | (807) | (770) |
| Impairment for expected credit losses | (8) | (9) |
| **AUTOMOTIVE RECEIVABLES – NET VALUE** | **1,258** | **1,399** |

* *Including €(674) million related to Iran at December 31, 2019.*

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

There is also no significant concentration of risks in the Automotive customer base (excluding AVTOAZ and with AVTOVAZ), and no single non-Group customer accounts for more than 10% of the total sales revenues of the Automotive segments.

The management policy for credit risk is described in note 25.

The maximum exposure to credit risk for Automotive (excluding AVTOVAZ) receivables is represented by the net book value of those receivables.

The impairment model for Automotive receivables is presented in notes and 2-G.

Details of fair value are given in note 24-A.

## NOTE 17
## OTHER CURRENT AND NON-CURRENT ASSETS

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| *(€ million)* | Non-current | Current | Total | Non-current | Current | Total |
| Prepaid expenses | 179 | 456 | 635 | 245 | 368 | 613 |
| Tax receivables (excluding current taxes due) | 314 | 1,884 | 2,198 | 465 | 1,712 | 2,177 |
| Tax receivables (on current taxes due) | 21 | 86 | 107 | 19 | 111 | 130 |
| Other receivables | 605 | 1,555 | 2,160 | 603 | 1,566 | 2,169 |
| Investments in controlled unconsolidated entities* | 105 | - | 105 | 153 | - | 153 |
| Derivatives on operating transactions of the Automotive segments | - | 10 | 10 | - | 10 | 10 |
| Derivatives on financing transactions of the Sales Financing segment | - | 177 | 177 | - | 123 | 123 |
| **TOTAL** | **1,224** | **4,168** | **5,392** | **1,485** | **3,890** | **5,375** |
| Gross value | 1,361 | 4,370 | 5,731 | 1,613 | 4,082 | 5,695 |
| Impairment | (137) | (202) | (339) | (128) | (192) | (320) |

* *Investments of over €10 million in controlled unconsolidated entities concern iCabbi.*

### Investments in controlled unconsolidated entities

Controlled unconsolidated entities include Flit Tech (a taxi reservation platform), iCabbi (software development for taxis) and Marcel (a private car hire app). The financial statements of these entities are not fully consolidated at December 31, 2019 because their consolidation would not have a significant impact given the thresholds applied by the Group. However, their contribution to the Group's results, amounting to €(56) million in 2019 (€(29) million in 2018), is included in the cost of goods and services sold. The most significant entities will be fully consolidated in 2020. As these entities were transferred in December 2019 to the new company Renault MAI (see note 3-A), they will no longer be part of the Sales financing segment from January 1, 2020.

NOTE 18
## SHAREHOLDERS' EQUITY

### 18 – A – Share capital

The total number of ordinary shares issued and fully paid at December 31, 2019 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2018).

Treasury shares do not bear dividends. They account for 1.54% of Renault's share capital at December 31, 2019 (1.71% at December 31, 2018).

The Nissan group holds approximately 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd. (no voting rights are attached to these shares).

### 18 – B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost. The Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares.

The Group's objectives are monitored in different ways in the different operating segments.

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 solvency ratio is 14.41% at December 31, 2019 (15.46% at December 31, 2018).

The Group also partially hedges its investment in Nissan (notes 12-G and 25-B2).

### 18 – C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock-option and performance share plans and other share-based payment agreements awarded to Group managers and executives.

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Total value of treasury plans *(€ million)* | 344 | 400 |
| Total number of treasury shares | 4,548,736 | 5,058,961 |

### 18 – D – Distributions

At the General and Extraordinary Shareholders' Meeting of June 12, 2019, it was decided to distribute a dividend of €3.55 per share giving a total amount of €1,035 million (€3.55 per share or a total of €1,027 million in 2018). This dividend was paid in June 2019.

### 18 – E – Translation adjustment

The change in translation adjustment over the year is analyzed as follows:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Change in translation adjustment on the value of the investment in Nissan | 401 | 997 |
| Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G) | (157) | (70) |
| **Total change in translation adjustment related to nissan** | **244** | **927** |
| Changes related to hyperinflationary economies | (99) | (175) |
| Other changes in translation adjustment | 125 | (250) |
| **TOTAL CHANGE IN TRANSLATION ADJUSTMENT** | **270** | **502** |

Changes related to hyperinflationary economies consist of changes in the translation adjustment attributable to the Argentinian subsidiaries since January 1, 2018. In 2019, other changes in the translation adjustment mostly resulted from movements in the Russian rouble and the Romanian leu.

## 18 – F – Financial instrument revaluation reserve

### F1 Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

| *(€ million)* | Cash flow hedges [1] | Equity instruments at fair value | Debt instruments at fair value | Total |
|---|---|---|---|---|
| **At December 31, 2018** | **(21)** | **253** [2] | **3** | **235** |
| Changes in fair value recorded in shareholders' equity | (76) | 57 | 1 | (18) |
| Transfer from shareholders' equity to profit and loss [1] | 10 | - | (1) | 9 |
| Other | - | - | - | - |
| **At December 31, 2019** | **(87)** | **310** | **3** | **226** |

*(1) For a breakdown of the amounts related to cash flow hedges transferred from shareholders' equity to profit and loss, see note F2 below, and for the schedule of amounts related to cash flow hedges transferred from shareholder's equity to the income statement, see note F3 below.*
*(2) The revaluation reserve for equity instruments at fair value mainly relates to the Daimler shares (note 22-B).*

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### F2 Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Operating margin | 14 | 7 |
| Other operating income and expenses | - | 1 |
| Net financial income (expense) | - | - |
| Share in net income of associates and joint-ventures | - | - |
| Current and deferred taxes | (4) | (2) |
| **TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES** | **10** | **6** |

### F3 Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Within one year | - | (6) |
| After one year | (24) | (9) |
| **Revaluation reserve for cash flow hedges excluding associates and joint-ventures** | **(24)** | **(15)** |
| Revaluation reserve for cash flow hedges – associates and joint-ventures | (63) | (6) |
| **TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES** | **(87)** | **(21)** |

This schedule is based on the contractual maturities of hedged cash flows.

### 18 – G – Stock-option and performance share plans and other share-based payments

The Board of Directors periodically awards performance shares to Group executives and managers, with prices and exercise periods specific to each plan. Until 2012, it also periodically granted stock-options, each with their own vesting and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock-options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination and a decision is made for each individual case when an employee leaves at the Company's instigation.

New performance share plans were introduced in 2019, concerning 1,462 thousand shares with initial total value of €50 million. The vesting period for rights to shares is 3 years, with no minimum holding period.

Share-based payments have been valued by the methods described in the accounting policies (note 2-R). The main details are as follows:

| Plan | Initial value *(thousands of €)* | Unit fair value | Expense for 2019 *(€ million)* | Expense for 2018 *(€ million)* | Share price at grant date *(€)* | Volatility | Interest rate | Exercise price *(€)* | Duration of option | Dividend per share *(€)* |
|---|---|---|---|---|---|---|---|---|---|---|
| Plan 18 | 3,422 | 9.31 | - | - | 36.70 | 37.28% | 2.28% | 38.80 | 4-8 years | 0.30 – 1.16 |
| Plan 19 | 1,608 | 5.36 | - | - | 27.50 | 42.24% | 1.99% | 26.87 | 4-8 years | 1.19 – 1.72 |
| Plan 20 | 2,708 | 6.87 | - | - | 40.39 | 35% | 0.71% | 37.43 | 4-8 years | 1.57 – 2.19 |
| | 51,509 | 66.51 | - | (10) | 78.75 | N/A | (0.10)% | N/A | 3-5 years | 1.90 – 2.22 |
| Plan 22* | 19,138 | 65.19 | 5 | (7) | 76.58 | N/A | (0.03)% | N/A | 4 years | 1.90 – 2.22 |
| | 53,728 | 66.38 | (20) | (18) | 80.25 | N/A | (0.48)% | N/A | 3-4 years | 2.40 – 2.88 |
| Plan 23* | 19,929 | 65.72 | (7) | (5) | 76.16 | N/A | (0.48)% | N/A | 4 years | 2.40 – 2.88 |
| Plan 23 bis | 5,348 | 65.34 | 3 | (1) | 76.99 | N/A | (0.48)% | N/A | 4 years | 2.40 – 2.88 |
| | 53,646 | 66.18 | (31) | (18) | | N/A | (0.56)% | N/A | 3-4 years | 3.15 – 3.34 |
| Plan 24* | 22,167 | 66.16 | (4) | (6) | 82.79 | N/A | (0.57)% | N/A | 4 years | 3.15 – 3.34 |
| | 63,533 | 73.37 | (23) | (19) | 90.64 | N/A | (0.57)% | N/A | 3-4 years | 3.55 – 4.25 |
| Plan 25* | 23,096 | 69.73 | (2) | (5) | 88.93 | N/A | (0.57)% | N/A | 4 years | 3.55 – 4.25 |
| Plan 26 | 49,618 | 42.50 | (10) | - | 54.99 | N/A | - | N/A | 3 years | 3.55 – 3.50 |
| **TOTAL** | | | **(89)** | **(89)** | | | | | | |

* *For these plans, performance shares were awarded at different dates within the stated period. The figures also include shares awarded as part of the variable remuneration for the post of Chairman and CEO until January 23, 2019. The information reported may correspond to weighted averages based on quantities awarded per grant date.*

#### G1 Changes in the number of stock-options and share rights held by personnel and other share-based payments

| | Stock-options | | | Share rights |
|---|---|---|---|---|
| | Quantity | Weighted average exercise price *(€)* | Weighted average share price at grant and exercise dates *(€)* | Quantity |
| **Options outstanding and rights not yet vested at January 1, 2019** | **248,774** | **36** | **-** | **4,714,171** |
| Granted | - | - | - | 1,462,030 |
| Options exercised or vested rights | (95,787) [1] | 35 | 49 [2] | (1,214,438) [3] |
| Options and rights expired and other adjustments | (50,000) [1] | 36 | - | (618,434) [4] |
| **Options outstanding and rights not yet vested at December 31, 2019** | **102,987** | **37** | **-** | **4,343,329** |

*(1) Stock-options exercised or expired in 2019 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.*
*(2) Price at which the shares were acquired by the Group to cover future options.*
*(3) Performance shares vested were mainly awarded under plan 22 for non-residents in 2015 and plan 23 for residents in 2016.*
*(4) Rights expired notably include 455,658 share rights of the resigning Chairman and Chief Executive Officer.*

#### G2 Stock-options

For plans current in 2019, options attributed vest after a period of 4 four years the exercise period then covers the following four years:

| Plan | Type of plan | Grant date | Exercise price *(€)* | Options outstanding at December 31, 2019 | Exercise period |
|---|---|---|---|---|---|
| Plan 18 | Stock purchase options | April 29, 2011 | 38.80 | - | April 30, 2015 – April 28, 2019 |
| Plan 19 | Stock purchase options | December 8, 2011 | 26.87 | - | December 9, 2015 – December 7, 2019 |
| Plan 20 | Stock purchase options | December 13, 2012 | 37.43 | 102,987 | December 13, 2016 – December 12, 2020 |
| **TOTAL** | | | | **102,987** | |

### G3 Performance share plan and other share-based payment agreements

For plans 22 to 25, vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for shares awarded to French tax residents is three years followed by a holding period of one year (two years for plan 22).

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

As from plan 26, the vesting period is 3 years with no holding period for French or foreign tax residents.

| Plan | Type of plan | Grant date | Share rights awarded at December 31, 2019 | Vesting date | Holding period |
|---|---|---|---|---|---|
| Plan 22 | Performance shares | February 11, 2015 | -* | February 11, 2019 | None |
| Plan 23 | Performance shares | April 29, 2016 | -*<br>314,610 | April 29, 2019<br>April 29, 2020 | April 29, 2019 – April 29, 2020<br>None |
| Plan 23 bis | Performance shares | July 27, 2016 | -* | July 27, 2020 | None |
| Plan 24 | Performance shares | February 9, 2017 | 983,010<br>292,650 | February 9, 2020<br>February 9, 2021 | February 9, 2020 – February 9, 2021<br>None |
| Plan 25 | Performance shares | February 15, 2018 | 1,062,759<br>278,150 | February 15, 2021<br>February 15, 2022 | February 15, 2021 – February 15, 2022<br>None |
| Plan 26 | Performance shares | June 12, 2019 | 1,412,150 | June 12, 2022 | None |
| **TOTAL** | | | **4,343,329** | | |

* *The share rights concerned by this plan expired or vested in 2019.*

## 18 – H – Share of non-controlling interests

| Entity | Country of location | Percentage of ownership and voting rights held by non-controlling interests: December 31, 2019 | December 31, 2018 | Net income – non-controlling interests' share (€ million): 2019 | 2018 | Shareholders' equity – non-controlling interests' share (€ million): December 31, 2019 | December 31, 2018 | Dividends paid to non-controlling interests (minority shareholders) (€ million): 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| **Automotive (excl. AVTOVAZ)** | | | | | | | | | |
| Renault Samsung Motors | Korea | 20% | 20% | 24 | 36 | 202 | 205 | (24) | (33) |
| Oyak Renault Otomobil Fabrikalari | Turkey | 48% | 48% | 83 | 55 | 295 | 270 | (56) | (41) |
| JMEV | China | 50% | - | (6) | - | 123 | - | - | - |
| Other | | | | 3 | 6 | 12 | 27 | (4) | (7) |
| **TOTAL - AUTOMOTIVE (EXCLUDING AVTOVAZ)** | | | | **104** | **97** | **632** | **502** | **(84)** | **(81)** |
| **Sales Financing** | | | | | | | | | |
| Banco RCI Brasil* | Brazil | 40% | 40% | 24 | 19 | - | - | (9) | (8) |
| Rombo Compania Financiera* | Argentina | 40% | 40% | - | (2) | - | - | - | - |
| Other | | | | 7 | 7 | 52 | 45 | (2) | (5) |
| **TOTAL – SALES FINANCING** | | | | **31** | **24** | **52** | **45** | **(11)** | **(13)** |
| **AVTOVAZ** | | | | | | | | | |
| Alliance Rostec Auto b.v. | Netherlands | 32% | 32% | - | - | 756 | 663 | - | - |
| AVTOVAZ | Russia | 32% | 32% | 11 | 16 | (668) | (603) | 7 | - |
| LLC Lada Izhevsk | Russia | 32% | 32% | 6 | 7 | (21) | (19) | (5) | - |
| Other | | | | 8 | 5 | 16 | 11 | (3) | - |
| **TOTAL AVTOVAZ** | | | | **25** | **28** | **83** | **52** | **(1)** | **-** |
| **TOTAL** | | | | **160** | **149** | **767** | **599** | **(96)** | **(94)** |

* *The Group has granted to minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €144 million for the Brazilian subsidiary and €7 million for the Argentinian subsidiary at December 31, 2019 (€127 million and €13 million respectively at December 31, 2018). A corresponding charge is made to shareholders' equity, allocated in priority to the non-controlling interests' share with any residual amount allocated to the parent company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.*

New partnership agreements were signed in 2018 with Oyak in Turkey, including perfectly symmetrical put and call options for non-controlling investments, entitling Renault, subject to certain conditions, to purchase Oyak's shares in Oyak Renault (call) and to sell its shares in Mais (put), and entitling Oyak to sell its shares in Oyak Renault (put) and purchase Renault's shares in Mais (call). The exercise price for the put option, if exercised, will be determined by three independent experts who would be appointed at the exercise date.

Analysis of the contracts did not identify any circumstances beyond the control of Renault SA that could lead to Oyak's put option exercised without Renault SA being able to object. Consequently, no liability is recognized at December 31, 2019 in connection with these options.

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other group parties, and comply with other ratios.

NOTE 19

# PROVISIONS FOR PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

## 19 – A – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern active employees. These benefits are covered either by defined-contribution plans or defined-benefit plans.

### Defined-contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans was €603 million in 2019 (€588 million in 2018).

### Defined-benefit plans

The accounting treatment of defined-benefit plans is described in note 2-S, and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France and Turkey;
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (*e.g.* the United Kingdom, France, Germany, the Netherlands, and Switzerland);
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund it may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

### Principal defined-benefit plans of the Group

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the Company's employment at the time of retirement. Retirement benefit obligations for France are entirely covered by provisions, and account for most of the Group's liabilities for retirement indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive subsidiaries (excluding AVTOVAZ) and the other RCI Financial Services Ltd., together covering approximately 1,780 people. This plan has been closed to new members since 2004, and no further rights can be earned under it after December 31, 2019. All employees benefit from a defined-contribution pension plan from January 1, 2020.

This pension fund (a trust) is a legal entity in its own right. It is administered by a Board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, a rise in inflation, etc.).

The fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment is underfunded and the Group has made a commitment to cover the shortfall by 2027 through payments amounting to £5 million maximum per year. Underfunding at December 31, 2019 is valued at £44 million for the fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment, and £11 million for the fund compartment dedicated to RCI Financial Services Ltd.

### Main changes in the Group's defined-benefit plans

Following publication of France's ordinance 2019-697 of July 3, 2019 reforming supplementary defined-benefit pension plans in application of Article 197 of the "Pacte" law, the Group terminated the defined-benefit top-up pension plan that was set up in France in late 2004, entailing the loss of the corresponding rights for plan members still working. This plan was open to members of the Group's Executive Committee who had been with the group for at least 5 years, including 2 years in the Executive Committee, with payment of the related pension conditional on holding an executive position with the Group at the time of retirement.

The provision established for this defined-benefit top-up pension plan amounted to €72 million at December 31, 2018. The portion of this provision corresponding to economically active members has been transferred to profit and loss in 2019 as a plan curtailment (positive impact of €41 million on the income statement) and a plan settlement (positive impact of €23 million on the income statement).

## 19 – B – Main actuarial assumptions used to calculate provisions and other data for the most significant plans

| Main actuarial assumptions and actual data for the Group's retirement indemnities in France | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| | **Renault s.a.s.** | **Others** | **Renault s.a.s.** | **Others** |
| Retirement age | 60 to 65 | 60 to 67 | 60 to 65 | 60 to 67 |
| Discount rate* | 0.79% | 0.1% to 2% | 1.69% | 0.8% to 2% |
| Salary increase rate | 2.5% | 1% to 3% | 2.5% | 1% to 2.7% |
| Duration of plan | 13 years | 6 to 20 years | 13 years | 7 to 20 years |
| Gross obligation | €1,158 million | €189 million | €1,035 million | €174 million |

* *The rates used to value the Group's obligations in France vary between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters.*

| Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| | **Automotive excl. AVTOVAZ** | **Sales Financing** | **Automotive excl. AVTOVAZ** | **Sales Financing** |
| Financial discount rate* | 2.10% | 2.10% | 2.85% | 2.85% |
| Pension inflation rate (salary increase rate for 2018) | 2.80% | 2.80% | 2% | 3.10% |
| Duration of plan | 20 years | 23 years | 18 years | 25 years |
| Actual return on fund assets | 12.74% | 15.52% | (3.95)% | (5.37)% |
| Gross obligation | €370 million | €44 million | €325 million | €33 million |
| Fair value of assets invested *via* pension funds | €319 million | €31 million | €270 million | €25 million |

* *The discount rate was determined by reference to the interest rate curve established by Deloitte based on the iBoxx £ index for AA-rated corporate bonds (DTRB £ AA corporate bond yield curve).*

## 19 – C – Net expense for the year

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Current service cost | 98 | 94 |
| Past service cost and (gain)/loss on settlement | (84) | (3) |
| Net interest on the net liability (asset) | 28 | 25 |
| Effects of workforce adjustment measures | - | (1) |
| **Net expense (income) for the year recorded in the income statement** | **42** | **115** |

## 19 – D – Detail of balance sheet provision

### D1 Breakdown of the balance sheet provision

| | December 31, 2019 | | |
|---|---|---|---|
| *(€ million)* | Present value of the obligation | Fair value of fund assets | Net defined-benefit liability (asset) |
| **Retirement and termination indemnities** | | | |
| France | 1,347 | - | 1,347 |
| Europe (excluding France) | 17 | - | 17 |
| Americas | 2 | - | 2 |
| Africa - Middle East – India – Asia-Pacific | 3 | - | 3 |
| Eurasia [1] | 54 | - | 54 |
| **TOTAL RETIREMENT AND TERMINATION INDEMNITIES** | **1,423** | **-** | **1,423** |
| **Supplementary pensions** | | | |
| France | 85 | (65) | 20 |
| United Kingdom | 414 | (350) | 64 |
| Europe (excluding France and the United Kingdom) [2] | 308 | (200) | 108 |
| Americas | 3 | - | 3 |
| Africa - Middle East – India – Asia-Pacific | 5 | - | 5 |
| **TOTAL SUPPLEMENTARY PENSIONS** | **815** | **(615)** | **200** |
| **Other long-term benefits** | | | |
| France [3] | 72 | - | 72 |
| Europe (excluding France) | 3 | - | 3 |
| Americas | 2 | - | 2 |
| **TOTAL OTHER LONG-TERM BENEFITS** | **77** | **-** | **77** |
| **TOTAL [4]** | **2,315** | **(615)** | **1,700** |

*(1) Essentially Romania and Turkey.*
*(2) Essentially Germany and Switzerland.*
*(3) Flexible holiday entitlements and long-service awards.*
*(4) Total net liability due within one year: €64 million; total net liability due after one year: €1,636 million.*

### D2 Schedule of amounts related to net defined-benefit liability

| | December 31, 2019 | | | | |
|---|---|---|---|---|---|
| *(€ million)* | <1 year | 1 to 5 years | 5 to 10 years | >10 years | Total |
| Present value of obligation | 73 | 332 | 417 | 1,493 | 2,315 |
| Fair value of plan assets | (9) | (64) | (77) | (465) | (615) |
| **Net defined-benefit liability (asset)** | **64** | **268** | **340** | **1,028** | **1,700** |

The weighted average duration of plans is 15 years at December 31, 2019 (14 years at December 31, 2018).

## 19 – E – Changes in obligations, fund assets and the provision

| (€ million) | Present value of the obligation (A) | Fair value of the fund assets (B) | Net defined-benefit liability (A) +(B) |
|---|---|---|---|
| **Balance at December 31, 2018** | **2,116** | **(529)** | **1,587** |
| Current service cost | 98 | - | 98 |
| Past service cost and gain/loss on plan curtailment, modification and settlement | (84) | - | (84) |
| Net interest on the net liability (asset) | 40 | (12) | 28 |
| **Net expense (income) for 2019 recorded in the income statement (19-C)** | **54** | **(12)** | **42** |
| Actuarial gains and losses on the obligation resulting from changes in demographic assumptions | (3) | - | (3) |
| Actuarial gains and losses on the obligation resulting from changes in financial effects | 233 | - | 233 |
| Actuarial gains and losses on the obligation resulting from experience effects | 16 | - | 16 |
| Net return on fund assets (not included in net interest above) | - | (52) | (52) |
| **Net expense (income) for 2019 recorded in other components of comprehensive income** | **246** | **(52)** | **194** |
| Employer's contributions to funds | - | (22) | (22) |
| Employee's contributions to funds | - | (1) | (1) |
| Benefits paid under the plan | (117) | 19 | (98) |
| Benefits paid upon liquidation of a plan | | | - |
| Effect of changes in exchange rate | 21 | (18) | 3 |
| Effect of changes in scope of consolidation and other | (5) | - | (5) |
| **Balance at December 31, 2019** | **2,315** | **(615)** | **1,700** |

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €735 million at December 31, 2019 (an expense of €596 million at December 31, 2018).

A 100 base point decrease in discount rates used for each plan would result in a €420 million increase in the amount of obligations at December 31, 2019 (€272 million at December 31, 2018), and a 100 base point increase in discount rates used for each plan would result in a €322 million decrease in the amount of obligations at December 31, 2019 (€229 million at December 31, 2018).

## 19 – F – Fair value of fund assets

Details of the assets invested *via* pension funds and insurance companies are as follows:

| | December 31, 2019 | | |
|---|---|---|---|
| *(€ million)* | Assets listed on active markets | Unlisted assets | Total |
| **Pension funds** | | | |
| Cash and cash equivalents | - | - | - |
| Shares | 112 | - | 112 |
| Bonds | 202 | - | 202 |
| Shares in mutual funds and other | 40 | 5 | 45 |
| **TOTAL – PENSION FUNDS** | **354** | **5** | **359** |
| **Insurance companies** | | | - |
| Cash and cash equivalents | 1 | 7 | 8 |
| Shares | 7 | - | 7 |
| Bonds | 203 | 5 | 208 |
| Real estate property | 17 | 1 | 18 |
| Shares in mutual funds and other | 5 | 10 | 15 |
| **TOTAL - INSURANCE COMPANIES** | **233** | **23** | **256** |
| **TOTAL** | **587** | **28** | **615** |

Pension fund assets mainly relate to plans located in the United Kingdom (57.2%). Insurance contracts principally concern Germany (5.5%), France (10.6%), the Netherlands (20%) and Switzerland (5.5%). The actual returns on plan assets in the United Kingdom are shown in note 19-B.

The weighted average actual rate of return on the Group's main funds was 8.84% in 2019 ((1.28)% in 2018).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2019 is approximately €11 million.

The Group's pension fund assets do not include Groupe Renault's financial instruments. Real estate investments do not include real estate properties occupied by the Group.

## NOTE 20
## CHANGE IN PROVISIONS

| (€ million) | Restructuring provisions | Warranty provisions | Provisions for litigation and risks concerning other taxes | Provisions for insurance activities (1) | Provisions for commitments given and other | Total |
|---|---|---|---|---|---|---|
| **At December 31, 2018 (2)** | **437** | **1,001** | **240** | **480** | **405** | **2,563** |
| Increases | 259 | 628 | 78 | 84 | 124 | 1,173 |
| Reversals of provisions for application | (224) | (591) | (31) | (41) | (93) | (980) |
| Reversals of unused balance of provisions | (22) | (31) | (47) | - | (110) | (210) |
| Changes in scope of consolidation | - | - | 28 | - | - | 28 |
| Translation adjustments and other changes | - | 9 | (40) | - | (21) | (52) |
| **At December 31, 2019 (3)** | **450** | **1,016** | **228** | **523** | **305** | **2,522** |

*(1) Technical reserves established by the Sales Financing segment's insurance companies.*
*(2) The figures for 2018 include a reclassification of provisions for uncertain tax liabilities, in application of an IFRIC decision of September 2019. These provisions are presented in specific lines instead of in other provisions as previously (note 2-A3). 2018 figures also include a €(57) million adjustment due to correction of an error concerning operations in the Americas region, with a corresponding entry in provisions.*
*(3) Short-term portion of provisions: €1,064 million; long-term portion of provisions: €1,458 million.*

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During 2019, the Group recorded no provisions in connection with significant new litigation. Information on contingent liabilities is provided in note 28-A2.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in the Europe region (note 6-A).

At December 31, 2019, "Other provisions" include €84 million of provisions established in application of environmental regulations (€99 million at December 31, 2018). These include provisions to cover expenses relating to end-of-life vehicles and used batteries, the costs of a plan to improve nitrogen oxide ($NO_x$) emissions by diesel vehicles amounting to €8 million (note 28-A2), and environmental compliance costs for industrial land in the Europe region and for industrial sites in the Americas and Eurasia Regions.

## NOTE 21
## OTHER CURRENT AND NON-CURRENT LIABILITIES

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| (€ million) | Non-current | Current | Total | Non-current | Current | Total |
| **Current taxes due** | **2** | **223** | **225** | **-** | **289** | **289** |
| **Provisions for uncertain tax liabilities*** | **187** | **8** | **195** | **140** | **22** | **162** |
| Tax liabilities (excluding current taxes due) | 30 | 1,235 | 1,265 | 45 | 1,176 | 1,221 |
| Social liabilities | 22 | 1,415 | 1,437 | 21 | 1,451 | 1,472 |
| Other liabilities | 248 | 6,415 | 6,663 | 169 | 5,723 | 5,892 |
| Deferred income | 1,432 | 1,722 | 3,154 | 1,337 | 1,573 | 2,910 |
| Derivatives on operating transactions of the Automotive segments | - | 14 | 14 | - | 5 | 5 |
| **Total other liabilities** | **1,732** | **10,801** | **12,533** | **1,572** | **9,928** | **11,500** |
| **TOTAL** | **1,921** | **11,032** | **12,953** | **1,712** | **10,239** | **11,951** |

* *The figures for 2018 include a reclassification of provisions for uncertain tax liabilities, in application of an IFRIC decision of September 2019. These provisions are presented in specific lines instead of in other provisions as previously (note 2-A3).*

Other liabilities mainly correspond to amounts payable under sales incentive programs (€2.455 million at December 31, 2019 and €2,442 million at December 31, 2018) and deferred income recorded in connection with sales contracts including a buyback commitment (€675 million at December 31, 2019 and €408 million at December 31, 2018).

Deferred income includes deferred income on Automotive service contracts such as maintenance and warranty extension contracts. It takes the form of payments received under contracts defining a customer payment schedule that does not depend on the group's execution of its performance obligation (advance payment in full, or regular payments due at the end of specified periods). Deferred income is transferred to revenues over the duration of the contracts, and breaks down as follows:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| **Deferred income on Automotive service contracts (maintenance and warranty extensions) at January 1** | **817** | **720** |
| Deferred income received during the period | 341 | 351 |
| Deferred income recognized in revenues during the period | (313) | (253) |
| Change in scope of consolidation | - | - |
| Translation adjustments and other changes | 1 | (1) |
| **Deferred income on Automotive service contracts (maintenance and warranty extensions) at December 31** | **846** | **817** |
| To be recognized in revenues within one year | 329 | 271 |
| in 1 to 3 years | 464 | 479 |
| in 3 to 5 years | 53 | 67 |



## 4.2.6.5 Financial assets and liabilities, fair value and management of financial risks

### NOTE 22
### FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

#### 22 – A – Current/non-current breakdown

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| *(€ million)* | Non-current | Current | Total | Non-current | Current | Total |
| Investments in non-controlled entities | 878 | - | 878 | 853 | - | 853 |
| Marketable securities and negotiable debt instruments | - | 1,375 | 1,375 | - | 921 | 921 |
| Derivatives on financing operations by the Automotive segments | 49 | 216 | 265 | 48 | 378 | 426 |
| Loans and other | 145 | 625 | 770 | 27 | 664 | 691 |
| **TOTAL FINANCIAL ASSETS** | **1,072** | **2,216** | **3,288** | **928** | **1,963** | **2,891** |
| *Gross value* | *1,072* | *2,221* | *3,293* | *928* | *1,974* | *2,902* |
| *Impairment* | - | *(5)* | *(5)* | - | *(11)* | *(11)* |
| Cash equivalents | - | 8,375 | 8,375 | - | 8,091 | 8,091 |
| Cash | - | 6,607 | 6,607 | - | 6,686 | 6,686 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **-** | **14,982** | **14,982** | **-** | **14,777** | **14,777** |

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in notes 25-B6 and 25-C2.

#### 22 – B – Investments in non-controlled entities

At December 31, 2019, investments in non-controlled entities include €812 million (€755 million at December 31, 2018) for the Daimler shares purchased under the strategic partnership agreement. These shares are carried at fair value through other components of comprehensive income by option. If the Daimler shares were sold, the gain on sale would not be transferred to profit and loss. Their fair value is determined by reference to the stock market price. At December 31, 2019, the stock market price (€49.37 per share) was higher than the acquisition price (€35.52 per share) and the unrealized gain on the Daimler shares held is €228 million. The increase in fair value over the year, amounting to €228 million (compared to a €409 million decrease in 2018), is recorded in other components of comprehensive income for 2019.

Investments in non-controlled entities also include €43 million at December 31, 2019 (€57 million at December 31, 2018) paid to the Fund for the Future of the Automobile (*Fonds Avenir Automobile* – FAA). Under the support plan for these suppliers introduced by the French authorities and automakers, Renault has made a commitment to pay a total of €200 million as funds are called. The outstanding amount for Renault at December 31, 2019 is €54 million. The fair value of these securities is determined by reference to the most recent net asset value reported by the FAA's management company, after adjustment for any relevant information that becomes known afterwards.

#### 22 – C – Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables (note 15-B1). These current bank accounts amount to €540 million at December 31, 2019 (€551 million at December 31, 2018).

NOTE 23

# FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

## 23 – A – Current/non-current breakdown

| | December 31, 2019 | | | December 31, 2018 | | |
|---|---|---|---|---|---|---|
| *(€ million)* | Non-current | Current | Total | Non-current | Current | Total |
| Renault SA redeemable shares | 281 | - | 281 | 277 | - | 277 |
| Bonds | 5,671 | 613 | 6,284 | 4,665 | 581 | 5,246 |
| Other debts represented by a certificate | - | 648 | 648 | - | 649 | 649 |
| Borrowings from credit institutions | 363 | 619 | 982 | 314 | 643 | 957 |
| Lease liabilities in application of IFRS 16 (1) | 608 | 115 | 723 | - | - | - |
| Other interest-bearing borrowings (2) | 134 | 476 | 610 | 210 | 152 | 362 |
| **FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)** | **7,057** | **2,471** | **9,528** | **5,466** | **2,025** | **7,491** |
| Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment | 49 | 219 | 268 | 42 | 353 | 395 |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT** | **7,106** | **2,690** | **9,796** | **5,508** | **2,378** | **7,886** |
| Borrowings from credit institutions | 807 | 71 | 878 | 667 | 85 | 752 |
| Other interest-bearing borrowings (2) (3) | - | (3) | (3) | 6 | - | 6 |
| Lease liabilities in application of IFRS 16 (1) | 14 | 2 | 16 | - | - | - |
| Other non-interest-bearing borrowings | - | 20 | 20 | 15 | - | 15 |
| **FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES)** | **821** | **90** | **911** | **688** | **85** | **773** |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ** | **7,927** | **2,780** | **10,707** | **6,196** | **2,463** | **8,659** |
| Diac redeemable shares and subordinated loans (4) | 867 | - | 867 | 13 | - | 13 |
| Bonds | - | 18,825 | 18,825 | - | 18,902 | 18,902 |
| Other debts represented by a certificate | - | 5,114 | 5,114 | - | 4,527 | 4,527 |
| Borrowings from credit institutions | - | 5,480 | 5,480 | - | 4,931 | 4,931 |
| Other interest-bearing borrowings, including lease liabilities (5) | - | 17,954 | 17,954 | - | 16,053 | 16,053 |
| **FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT (EXCLUDING DERIVATIVES)** | **867** | **47,373** | **48,240** | **13** | **44,413** | **44,426** |
| Derivatives on financing operations of the Sales Financing segment | - | 92 | 92 | - | 82 | 82 |
| **FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT** | **867** | **47,465** | **48,332** | **13** | **44,495** | **44,508** |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ, AND FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT** | **8,794** | **50,245** | **59,039** | **6,209** | **46,958** | **53,167** |

*(1) The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A2. Lease liabilities are now presented separately for the Automotive segments.*

*(2) The financial liability recognized at December 31, 2019 in application of IAS 16 for leases analysed in substance as purchases amounts to €26 million. Other interest-bearing borrowings at December 31, 2018 included finance lease liabilities of the Automotive (excluding AVTOVAZ) and AVTOVAZ segments, amounting to €74 million and €4 million respectively.*

*(3) Figures are represented after elimination of intra-Group transactions. The negative figure reported for Other interest-bearing borrowings at December 31, 2019 is thus explained by elimination of the cash loaned by AVTOVAZ to the Automobile (excluding AVTOVAZ) segment. Intra-Group transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 4.2.6.1-A2. The AVTOVAZ financial lease liability amounts to €16 million at December 31, 2019 (€3 million at December 31, 2018).*

*(4) Including subordinated loans of RCI Banque, amounting to €850 million at December 31, 2019.*

*(5) Including lease liabilities of the Sales Financing segment, amounting to €53 million at December 31, 2019.*

## 23 – B – Changes in Automotive financial liabilities and derivative assets on financing operations

| (€ million) | December 31, 2018 | Change in cash flows | Change resulting from acquisition or loss of control over subsidiaries and other operating units | Foreign exchange changes with no effect on cash flows | Other changes with no effect on cash | December 31, 2019 |
|---|---|---|---|---|---|---|
| Renault SA redeemable shares | 277 | - | - | - | 4 | 281 |
| Bonds | 5,246 | 983 | - | 58 | (3) | 6,284 |
| Other debts represented by a certificate | 649 | - | - | - | (1) | 648 |
| Borrowings from credit institutions | 957 | 121 | - | (11) | (85) | 982 |
| Lease liabilities in application of IFRS 16 (1) | | (94) | - | 1 | 816 | 723 |
| Other interest-bearing borrowings | 362 | (117) | 250 | 16 | 99 | 610 |
| **FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)** | **7,491** | **893** | **250** | **64** | **830** | **9,528** |
| Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment | 395 | (67) | - | (48) | (12) | 268 |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT** | **7,886** | **826** | **250** | **16** | **818** | **9,796** |
| Borrowings from credit institutions | 752 | (20) | - | 30 | 116 | 878 |
| Other interest-bearing borrowings | 6 | (27) | - | 76 | (58) | (3) |
| Lease liabilities in application of IFRS 16 (1) | | (2) | - | 2 | 16 | 16 |
| Other non-interest-bearing borrowings | 15 | - | - | 5 | - | 20 |
| **FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES) (2)** | **773** | **(49)** | **-** | **113** | **74** | **911** |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ (A)** | **8,659** | **777** | **250** | **129** | **892** | **10,707** |
| Derivative assets on Automotive financing operations (excluding AVTOVAZ) (B) | 426 | (147) | - | (3) | (11) | 265 |
| **NET CHANGE IN AUTOMOTIVE FINANCIAL LIABILITIES IN CONSOLIDATED CASH FLOWS (SECTION 4.2.5) (A) – (B)** | | **924** | | | | |

*(1) The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A2. The other changes with no impact on cash flows principally comprise the effects of first application at January 1, 2019 and new leases concluded in 2019.*

*(2) Figures are presented after elimination of intra-Group transactions. The negative figure reported for Other interest-bearing borrowings is thus explained by elimination of the cash loaned by AVTOVAZ to the Automobile (excluding AVTOVAZ) segment. Intra-Group transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 4.2.6.1-A4.*

## 23 – C – Changes in financial liabilities and sales financing liabilities

### Changes in redeemable shares of the Automotive (excluding AVTOVAZ) segment

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €20 million for 2019 (€21 million for 2018), is included in interest expenses.

Redeemable shares are stated at amortized cost. These shares are traded for €557 at December 31, 2019 and €601 at December 31, 2018. The financial liability based on the stock market value of the redeemable shares at December 31, 2019 is €444 million (€479 million at December 31, 2018).

### Changes in bonds of the Automotive (excluding AVTOVAZ) segment

Renault SA issued two Eurobonds under its EMTN program in 2019: one on June 24, 2019 with a nominal value of €1 billion, 6-year maturity and a 1.25% coupon, and the other on October 4, 2019 with a nominal value of €500 million, 8-year maturity and a 1.125% coupon.

In 2019, Renault SA and Renault Do Brasil SA redeemed bonds for a total of €551 million and €23 million respectively.

### Changes in financial liabilities of the AVTOVAZ segment

During 2019, the AVTOVAZ group repaid financial liabilities totalling €234 million and contracted new financial liabilities totalling €186 million.

At December 31, 2019, the AVTOVAZ group's average interest rate was 7.6% for outstanding rouble-denominated bank loans (at December 31, 2018, the average rate was 10.16% for loans in roubles and 3.00% for loans in other currencies). At December 31, 2019, the AVTOVAZ group had €583 million of floating-rate bank loans (€414 million at December 31, 2018).

At December 31, 2019, the AVTOVAZ group has confirmed credit lines opened with banks in the amount of €1,347 million (€1,299 million at December 31, 2018). At December 31, 2019, the AVTOVAZ group has €474 million of undrawn available confirmed borrowing facilities (€519 million at December 31, 2018), which can be used for operating activities (in 2018 it had available confirmed borrowing facilities of €329 million for operating activities and €190 million for investments).

At December 31, 2019, the AVTOVAZ group was in compliance with all the covenants included in its loan agreements with banks.

At December 31, 2019 the AVTOVAZ group's loans and borrowings are not guaranteed (at December 31, 2018, €357 million of loans and borrowings were guaranteed by €86 million of property, plant and equipment, €19 million of finished goods and 100% of the shares of AO Lada-Servis and AO ZAK).

### Changes in debts of the Sales Financing segment

In 2019, RCI Banque group issued new bonds totalling €3,869 million and maturing between 2019 and 2026, and redeemed bonds for a total of €4,034 million. RCI Banque also undertook an €850 million issue on the Tier 2 callable subordinated bank debt market.

Savings deposits collected rose by €1,848 million in 2019 (€883 million of sight deposits and €965 million of term deposits) to €17,711 million (€13,003 million of sight deposits and €4,708 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, Brazil, France and the United Kingdom.

### Credit lines

At December 31, 2019, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €3,480 million at December 31, 2019 as at December 31, 2018. These credit lines have maturities of over one year and were unused at December 31, 2019 (and at December 31, 2018).

Also, at December 31, 2019, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,847 million (€4,820 at December 31, 2018). These credit lines were drawn to the extent of €13 million at December 31, 2019 (€26 million at December 31, 2018).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

## 23 – D – Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31, 2019.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

**FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENTS**

| | December 31, 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(€ million)* | Balance sheet value | Total contractual flows | <1 yr | 1 to 2 yrs | 2 to 3 yrs | 3 to 4 yrs | 4 to 5 yrs | >5 yrs |
| **Bonds issued by Renault SA (by issue date)** | | | | | | | | |
| 2014 | 500 | 500 | - | 500 | - | - | - | - |
| 2017 | 2,295 | 2,295 | 577 | - | 218 | 750 | - | 750 |
| 2018 | 1,921 | 1,921 | - | 321 | - | 150 | 700 | 750 |
| 2019 | 1,557 | 1,557 | - | - | - | - | 57 | 1,500 |
| **Bonds issued by Renault Do Brasil (by issue date)** | | | | | | | | |
| 2016 | 6 | - | - | - | - | - | - | - |
| Accrued interest, expenses and premiums | 5 | 36 | 36 | - | - | - | - | - |
| **TOTAL BONDS** | **6,284** | **6,309** | **613** | **821** | **218** | **900** | **757** | **3,000** |
| Other debts represented by a certificate | 648 | 648 | 648 | - | - | - | - | - |
| Borrowings from credit institutions | 982 | 569 | 229 | 75 | 25 | 50 | 190 | - |
| Lease liabilities in application of IFRS 16 (1) (2) | 723 | 776 | 123 | 117 | 104 | 78 | 70 | 284 |
| Other interest-bearing borrowings | 610 | 363 | 285 | 35 | 18 | 15 | 10 | - |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **2,963** | **2,356** | **1,285** | **227** | **147** | **143** | **270** | **284** |
| **Future interest on bonds and other financial liabilities** | **-** | **200** | **39** | **73** | **57** | **14** | **6** | **11** |
| **Redeemable shares** | **281** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Derivatives on financing operations** | **268** | **264** | **215** | **21** | **14** | **8** | **6** | **-** |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT** | **9,796** | **9,129** | **2,152** | **1,142** | **436** | **1,065** | **1,039** | **3,295** |
| Rouble-denominated bank loans | 878 | 878 | 71 | 109 | 9 | 367 | 322 | - |
| Rouble-denominated interest-free promissory notes | 20 | 20 | 20 | - | - | - | - | - |
| Lease liabilities in application of IFRS 16 (1) (2) | 16 | 56 | 4 | 3 | 3 | 2 | 2 | 42 |
| Financial liabilities of Alliance Rostec Auto b.v. | 7 | 7 | 7 | - | - | - | - | - |
| Less current loans and borrowings from Renault s.a.s. and intra-Group cash of the AVTOVAZ segment | (10) | (10) | (10) | - | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT** | **911** | **951** | **92** | **112** | **12** | **369** | **324** | **42** |

*(1) The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A.*
*(2) The potential future cash outflows caused by the exercise of extension options and contracts already signed which take effect in 2020 amount to €80 million.*

The portion of financial liabilities of the Automotive segments maturing within one year breaks down as follows:

| (€ million) | December 31, 2019<br>Contractual flows maturing within 1 yr | <1 month | 1 to 3 months | 3 months to 1 year |
|---|---|---|---|---|
| Bonds | 613 | - | 19 | 594 |
| Lease liabilities in application of IFRS 16* | 123 | 14 | 24 | 85 |
| Other financial liabilities | 1,162 | 592 | 253 | 317 |
| Future interest on bonds and other financial liabilities | 39 | 2 | 13 | 24 |
| Derivatives on financing operations | 215 | 84 | 46 | 85 |
| **TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT** | **2,152** | **692** | **355** | **1,105** |
| Rouble-denominated bank loans* | 71 | 19 | 33 | 19 |
| Rouble-denominated interest-free promissory notes | 20 | - | 20 | - |
| Lease liabilities in application of IFRS 16* | 4 | - | 1 | 3 |
| Financial liabilities of Alliance Rostec Auto b.v. | 7 | 7 | - | 7 |
| Less current loans and borrowings from Renault s.a.s. and intra-Group cash of the AVTOVAZ segment | (10) | (10) | - | - |
| **TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR OF THE AVTOVAZ SEGMENT** | **92** | **16** | **54** | **29** |

* *The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A. Lease liabilities are now presented separately.*

## FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT

| (€ million) | December 31, 2019<br>Balance sheet value | Total contractual flows | <1 yr | 1 to 2 yrs | 2 to 3 yrs | 3 to 4 yrs | 4 to 5 yrs | >5 yrs |
|---|---|---|---|---|---|---|---|---|
| **Bonds issued by RCI Banque (by issue date)** | | | | | | | | |
| 2014 | 507 | 500 | - | 500 | - | - | - | - |
| 2015 | 1,763 | 1,750 | 1,000 | - | 750 | - | - | - |
| 2016 | 2,113 | 2,100 | - | 750 | - | 1,350 | - | - |
| 2017 | 6,779 | 6,739 | 1,472 | 765 | 2,752 | - | 1,150 | 600 |
| 2018 | 3,722 | 3,676 | 132 | 1,316 | 63 | 865 | - | 1,300 |
| 2019 | 3,866 | 3,855 | 4 | 333 | 482 | 1,445 | 941 | 650 |
| Accrued interest, expenses and premiums | 75 | 126 | 99 | 15 | 10 | 2 | - | - |
| **TOTAL BONDS** | **18,825** | **18,746** | **2,707** | **3,679** | **4,057** | **3,662** | **2,091** | **2,550** |
| Other debts represented by a certificate | 5,114 | 5,114 | 2,729 | 1,191 | 208 | 11 | 975 | - |
| Borrowings from credit institutions | 5,480 | 5,480 | 3,717 | 1,248 | 412 | 98 | 5 | - |
| Other interest-bearing borrowings, including lease liabilities* | 17,954 | 17,954 | 15,799 | 1,122 | 624 | 167 | 227 | 15 |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **28,548** | **28,548** | **22,245** | **3,561** | **1,244** | **276** | **1,207** | **15** |
| **Future interest on bonds and other financial liabilities** | **-** | **1,050** | **235** | **390** | **166** | **105** | **68** | **86** |
| **Diac redeemable shares and subordinated loans** | **867** | **863** | **3** | **-** | **-** | **-** | **-** | **860** |
| **Derivative liabilities on financing operations** | **92** | **41** | **12** | **16** | **10** | **3** | **-** | **-** |
| **TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT** | **48,332** | **49,248** | **25,202** | **7,646** | **5,477** | **4,046** | **3,366** | **3,511** |

* *The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A2.*

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

| (€ million) | December 31, 2019<br>Contractual flows maturing within 1 year | <1 month | 1 to 3 months | 3 months to 1 year |
|---|---|---|---|---|
| Bonds | 2,707 | 10 | 23 | 2,674 |
| Other financial liabilities | 22,245 | 14,911 | 1,063 | 6,271 |
| Future interest on bonds and other financial liabilities | 235 | 5 | 32 | 198 |
| Subordinated loans | 3 | - | 3 | - |
| Derivative liabilities on financing operations | 12 | - | 1 | 11 |
| **TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR** | **25,202** | **14,926** | **1,122** | **9,154** |

### 23 – E – Financing by assignment of receivables

Some of the Automotive segment's external financing comes from assignment of commercial receivables to non-Group financial establishments.

Details of financing by assignment of commercial receivables is as follows:

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Receivables assigned to non-Group entities and derecognized | Receivables assigned and not derecognized | Receivables assigned to non-Group entities and derecognized | Receivables assigned and not derecognized |
| Automotive (excluding AVTOVAZ) | 1,805 | - | 1,375 | - |
| AVTOVAZ | 5 | - | - | - |
| **TOTAL ASSIGNED** | **1,810** | **-** | **1,375** | **-** |

The total amount of tax receivables assigned and derecognized in 2019 is €438 million, comprising €324 million of CIR receivables, €54 million of CICE receivables and €60 million of VAT receivables (€218 million of CIR receivables, €60 million of CICE receivables and €85 million of VAT receivables in 2018).

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit and "CICE" Tax Credit For Competitiveness and Employment), with transfer of substantially all the risks and benefits associated with ownership of the receivables, are only derecognized if the risk of dilution is deemed to be non-existent. This is notably the case when the assigned receivables have already been subject to a tax inspection or preliminary audit. No assigned tax receivables remained in the balance sheets at December 31, 2019.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in note 2-P.

## NOTE 24
## FINANCIAL INSTRUMENTS BY CATEGORY, FAIR VALUE AND IMPACT ON NET INCOME

### 24 – A – Financial instruments by category and fair value by level

IFRS 9, which is applicable from 2018, defines three categories of financial instruments:

- financial assets at fair value through other components of comprehensive income;
- financial assets at fair value through profit or loss;
- loans and receivables carried at amortized cost.

The following breakdown by level of fair value is presented for financial instruments carried in the balance sheet at fair value;

- level 1: instruments whose fair values are derived from quoted prices in an active market; fair value is generally identical to the most recent quoted price;
- level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- level 3: instruments whose fair values are derived from unobservable inputs on the market; the fair value of investments in non-controlled entities is generally based on the share of net assets.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In 2019, no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

| FINANCIAL ASSETS AND OTHER ASSETS *(€ million)* | *Notes* | December 31, 2019 Balance sheet value: Fair value through profit and loss | Fair value of hedging instruments | Equity instruments at fair value through other components of comprehensive income | Debt instruments at fair value through other components of comprehensive income | Equity instruments valued under the applicable standard | Amortized cost | Fair value of financial assets at amortized cost | Fair value level of financial assets at fair value: Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales financing receivables | *15* | - | - | - | - | - | 45,374 | 45,276 [1] | | | |
| Automotive customer receivables | *16* | - | - | - | - | - | 1,258 | [2] | | | |
| Tax receivables (including current taxes due) | *17* | - | - | - | - | - | 2,305 | [2] | | | |
| Other receivables and prepaid expenses | *17* | - | - | - | - | - | 2,795 | [2] | | | |
| Loans | *22* | - | - | - | - | - | 770 | [2] | | | |
| Cash equivalents | *22* | - | - | - | - | - | 3,690 | [2] | | | |
| Cash | *22* | - | - | - | - | - | 6,607 | [2] | | | |
| **TOTAL FINANCIAL ASSETS RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **-** | **-** | **62,799** | | | | |
| Derivatives on operating transactions of the Automotive segments | *17* | - | 10 | - | - | - | - | | - | 10 | - |
| Derivatives on financing operations of the Sales Financing segment | *17* | - | 36 | - | - | - | - | | - | 36 | - |
| Investments in non-controlled entities | *22* | - | - | 812 | - | - | - | | 812 | - | -- |
| Marketable securities and negotiable debt instruments | *22* | - | - | - | 1,285 | - | - | | 1,285 | - | - |
| Derivatives on financing operations by the Automotive segments | *22* | - | - | - | - | - | - | | - | - | - |
| Cash equivalents | *22* | - | - | - | 102 | - | - | | 102 | - | - |
| **TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY** | | **-** | **46** | **812** | **1,387** | **-** | **-** | | **2,199** | **46** | **-** |
| Derivatives on operating transactions of the Automotive segments | *17* | - | - | - | - | - | - | | - | - | - |
| Derivatives on financing operations of the Sales Financing segment | *17* | 2 | 139 | - | - | - | - | | - | 141 | - |
| Investments in non-controlled entities | *22* | 66 | - | - | - | - | - | | - | - | 66 |
| Marketable securities and negotiable debt instruments | *22* | - | - | - | 90 | - | - | | 90 | - | - |
| Derivatives on financing operations of the Automotive segments | *22* | 265 | - | - | - | - | - | | - | 265 | - |
| Cash equivalents | *22* | 4,583 | - | - | - | - | - | | 4,583 | - | - |
| **TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS** | | **4,916** | **139** | **-** | **90** | **-** | **-** | | **4,673** | **406** | **66** |
| Investments in unconsolidated controlled entities | *17* | - | - | - | - | 105 | - | | | | |
| **TOTAL UNCONSOLIDATED EQUITY INSTRUMENTS VALUED UNDER THE APPLICABLE STANDARD** | | **-** | **-** | **-** | **-** | **105** | **-** | | | | |
| **TOTAL FINANCIAL ASSETS** | | **4,916** | **185** | **812** | **1,477** | **105** | **62,799** | | **6,872** | **452** | **66** |

*(1) The fair value of sales financing receivables is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.*

*(2) The Group does not report the fair value of financial assets such as Automotive customer receivables, tax receivables or cash and cash equivalents because their net book value after impairment is a reasonable approximation of their fair value.*

| FINANCIAL LIABILITIES OTHER LIABILITIES (*€ million*) | *Notes* | December 31, 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Balance sheet value | | | | Fair value of financial assets at amortized cost | Fair value level of financial liabilities at fair value | | |
| | | Held for trading | Initially designated as measured at fair value through profit and loss | Hedging derivatives | Other financial liabilities | | Level 1 | Level 2 | Level 3 |
| Tax liabilities (including current taxes due) | *21* | - | - | - | 1,490 | [2] | | | |
| Social liabilities | *21* | - | - | - | 1,437 | [2] | | | |
| Other liabilities and deferred income | *21* | - | - | - | 9,817 | [2] | | | |
| Trade payables | *21* | - | - | - | 47,465 | [2] | | | |
| Renault redeemable shares | *23* | - | - | - | 281 | 444 [3] | | | |
| Subordinated debts | *23* | - | - | - | 853 | 853 [4] | | | |
| Bonds* | *23* | - | - | - | 25,109 | 25,194 [4] | | | |
| Other debts represented by a certificate* | *23* | - | - | - | 5,762 | 5,785 [4] | | | |
| Borrowings from credit institutions* | *23* | - | - | - | 7,340 | 7,428 [4] | | | |
| Lease liabilities in application of IFRS 16* [1] | *23* | - | - | - | 792 | 792 [4] | | | |
| Other interest-bearing and non-interest-bearing borrowings* | *23* | - | - | - | 18,528 | 18,500 [4] | | | |
| **TOTAL FINANCIAL LIABILITIES RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **118,874** | | | | |
| * Financial liabilities and debts of the Automotive (excluding AVTOVAZ) segment | | | | | 9,247 | 9,200 | | | |
| Financial liabilities and debts of AVTOVAZ | | | | | 911 | 929 | | | |
| Financial liabilities and debts of the Sales Financing segment | | | | | 47,373 | 47,570 | | | |
| Derivatives on operating transactions of the Automotive segments | *21* | - | - | 9 | - | | - | 9 | - |
| Derivatives on financing operations of the Automotive segments | *23* | - | - | - | - | | - | - | - |
| Derivatives on financing operations of the Sales Financing segment | *23* | - | - | 77 | - | | - | 77 | - |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH EQUITY** | | **-** | **-** | **86** | **-** | | **-** | **86** | **-** |
| Derivatives on operating transactions of the Automotive segments | *21* | 5 | - | - | - | | - | 5 | - |
| Diac redeemable shares | *23* | - | 14 | - | - | | 14 | - | - |
| Derivatives on financing operations of the Automotive segments | *23* | 268 | - | - | - | | - | 268 | - |
| Derivatives on financing operations of the Sales Financing segment | *23* | 12 | - | 3 | - | | - | 15 | - |
| **TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS** | | **285** | **14** | **3** | **-** | | **14** | **288** | **-** |
| **TOTAL FINANCIAL LIABILITIES** | | **285** | **14** | **89** | **118,874** | | **14** | **374** | **-** |

*(1) The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A. This item reports the lease liabilities of the Automotive and Sales Financing segments.*
*(2) The Group does not report the fair value of financial liabilities such as trade payables, tax liabilities and social liabilities, because their book value is a reasonable approximation of their fair value.*
*(3) The fair value of Renault redeemable shares is identical to the stock market price.*
*(4) The fair value of the Automotive (excluding AVTOVAZ) segment's financial liabilities and sales financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2019 for loans with similar conditions and maturities. The rates offered to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value. The fair value of AVTOVAZ financial liabilities measured at amortized cost is determined by discounting future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The discount rate used to estimate the fair value of AVTOVAZ long-term borrowings was 11% at December 31, 2019.*

## 24 – B – Changes in Level 3 financial instruments

Level 3 financial instruments mainly correspond to investments in non-controlled entities (€66 million at December 31, 2019 and €98 million at December 31, 2018). In an exception to the general approach, these instruments are still carried at historical cost, but if this is inappropriate they are valued on the basis of the share of net equity or using a method based on non-observable data.

## 24 – C – Impact of financial instruments on net income

| 2019<br>*(€ million)* | Financial assets other than derivatives | | | Financial liabilities other than derivatives | | | |
|---|---|---|---|---|---|---|---|
| | Instruments measured at fair value through profit and loss | Instruments measured at fair value through equity | Instruments measured at amortized cost | Instruments designated at fair value through profit and loss | Instruments measured at amortized cost* | Derivatives | Total impact on net income |
| Operating margin | - | - | 79 | - | (37) | (8) | 34 |
| Net financial income (expenses) | (18) | 59 | 75 | - | (344) | (15) | (243) |
| **Impact on net income – Automotive (excluding AVTOVAZ) segment** | **(18)** | **59** | **154** | **-** | **(381)** | **(23)** | **(209)** |
| Operating margin | - | - | 6 | - | - | - | 6 |
| Net financial income (expenses) | 1 | - | 3 | - | (88) | - | (84) |
| **Impact on net income – AVTOVAZ segment** | **1** | **-** | **9** | **-** | **(88)** | **-** | **(78)** |
| Operating margin | (45) | 10 | 758 | (2) | (681) | 99 | 139 |
| **Impact on net income – Sales Financing segment** | **(45)** | **10** | **758** | **(2)** | **(681)** | **99** | **139** |
| **TOTAL GAINS (LOSSES) WITH IMPACT ON NET INCOME** | **(62)** | **69** | **921** | **(2)** | **(1,150)** | **76** | **(148)** |

* *Including financial liabilities subject to fair value hedges.*

For the Automotive (excluding AVTOVAZ) and AVTOVAZ segments, the impact of financial instruments on the operating margin mainly corresponds to foreign exchange gains and losses on operating transactions.

## 24 – D – Fair value hedges

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Change in fair value of the hedging instrument | 74 | 26 |
| Change in fair value of the hedged item | (80) | (27) |
| **Net impact on net income of fair value hedges** | **(6)** | **(1)** |

Hedge accounting methods are described in note 2-X.

NOTE 25

# DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

## 25 – A – Derivatives and netting agreements

### A1 Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

| December 31, 2019<br>*(€ million)* | Financial assets | | Other assets | Financial liabilities and Sales Financing debts | | Other liabilities |
|---|---|---|---|---|---|---|
| | Non-current | Current | Current | Non-current | Current | Current |
| Cash flow hedges | - | - | - | - | - | 8 |
| Fair value hedges | - | - | - | - | - | - |
| Net investment hedge in Nissan | - | - | - | - | - | - |
| Derivatives not qualified as hedging instruments | 26 | 215 | 2 | 21 | 228 | 5 |
| **TOTAL FOREIGN EXCHANGE RISK** | **26** | **215** | **2** | **21** | **228** | **13** |
| Cash flow hedges | - | - | 36 | - | 77 | - |
| Fair value hedges | - | - | 140 | - | 3 | - |
| Derivatives not qualified as hedging instruments | 23 | 1 | - | 28 | 3 | - |
| **TOTAL INTEREST RATE RISK** | **23** | **1** | **176** | **28** | **83** | **-** |
| Cash flow hedges | - | - | 9 | - | - | 1 |
| Fair value hedges | - | - | - | - | - | - |
| Derivatives not qualified as hedging instruments | - | - | - | - | - | - |
| **TOTAL COMMODITY RISK** | **-** | **-** | **9** | **-** | **-** | **1** |
| **TOTAL** | **49** | **216** | **187** | **49** | **311** | **14** |

### A2 Netting agreements and other similar commitments

#### FRAMEWORK AGREEMENTS FOR OPERATIONS ON FINANCIAL FUTURES AND SIMILAR AGREEMENTS

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (*Fédération Bancaire Française*).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

#### NETTING OF FINANCIAL ASSETS AND LIABILITIES: SUMMARY

| December 31, 2019 (*€ million*) | Amounts in the statement of financial position eligible for netting | Amounts not netted in the statement of financial position | | | Net amounts |
|---|---|---|---|---|---|
| | | Financial instruments assets/liabilities | Guarantees included in liabilities | Off-balance sheet guarantees | |
| **Assets** | | | | | |
| Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment | 265 | (173) | - | - | 92 |
| Derivatives on financing operations of the Sales Financing segment | 177 | (37) | - | - | 140 |
| Sales financing receivables on dealers* | 441 | - | (197) | - | 244 |
| **TOTAL ASSETS** | **883** | **(210)** | **(197)** | **-** | **476** |
| Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment | | | | | |
| Derivatives on financing operations of the Sales Financing segment | 92 | (37) | - | - | 55 |
| **TOTAL LIABILITIES** | **360** | **(210)** | **-** | **-** | **150** |

* *Sales financing receivables held by Banco RCI Brasil, whose exposure is covered by pledges of "letras de cambio" (bills of exchange) subscribed by dealers and reported under other debts represented by a certificate.*

## 25 – B – Management of financial risks of the Automotive (excluding AVTOVAZ) and Sales Financing segments

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty and credit risks.

### B1 Liquidity risks

The Automotive (excluding AVTOVAZ) and Sales Financing segments are financed *via* the capital markets, through:

- long-term resources (bond issues, private placements, project financing, term deposits, etc.);
- short-term bank loans or commercial paper issues and sight deposits;
- securitization of receivables by Sales Financing.

The **Automotive (excluding AVTOVAZ)** segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its gross debt for the Automotive (excluding AVTOVAZ) segment, and this exposes it to liquidity risks in the event of extended market closures or tensions over credit availability.

As part of its centralized cash management policy, Renault SA handles most refinancing for the Automotive (excluding AVTOVAZ) segment through long-term resources *via* the capital markets (bond issues and private placements), short-term financing such as NEU CP (Negotiable European Commercial Paper), or financing *via* the banking sector or public or semi-public bodies.

Medium-term refinancing for the Automotive (excluding AVTOVAZ) segment in 2019 was mostly provided by bond issues. Renault SA issued two bonds under its EMTN program: two Eurobonds, one with a nominal value of €1 billion issued on June 24, 2019 with 6-year maturity and a coupon of 1.25%, and the other with a nominal value of €500 million issued on October 4, 2019 with 8-year maturity and a 1.125% coupon.

The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance. However, certain types of financing, particularly market financing, contain standard clauses (*pari passu*, negative pledge and cross-default clauses).

The Automotive (excluding AVTOVAZ) segment also has confirmed credit lines opened with banks worth €3,480 million, maturing at various times up to 2024. None of these credit lines was drawn at December 31, 2019. These confirmed credit facilities form a liquidity reserve.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Liquidity risk management refers to an internal model to define the level of the liquidity reserve the Automotive segment must maintain to finance its operations and development. The Automotive liquidity reserve is closely monitored by a monthly regular review and reporting that is validated internally.

Given its available cash reserves (€12.2 billion) and confirmed credit lines unused at December 31, (€3.5 billion), the Automotive (excluding AVTOVAZ) segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines unused are described in note 23-C.

The **Sales Financing** segment is very attentive to diversification of its sources of liquidity. In recent years Renault has diversified its sources of financing widely, moving into new distribution zones in addition to its longstanding base of Euro bond investors.

RCI Banque's liquidity risk monitoring follows the recommendations of the European Banking Authority for an Internal Liquidity Adequacy Assessment Process (ILAAP). It uses several indicators and analyzes (static liquidity, liquidity reserve, several stress scenarios), which are updated and reported to RCI Banque's Financial Committee on a monthly basis. The stress scenarios include assumptions concerning the deposit leak, loss of access to new financing, partial unavailability of certain elements of the liquidity reserve and forecasts for issuance of new credit. The stressed assumptions for deposit leaks are very conservative and are regularly backtested.

In 2019, the Sales Financing segment issued the equivalent of €2.9 billion in public bonds. The Group successively issued a fixed-rate €750 million 5.5-year bond, a dual-tranche €1.4 billion bond (4-year fixed-rate €750 million, and 7-year fixed-rate €650 million), and a 3.5-year fixed-rate €600 million bond. In parallel, the company issued a CHF170 million fixed-rate 5-year bond, which both diversified its investor base and financed assets in that currency.

RCI Banque also made an issue on the subordinated bank debt market, placing a €850 million 10.25-year subordinated Tier 2 bond callable after 5.25 Years.

On the secured refinancing segment, RCI Banque undertook a public securitization transaction backed by automotive loans in Germany, totaling €975.7 million, comprising €950 million of senior instruments and €25.7 million of subordinated instruments.

The alternation of different maturities and issue formats is part of the Sales Financing segment's diversification strategy for financing sources. This policy has been followed for several years, and enables the segment to reach the maximum number of investors.

Savings deposits collected from private customers increased by €1.8 billion from 2018 to €17.7 billion or 35% of net assets at December 31, 2019, in line with the company's objective of holding customer deposits equivalent to approximately one third of the customer financing issued.

With these resources, as well as resources held in Europe comprising €4.5 billion in undrawn confirmed credit lines with banks, €2.5 billion of collateral eligible for the European Central Bank's monetary policy operations, €2.2 billion of highly liquid assets (HQLA), and short-term financial assets amounting to €0.5 billion, RCI Banque is able to fund its customer financing for more than 12 months with no access to external resources.

Confirmed credit lines open but unused are described in note 23-C.

## B2 Foreign exchange risks

### MANAGEMENT OF FOREIGN EXCHANGE RISKS

The **Automotive (excluding AVTOVAZ)** segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault Financing and Treasury department.

It is Renault's policy not to hedge future operating cash flows in foreign currencies, although exceptions may be made. As a result, the Group's operating margin is exposed to foreign exchange risks. The working capital is also sensitive to movements in exchange rates. Any hedges of such risks require formal authorization from the Finance department or General Management, and the results of these hedges are then reported to the General Management. In view of the uncertainty generated by Brexit over the Euro-sterling exchange rate, in November 2019 the Group set up a hedge of future operating cash flows in sterling in 2020.

The Automotive (excluding AVTOVAZ) segment's general policy is to minimize the foreign exchange risks affecting financing and investment flows in foreign currencies, to avoid any exchange–related distortion of the financial result. All the Automotive (excluding AVTOVAZ) segment's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash Management team, with monthly reporting to the Chief Financial Officer. Financing flows in foreign currency originating from Renault entities are hedged in the same currency. If a subsidiary needs external financing in a currency other than the local currency, the parent company monitors the operations closely. Cash surpluses in countries that are not part of the parent company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Cash management department.

Equity investments (in currencies other than the euro) are not generally hedged. However, due to its importance, the investment in Nissan is subject to a partial foreign exchange hedge amounting to ¥84 billion at December 31, 2019 (note 12-G). To limit liquidity risks in yen, the Group has set itself the rule of not hedging the net investment above an amount equal to its best estimate of the next three years' dividends in yen to be received from Nissan.

The subsidiary Renault Finance can undertake foreign exchange operations on its own behalf, within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed some tens of millions of euros, and cannot therefore have a significant impact on Renault's consolidated results.

The Sales Financing segment has low exposure to foreign exchange risks due to the management principles applied. No position can be taken under the central management framework for refinancing; the trading room hedges all flows concerned. Residual, temporal positions in foreign currencies related to the time differences in cash flow inherent to multi-currency cash management may still remain. They are monitored daily and the same hedging policy applies. The sales financing subsidiaries are obliged to obtain refinancing in their own currency and as a result are not exposed. In exceptional circumstances, limits are assigned to subsidiaries where sales financing activities or refinancing take place in several different currencies, and to subsidiaries authorized to invest some of their cash surpluses in a currency other than their local currency.

At December 31, 2019 RCI Banque's consolidated foreign exchange position reached €6.3 million.

In preparation for the consequences of Brexit, all the activities of RCI Bank UK Branch were transferred from March 14, 2019 to a new entity, the credit institution RCI Services UK Limited, which is a fully-owned subsidiary of RCI Banque SA.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their foreign exchange risk management policy in 2019.

#### ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO FOREIGN EXCHANGE RISKS IN THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intra-Group balances) and derivatives denominated in a currency other than the currency of the entity that holds them. However, it does not take into items (hedged assets or liabilities and derivatives) concerned by fair value hedging, for which changes in fair value of the hedged item and the hedging instrument totally offset each other in the income statement.

The impact on shareholders' equity (before tax) of a 1% rise in the euro against other currencies is assessed by converting financial assets, cash flow hedges and the partial hedge of the investment in Nissan. For the Automotive (excluding AVTOVAZ) segment, this impact would be a favourable €10 million at December 31, 2019, explained by the yen bond issues that make up the partial hedge of the investment in Nissan (see note 12-G) and the partial hedge set up for future cash flows in sterling in 2020.

The impact on net income of a 1% rise in the euro against other currencies would be an unfavourable €7 million at December 31, 2019, mainly attributable to unhedged operating assets and liabilities denominated in a currency that is not the functional currency of the entity that holds them.

#### CURRENCY DERIVATIVES

| | December 31, 2019 | | | | December 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| *(€ million)* | Nominal | <1 yr | 1 to 5 yrs | >5 yrs | Nominal | <1 yr | 1 to 5 yrs | >5 yrs |
| Currency swaps – purchases | 724 | 436 | 288 | - | 3,101 | 1,408 | 1,693 | - |
| Currency swaps – sales | 720 | 434 | 286 | - | 3,092 | 1,393 | 1,699 | - |
| Forward purchases | 25,539 | 23,567 | 1,972 | - | 30,089 | 28,420 | 1,669 | - |
| Forward sales | 25,603 | 23,631 | 1,972 | - | 30,105 | 28,436 | 1,669 | - |

### B3 Interest rate risks

#### MANAGEMENT OF INTEREST RATE RISKS

The Groupe Renault's exposure to interest rate risks mainly concerns the **Sales Financing** segment's activity exercised by RCI Banque and its subsidiaries. The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin. The Sales Financing segment's aim is to limit these risks as far as possible in order to protect its margin on sales. To take account of the difficulty of precisely matching the structure of borrowings with the structure of loans, a limited amount of flexibility is allowed in each subsidiary's interest rate hedging. This flexibility is reflected in a sensitivity limit assigned to each subsidiary and validated by the Finance Committee, in an individual adaptation of part of the limit Renault assigns to the Sales Financing segment.

Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries), for overall management of interest rate risks across the consolidated scope of the Sales Financing segment.

Each entity's position with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances require. The results of the checks are reported monthly to the Sales Financing segment's Finance Committee, which checks that the positions comply with the Group's financial strategy and current procedural instructions.

Analysis of the Sales Financing segment's structural interest rate risk shows the following:

- virtually all loans to customers by sales financing subsidiaries bear interest at a fixed rate and have terms from one to 72 months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swap;
- the main activity of the Sales Financing segment's Central Refinancing department is refinancing the segment's commercial subsidiaries. The outstanding credit issued by sales financing subsidiaries is backed by fixed-interest resources, some of which are micro-hedged by interest rate swaps, and floating-rate resources. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the defined limit.

The **Automotive (excluding AVTOVAZ)** segment's interest rate risk management policy applies two principles:

- liquidity reserves are generally established using floating-rate financing: the Automotive segment's available cash is managed centrally by Renault SA as far as possible and invested in short-term bank deposits by Renault Finance;
- long-term investments generally use fixed-rate financing. Fixed-rate borrowings remain at fixed rates as long as the rate curve is close to zero, or even negative.

The ratio of liquidity reserve hedging by floating-rate debts is monitored monthly.

The financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. The risk associated with this arbitrage activity is very limited, and has no significant impact on the Group's consolidated net income.

Interest rate hedging instruments for the Automotive (excluding AVTOVAZ) segment are standard interest swaps that are adequately covered by hedged liabilities, such that no ineffectiveness is expected.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their interest rate risk management policy in 2019.

#### ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

For the Sales Financing segment, the impact on shareholders' equity corresponds to the change in fair value before reclassification in profit or loss (section 4.2.2) of fixed rate debt instruments classified as financial assets at fair value through other components of comprehensive income and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive (excluding AVTOVAZ) segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a positive €102.1 million and €0.2 million respectively at December 31, 2019.

For the Sales Financing segment, the overall sensitivity to interest rate risks in 2019 remained below the limit set by the RCI Banque group (€50 million at December 31). At December 31, 2019, a 100 point base point rise in interest rates would have the following impacts on net income and shareholders' equity (before taxes):

- +€0.9 million for items denominated in pounds sterling;
- +€0.5 million for items denominated in Korean won;
- +€0.2 million for items denominated in Polish zloty;
- -€0.2 million for items denominated in Czech korunas;
- -€0.5 million for items denominated in Brazilian real;
- -€0.8 million for items denominated in Swiss francs;
- -€1.0 million for items denominated in euros.

The sum of the absolute sensitivities in each currency amounts to €4.5 million.

### FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS OF THE GROUP (EXCLUDING AVTOVAZ), AFTER THE EFFECT OF DERIVATIVES

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Financial liabilities before hedging: fixed rate (a) | 35,503 | 27,006 |
| Financial liabilities before hedging: floating rate (a') | 21,970 | 24,621 |
| **Financial liabilities before hedging (without redeemable shares) of the Group (excluding AVTOVAZ)** | **57,473** | **51,627** |
| Hedges: floating rate/fixed (b) | 8,631 | 9,844 |
| Hedges: fixed rate/floating (b') | 8,758 | 7,702 |
| **Hedges** | **17,389** | **17,546** |
| Financial liabilities after hedging: fixed rate (a+b-b') | 35,376 | 29,148 |
| Financial liabilities after hedging: floating rate (a'+b'-b) | 22,097 | 22,479 |
| **Financial liabilities after hedging (without redeemable shares) of the Group (excluding AVTOVAZ)** | **57,473** | **51,627** |

#### INTEREST RATE DERIVATIVES

| | December 31, 2019 | | | | December 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| *(€ million)* | Nominal | <1 yr | 1 to 5 yrs | >5 yrs | Nominal | <1 yr | 1 to 5 yrs | >5 yrs |
| Interest rate swaps | 23,313 | 7,500 | 13,813 | 2,000 | 23,867 | 8,361 | 13,506 | 2,000 |
| Other interest rate hedging instruments | - | - | - | - | 79 | 79 | - | - |

## B4 Equity risks

#### MANAGEMENT OF EQUITY RISKS

The exposure of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. These two segments do not use equity derivatives to hedge these risks.

The Automotive (excluding AVTOVAZ) segment and the Sales Financing segment made no major changes to their equity risk management policy in 2019.

#### ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO EQUITY RISKS

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at the year-end would have an unfavourable impact of €82 million on shareholders' equity. The impact on net income is not significant at December 31, 2019.

## B5 Commodity risks

#### MANAGEMENT OF COMMODITY RISKS

Commodity purchase prices can change suddenly and significantly, and cannot necessarily be passed through on vehicle sale prices. This may lead Renault's Purchases department to hedge part of its commodity risks using financial instruments. These hedges are subject to volume, duration and price limits.

In 2019 Renault undertook hedging operations on base metals and precious metals, within the limits validated by the Chairman and CEO of Renault SA for a temporary period.

The operations in progress at December 31, 2019 are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in other components of comprehensive income to the extent of the effective portion of the hedges.

#### ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO COMMODITY RISKS

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to these risks.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €9 million on other components of comprehensive income at December 31, 2019.

#### COMMODITY DERIVATIVES

| | December 31, 2019 | | | | December 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| *(€ million)* | Nominal | <1 yr | 1 to 5 yrs | >5 yrs | Nominal | <1 yr | 1 to 5 yrs | >5 yrs |
| Swaps | 115 | 115 | - | - | 70 | 64 | 6 | - |
| Zero-premium collars (option) | 36 | 36 | - | - | 31 | 29 | 2 | - |

## B6 Counterparty and credit risks

#### CREDIT RISK ON AUTOMOTIVE RECEIVABLES

The Automotive segment's exposure to credit risk is limited because of the assignment of many receivables leading to their deconsolidation, and systematic hedging of risks on export receivables. Non-assigned sales receivables and receivables covered by guarantee are regularly monitored.

#### CREDIT RISK ON RECEIVABLES AND COMMITMENTS GIVEN BY THE SALES FINANCING SEGMENT

Credit risk relating to customers is assessed by a scoring system and monitored by type of activity (customers and dealers). Various internal rating systems are currently in use in the Sales Financing segment:

- a Group rating for "Dealers", used in each phase of relations with the borrower (initial acceptance, risk monitoring, provisioning);
- a Group rating for bank counterparties founded on each counterparty's external rating and equity level;
- several different acceptance score systems for "Customers", depending on the subsidiaries and types of financing involved.

RCI Banque is constantly adjusting its acceptance policy to reflect the conditions of the economic environment.

The Group has detailed management procedures, notably covering collection of outstanding payments, with local versions in all the countries where they apply.

#### COUNTERPARTY RISK ON OTHER FINANCIAL ASSETS

All entities of the Automotive and Sales Financing segments use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For each of these entities with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, maturity and type, as well as a list of the main exposures.

Most deposits are contracted with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk and lowers the systemic risk.

In the event of volatile macroeconomic situations that may arise in emergent countries and potentially affect their banking systems, the Group introduces an action plan to step up counterparty risk monitoring, and makes adjustments to the counterparty limits if necessary.

The exposure on each banking group is assessed monthly on a consolidated basis, with the Automotive and Sales Financing entities. The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses due to default by a banking counterparty were recorded in 2019.



#### IMPAIRMENT AND PROVISIONS ESTABLISHED TO COVER COUNTERPARTY RISKS

| (€ million) | Notes | December 31, 2018 | Impairment | Reversals: For application | Reversals: Of unused residual amounts | Other | December 31, 2019 |
|---|---|---|---|---|---|---|---|
| Impairment of Sales Financing receivables | 15 | (780) | (373) | 198 | 108 | (1) | (848) |
| *impairment of financing for end-customers* | *15* | *(669)* | *(295)* | *153* | *65* | *(1)* | *(747)* |
| *impairment of dealership financing* | *15* | *(111)* | *(78)* | *45* | *43* | *-* | *(101)* |
| Impairment of Automotive receivables | 16 | (779) | (20) | 5 | 11 | (32) | (815) |
| Impairment of other receivables | 17 | (320) | (19) | - | - | - | (339) |
| Impairment of other financial assets | 22 | (11) | 6 | - | - | - | (5) |
| Provisions (commitments given) | 20 | 5 | 11 | (1) | (9) | - | 6 |
| **TOTAL COVERAGE OF COUNTERPARTY RISKS** | | **(1,885)** | **(395)** | **202** | **110** | **(33)** | **(2,001)** |

## 25 – C – Management of AVTOVAZ Group financial risks

The AVTOVAZ Group's principal financial liabilities comprise bank loans, lease liabilities, trade payables and loans received. The main purpose of these financial liabilities is to raise finance for AVTOVAZ Group's operations. It has various financial assets such as trade receivables, cash, short-term deposits and loans issued, which arise directly from its operations.

No trading in derivatives was undertaken in 2019. The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The AVTOVAZ Group is not exposed to any equity price risk.

### C1 Foreign exchange risks

The AVTOVAZ Group carries out sales both inside and outside the Russian Federation. As a result, the AVTOVAZ Group has currency exposures. Such exposure arises from sales in currencies other than AVTOVAZ's functional currency, *i.e.* the Russian rouble. Almost 97% of sales and 94% of costs are denominated in roubles.

Risk management is carried out by PAO AVTOVAZ Finance Department, which identifies, evaluates and manages foreign exchange risks by analyzing the net position in each foreign currency. It has not entered into any hedging arrangements in respect of its foreign currency.

The following table demonstrates the sensitivity to a change in the US dollar, euro, Japanese yen, exchange rates of AVTOVAZ Group's profit before tax.

| (€ million) | % increase/(decrease) in exchange rate | Effect on profit before tax |
|---|---|---|
| **2019** | | |
| EUR/RUB | 13,00 | (3) |
| JPY/RUB | 13,00 | 0 |
| USD/RUB | 13,00 | 0 |
| EUR/RUB | -11,00 | 2 |
| JPY/RUB | -13,00 | 0 |
| USD/RUB | -13,00 | 0 |

### C2 Counterparty and credit risks

At December 31, 2019, the AVTOVAZ Group has €67 million in cash and cash equivalents and €250 million of trade receivables and other current assets subject to potential credit risk. Credit risk on these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount.

The AVTOVAZ Group trades only with recognized, creditworthy third parties. The AVTOVAZ Group's policy states that all customers requiring credit facilities must be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and as a result, the AVTOVAZ Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount. There are no significant concentrations of credit risk within the AVTOVAZ Group.

### C3 Liquidity risks

The AVTOVAZ Group monitors its risk to a shortage of funds using a liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (*e.g.* accounts receivable, other financial assets) and projected cash flows from its operations.

The AVTOVAZ Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and borrowings.

The maturity of the AVTOVAZ Group's financial liabilities at December 31, 2019 is presented in note 23-D.

### C4 Cash flow and Interest rate risk

The AVTOVAZ Group's interest rate risk principally results from its sources of financing. At December 31, 2019, the AVTOVAZ Group has €583 million of floating-rate debts to credit institutions and €338 million of fixed-rate debts to credit institutions (note 23). It has not entered into any hedging arrangements in respect of its interest rate exposures.

The AVTOVAZ group's financial assets bear interest at fixed rates or do not bear interest.

## 4.2.6.6 Cash flows and other information

NOTE 26

## CASH FLOWS

### 26 – A – Other income and expenses with no impact on cash before interest and tax

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Net allocation to provisions | (115) | 204 |
| Net effects of sales financing credit losses | 67 | 63 |
| Net (gain) loss on asset disposals | 23 | (69) |
| Change in fair value of other financial instruments | 33 | 22 |
| Net financial indebtedness | 311 | 308 |
| Deferred taxes | 828 | 33 |
| Current taxes | 626 | 690 |
| Other | 164 | 145 |
| **OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH BEFORE INTEREST AND TAX** | **1,937** | **1,396** |

### 26 – B – Change in working capital

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Decrease (increase) in net inventories | 165 | 240 |
| Decrease (increase) in Automotive net receivables | 390 | 283 |
| Decrease (increase) in other assets | 155 | (39) |
| Increase (decrease) in trade payables | (161) | (240) |
| Increase (decrease) in other liabilities | 665 | 307 |
| **INCREASE (DECREASE) IN WORKING CAPITAL BEFORE TAX** | **1,214** | **551** |

### 26 – C – Capital expenditure

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Purchases of intangible assets | (2,086) | (1,772) |
| Purchases of property, plant and equipment (other than assets leased to customers) | (3,035) | (2,745) |
| **TOTAL PURCHASES FOR THE PERIOD** | **(5,121)** | **(4,517)** |
| Deferred payments | 99 | 110 |
| **TOTAL CAPITAL EXPENDITURE** | **(5,022)** | **(4,407)** |

NOTE 27

# RELATED PARTIES

## 27 – A – Remuneration of directors and executives and Executive Committee members

At its meeting of January 24, 2019, the Groupe Renault's Board of Directors decided to separate the functions of Chairman of the Board and Chief Executive Officer.

The table below reports the remuneration paid to the Chairman and CEO (2018), the Chairman of the Board of Directors (2019), the Chief Executive Officer (2019), directors and executives and Group Executive Committee members. Amounts are allocated *prorata* to expenses of the periods in which the functions were occupied. Since April 1, 2019 the Groupe Renault's Executive Committee has had 12 members.

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Basic salary | 6.0 | 5.5 |
| Variable remuneration | 4.6 | 7.4 |
| Employer's social security charges | 2.7 | 11.1 |
| Complementary pension and retirement indemnities | (23.2) | 9.5 |
| Agreed indemnities | 7.8 | - |
| Other components of remuneration | 0.2 | 0.5 |
| **TOTAL REMUNERATION IN CASH** | **(1.8)** | **34.0** |
| Stock-options, performance shares and other share-based payments | 11.3 | 16.1 |
| **TOTAL REMUNERATION IN SHARES** | **11.3** | **16.1** |
| **TOTAL** | **9.5** | **50.1** |

Directors' fees amounted to €1.5 million in 2019 (€1.5 million in 2018)

There are no longer any commitments under the collective top-up pension plan arranged for members of the Group Executive Committee at December 31, 2019 (€52 million at December 31, 2018) due to settlement of this plan in 2019 (see note 19-A). Reversals from provisions concerning directors and executives and members of the Executive Committee that had an impact on net income are included in the line 'Complementary pension and retirement indemnities' in the above table.

In 2018, this table did not reflect the resignation of Renault's Chairman and CEO announced by the Board of Directors on January 24, 2019, and the potential consequences for the elements of his remuneration included in the 2018 figures above.

As Renault's Chairman and CEO at December 31, 2018 was unable to exercise his management duties during the first half-year of 2019 and resigned (i) from his position as Chief Executive Officer and Chairman of the Board of Directors of Renault on January 23, 2019, (ii) from his positions in Groupe Renault companies other than his position as director on January 23, 2019, and (iii) from his position as Director of Renault SA after the General Shareholders' Meeting of June 12, 2019, he is not considered to be one of the Group's key executives for the year 2019, as defined in IAS 24 "Related party disclosures", as he has had no management authority in Renault since the end of 2018. The figures for 2019 presented above thus contain no compensation concerning the former Chairman and CEO.

## 27 – B – Renault's investments in associates

Details of Renault's investments in Nissan and in other companies accounted for by the equity method are provided in notes 12 and 13-A

## 27 – C – Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market conditions, represent sales of €257 million in 2019, an automotive receivable of €53 million, a sales financing receivable of €403 million and a financing commitment of €26 million at December 31, 2019.

## 27 – D – Transactions with unconsolidated controlled entities

A certain number of controlled entities are not consolidated, as explained in note 2-C, because their contribution to the consolidated financial statements is considered non-significant (note 17).

The only company with sales of more than €100 million and/or a balance sheet value of more than €100 million are Renault Nissan Global Management, which manages Renault's expatriates.

In 2019, the Groupe Renault's expenses with this company amounted to approximately €255 million (€284 million in 2018).

In the Group's financial position at December 31, 2019, the balances of transactions between Renault Nissan Global Management and the Groupe Renault consist mainly of operating receivables amounting to €120 million (€41 million at December 31, 2018) and operating payables amounting to €59 million (€25 million at December 31, 2018).

## NOTE 28
# OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automobile regulation authorities. Any liabilities resulting from these situations (*e.g.* pensions and other employee benefits, litigation costs, etc.) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 28-B).

## 28 – A – Off-balance sheet commitments given and contingent liabilities

### A1 Ordinary operations

The Group is committed for the following amounts:

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Financing commitments in favour of customers (1) | 2,583 | 2,367 |
| Firm investment orders | 1,572 | 1,327 |
| Assets pledged, provided as guarantees or mortgaged (2) | 2 | 86 |
| Sureties, endorsements and guarantees given and other commitments (3) | 696 | 1,086 |

*(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end in the maximum amount of €2,488 million at December 31, 2019 (€2,331 million at December 31, 2018).*

*(2) At December 31, 2018, assets pledged, provided as guarantees or mortgaged included commitments given by AVTOVAZ amounting to €86 million corresponding to fixed assets (note 23-D). These commitments no longer exist at December 31, 2019.*

*(3) Other commitments included in particular guarantees granted to administrations, share subscription commitments, and lease commitments (€661 million at December 31, 2018). The effects of first application of IFRS 16 "Leases" under the simplified retrospective approach are presented in note 2-A2. Lease commitments at December 31, 2019 now only relate to leases that are outside the scope of IFRS 16 or exempt from the accounting treatment prescribed by IFRS 16.*

Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 15-B.

### A2 Contingent liabilities

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful. Tax liabilities are recognized *via* provisions when there are uncertainties over the determination of taxes.

Under a customs agreement between Brazil and Argentina for the automotive industry, which was introduced in 2008 and amended in June 2016, imports of vehicles and spare parts for the Argentinean automotive sector are exempt from customs duties as long as the average ratio of imports to exports with Brazil is below 1.5 over the period July 2015 to June 2020 (this ratio could be raised to 1.7 from June 30, 2019). The amount of customs duties potentially due retroactively may be up to 75% of the customs duties on cars and 70% of the customs duties on spare parts in excess of the ratio, using a calculation that covers the entire automotive sector.

This agreement was again amended in September and December 2019: the ratio for the period July 2015 to June 2020 was raised from 1.5 to 1.7, and higher ratios were set for later periods up to June 30, 2029.

The ratio for the sector as a whole was below 1.7 for the period July 1, 2015 to November 30, 2019, and consequently no provision has been recognized by the Group.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2019, the Group had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group's consolidated financial statements.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements *via* provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at December 31, 2019 concern illegal agreements and the level of vehicle emissions in Europe.

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision being cancelled or fundamentally amended by a court order is high. Due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. No provision was recognized in connection with this matter at December 31, 2019. On April 3, 2019 Renault's application for suspension of the payment was accepted, with arrangement of a bank guarantee. The next court hearing is scheduled for February 26, 2020.

In the ongoing “emissions” affair in France, Renault is aware that a formal legal investigation was opened on January 12, 2017 at the request of the Paris public prosecution office. This stage in the procedure was seen as an indication that the French prosecution office wished to pursue this matter. No provision was recognized at December 31, 2019 or December 31, 2018.

Beginning in March 2016, Renault decided to roll-out a plan to reduce nitrogen oxide ($NO_x$) emissions by its Euro 6b vehicles by applying new factory calibrations for vehicle production, and a corresponding €20 million provision was recognized for vehicles manufactured before this decision. A step-up in this plan was decided in October 2017, leading to recognition of an additional €24 million provision. At December 31, 2019 the balance of the provision is €8 million (compared to €23 million at December 31, 2018).

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and groundwater. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability.



### 28 – B – Off-balance sheet commitments received and contingent assets

| *(€ million)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Sureties, endorsements and guarantees received | 2,671 | 2,629 |
| Assets pledged or mortgaged (1) | 3,790 | 3,739 |
| Buyback commitments (2) | 4,832 | 3,961 |
| **Other commitments** | **43** | **26** |

*(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €3,727 million at December 31, 2019 (€3,374 million at December 31, 2018). In addition, AVTOVAZ received €13 million in real estate property rights and ownership rights as guarantees of loans, and €49 million in rights to vehicles as guarantees of customer receivables (€12 million and €78 million respectively at December 31, 2018).*
*(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.*

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23.

## NOTE 29
## FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The fees paid to the Group’s statutory auditors and their networks are reported in section 6.3.3 of the 2019 Universal registration document.

## NOTE 30
## SUBSEQUENT EVENTS

After the selection process conducted by the Governance and Compensation Committee, on January 28, 2020 at a meeting chaired by Jean-Dominique Senard, the Board of Directors decided to appoint Luca de Meo as Chief Executive Officer of Renault SA and Chairman of Renault s.a.s, with effect from July 1, 2020.

Clotilde Delbos, Interim Chief Executive Officer of Renault SA, will continue to exercise her functions until Luca de Meo takes up the post. The Board of Directors also gave a favourable opinion for her appointment as Deputy Chief Executive Officer of Renault SA from July 1, 2020.

NOTE 31

# CONSOLIDATED COMPANIES

## 31 – A – Fully consolidated companies (subsidiaries)

| Groupe Renault's interest *(%)* | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| **Renault SA** | France | Consolidating company | Consolidating company |
| **AUTOMOTIVE (EXCLUDING AVTOVAZ)** | | | |
| **France** | | | |
| Renault s.a.s. | France | 100 | 100 |
| Auto Châssis International (ACI) Le Mans | France | 100 | 100 |
| Auto Châssis International (ACI) Villeurbanne | France | 100 | 100 |
| Alliance Média Ventures | France | 100 | 100 |
| Carizy (1) | France | 96 | - |
| Fonderie de Bretagne | France | 100 | 100 |
| IDVE | France | 100 | 100 |
| IDVU | France | 100 | 100 |
| Maubeuge Construction Automobile (MCA) | France | 100 | 100 |
| Renault Développement Industriel et Commercial (RDIC) | France | 100 | 100 |
| Renault Environnement | France | 100 | 100 |
| Renault Mobility As an Industry (1) | France | 100 | - |
| Renault Retail Group and subsidiaries | France | 100 | 100 |
| Renault Samara | France | 100 | 100 |
| RDREAM | France | 100 | 100 |
| Renault Sport Racing s.a.s. | France | 100 | 100 |
| Renault Venture Capital (1) | France | 100 | - |
| SCI Plateau de Guyancourt | France | 100 | 100 |
| SNC Renault Cléon | France | 100 | 100 |
| SNC Renault Douai | France | 100 | 100 |
| SNC Renault Flins | France | 100 | 100 |
| SNC Renault Sandouville | France | 100 | 100 |
| Société des Automobiles Alpine Caterham | France | 100 | 100 |
| Société de Transmissions Automatiques (STA) | France | 100 | 100 |
| Société de Véhicules Automobiles de Batilly (SOVAB) | France | 100 | 100 |
| Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiary | France | 100 | 100 |
| Société Immobilière Renault Habitation (SIRHA) | France | 100 | 100 |
| Société Immobilière d'Epone | France | 100 | 100 |
| Société Immobilière pour l'Automobile (SCIA) | France | 100 | 100 |
| SODICAM 2 | France | 100 | 100 |
| Sofrastock International | France | 100 | 100 |
| Technologie et Exploitation Informatique (TEI) | France | 100 | 100 |
| **Europe** | | | |
| Renault Deutschland AG and subsidiaries | Germany | 100 | 100 |
| Renault Österreich GmbH | Austria | 100 | 100 |
| Renault Belgique Luxembourg and subsidiary | Belgium | 100 | 100 |
| Renault Industrie Belgique (RIB) | Belgium | 100 | 100 |
| Renault Croatia | Croatia | 100 | 100 |
| Renault Espagne Commercial SA (RECSA) and subsidiaries | Spain | 100 | 100 |
| Renault España SA | Spain | 100 | 100 |
| Renault Hungaria | Hungary | 100 | 100 |
| Renault Irlande | Ireland | 100 | 100 |
| Renault Italia and subsidiary | Italy | 100 | 100 |
| Motor Reinsurance Company | Luxembourg | 100 | 100 |
| Groupe Renault b.v. | Netherlands | 100 | 100 |

| Groupe Renault's interest *(%)* | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| Renault Nederland | Netherlands | 100 | 100 |
| Renault Polska | Poland | 100 | 100 |
| Cacia | Portugal | 100 | 100 |
| Renault Portuguesa and subsidiary | Portugal | 100 | 100 |
| Renault Ceska Republika | Czech Republic | 100 | 100 |
| Grigny Ltd. | United Kingdom | 100 | 100 |
| Renault Retail Group UK | United Kingdom | 100 | 100 |
| Renault Sport Racing Limited | United Kingdom | 90 | 90 |
| Renault UK | United Kingdom | 100 | 100 |
| Renault Slovakia | Slovakia | 100 | 100 |
| Renault Nissan Slovenija d.o.o. | Slovenia | 100 | 100 |
| Revoz | Slovenia | 100 | 100 |
| Renault Nordic and subsidiary | Sweden | 100 | 100 |
| Renault Finance | Switzerland | 100 | 100 |
| Renault Suisse SA | Switzerland | 100 | 100 |
| **Americas** | | | |
| Groupe Renault Argentina and subsidiaries | Argentina | 100 | 100 |
| Renault Do Brasil LTDA | Brazil | 100 | 100 |
| Renault Do Brasil SA | Brazil | 100 | 100 |
| Cormecanica | Chile | 100 | 100 |
| Renault CSC s.a.s. (1) | Colombia | 100 | - |
| Sociedad de Fabricacion de Automotores (Sofasa) | Colombia | 100 | 100 |
| Renault Corporativo SA de CV | Mexico | 100 | 100 |
| Renault Mexico | Mexico | 100 | 100 |
| **Africa – Middle East – India – Asia-Pacific** | | | |
| Vehicle Distributors Australia | Australia | 100 | 100 |
| Renault Samsung Motors | South Korea | 80 | 80 |
| Renault Treasury Services PTE Ltd. | Singapore | 100 | 100 |
| Renault Algérie | Algeria | 100 | 100 |
| Renault India Private Ltd. | India | 100 | 100 |
| Renault Maroc | Morocco | 80 | 80 |
| Renault Maroc Services | Morocco | 100 | 100 |
| Renault Tanger Exploitation | Morocco | 100 | 100 |
| Renault Tanger Méditerranée | Morocco | 100 | 100 |
| Société marocaine de construction automobile (SOMACA) | Morocco | 97 | 77 |
| **China** | | | |
| JMEV (1) | China | 50 | - |
| JMEVS (1) | China | 50 | - |
| Renault Beijing Automotive Company | China | 100 | 100 |
| **Eurasia** | | | |
| Renault Nissan Bulgaria | Bulgaria | 100 | 100 |
| Dacia | Romania | 99 | 99 |
| Renault Commercial Roumanie | Romania | 100 | 100 |
| Renault Mécanique Romania SRL | Romania | 100 | 100 |
| Renault Technologie Roumanie | Romania | 100 | 100 |
| CJSC Renault Russie | Russia | 100 | 100 |
| Oyak-Renault Otomobil Fabrikalari | Turkey | 52 | 52 |
| Renault Ukraine | Ukraine | 100 | 100 |

| Groupe Renault's interest *(%)* | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| **SALES FINANCING** | | | |
| **France** | | | |
| Diac SA | France | 100 | 100 |
| Diac Location SA | France | 100 | 100 |
| RCI Banque SA and subsidiaries | France | 100 | 100 |
| **Europe** | | | |
| RCI Versicherungs Services GmbH | Germany | 100 | 100 |
| RCI Financial Services SA | Belgium | 100 | 100 |
| Renault AutoFin SA | Belgium | 100 | 100 |
| Overlease | Spain | 100 | 100 |
| RCI ZRT | Hungary | 100 | 100 |
| ES Mobility SRL | Italy | 100 | 100 |
| RCI Insurance Ltd. | Malta | 100 | 100 |
| RCI Life Ltd. | Malta | 100 | 100 |
| RCI Services Ltd. | Malta | 100 | 100 |
| RCI Financial Services b.v. | Netherlands | 100 | 100 |
| Renault Leasing Polska Sp. z.o.o. | Poland | 100 | 100 |
| RCI Gest Seguros – Mediadores de Seguros | Portugal | 100 | 100 |
| RCICOM, SA | Portugal | 100 | 100 |
| RCI Finance CZ s.r.o. | Czech Republic | 100 | 100 |
| RCI Financial Services s.r.o. | Czech Republic | 50 | 50 |
| RCI Financial Services Ltd. | United Kingdom | 100 | 100 |
| RCI Services UK Limited [(1)] | United Kingdom | 100 | - |
| RCI Finance SA | Switzerland | 100 | 100 |
| **Americas** | | | |
| Courtage SA | Argentina | 100 | 100 |
| Rombo Compania Financiera | Argentina | 60 | 60 |
| Administradora de Consorcio Renault Do Brasil | Brazil | 100 | 100 |
| RCI Brasil SA | Brazil | 60 | 60 |
| RCI Brasil Serviços e Part. Lt [(1)] | Brazil | 100 | - |
| Corretora de Seguros RCI Do Brasil | Brazil | 100 | 100 |
| RCI Colombia SA Compania de Financiamiento | Colombia | 51 | 51 |
| RCI Servicios Colombia SA | Colombia | 100 | 100 |
| **Africa – Middle East – India – Asia-Pacific** | | | |
| RCI Financial Services Korea | South Korea | 100 | 100 |
| RCI Finance Maroc | Morocco | 100 | 100 |
| RDFM | Morocco | 100 | 100 |
| **Eurasia** | | | |
| RCI Broker De Asigurare | Romania | 100 | 100 |
| RCI Finantare Romania | Romania | 100 | 100 |
| RCI Leasing Romania IFN | Romania | 100 | 100 |
| OOO RN FINANCE RUS | Russia | 100 | 100 |

| Groupe Renault's interest *(%)* | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| **AVTOVAZ** | | | |
| **Europe** | | | |
| LADA International Ltd. | Cyprus | 68 | 68 |
| Alliance Rostec Auto b.v. | Netherlands | 68 | 68 |
| **Eurasia** | | | |
| SOAO Minsk-Lada | Belarus | 38 | 38 |
| PAO AVTOVAZ | Russia | 68 | 68 |
| LLC Lada Izhevsk | Russia | 68 | 68 |
| OOO PSA VIS-AVTO | Russia | 68 | 68 |
| OOO PPPO | Russia | 68 | 68 |
| AO Lada-Imidzh | Russia | 68 | 68 |
| AO Lada-Servis | Russia | 68 | 68 |
| OAO Izh-Lada | Russia | 68 | 67 |
| AO ZAK | Russia | 68 | 68 |
| AO Piter-Lada | Russia | 61 | 61 |
| AO Samara-Lada | Russia | 48 | 48 |
| AO Yakhroma-Lada | Russia | 59 | 59 |
| AO Lipetsk-Lada | Russia | 45 | 45 |
| AO Oka-Lada | Russia | 59 | 59 |
| AO STO komsomolskaya | Russia | 53 | 53 |
| AO Tyumen-Lada | Russia | 68 | 68 |
| AO Tsentralnaya STO | Russia | 68 | 68 |
| AO JarLadaservis | Russia | 64 | 64 |
| AO Avtosentr-Togliatti-VAZ | Russia | 34 | 34 |
| AO Bryansk Lada | Russia | 51 | 51 |
| OOO LIN | Russia | 68 | 68 |
| AO Kostroma-Lada-Servis | Russia | 65 | 43 |
| AO Kursk-Lada | Russia | 49 | 49 |
| OOO Lada Sport | Russia | 68 | 68 |
| AO Saransk-Lada | Russia | 61 | 61 |
| AO Smolensk-Lada (2) | Russia | - | 41 |
| AO Cheboksary-Lada | Russia | 63 | 63 |
| OOO Sockultbit-AVTOVAZ | Russia | 68 | 68 |
| AO Dal-Lada (2) | Russia | - | 46 |
| ZAO GM-AVTOVAZ (3) | Russia | 68 | - |
| JV Systems (1) | Russia | 68 | - |
| Other AVTOVAZ subsidiaries | Russia | 34 to 68 | 34 to 68 |

*(1) Newly consolidated companies in 2019 (note 3-A).*
*(2) Companies sold and removed from the scope of consolidation in 2019.*
*(3) Previously accounted for under the equity method.*

## 31 – B – Companies consolidated based on the percentage interest in each balance sheet and income statement item (joint operations)

| Groupe Renault's interest (%) | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)* | India | 67 | 67 |

* *The Group holds 50% of the voting rights of the Indian company RNTBCI.*

### 31 – C – Companies accounted for by the equity method (associates and joint-ventures)

| Groupe Renault's interest (%) | Country | December 31, 2019 | December 31, 2018 |
|---|---|---|---|
| **AUTOMOTIVE EXCLUDING AVTOVAZ** | | | |
| Renault South Africa | South Africa | 40 | 40 |
| Renault Algérie Production | Algeria | 49 | 49 |
| Tokai 2 GmbH (1) | Germany | 15 | - |
| EGT New Energy Automotive Company Ltd. | China | 25 | 25 |
| Dongfeng Renault Automotive Company | China | 50 | 50 |
| Renault Brillance Jinbei Automotive Company Ltd. | China | 49 | 49 |
| Boone Comenor | France | 33 | 33 |
| Alliance Mobility Company France (1) | France | 50 | - |
| INDRA INVESTISSEMENTS s.a.s. | France | 50 | 50 |
| Les Editions Croque Futur and subsidiaries | France | 35 | 40 |
| Tokai 1 (1) | France | 15 | - |
| Renault Nissan Automotive India Private Limited | India | 30 | 30 |
| Alliance Mobility Company Japan (1) | Japan | 50 | - |
| Nissan group | Japan | 44 | 44 |
| Alliance Ventures b.v. | Netherlands | 40 | 40 |
| Motorlu Araclar Imal ve Satis AS (MAIS) | Turkey | 49 | 49 |
| **SALES FINANCING** | | | |
| Renault Crédit Car | Belgium | 50 | 50 |
| Nissan Renault Financial Services India Private Limited | India | 30 | 30 |
| RN SF b.v. | Netherlands | 50 | 50 |
| BARN bv | Netherlands | 30 | 30 |
| RN Bank | Russia | 30 | 30 |
| Orfin Finansman Anonim Sirketi | Turkey | 50 | 50 |
| **AVTOVAZ** | | | |
| Ferro VAZ GmbH | Germany | 34 | 34 |
| ZAO GM-AVTOVAZ (2) | Russia | - | 34 |
| CSC ARMENIA-LADA | Armenia | 34 | 34 |

*(1) Companies first consolidated in 2019 (note 3-A).*
*(2) Fully consolidated in 2019.*

In application of regulation 2016-09 of December 2, 2016 issued by the French Accounting Standards Authority (Autorité des Normes Comptables), the Group makes the following information available to third parties on its website group.renault.com, in the "Documents & Presentations" section of the "Finance" pages from the date of publication of the 2019 Universal registration document:

- a full list of consolidated companies;
- a list of companies classified as "unconsolidated investments", namely:
  - investments in companies not controlled exclusively by Renault, which are included in non-current financial assets (note 22),
  - investments in companies that are controlled exclusively by Renault and not consolidated, which are classified as other current assets (note 17).

# 4.3 STATUTORY AUDITORS' REPORTS

## 4.3.1 Statutory Auditors' report on the financial statements

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*



For the year ended December 31, 2019

To the Annual General Meeting of Renault,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Renault for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### Valuation of equity investments

#### Risk identified

At December 31, 2019, equity investments are accounted for in Renault SA balance sheet for 18.2 B€, representing one of the most significant caption of the total assets. Investments are valued at acquisition cost at the date of entry, and their recoverable value is then assessed by management as described in Note 2.1 to the notes to the individual financial statements of Renault.

Renault SA has opted to account for investments in controlled companies under the equity method. The value of these investments is determined based on their contribution to the consolidated equity of Renault, and the change during the year in the overall share of shareholders' equity corresponding to these interests is included in shareholders' equity under "Equity valuation difference".

The other investments mainly relate to Renault's equity investment in Nissan. This investment is valued at the lower amount between the book value and the value in use, which takes into account the share of net assets and profitability prospects of Nissan. The assessment of the recoverable value of Renault's investment in Nissan is based on expected profitability and requires judgement from management.

In this context, we have considered that the valuation of the investments was a key audit matter.

### Our audit response

In order to assess the reasonableness of the value in use of equity investments, we mainly relied on the work performed for the purpose of the consolidated financial statement audit.

Our work mainly consisted in:

*Regarding Renault's investments in controlled companies:*

- Check that the shareholders' equity in each of these investments corresponds to their contribution to the consolidated equity of Renault.
- Check that Renault has performed the necessary adjustments, if any, to take into account potential impairment losses accounted for in the group's consolidated financial statements.

*Regarding Renault investment in Nissan:*

- Assess the reasonableness of the main assumptions used by Renault in the impairment test performed to assess the recoverable value of its investment in Nissan, by referring to Nissan's stock market value, mid-term plan and historical performance and the growth prospects of the Automotive sector.

## Specific Verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (Code de commerce).

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

## Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2019, KPMG SA was in the sixth year of total uninterrupted engagement and Ernst & Young Audit in the forty first year of total inunterrupted engagement, of which twenty-six years since securities of the Company were admitted to trading on a regulated market.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements



### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit, Risks and Compliance Committee

We submit to the Audit, Risks and Compliance Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 20, 2020

The Statutory Auditors
*French original signed by*

KPMG Audit
A department of KPMG S.A.

Laurent des Places

ERNST & YOUNG Audit

Aymeric de La Morandière

Philippe Berteaux

# 4.3.2 Statutory Auditors' report on the related party agreements

*This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

Annual General Meeting held to approve the financial statements for the year ended December 31, 2019

To the Annual General Meeting of Renault,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion, as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements prior to their approval.



We are also required, where applicable, to inform you in accordance with in Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended December 31, 2019, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

## Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year ended December 31, 2019 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

## Agreements previously approved by the Annual General Meeting

In accordance with article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2019.

### With the French State, shareholder of your Company

#### Persons concerned

Mr Thomas Courbe and Mr Martin Vial, Board members of your Company representing the French State.

#### Governance Agreement

##### Nature and purpose

On December 11, 2015, your Board of Directors authorized the conclusion of a "Governance Agreement" between Renault and the French State which aims to regulate the exercise of voting rights attached to the Renault shares held by the French State.

##### Conditions

Pursuant to the authorization granted by your Board of Directors, February 4, 2016, your company was signed with the French State a Governance Agreement under which the voting rights attached to the French State's shares exceeding a certain percentage of Renault's total exercisable rights (set at 17.9% in the event of a "usual" quorum, or at 20% in the event of a particularly high quorum) are, in certain cases, exercised in a neutral manner, that is to say in such a way that they do not affect the adoption or rejection of the resolutions concerned by the limitation. The written agreement also describes the conditions for implementing these restrictions with the registrar of your Company's Annual General Meeting.

The restrictions to the free exercise of voting rights of the French State notably applies to all decisions which fall within the authority of the Ordinary Annual General Meeting, except for decisions concerning (i) dividend distributions, (ii) the appointment, renewal or removal from office of Board members representing the French State, (iii) the disposal of significant company assets, (iv) related-party agreements that are not approved by the representatives of the French State and (v) buybacks of shares from identified shareholders.

However, the French State retains all of its voting rights for decisions which fall within the authority of the Extraordinary Annual General Meeting, except for the most day-to-day decision-making such as (i) the granting or renewal of ongoing delegations to the management bodies of your Company when their conditions comply with the latter's existing practices, (ii) the granting of stock options, performance shares or shares that give access to the share capital to the benefit of employees and executive corporate officer of the Renault Group, (iii) an amendment to the age limit for the exercise of duties or to the term of office of Board members and executive corporate officer and (iv) a transfer of registered office (unless abroad).

The restrictions to the free exercise of voting rights would cease to apply in exceptional situations such as the amendment or termination of the "Restated Alliance Master Agreement", the exercise by Nissan Motor Co. Ltd of voting rights in your company, the announcement of a public offering on your company shares, or a shareholder exceeding the threshold of 15% in your company's capital or voting rights, including Nissan Motor Co. Ltd.

The governance agreement was concluded April 4, 2016, renewable by tacit agreement for successive periods of ten years unless it is terminated at least two years before the expiry of the term.

## With Nissan Motor Co. Ltd (« Nissan »), Daimler AG et Renault-Nissan B.V (« RNBV »)

### Persons concerned

Ms. Yu Serizawa, member of your Company's Board and appointed upon proposal of Nissan; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon proposal of Nissan and member of the board of Nissan Motor Co. Ltd.

### Master Cooperation Agreement

On April 6, 2010, your Company, Nissan Motor Co. Ltd., Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" which specifies the terms and conditions of the cooperation between these companies.

On December 13, 2013, your Board of Directors authorized the signature, on December 19, 2013, of an amendment to the "Master Cooperation Agreement", in order to extend the scope of this cooperation. This amendment has been approved by the Annual General Meeting of April 30, 2014.

In October 2016, Nissan Motor Co. Ltd. acquired 34% of the capital of Mitsubishi Motors Corporation.

At its meeting of June 15, 2018, your board of directors authorized the conclusion of a second amendment to the "Master Cooperation Agreement", the subject of which is the accession of Mitsubishi Motors Corporation in the cooperation. The signing of this second amendment on October 3, 2018 was approved by your general meeting of June 12, 2019.

The Master Cooperation Agreement and its endorsements continue to produce effect between the parties.

## With Nissan Motor Co. Ltd (« Nissan »)

### Persons concerned

Ms. Yu Serizawa, member of your Company's Board and appointed upon proposal of Nissan; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon proposal of Nissan and member of the board of Nissan Motor Co. Ltd.

### Restated Alliance Master Agreement

On March 28, 2002, your Company and Nissan Motor Co. Ltd ("Nissan") entered into the "Restated Alliance Master Agreement", which governs the share capital relationship between your Company and Nissan, and regulates the Alliance's current governance. This agreement specifies the operational terms and conditions of Renault-Nissan B.V. ("RNBV") as the corporate entity involved in defining the Alliance's strategy.

An initial amendment to the "Restated Alliance Master Agreement" was signed on April 29, 2005 and submitted for the approval of the Annual General Meeting of May 4, 2006.

In its meeting of October 3, 2012, your Board of Directors authorized the signature, on November 7, 2012, of a second amendment to the "Restated Alliance Master Agreement", which modifies the composition of the RNBV Executive Board and as a result, the voting arrangements within the Executive Board. This amendment was submitted to the approval of your general meeting of April 30, 2013.

In its meeting of December 11, 2015, your Board of Directors authorized the signature of a governance agreement between your Company and Nissan Motor Co. Ltd. concerning the governance of Nissan Motor Co., which constitutes a third amendment to the "Restated Alliance Master Agreement". The conditions of this third amendment concern your Company's undertaking (i) to vote in favor of the resolutions proposed by the Board of Directors of Nissan to the Annual General Meeting of Nissan for the appointment, dismissal and compensation of the members of the Board of Directors of Nissan (other than the members appointed upon proposal of your company, (ii) not to submit a resolution to the Annual General Meeting of Nissan that would not have been approved by the Board of Directors of Nissan, and (iii) not to vote in favor of a resolution that has not been supported by the Board of Directors of Nissan. For these resolutions, your Company remains free to vote as it sees fit, however, in the event that your company does not comply with its commitment, Nissan may acquire Renault shares without the prior approval of your Board of Directors, notwithstanding the provisions of the Restated Alliance Agreement which prevent the parties from increasing, without prior agreement, their respective holdings. The amendment modifies the "Restated Alliance Master Agreement" without altering its term, which remains indefinite. It has been applicable since it was entered into. This agreement has been approved by the Annual General Meeting of April 29, 2016.



Paris-La Défense, March 4, 2020

The Statutory Auditors
*French original signed by*

| KPMG Audit<br>A division of KPMG S.A. | ERNST & YOUNG Audit | |
|---|---|---|
| Laurent des Places | Aymeric de La Morandière | Philippe Berteaux |

# 4.4 RENAULT SA ANNUAL FINANCIAL STATEMENTS

## 4.4.1 Summary financial statement

### INCOME STATEMENT

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Operating expenses | (47) | (20) |
| Increases to and reversals of operating provisions | (11) | (28) |
| **NET OPERATING EXPENSE** | **(58)** | **(48)** |
| Investment income | 751 | 1,802 |
| Increases to and reversals of provisions related to investments | (260) | 12 |
| **INVESTMENT INCOME AND EXPENSES (NOTE 4.4.2.3)** | **491** | **1,814** |
| Foreign exchange gains | 2 | 1 |
| Foreign exchange losses | (1) | (3) |
| Increases to and reversals of provisions for exchange risks | 0 | 2 |
| **FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 4.4.2.4)** | **1** | **0** |
| Interest and equivalent income | 0 | 1 |
| Interest and equivalent expenses | (122) | (123) |
| Reversals of provisions and transfers of charges | 6 | 94 |
| Expenses on sales of marketable securities | 0 | (88) |
| Depreciation and provisions | (16) | (4) |
| **OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4.4.2.5)** | **(132)** | **(120)** |
| **NET FINANCIAL INCOME** | **360** | **1,694** |
| **PRE-TAX INCOME BEFORE EXTRAORDINARY ITEMS** | **302** | **1,646** |
| **EXTRAORDINARY ITEMS (NOTE 4.4.2.6)** | **1** | **(11)** |
| **INCOME TAX (NOTE 4.4.2.7)** | **80** | **91** |
| **NET INCOME FOR THE FINANCIAL YEAR** | **383** | **1,726** |

## BALANCE SHEET – ASSETS

| (€ million) | 2019 Gross | 2019 Depreciation, amortization & provisions | 2019 Net | 2018 Net |
|---|---|---|---|---|
| Investments stated at equity | 11,335 | | 11,335 | 11,717 |
| Other investments and financial assets (NOTE 4.4.2.8) | 7,095 | 282 | 6,813 | 7,073 |
| Advances to subsidiaries and affiliates (Note 4.4.2.9) | 12,740 | | 12,740 | 11,877 |
| **FINANCIAL ASSETS** | **31,170** | **282** | **30,888** | **30,667** |
| **TOTAL FIXED ASSETS** | **31,170** | **282** | **30,888** | **30,667** |
| **RECEIVABLES (NOTE 4.4.2.11)** | **432** | | **432** | **722** |
| **MARKETABLE SECURITIES (NOTE 4.4.2.10)** | **328** | **2** | **326** | **394** |
| **CASH AND CASH EQUIVALENTS** | **76** | | **76** | **31** |
| **OTHER ASSETS (NOTE 4.4.2.11)** | **202** | | **202** | **151** |
| **TOTAL ASSETS** | **32,208** | **284** | **31,924** | **31,965** |

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## BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

| (€ million) | 2019 | 2 018 |
|---|---|---|
| Share capital | 1,127 | 1,127 |
| Share premium | 4,782 | 4,782 |
| Equity valuation difference | 5,520 | 5,901 |
| Legal and tax basis reserves | 113 | 113 |
| Retained earnings | 8,864 | 8,173 |
| Net income | 383 | 1,726 |
| **SHAREHOLDERS' EQUITY (NOTE 4.4.2.12)** | **20,789** | **21,822** |
| **REDEEMABLE SHARES (NOTE 4.4.2.13)** | **130** | **130** |
| **PROVISIONS FOR RISKS AND LIABILITIES (NOTE 4.4.2.14)** | **319** | **382** |
| Bonds | 6,310 | 5,240 |
| Borrowings from credit institutions | 442 | 306 |
| Other loans and financial debts | 3,214 | 3,297 |
| **FINANCIAL LOANS AND FINANCIAL DEBTS (NOTE 4.4.2.15)** | **9,966** | **8,844** |
| **OTHER LIABILITIES (NOTE 4.4.2.16)** | **692** | **747** |
| **UNREALIZED GAINS ON FINANCIAL INSTRUMENTS (NOTE 4.4.2.17)** | **10** | **3** |
| **DEFERRED INCOME (NOTE 4.4.2.18)** | **18** | **37** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **31,924** | **31,965** |

In 2019, foreign exchange differences on instruments hedging borrowings in yen and treasury notes in US dollars are included in forward financial instruments instead of in Other assets and Deferred income (translation adjustments) as previously. For comparison purposes, the 2018 figures have been adjusted accordingly with a €3 million reclassification between these accounts.

## STATEMENT OF CHANGES IN CASH FLOW

| (€ million) | 2019 | 2018 |
|---|---|---|
| Cash flow (Note 4.4.2.21) | 595 | 1,752 |
| Change in working capital requirements | 241 | 99 |
| **CASH FLOW FROM OPERATINOTE NG ACTIVITIES** | **836** | **1,852** |
| Net decrease / (increase) in other investments | | |
| Net decrease / (increase) in loans | (863) | (268) |
| Net decrease / (increase) in marketable securities | 56 | 91 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **(807)** | **(177)** |
| Bond issues | 1,557 | 1,895 |
| Bond redemptions | (563) | (1,433) |
| Net increase / (decrease) in other interest-bearing borrowings | 69 | (1,126) |
| Dividends paid to shareholders | (1,035) | (1,027) |
| Bond issuance expenses and redemption premiums | (15) | (10) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **13** | **(1,701)** |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **31** | **57** |
| Increase / (decrease) in cash and cash equivalents | 42 | (26) |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE*** | **73** | **31** |

* *The figures €3 million in bank overdrafts*

## 4.4.2 Notes to the annual financial statements

The following disclosures constitute the notes to the balance sheet at December 31, 2019, before appropriation of net profit for the year, which shows total assets of €31,924 million and to the income statement for the year then ended, which shows net profit of €383 million.

The financial statements cover the twelve-month period from January 1 to December 31, 2019.

The financial statements for 2019 were approved for issue by the Board of Directors' meeting of Renault SA on February 13, 2020.

These financial statements are included in the consolidated financial statements of Group Renault.

### 4.4.2.1 Significant events

The Board of Directors met on January 24, 2019, it has taken note of the resignation of its Chairman and Chief Executive Officer Carlos Ghosn.

The Board of Directors has decided to provide Renault with a new governance structure and to institute a separation of the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors co-opted Jean-Dominique Sénard as new Director and elected him Chairman.

On the latter's proposal, the Board appointed Thierry Bolloré as Chief Executive Officer.

At its meeting held on October 11, 2019, the Board of Directors decided to end the mandate of Thierry Bolloré as Chief Executive Officer of Renault SA with immediate effect and appoint, with immediate effect, Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period, until a process was completed to appoint a new Chief Executive Officer.

### 4.4.2.2 Accounting policies

Renault SA has drawn up its annual financial statements were approved in accordance with the provisions of regulation 2014-03 of the ANC (Autorité des Normes Comptables), approved by the ministerial decision of September 8, 2014 concerning the French chart of accounts.

The following methods were applied in valuing balance sheet and income statement items:

#### A. Investments

As allowed by CNC (Conseil National de la Comptabilité) notice no34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all companies that are fully consolidated in the Group's financial statements;
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account;
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "Equity valuation difference". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general impairment is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets and profitability prospects. Provisions are established when the book value of the investments is lower than the gross value.

Loans granted and receivables relating to subsidiaries and affiliates are recorded at historical cost. Impairment is recognized when there is a risk that these advances will not be recovered.

#### B. Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. These shares are covered by a provision for expenses, corresponding to the difference between the value of the shares (acquisition price or net book value at the date of reallocation) and the exercise price of the options for beneficiaries, when that exercise price is lower than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

The fair value of securities is determined mainly by reference to market prices.

#### C. Receivables

Receivables are stated at nominal value. Impairment is recognized when their realizable value falls below historical cost, notably based on age and the risk of non-recovery.

### D. Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealized exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives);

Unrealized losses affecting Nissan hedge are no longer covered by provisions in the income statement. Under regulation ANC 2015-05, no provisions are recorded in the income statement for unrealized losses on the hedging instrument until the hedged cash flows are realized (date of liquidation or sale of the investment).

### E. Redeemable shares

Redeemable shares are recorded in a separate line of shareholders' equity at nominal value with no subsequent revaluation.

### F. Loans and financial debts

Loans are stated at their nominal amount. Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other Assets, are amortized on a straight-line basis over the corresponding duration.

### G. Provisions for risks and liabilities

Provisions for risks and liabilities are defined in accordance with ANC regulation 2014-03. They are established for probable payment obligations existing at the year-end. A contingent liability, in contrast, is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation that cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

### H. Derivatives

Changes in the value of hedging derivatives are not recognized in the balance sheet unless partial or total recognition of such changes is relevant to ensure symmetrical treatment to the hedged item .

This symmetrical treatment would involve revaluation of the hedging instrument in a transition account, with a corresponding entry in a cash instrument account, in parallel to the translation adjustments booked on the hedged item.

Foreign exchange gains and losses on loans set up for the Nissan hedge have no longer been included in profit and loss since the application of ANC regulation 2015-05 from January 1, 2017. They are recorded in specific accounts under other receivables or other liabilities and the accumulated amounts will be transferred to the income statement at the date of liquidation or sale of the investment.

The value of derivatives in an Isolated Open Position is adjusted to market value in the balance sheet at each year-end, via an entry to the translation adjustment account. If the market value indicates an unrealized loss, an equivalent provision is recognized in the income statement.

The positive or negative difference between the spot price and the forward price of the hedge is spread over the duration of the hedge in the financial result.

### Assumptions and methods used

Unrealized foreign exchange gains and losses correspond to the difference between the spot price and the year-end price.

### I. Net extraordinary items

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the company's normal business operations, and are not expected to recur on a frequent or regular basis.



## 4.4.2.3 Investment income and expenses

Details are as follows:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Dividends received from Nissan Motor Co Ltd. | 579 | 784 |
| Dividends received from Daimler | 54 | 60 |
| Dividends received from Renault s.a.s | 23 | 916 |
| Dividends received from Dacia | 52 | 10 |
| Interest on loans | 43 | 33 |
| Increases provisions related to subsidiaries and affiliates | (260) | 12 |
| **TOTAL** | **491** | **1 814** |

All interest on loans concerns Group subsidiaries.

In view of declining sales volumes and the downward revision of our prospects on the Chinese market, impairment of €260 million was recorded on the shares in Dongfeng Renault Automotive Company.

### 4.4.2.4 Foreign exchange gains and losses

Foreign exchange gains and losses in 2019 amount to €1 million (€1 million in 2018), and comprise the following:

- A foreign exchange gain of €1 million on treasury notes (mainly in US dollars and pounds sterling).

### 4.4.2.5 Other financial income and expenses

In 2019, the financial income and expenses, amounting to a net loss of €132 million (loss of €120 million in 2018) principally comprise interest paid and similar expenses totaling €122 million, €13 million for impairment on treasury shares and a gain of €5 million in accretion of tax receivables sold during the year.

Details of interest paid and other similar expenses are as follows:

| *(€ million)* | 2019 | 2018 |
|---|---|---|
| Net accrued interest after swaps on bonds* | (66) | (73) |
| Net accrued interest after swaps on borrowings from credit institutions | (4) | (5) |
| Accrued interest on termination of borrowings from subsidiaries | (19) | (9) |
| Accrued interest on redeemable shares | (20) | (21) |
| Other financial expenses | | (1) |
| Other (treasury notes and brokers' commissions) | (13) | (14) |
| **TOTAL** | **(122)** | **(123)** |

* *The net interest on bonds comprises accrued and paid interest amounting to €66 million (€74 million in 2018); there was no accrued and received interest on swaps (€1 million in 2018).*

In 2019, the €66 million of interest received or paid mainly comprised:

- €16 million on the EMTN 44 bond issued on March 5, 2014,
- €15 million on the EMTN 53 bond issued on September 28, 2018,
- €7.5 million on the EMTN 49 bond issued on March 8, 2017,
- €7.5 million on the EMTN 51 bond issued on November 21, 2017,
- €7 million on the EMTN 52 bond issued on April 18, 2018,
- €7 million on the EMTN 54 bond issued on June 24, 2019,
- €2 million on the Samurai 19 bond issued on July 6, 2017,
- €1 million on the Samurai 20 bond issued on July 9, 2017,
- €1 million on the Samurai 21 bond issued on July 3, 2018,
- €1 million on the EMTN 55 bond issued on October 04, 2019.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €1 million: €2 million on the paying leg and €3 million on the receiving leg.

### 4.4.2.6 Extraordinary items

In 2018, the Share the Future plan generated an extraordinary loss of €11 million for Renault SA.

There were no extraordinary operations in 2019.

### 4.4.2.7 Income tax

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to the Company as head of the tax group under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for Renault SA, the company heading the tax group. The Renault tax group applies the principle of neutrality, Renault SA is not obliged to reallocate or reimburse the subsidiaries for the tax savings resulting from utilization of their tax losses.

The maximum allowable amount of losses carried forward against taxable income is €1 million plus 50% of the taxable income above that amount. The balance can be carried forward indefinitely.

These rules are applicable:

- for determining the income/loss of the tax consolidation group;
- by convention, for determining the income/loss of each company included in the tax consolidation serving as a base for their calculation of income tax.

These rules on tax loss carryforwards apply to all losses existing at the year-end, whatever their origin.

In practice, Renault SA has not charged deficits for the determination of its 2019 taxable income which amounts to -€1,358 million.

In 2019, the tax consolation group waived the reduced rate on industrial royalties as permitted by Article 39 *terdecies* of the CGI.

The income generated by income taxes in 2019 was €85 million, corresponding to the income tax paid by the subsidiaries of Renault SA, including any tax adjustments, as if they were taxed separately.

Details of the tax charge recognized on the income statement are as follows:

| *(€ million)* | Pre-tax income | Taxes | | | | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | | Theoretical | Netting | Credit generated | Tax credit | Net tax due | Theoretical | As booked |
| Current income subject to normal rate | 302 | (15) | 15 | | | 0 | 317 | 302 |
| Extraordinary items | 1 | | | | | 0 | 1 | 1 |
| Tax consolidation | | | | | | (85) | | 85 |
| Impairment | | | | | | | | |
| Other | | | | | | 5 | | (5) |
| **TOTAL** | **303** | **(15)** | **15** | | | **(80)** | **318** | **383** |

Details of Renault SA's deferred tax position are as follows:

| *(€ million)* | 2019 | | 2018 | | Variation | |
|---|---|---|---|---|---|---|
| | Assets [1] | Liabilities [2] | Assets [1] | Liabilities [2] | Assets | Liabilities |
| **Temporarily non-deductible expenses** | | | | | | |
| Provisions for risks and liabilities | | | 1 | | (1) | |
| **Temporarily non-taxable income** | | | | 1 | | (1) |
| **Expenses deducted (or taxed income) not yet recognized for accounting purposes** | 6 | 55 | 13 | 39 | (7) | 16 |
| **TOTAL** | **6** | **55** | **14** | **40** | **(8)** | **15** |

*(1) i.e. future tax credit.*
*(2) i.e. future tax charge.*

## 4.4.2.8 Investments and financial assets

Changes during the year were as follows:

| *(€ million)* | At start of year | Change over the year | At year-end |
|---|---|---|---|
| Investment in Nissan Motor Co. Ltd. | 6,217 | | 6,217 |
| Investment in RNBV | 12 | | 12 |
| Investment in DAIMLER | 584 | | 584 |
| Investment in DRAC | 282 | | 282 |
| **TOTAL BEFORE PROVISIONS** | **7,095** | **0** | **7,095** |
| Provision for impairment of other investments and financial assets | (22) | (260) | (282) |
| **TOTAL, NET** | **7,073** | **(260)** | **6,813** |

The impairment recognized relates to Dongfeng Renault Automotive Company (DRAC) (see Note 4.4.2.3).

When the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement in 2010, Renault SA acquired 16,448,378 shares in Daimler AG or 1.55% of its capital. These shares are listed on the Frankfurt stock market and have a nominal value of €2.88. At December 31, 2019, their stock market price was €49.37 per share, giving a total of €812 million (€45.91 per share and a total of €755 million at December 31, 2018).

In 1999, Renault SA acquired an investment in Nissan Motor Co. Ltd. At December 31, 2019, this investment comprised 1,831,837,027 shares or 43.40% of the capital of Nissan. These shares are listed on the Tokyo Stock Exchange and have a nominal value of ¥50. At December 31, 2019, their stock market price was ¥636 (€5.22) per share, giving a total of €9,562 million (¥800 (€6.99) per share and a total of €12,804 million at December 31, 2018).

## 4.4.2.9 Advances to subsidiaries and affiliates

Changes during the year were as follows:

| *(€ million)* | At start of year | Increases | Decreases | At year-end |
|---|---|---|---|---|
| Dividends receivable* | 9 | | | 9 |
| Loans | 11,868 | 1,683 | (820) | 12,731 |
| **TOTAL BEFORE PROVISIONS** [1] | **11,877** | **1,683** | **(820)** | **12,740** |
| Impairment provisions | 0 | 0 | 0 | 0 |
| **TOTAL, NET** | **11,877** | **1,683** | **(820)** | **12,740** |
| *(1) Of which current portion (less than one year).* | *11 857* | | | *12 728* |
| *Of which long-term portion (over 1 year).* | *20* | | | *11* |

* *Net of foreign exchange revaluations.*

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Loans include:

- €7,468 million in short-term investments with Renault Finance (€7,171 million in 2018);
- There was €5.6 million in short-term loans to Renault s.a.s. in 2018; there were no short-term loans in 2019;
- €4,463 million in current accounts resulting from centralized cash management agreements with Group subsidiaries (€3,891 million in 2018);
- €700 million with RCI under a cash pledge agreement (unchanged from 2018);
- €90 million in loans to RTM.

All loans relate to Group subsidiaries.

## 4.4.2.10 Marketable securities

Marketable securities include €326 million for Renault SA's treasury shares.

Changes in treasury shares were as follows:

| | At start of year | Options exercised and awards | Shares purchased | Transfers to other financial assets | Increases | Reversals | At year-end |
|---|---|---|---|---|---|---|---|
| Number of shares | 5,058,961 | 1,310,225 | 800,000 | | | | 4,548,736 |
| Shares allocated | 389 | (99) | 43 | (11) | | | 322 |
| Shares not allocated | 7 | | 1 | (3) | | | 5 |
| **GROSS VALUE (IN EURO MILLION)** | **396** | **(99)** | **44** | **(14)** | | | **327** |
| **IMPAIRMENT (IN EURO MILLION)** | **(2)** | | | **14** | **(13)** | **0** | **(1)** |
| **TOTAL** | **394** | **(99)** | **44** | **0** | **(13)** | **0** | **326** |

Options exercised and shares vested principally concern:

- vesting of 245,138 shares awarded under plan 22 for non-residents and 968,750 shares under plan 23 for residents;

The impairment booked corresponds to the difference between the purchase price and the average opening price over the last month of the year. It is recognized for shares not allocated to a plan.

## Stock option and performance share plans

The Board of Directors periodically awards performance shares to Group executives and managers, with vesting and holding periods specific to each plan. Until 2012, it also periodically granted stock options, each with their own price conditions and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination and a decision is made for each individual case when an employee leaves at the Company's instigation.

New performance share plans were introduced in 2019, concerning 1,462 thousand shares. The vesting period for rights to shares is 3 years, with no minimum holding period and without distinction between residents and non-residents.

### A. Changes in the number of stock options and performance share rights held by personnel

#### STOCK OPTIONS

| | Quantity | Weighted average exercise price *(€)* | Weighted average share price at grant and exercise dates *(€)* | Share rights |
|---|---|---|---|---|
| **OPTIONS OUTSTANDING AND RIGHTS NOT YET VESTED AT JANUARY 1, 2018** | **248,774** | **36** | | **4,714,171** |
| Granted | | 35 | | 1,462,030 |
| Options exercised or vested rights | (95,787) (1) | | 49 (3) | (1,214,438) (4) |
| Options and rights expired and other adjustments | (50,000) (1) | | | (618,434) (5) |
| **OPTIONS OUTSTANDING AND RIGHTS NOT YET VESTED AT DECEMBER 31, 2018** | **102,987** | **37** | | **4,343,329** |

*(1) Stock options exercised or expired in 2019 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.*
*(2) Price at which the shares were acquired by the Group to cover future options.*
*(3) Performance shares vested were mainly awarded under plan 22 for non-residents in 2015 and plan 23 for residents in 2016.*
*(4) Rights expired notably include 455,658 share rights of the resigning Chairman and Chief Executive Officer.*

## B. Stock options

For plans current in 2019, options attributed vest after a period of four years, and the exercise period then covers the four following years:

| Plan | Type of plan | Grant date | Exercise price (€) | Options outstanding at December 31, 2019 | Exercise period |
|---|---|---|---|---|---|
| Plan 18 | Stock purchase options | April 29, 2011 | 38,80 | - | April 30, 2015 – April 28, 2019 |
| Plan 19 | Stock purchase options | December 8, 2011 | 26,87 | - | December 9, 2015 – December 7, 2019 |
| Plan 20 | Stock purchase options | December 13, 2012 | 37,43 | 102,987 | December 13, 2016 – December 12, 2020 |
| TOTAL | | | | 102,987 | |

## C. Performance share plans

For plans 22 to 25, vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for shares awarded to French tax residents is three years followed by a holding period of one year (two years for plan 22).

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

As from plan 26, the vesting period is 3 years with no holding period for French or foreign tax residents.

| Plan | Type of plan | Grant date | Share rights awarded at December 31, 2019 | Vesting date | Holding period |
|---|---|---|---|---|---|
| Plan 22 | Performance shares | February 11, 2015 | - | February 11, 2019* | None |
| | | | - | April 29, 2019* | April 29, 2019 – April 29, 2020 |
| Plan 23 | Performance shares | April 29, 2016 | 314,610 | April 29, 2020 | None |
| Plan 23 *bis* | Performance shares | July 27, 2016 | - | July 27, 2020* | None |
| | | | 983,010 | February 9, 2020 | February 9, 2020 – February 9, 2021 |
| Plan 24 | Performance shares | February 9, 2017 | 292,650 | February 9, 2021 | None |
| | | | 1,062,759 | February 15, 2021 | February 15, 2021 – February 15, 2022 |
| Plan 25 | Performance shares | February 15, 2018 | 278,150 | February 15, 2022 | None |
| Plan 26 | Performance shares | June 12, 2019 | 1,412,150 | June 12, 2022 | None |
| TOTAL | | | 4,343,329 | | |

* *The share rights concerned by this plan expired or vested in 2019.*

## 4.4.2.11 Receivables and other assets

Receivables mainly comprise:

- An unbilled receivable of €247 million for performance shares (€299 million in 2018), under the reinvoicing agreement between Renault SA and Renault s.a.s introduced in 2012;

| *(€ million)* | At start of year | Increases | Decreases | At year-end |
|---|---|---|---|---|
| **Tax receivables** | | | | |
| Deposit : Income tax | 20 | | (20) | 0 |
| CIR : Research Tax Credit | 321 | 160 | (325) | 156 |
| CICE : Tax Credit | 54 | | (54) | 0 |
| Other tax receivables | 29 | 10 | (10) | 29 |
| TOTAL BEFORE PROVISIONS* | 424 | 170 | (409) | 185 |
| **Impairment** | | | | |
| CIR : Research Tax Credit | (4) | | 4 | 0 |
| CICE : Tax Credit | (1) | | 1 | 0 |
| **TOTAL** | **(5)** | **0** | **5** | **0** |
| TOTAL NET | 419 | 170 | (404) | 185 |
| * *Current portion (less than one year).* | *28* | | | *7* |
| *Long-term portion (over 1 year).* | *396* | | | *179* |

The increases mainly concern the Research Tax Credit (€160 million).

The decreases principally result from the assignment of €156 million of the 2017 Research Tax Credit receivable, €169 million of the 2018 Research Tax Credit receivable and €54 million of the 2018 CICE Tax Credit receivable.

The major components of other assets are:

- deferred charges consisting of final payments and issuance expenses on various loans;
- redemption premiums on several long-term bonds (five to seven years);
- unrealized foreign exchange losses corresponding to unrealized losses on borrowings issued in yen (€37 million), which are covered by a provision, and a €133 million foreign exchange difference on repayment of borrowings issued in yen used for the Nissan hedge, which is recorded in a cash instrument valuation difference account.

| *(€ million)* | At start of year | Increases | Decreases | At year-end |
|---|---|---|---|---|
| **Other assets** | | | | |
| Deferred charges | 13 | 4 | (5) | 12 |
| Bond redemption premiums | 12 | 11 | (3) | 20 |
| Unrealized foreign exchange losses | 126 | 75 | (32) | 170 |
| **TOTAL*** | **151** | **90** | **(40)** | **202** |
| * *Of which current portion (less than one year).* | *38* | | | *177* |
| *Of which long-term portion (over 1 year).* | *113* | | | *25* |

## 4.4.2.12 Shareholders' equity

Changes in shareholders' equity were as follows:

| *(€ million)* | Balance at start of year | Allocation of 2017 net income | Dividends | 2018 Net income | Other | Balance at year-end |
|---|---|---|---|---|---|---|
| Share capital | 1,127 | | | | | 1,127 |
| Share premium | 4,782 | | | | | 4,782 |
| Equity valuation difference | 901 | | | | (381) | 5,520 |
| Legal and tax basis reserves | 113 | | | | | 113 |
| Retained earnings | 8,173 | 1,726 | (1,035) | | | 8,864 |
| Net income | 1,726 | (1,726) | | 383 | | 383 |
| **TOTAL** | **21,822** | | **(1,035)** | **383** | **(381)** | **20,789** |

Non-distributable reserves amounted to €5,693 million at December 31, 2019.

The change in equity valuation difference mainly consists of the evolution of the value of Renault s.a.s. shares under the equity method for -€465 million, of Dacia shares valued under equity method for €80 million and of SOFASA shares valued under equity method for €4 million euros.

Renault SA's ownership structure was as follows at December 31, 2019:

| | Ownership structure | | Voting rights | |
|---|---|---|---|---|
| | Number of shares held | % of du capital | Number | %, |
| French State | 44,387,915 | 15.01% | 88,775,830 | 28.69% |
| Employees | 12,745,288 | 4.31% | 21 887,515 | 7.07% |
| Treasury shares | 4,548 736 | 1.54% | | |
| Nissan | 44,358,343 | 15.00% | | |
| Daimler AG | 9,167,391 | 3.10% | 15,741,908 | 5.09% |
| Others | 180,514,611 | 61.04% | 183,002,578 | 59.15% |
| **TOTAL** | **295,722,284** | **100%** | **309,407,831** | **100%** |

The par value of the Renault SA share is €3.81.

## 4.4.2.13 Redeemable shares

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal to at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.

797,659 redeemable shares remained on the market at December 31, 2019, for a total of €130 million including accrued interest. These shares are listed on the Paris Stock Exchange. The market price for redeemable shares with par value of €153 was €557 at December 31, 2019 (€601.02 at December 31, 2018).

The 2019 return on redeemable shares, amounting to €20 million (€21 million in 2018) is included in interest and equivalent expenses.

## 4.4.2.14. Provisions for risks and liabilities

Provisions for risks and liabilities break down as follows:

| *(€ million)* | At start of year | Increases | Reversals for application | Reversals without application | At year-end |
|---|---|---|---|---|---|
| Foreign exchange losses | 1 | 1 | (1) | | 1 |
| Provisions for expenses* | 380 | 76 | (96) | (42) | 318 |
| Other provisions for risks | 1 | | | (1) | |
| **TOTAL** | **382** | **77** | **(97)** | **(43)** | **319** |
| * *Of which current (less than 1 year)* | *108* | | | | *103* |
| *Of which long-term (over 1 year)* | *274* | | | | *216* |

A provision of €318 million was booked at December 31, 2019 (€380 million at December 31, 2018) after it was decided to allocate free shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s., a €247 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s (€299 million in 2018).

Each known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

## 4.4.2.15 Financial loans and borrowings

### A. Bonds

Bonds amounted to €6,310 million at December 31, 2019 (€5,240 million at December 31, 2018).

The principal changes in bonds over 2019 were as follows:

- issuance on June 24, 2019 of a 6-year bond (EMTN 54) with total nominal value of €1 billion, and a coupon of 1.250%;
- redemption on September 20, 2019 of a 3-year bond (Samurai 18) issued on September 23, 2016 with nominal value of ¥50 billion and a coupon of 0.23%;
- issuance on October 4, 2019 of an 8-year bond (EMTN 55) with total nominal value of €500 million, and a coupon of 1.125%.

#### BREAKDOWN BY MATURITY

| | December 31, 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(€ million)* | Total | <1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
| Nominal value | 6,274 | 577 | 821 | 218 | 900 | 758 | 3,000 |
| Accrued interest | 36 | 36 | | | | | |
| **TOTAL** | **6,310** | **613** | **821** | **218** | **900** | **758** | **3,000** |

| | December 31, 2018 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(€ million)* | Total | <1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
| Nominal value | 5,209 | 532 | 559 | 811 | 211 | 896 | 2,200 |
| Accrued interest | 31 | 31 | | | | | |
| **TOTAL** | **5,240** | **563** | **559** | **811** | **211** | **896** | **2,200** |

#### BREAKDOWN BY CURRENCY

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Before hedging | After hedging | Before hedging | After hedging |
| Euro | 4,986 | 5,621 | 3,479 | 3,79 |
| Yen | 1,324 | 689 | 1,761 | 1,761 |
| **TOTAL** | **6,310** | **6,310** | **5,240** | **5,240** |

#### BREAKDOWN BY INTEREST RATE TYPE

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Before hedging | After hedging | Before hedging | After hedging |
| Fixed Rate | 6,310 | 6,253 | 5,160 | 5,240 |
| Floating Rate | | 57 | 80 | |
| **TOTAL** | **6,310** | **6,310** | **5,240** | **5,240** |

### B. Borrowings from credit institutions

Borrowings from credit institutions stood at €442 million at December 31, 2019 (€306 million at December 31, 2018) and are mainly contracted on the market.

The principal changes over 2019 were as follows:

- redemption on May 30, 2019 of a 6-year bond with a nominal value of €77.5 million (initial nominal value of €300 million);
- subscription of new loans with total nominal value of €215 million euros;
- redemption on December 31, 2019 of a 15-year bond with a nominal value of €5.6 million (initial nominal value of €112.5 million).

#### BREAKDOWN BY MATURITY

| | December 31, 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(€ million)* | Total | <1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
| Nominal value | 435 | 95 | 75 | 25 | 50 | 190 | |
| Accrued interest | 3 | 3 | | | | | |
| **TOTAL** | **438** | **98** | **75** | **25** | **50** | **190** | **0** |

| | December 31, 2018 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(€ million)* | Total | <1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
| Nominal value | 303 | 83 | 95 | 75 | | 50 | |
| Accrued interest | 3 | 3 | | | | | |
| **TOTAL** | **306** | **86** | **95** | **75** | **0** | **50** | **0** |

#### BREAKDOWN BY CURRENCY

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Before hedging | After hedging | Before hedging | After hedging |
| Euro | 438 | 438 | 306 | 306 |
| **TOTAL** | **438** | **438** | **306** | **306** |

#### BREAKDOWN BY INTEREST RATE TYPE

| | December 31, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| *(€ million)* | Before hedging | After hedging | Before hedging | After hedging |
| Fixed Rate | 266 | 361 | 128 | 151 |
| Floating Rate | 172 | 77 | 178 | 155 |
| **TOTAL** | **438** | **438** | **306** | **306** |

### C. Other loans and financial debts

Other loans and financial debts amounted to €3,214 million at December 31, 2019 (€3,297 million in 2018), and principally comprise:

- €2,564 million in borrowings from Group subsidiaries with surplus cash;
- €650 million in treasury notes.

No loans or financial debts are secured or have a duration over 1 year.

No loans are secured by security rights.

## 4.4.2.16 Other liabilities

Changes in other liabilities were as follows:

| *(€ million)* | At start of year | Variation | At year-end |
|---|---|---|---|
| Tax liabilities* | 740 | (59) | 681 |
| Liabilities related to other assets | 5 | | 5 |
| Other liabilities | 2 | 4 | 6 |
| **TOTAL*** | **747** | **(55)** | **692** |
| * *Of which current portion (less than one year)* | *747* | | *692* |
| *Of which long-term portion (over 1 year)* | | | |

The variation in tax liabilities is mainly due to a €59 million decrease in the tax liability relating to subsidiaries in the tax consolidation group.

## 4.4.2.17 Unrealized gains on financial instruments

These are unrealized foreign exchange gains on treasury notes in US dollars and borrowings in yen that are no longer part of the Nissan hedge.

In 2018, these amount was €3 million.

## 4.4.2.18 Deferred income

Deferred income comprises unrealized foreign exchange gains on borrowings issued in yen or swapped to yen, and a foreign exchange gain on repayment of borrowings issued in yen used for the Nissan hedge, which is recorded in a cash instrument valuation difference account in the amount of €18 million.

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## 4.4.2.19 Financial instruments

### Financial instruments and risk management

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

| | 2019 | | 2018 | |
|---|---|---|---|---|
| *(€ million)* | Notional | Fair value | Notional | Fair value |
| Interest rates | 95 | (1) | 257 | (1) |
| Currency swaps | 57 | (2) | | |
| Other forward exchange contracts—Purchases | 680 | (10) | 144 | 4 |
| Other forward exchange contracts—Sales | 689 | | 141 | |

*All the operations are with Renault Finance.*
*Forward purchases and sales and swap transactions are off-balance sheet.*

### Foreign exchange risk

Foreign exchange risk management essentially comprises currency swaps and forward exchange operations to cover Renault's own foreign currency financing. Renault SA also undertakes forward exchange operations to hedge loans and borrowings in foreign currencies with its subsidiaries.

### Interest rate risk

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate.

Renault SA uses derivatives to implement the above interest rate and exchange rate risk management policies. These operations are undertaken with Renault Finance, a wholly-owned Groupe Renault subsidiary.

### Liquidity risk

The Group's Automotive operating segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automotive operating segment via the capital markets through long-term resources (bond issues, private placements) and short-term financing such as treasury notes, or by bank financing.

Renault SA also has confirmed credit agreements with banking establishments (see note II.6.2).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

## 4.4.2.20 Commitments given and received

Off-balance-sheet commitments are as follows:

| (€ million) | 2019 Total | 2019 Concerning related companies | 2018 Total | 2018 Concerning related companies |
|---|---|---|---|---|
| **Commitments received** | | | | |
| Guarantees and deposits | | | | |
| Unused opened credit lines | 3,480 | | 3,480 | |
| **TOTAL** | **3,480** | | **3,480** | |
| **Commitments given** | | | | |
| Guarantees and deposits | 830 | 700 | 715 | 700 |
| Unused opened credit lines | 487 | 487 | 491 | 491 |
| **TOTAL** | **1,317** | **1,187** | **1,206** | **1,191** |

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €700 million by Renault SA with RCI Banque.

There are no restrictive clauses on credit lines opened but unused.

### Contingent liabilities

As part of the ongoing procedure in France on the issue "emissions", Renault took note of the opening of a judicial inquiry. This new stage in the proceedings indicates the prosecutor's wish to continue the investigations. No provision has been made in the accounts at December 31, 2019 (or December 31, 2018).

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision being cancelled is high. Also, due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. Consequently, no provision has been recognized in connection with this matter at December 31, 2019. On April 3, 2019 Renault's application for the suspension of the payment was accepted, with arrangement of a bank guarantee. The next court hearing is scheduled for February 26, 2020.

## Other information

## 4.4.2.21 Cash flow

Cash flow is determined as follows:

| (€ million) | 2019 | 2018 |
|---|---|---|
| Net income | 383 | 1 726 |
| Increases to provisions and deferred charges | 8 | 7 |
| Net increase to provisions for risks and liabilities | (64) | 28 |
| Net increases to impairment | 268 | (10) |
| Net profit on assets sold | | (0) |
| **TOTAL** | **595** | **1 752** |

## 4.4.2.22 Workforce

Renault SA has no employees.

## 4.4.2.23 Directors' fees and compensation of corporate officers

Directors' fees amounted to €1,500,000 in 2019 (€1,499,750 paid for 2018, of which €48,000 were for the function of Chairman). The Chairman of the Board of Directors does not receive attendance fees for his term as director.

Compensation excluding social security charges recognized in the income statement in 2019, including the provisional variable portion, amounts to €2 million.

5,520 performance shares were awarded to company officers in 2019.

## 4.4.2.24 Information on supplier and customer invoice payment times

Under article L. 441-6-1 of the French commercial code (*code de commerce*), as Renault SA has no commercial activity this report does not contain details of supplier and customer invoice payment times.

The relevant information can be found in the Renault s.a.s management report.

## 4.4.2.25 Subsidiaries and affiliates

### Direct holdings

| Companies *(€ million)* | Share capital | Reserves and retained earnings | % of capital held | Book value of shares owned |
|---|---|---|---|---|
| INVESTMENTS | | | | |
| Renault s.a.s. 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt | 534 | 4,971 | 100.00% | 10,194 |
| Dacia 1 rue Uzinei 115400 Mioveni ROMANIA (1) | 531 | 486 | 99.43% | 1,122 |
| Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA (2) | 602 | (78) | 50.00% | |
| Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN (3) * | 11,659 | | 43.40% | 6,217 |
| Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY* | 3,070 | | 1.55% | 584 |
| RNBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS** | 6 | | 50.00% | 12 |
| Sofasa Carrera 49 N°39 Envigado COLOMBIA (4) | 1 | 49 | 27.66% | 20 |
| TOTAL INVESTMENTS | | | | 18 149 |

*(1) The exchange rate used for Dacia is 4.7830 Romanian lei = 1 euro.*
*(2) The exchange rate used for DRAC is 7.8205 Renminbi Yuan = 1 euro.*
*(3) The exchange rate used for Nissan is 121.94 Yen = 1 euro.*
*(4) The exchange rate used for Sofasa is 3,679.00 Colombian pesos = 1 euro.*

| Companies *(€ million)* | 12-month revenues excluding taxes year ended December 31, 2019 | Net income (loss), prior year | Dividends received by Renault SA in 2019 |
|---|---|---|---|
| INVESTMENTS | | | |
| Renault s.a.s. 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt | 47,949 | (170) | 23 |
| Dacia 1 rue Uzinei 115400 Mioveni ROMANIA (1) | 5,199 | 141 | 52 |
| Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA (2) | | | |
| Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN (3) * | | | 579 |
| Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY* | | | 54 |
| RNBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS** | | | |
| Sofasa Carrera 49 N°39 Envigado COLOMBIA (4) | 820 | 14 | |

*(1) The average exchange rate used for Dacia is 4.745694 Romanian lei = 1 euro.*
*(2) The average exchange rate used for DRAC is 7.733878 Renminbi Yuan = 1 euro.*
*(3) The average exchange rate used for Nissan is 122.056369 Yen = 1 euro.*
*(4) The average exchange rate used for Sofasa is 3,668.79048 Colombian pesos = 1 euro.*
* *For Daimler, this information will be available from February 11, 2020 on the Daimler website at: www.daimler.com/investors/reports-news/annual-reports/2019/.*
*For Nissan, this information can be found in note 12 to the Groupe Renault 2019 Universal registration document at: https://group.renault.com/en/finance-2/financial-information/documents-and-publications/.*
** *For RNBV, this information is unavailable.*

### Indirect holdings

The full list of subsidiaries held indirectly by Renault SA is contained in the document entitled "Additional information on the Group Renault composition" available from the financial information section of the Group's website at:

https://group.renault.com/en/finance-2/financial-information/documents-and-publications/.

### Investments under the equity method

The value of RENAULT s.a.s shares valued under the equity method decreased by €465 million in 2019 due to its underperformance and that of its subsidiaries;

The value of Dacia shares valued under the equity method increased by €80 million.

### Acquisition of investments

See Note 4.4.2.8.

## 4.4.2.26 Five-year financial highlights

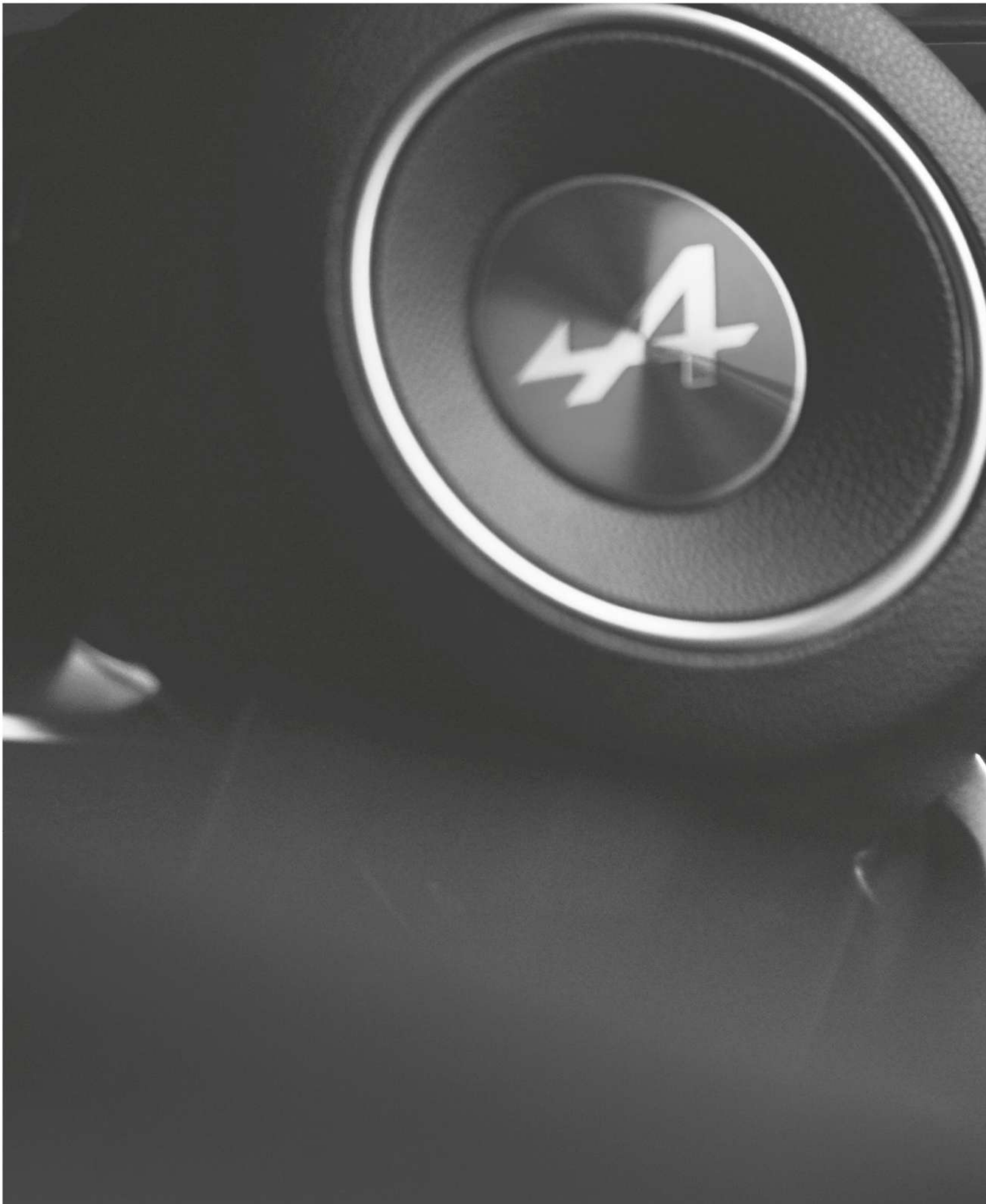
| *(€ million)* | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| **YEAR-END FINANCIAL POSITION** | | | | | |
| Share capital *(€ million)* | 1,127 | 1,127 | 1,127 | 1,127 | 1,127 |
| Number of shares and investment certificates outstanding | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 |
| **OVERALL INCOME FROM OPERATIONS** *(€ million)* | | | | | |
| Revenues excluding tax | | | | | |
| Income before tax, amortization, depreciation and provisions [(1)] | 564 | 1,404 | 815 | 1 560 | 485 |
| Income tax | 160 | 81 | 95 | 91 | 80 |
| Income after tax, amortization, depreciation and provisions | 663 | 1,382 | 937 | 1 726 | 383 |
| Dividends paid | 701 | 916 | 1,027 | 1 035 | |
| **Earnings per share** *(in Euros)* | | | | | |
| Earnings before tax, amortization, depreciation and provisions [(1)] | 1.91 | 4.75 | 2.76 | 5.27 | 1.64 |
| Earnings after tax, amortization, depreciation and provisions | 2.24 | 4.67 | 3.17 | 5.84 | 1.30 |
| Basic and diluted earnings per share [(2)] | 2.42 | 5.04 | 3.42 | 6.31 | 1.40 |
| Dilutive potential effect | 0.17 | 0.37 | 0.25 | 0.47 | 0.10 |
| Net dividend per share | 2.40 | 3.15 | 3.55 | 3.55 | |
| **EMPLOYEES** [(3)] | | | | | |

*(1) Provisions are those recorded during the year, less reversals and applications.*
*(2) Based on the average number of shares at year end.*
*(3) No employees.*

## 4.4.2.27 Subsequent events

Following the selection process led by the Governance and Compensation Committee, the Board of Directors, meeting on January 28, 2020 under the chairmanship of Mr Jean-Dominique Senard, made the decision to appoint Mr Luca de Meo as Chief Executive Officer of Renault SA, and Chairman of Renault s.a.s, effective July 1, 2020.

Ms Clotilde Delbos, interim Chief Executive Officer of Renault SA, will continue to assume her functions until Mr Luca de Meo takes office. In addition, the Board of Directors gave a favorable opinion on her appointment to the position of Deputy Chief Executive Officer of Renault SA, effective July 1, 2020.




05

# RENAULT AND ITS SHAREHOLDERS



The elements of the annual financial report are identified by the AFR symbol.

# 5.1 GENERAL INFORMATION

## 5.1.1 Overview

### 5.1.1.1 Business name and head office

Business name: Renault.

Head office: 13-15, quai Le Gallo, 92100 Boulogne-Billancourt – France.

### 5.1.1.2 Legal form

Organized as a *société anonyme* (public limited company).

### 5.1.1.3 Date of incorporation and term of the Company

The Company was founded on January 16, 1945. It will expire on December 31, 2088 except in the case of early dissolution or extension.

### 5.1.1.4 Summary of corporate purpose

Renault's corporate purpose is principally the design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles. In addition, it includes the performance of services relating to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the By-laws).

Further details of the Company's corporate purpose are provided in Article 3 of the By-laws, available at www.groupe.renault.com.

### 5.1.1.5 Registration and identification numbers

RCS number: 441 639 465 RCS Nanterre (APE code 6420Z).

Head office Siret code: 441 639 465 00018.

LEI number: 969500F7JLTX36OUI695.

### 5.1.1.6 Access to legal documents

Legal documents such as the Company By-laws, the Board of Directors' Charter, documents relating to Annual General Meetings, statutory auditors' reports and all other documents made available to shareholders in accordance with applicable legal provisions may be consulted at the Company's head office.

### 5.1.1.7 Financial year

The Company's financial year runs from January 1 to December 31.

## 5.1.2 Special provisions of the By-laws

### 5.1.2.1 Allocation of net profits

Net profits are allocated in compliance with applicable legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years as specified by law. Upon recommendation by the Board of Directors, the Annual General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares.

Requests for the payment of scrip dividends must be submitted within the time period established by the Annual General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

### 5.1.2.2 Annual General Meetings

Annual General Meetings are convened in accordance with applicable legal and regulatory provisions. The right to attend Annual General Meetings is evidenced by the registration of the shares in an account in the name of the shareholder or in the name of the registered intermediary acting on his or her behalf, by midnight (zero hours) Paris time on the second working day before the Annual General Meeting, either in the registered share account held by the Company or in the bearer share accounts held by an authorized intermediary. The registration of bearer shares in the share records held by the authorized intermediary is evidenced by a shareholding certificate issued by the said intermediary.

### 5.1.2.3 Shares and voting rights

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner. However, shares that are not fully paid-up must be in registered form.

Each shareholder has as many votes as he or she owns shares, subject to the provisions below.

Since April 3, 2016, pursuant to Article L. 225-123 of the French Commercial Code, as amended by Law no. 2014-384 of March 29, 2014 (the so-called Florange Law), unless provided otherwise in the Renault By-laws adopted subsequently to the promulgation of the Florange Law, a voting right double to that conferred to other shares is automatically attributed to all fully paid up shares for which proof of registration is provided for at least two years in the name of the same shareholder.

At December 31, 2019, 106,950,969 Renault shares held double voting rights, representing around 36.2% of the share capital and around 69.1% of the voting rights that may be exercised in Renault's Annual General Meeting at that date.

The double voting right automatically ceases for any share that has been converted to a bearer share or undergone a transfer of ownership, subject to any exceptions provided for by law.

Free shares resulting from the capital increase, earnings or other paid-in capital are entitled to double voting rights from their date of issue if they are attributed on account of shares already enjoying such rights.

In addition, treasury shares do not carry voting rights.

At December 31, 2019, the theoretical number of voting rights was 402,673,253.

In view of the 4,548,736 Treasury shares and the 44,358,343 shares held by Nissan Finance Co., Ltd. (see chapter 5.2.6.1 below), all of which are deprived of voting rights, the total number of exercisable voting rights as at December 31, 2019 was 309,407,831.

### 5.1.2.4 Identifiable bearer shares

The Company is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own Shareholders' Meetings.

### 5.1.2.5 Shareholding disclosures

In addition to the legal requirement for shareholders to inform the Company if they hold certain percentages of its share capital or voting rights, every shareholder or fund management company that comes into possession of a number of shares above 2% of the share capital or voting rights, or a multiple of this percentage representing less than or equal to 5% of the share capital or voting rights, shall inform the Company of the total number of shares held. Such disclosure shall be made by registered letter with return-receipt within a time period set forth in a Conseil d'État decree, starting from the date of registration of the shares that brought the shareholder's interest up to or beyond the threshold. In excess of 5%, the aforementioned disclosure requirement applies to 1% fractions of the share capital or voting rights.

For the purposes of determining the thresholds described above, indirectly held shares or equity equivalents held as defined by the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code will also be taken into account.

The declarer must certify that the said declaration includes all shares held or owned as per the provisions of the preceding paragraph, and must indicate the acquisition date(s). The disclosure requirement applies in the same manner if the holding of shares falls below any of the aforementioned thresholds, 2% or 1% as applicable.

If the conditions described above are not complied with, any shares exceeding the fraction that should have been declared shall be deprived of its voting rights at any Shareholders' Meetings held in a period of two years following the date of due notification, in so far as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

The Company did not receive any declaration on crossing legal thresholds during the 2019 fiscal year.

# 5.2 GENERAL INFORMATION RELATING TO RENAULT'S SHARE CAPITAL

## 5.2.1 Share capital

As at December 31, 2019, the share capital amounted to €1,126,701,902.04, consisting of 295,722,284 shares with a par value of €3.81 each. The shares are fully subscribed and paid up.

## 5.2.2 Change in the share capital

The Extraordinary General Meeting may, as specified by law, increase or reduce the share capital and grant delegation to the Board of Directors to carry out such transactions, with the faculty of delegation in accordance with applicable legal provisions.

## 5.2.3 Changes in capital ownership over the past five years

There were no changes in capital ownership over the past five years. The last capital increases date from April 28, 2010. During the reserved capital increases at a price of €37 per share, Nissan Finance Co., Ltd. and Daimler AG respectively subscribed 1,617,775 shares and 9,167,391 shares with a par value of €3.81.

## 5.2.4 Unissued authorized share capital

### 5.2.4.1 Overall authorizations

The Annual General Meeting of June 15, 2018, authorized the Board of Directors to proceed with various financial transactions to carry out capital increases to the Company's share capital, with or without preferential subscription rights.

To date, these authorizations have not been used.

These authorizations are detailed hereafter.

### 5.2.4.2 Table of authorizations granted in respect of capital increases

The table hereafter details the delegations remaining in effect granted by the General Meeting of the Company to the Board of Directors with respect to share capital increases:

| | Description of the delegation granted to the Board of Directors | Implementation |
|---|---|---|
| **20th resolution 2018 AGM** | Issuance of ordinary shares and/or securities giving access to the share capital with preferential subscription rights for shareholders.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €350 million (about 30% of the share capital). | None |
| **21st resolution 2018 AGM** | Issuance of ordinary shares and/or securities giving access to the share capital without preferential subscription rights for shareholders, by way of public offer.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €120 million (about 10% of the share capital). | None |
| **22nd resolution 2018 AGM** | Issuance of ordinary shares and/or securities giving access to the share capital without preferential subscription rights for shareholders, by way of private placement.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €60 million (about 5% of the share capital). | None |
| **23rd resolution 2018 AGM** | Issuance of ordinary shares and/or securities giving access to the share capital, without preferential subscription rights for shareholders, in the event of an exchange tender offer initiated by the Company.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €120 million (about 10% of the share capital). | None |
| **24th resolution 2018 AGM** | Issuance of ordinary shares and/or securities giving access to the Company's share capital, without preferential subscription rights for shareholders, in consideration for contributions in kind to the Company.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €120 million (about 10% of the share capital). | None |
| **25th resolution 2018 AGM** | Capital increase by incorporation of reserves, profits or premiums.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of €1 billion. | None |
| **26th resolution 2018 AGM** | Capital increase by issuance of shares reserved for employees of the Company or affiliated companies, without preferential subscription rights for shareholders.<br>Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements.<br>Maximum cap for capital increases of 1% of the share capital of the Company. | None |

The total nominal amount of any capital increases that may be carried out by virtue of the twentieth, twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions submitted to the Annual General Meeting of June 12, 2018 may not exceed €350 million (three hundred and fifty million euros).

## 5.2.5 Potential share capital

### 5.2.5.1 Options

The Company has decided to no longer grant any new stock-option purchase plans.

The latest authorization was adopted by the Combined General Meeting of April 29, 2011 for a period of 38 months. There are no plans to request a new authorization from the Annual General Meeting. For details of current grants and options, see table 8 in chapter 3.2.5.3 of this Universal Registration Document.

### 5.2.5.2 Performance Shares

Pursuant to Article L. 225-197-1 of the French Commercial Code, the Combined General Meeting of June 12, 2019, authorized, for a period of 38 months, the Board of Directors to grant performance shares, either existing or to be issued, to employees of the Company or to certain categories of such employees and employees of the companies and groupings related to it, as provided for in Article L. 225-197-2 of the French Commercial Code. For details regarding grants and shares in circulation, refer to table 9, chapter 3.2.5.3 of this Universal Registration Document.

### 5.2.5.3 Share buyback program[1]

#### Trading by Renault in its own shares in 2019 and allocation of treasury shares

As at December 31, 2019, Renault held 4,548,736 shares with a par value of €3.81, and a net carrying amount of €326,321,571.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the eighth resolution of the Combined General Meeting of June 15, 2018 authorized the Company to deal in its own shares so as to allow it to benefit from the opportunities granted by applicable law. The authorization was granted until December 15, 2019. A new share buyback program was authorized by the Annual General Meeting of June 12, 2019, rendering the program authorized on June 15, 2018 ineffective from the date of said meeting.

In June 2019, Renault acquired 800,000 of its own shares as part of the share buyback program approved by the Annual General Meeting of June 15, 2018.

The 4,548,736 shares held directly or indirectly by Renault as at December 31, 2019, are allocated in their entirety to the fulfilment of free performance share plans or any other form of allocation, allotment or transfer granted to employees or senior executives of the Company. The shares acquired by the beneficiaries of share-based compensation (Long-Term Incentives) shall not have any effect on the share capital structure. Therefore, it is planned that shares acquired under a free performance share award shall come from the share buyback program. The aim is to leave the Company's share capital unchanged.

Percentage of treasury shares held directly or indirectly as at December 31, 2019: 1.54%.

Number of shares canceled over the 24 months preceding December 31, 2019: 0.

Number of shares held in the portfolio as at December 31, 2019: 4,548,736.

Net carrying amount of the portfolio as at December 31, 2019: €326,321,571

Portfolio value as at December 31, 2019[2]: €191,865,684 .

**TRADING BY RENAULT IN ITS OWN SHARES IN 2019 AS PART OF THE PROGRAMS AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF JUNE 15, 2018 AND JUNE 12, 2019**

| | Total gross flows at December 31, 2019 | | Long and short positions at December 31, 2019 | |
|---|---|---|---|---|
| | Buy | Sell | Open buy positions | Open sell positions |
| Number of shares | 800,000 | 0 | Nil | Nil |
| Average selling, purchase or exercise price | 54.95 | 0 | Nil | Nil |
| **AMOUNT** | **43,956,780** | **0** | **NIL** | **NIL** |

#### Description of the share buyback program submitted for authorization to the Annual General Meeting of April 24, 2020

Pursuant to Articles 241-1 to 241-7 of the French Financial Market Authority (AMF) General Regulation and Article L. 451-3 of the French Monetary and Financial Code, this chapter describes the objectives and arrangements for the new treasury share buyback program organized by Renault, which will be submitted for approval to the Combined General Meeting of Shareholders of April 20, 2020.

The objectives of the program are to:

i. cancel all or some of the shares acquired, notably to compensate for dilution arising from the exercise of share subscription options or the acquisition of shares allocated free of charge, subject to the adoption of seventeenth resolution put to this Annual General Meeting;

ii. use all or some of the shares acquired to implement any share purchase option plan or restricted share plan, or any other form of assignment, allocation, disposal, or transfer for former or current employees and managers of the Company and its Group, and complete any hedging transaction relating to any such transactions, within the terms established by law;

iii. deliver any or all of the shares acquired upon exercise of rights attached to securities giving right, through conversion, exercise, redemption or exchange or any other manner, to shares of the Company, within the framework of applicable regulations;

iv. act on the secondary market or the liquidity of the Renault share through an independent Investment Services Provider pursuant to a liquidity agreement complying with the code of ethics approved by the AMF; and

v. more broadly, perform all other transactions currently admissible, or that would become authorized or admissible, by applicable laws or regulatory provisions or by the AMF.

*(1) This paragraph includes information that must be given in the description of the program in application of Article 241-2 of the AMF General Regulation and information required in application of the provisions of Article L. 225-211 of the French Commercial Code.*
*(2) Based on a stock market price of €42.18 at December 31, 2019.*

The acquisition, disposal, transfer, or exchange of these shares may be performed by any means, notably on the market or through over-the-counter transactions, including block trading, using derivative financial instruments or bonds or securities granting access to the Company's share capital, or by implementing option strategies, within the bounds of applicable regulations.

The Annual General Meeting sets:

- the maximum purchase price (or the counter-value of this amount on the same date in any other currency), excluding acquisition costs, at €100 per share, and the maximum amount of funds allocated for the completion of the share purchase program at €2,957.25 million, it being specified that in the event of transactions affecting the share capital (splitting or consolidation of shares or free share allocations to shareholders), the price and the maximum amount of funds allocated for the completion of the share purchase program will be adjusted on the basis of the ratio of the number of securities constituting the share capital prior to the transaction compared to the total number after the transaction;
- the number of shares which may be acquired at 10% of the shares constituting the share capital, it being specified that (a) this limit applies to a given amount of the Company's share capital, to be adjusted if necessary to take into account transactions affecting the share capital subsequent to this Annual General Meeting and (b) if the aim of the share buyback is to enhance share liquidity pursuant to the conditions set out in the AMF General Regulations, the number of shares taken into account to calculate the 10% limit corresponds to the number of shares purchased, minus the number of shares resold during the authorization period.

As of December 31, 2019, the 10% limit of the share capital corresponded to 29,572,228 Company shares.

Within the limits allowed by the applicable regulations, transactions performed by the Board of Directors pursuant to this authorization may take place at any time during the validity of the share buyback program, it being specified that if a public bid for the Company's stocks is made by a third party, the Board of Directors may not implement this authorization and the Company may not pursue any share purchase program until after the end of the bid period, except in the case of prior authorization having been granted by the Annual General Meeting.

Pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the Company may not own more than 10% of the total of its own shares, or more than 10% of any given share category, either directly or through any person acting in their own name on behalf of the Company.

All powers are granted to the Board of Directors, including powers of sub-delegation, to implement this authorization, specify, if necessary, its terms, decide on its conditions and, in particular, place all orders on or off the stock market, assign or re-assign the shares acquired to the different purposes pursued in compliance with applicable legal and regulatory conditions, perform all formalities, and, more generally, do all that is required in this respect.

Each year, the Board of Directors shall make a report of the transactions performed pursuant to this resolution to the Annual General Meeting.

This authorization is granted for a maximum period of eighteen (18) months as of the date of this Annual General Meeting, and renders any previous authorization to the same end null and void for any remaining, unused amounts covered thereby.



## 5.2.6 Renault share ownership

### 5.2.6.1 Renault shareholders as at December 31, 2019

**OWNERSHIP STRUCTURE AND EXERCISABLE VOTING RIGHTS FOR THE LAST THREE FINANCIAL YEARS**

| | 12/31/2019 | | | 12/31/2018 | | | 12/31/2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of shares held | % of capital | % of voting rights | Number of shares held | % of capital | % of voting rights | Number of shares held | % of capital | % of voting rights |
| French State (1) | 44,387,915 | 15.01% | 28.69% | 44,387,915 | 15.01% | 28.60% | 44,387,915 | 15.01% | 28.67% |
| Nissan Finance. Co., Ltd. | 44,358,343 | 15.00% | - | 44,358,343 | 15.00% | - | 44,358,343 | 15.00% | - |
| Daimler Group | 9,167,391 | 3.10% | 5.09% (2) | 9,167,391 | 3.10% | 5.91% | 9,167,391 | 3.10% | 5.92% |
| Employees (3) | 8,605,324 | 2.91% | 4.63% | 7,210,603 | 2.44% | 4.14% | 5,994,937 | 2.03% | 3.87% |
| Treasury stock | 4,548,736 | 1.54% | - | 5,058,961 | 1.71% | - | 6,414,355 | 2.17% | - |
| Public | 184,654,575 | 62.44% | 61.59% | 185,539,071 | 62.74% | 61.35% | 185,399,343 | 62.69% | 61.54% |
| **TOTAL** | **295,722,284** | **100.00%** | **100.00%** | **295,722,284** | **100.00%** | **100.00%** | **295,722,284** | **100.00%** | **100.00%** |

*(1) For information on the change in the voting rights held by the French State, see the explanations in the following paragraphs.*

*(2) The number of shares held by the Daimler Group remains unchanged from the 2018 Registration document. The change in the percentage of voting rights is the result of the loss of double voting rights attached to the Renault shares transferred between subsidiaries of the Daimler Group (please see the explanations below).*

*(3) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual funds, as well as to registered shares directly held by the beneficiaries of free share allocation as of the 2016 allocation plan, pursuant to Article L. 225-102 of the French Commercial Code.*

The share capital amounts to €1,126,701,902.04 divided into 295,722,284 shares. As at December 31, 2019, this was distributed as follows:

- the French State held 15.01% of the share capital corresponding to 22.05% of theoretical voting rights and 28.69% of exercisable voting rights in Renault (excluding the application of the restrictions described in chapter 5.2.6.2 of the Universal Registration Document);
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., held 15% of Renault's share capital (unchanged since December 31, 2018). However, Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares pursuant to the provisions of Article L. 233-31 of the French Commercial Code, owing to Renault's ownership interest in Nissan Motor Co., Ltd., parent company of Nissan Finance Co., Ltd.;
- Daimler Group, through its subsidiaries Daimspain, Daimspain DAG and Daimspain DT, holds 3.10% of the capital and 5.09% of the exercisable voting rights in Renault. On September 20, 2019, Daimler Group informed the Company of the disposal by Daimspain of (i) 904,645 shares to Daimspain DAG and of (ii) 1,688,220 shares to Daimspain DT, with all Daimspain DAG and Daimspain DT shares now held by Daimler Pension Trust e.V. In application of article L. 225-123 of the French Commercial Code, the shares sold to Daimspain DAG and Daimspain DT have lost the double voting rights attached to them prior to this disposal for a duration of two years;
- Renault's employees and former employees own 2.91% of the share capital, including 2.58% via FCPE mutual funds under collective management and 0.33% by the beneficiaries of free share allocations;
- treasury stock represented 1.54% of the share capital. Under French law, such shares do not carry voting rights;
- the free float represented 62.44% of the share capital (compared with 62.74% as at December 31, 2018); and
- the members of the Board of Directors together and directly hold less than 0.5% of the Company's share capital.

To the best of the Company's knowledge, no other shareholder holds more than 5% of the capital or voting rights, directly or indirectly, alone or in concert, other than the French State or Nissan Finance Co, Ltd.

A survey of the holders of Renault bearer shares was conducted on November 30, 2019.

This gave an estimated breakdown of the public ownership's interest by category of major shareholder. At that date:

- the institutional shareholders owned 44.55% of Renault's share capital, it being stated that:
  - French institutional investors held 13.29% of the share capital,
  - foreign institutional investors held 31.26% of the share capital, and
  - the 10 largest French and foreign institutional investors held approximately 14.78% of the share capital;
- the remaining public ownership in the capital i.e., 17.89% was held primarily by individual shareholders.

## 5.2.6.2 Shareholder agreements on shares and voting rights of the Company

### Absence of concerted action between Renault and Daimler

Renault and Daimler have declared that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the French Commercial Code. To the best knowledge of the Company, and as at the date of this Universal Registration Document, there are no shareholder agreement governing relations between the Company's shareholders, and no concerted actions.

### Restrictions on the transfer of shares

As part of the long-term strategic Master Cooperation Agreement signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v. and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-37-5 of the French Commercial Code:

- right of first offer: if Daimler wishes to transfer its Renault shares (either at the end of the lock-up commitment or during that period in case of authorized transfer), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or propose them for sale on the market;
- commitment in the event of a hostile public offer: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a public offer on Renault shares that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

### Restrictions on the free exercise of voting rights attached to shares held by the French State

In the context of the discussions conducted, on the one hand between Renault and Nissan and on the other between Renault and the French State, to restore the balance between the investments of these two shareholders in Renault, and on this occasion, to ensure the continuity and development of the Alliance, on February 4, 2016, Renault and the French State entered into a governance agreement aimed at restricting the free exercise of the French State's voting rights in respect of certain decisions submitted to Renault's Annual General Meeting.

This limitation varies depending on the quorum achieved at the Annual General Meeting:

- if the shareholders attending or represented at the Annual General Meeting in question own maximum 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 17.9% of the voting rights exercisable; and
- if the shareholders attending or represented at the Annual General Meeting in question own more than 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 20% of the voting rights exercisable.

Beyond this applicable capping threshold, the French State's voting rights are exercised in a neutral way, *i.e.*:

- at 50% in favor, and 50% against the adoption of ordinary resolutions;
- at 66⅔% in favor, and 33⅓% against the adoption of extraordinary resolutions; and
- in full for the adoption of resolutions requiring shareholder unanimity.

The French State's neutralized voting rights do not have an impact on the outcome of the vote for resolutions subject to capping, unlike voting rights that are freely exercisable by the French State and the other shareholders.

The restriction on the free exercise of the French State's voting rights applies to all decisions within the competence of the Ordinary General Meeting, with the exception of the following decisions, for which the French State may freely exercise all of its double voting rights:

- allocation of earnings, fixing of the dividend and its payout date;
- the option of receiving all or part of the dividend payout in cash or in shares;
- appointment of directors representing the French State, renewal of their terms of office or ratification of their appointments by the Board of Directors;
- removal of directors representing the French State;
- approval of the sale of significant assets;
- related-party agreements against which the representatives of the French State voted on the Board of Directors; and
- grant of delegation to the Board of Directors to trade in Renault's shares, in the event of a program to buyback one or more blocks of shares from one or more identified shareholders.

For Extraordinary General Meetings, the French State may freely exercise all of its voting rights, with the exception of the following decisions for which the French State's freely exercisable voting rights are capped, namely:

- grant or renewal of delegations of authority or powers to the management bodies of Renault whose terms are consistent with the existing practices of Renault as demonstrated over the five years preceding the decision;
- decision or delegation granted to the Board of Directors to award stock-options, allocate consideration-free shares or issue shares or securities giving access to the capital to the employees and company officers of the Group;
- modification of the age limit for the exercise of functions or the term of office of directors and senior executive officers; and
- transfer of the head office (except outside of France).



## IMPLEMENTATION OF RESTRICTIONS ON THE FREE EXERCISE OF VOTING RIGHTS ATTACHED TO SHARES HELD BY THE FRENCH STATE AT ANNUAL GENERAL MEETINGS

| | | | | Quorum less than or equal to 70% | | Quorum greater than 70% | |
|---|---|---|---|---|---|---|---|
| Accounts | Voting conditions | Percentage of voting rights exercisable | | Simple majority | Qualified majority | Simple majority | Qualified majority |
| Account 7 | | | 1/3 (2.87%) | No | No | No | No |
| Account 6 | Postal voting | 8.6% | 1/6 (1.43%) | No | Yes | No | Yes |
| Account 5 | | | 1/2 (4.3%) | Yes | Yes | Yes | Yes |
| Account 4 | | | 1/3 (0.7%) | No | No | Free | Free |
| Account 3 | Voting by proxy | 2.1% | 1/6 (0.35%) | No | Yes | Free | Free |
| Account 2 | | | 1/2 (1.05%) | Yes | Yes | Free | Free |
| Account 1 | Postal voting | 17.9% | 1 (17.9%) | Free | Free | Free | Free |

Resolutions submitted by a shareholder other than the French State are not subject to the restriction mechanism if the French State votes according to the recommendations of the Board of Directors of Renault.

Restrictions on the free exercise of voting rights shall cease to apply if:

- Nissan exercises the voting rights attached to its shares at any Renault Annual General Meeting; and
- the Restated Alliance Master Agreement entered into between Renault and Nissan on March 28, 2002 (as amended on April 29, 2005, November 7, 2012 and December 11, 2015) is amended, and the representatives of the French State did not vote in favor thereof on the Board of Directors, or if the said Restated Alliance Master agreement is terminated.

In addition, the restriction is suspended:

- in the event of a public offer on the financial securities of Renault initiated by any person, from the announcement thereof until the expiration of the offer period; and
- as long as a person (with the exception of the French State, but including Nissan), acting alone or in concert, owns, directly or indirectly, immediately or in future, a participation or an economic exposure representing more than 15% of the share capital or voting rights of the Company.

In the event of violation by the French State of its commitments under the corporate governance agreement, Renault may seek conversion into bearer shares of all Renault shares owned by the French State, thus depriving them of the double voting rights for a period of two years.

BNP Paribas Securities Services, the custodian for Renault's shares, assists Groupe Renault in the implementation of this mechanism through the management of the seven fully registered shareholder accounts in which the Renault shares held by the French State are registered. The terms of its involvement are set out in an agreement for the implementation of the corporate governance agreement, which was signed on February 4, 2016 between Renault, the French State and BNP Paribas Securities Services.

# 5.3 MARKET FOR RENAULT SHARES

## 5.3.1 Renault shares

### 5.3.1.1 Listing exchange and stock indexes

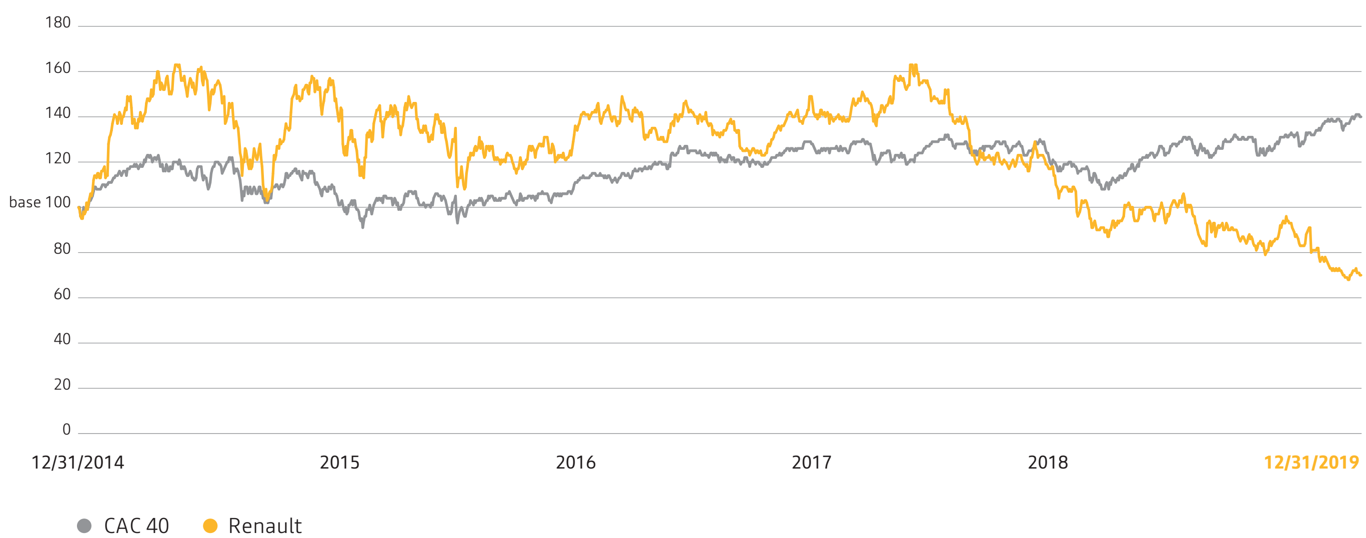
Renault has been listed on the Paris Stock exchange (Euronext) since November 17, 1994, when the Company was partially privatized. The issue price was FRF165 (€25.15). The Renault share has been one of the shares which compose the CAC 40 index since February 9, 1995.

Listed on Euronext – compartment A, ISIN code FR0000131906, ticker code: RNO, the Renault share qualifies for the deferred settlement account system (*Service de règlement différé*, SRD) and for inclusion in French equity savings plans (PEA).

The share is also a component of the SBF, Euronext and Euro Stoxx Auto indexes.

Furthermore, Renault receives annual ratings from sustainability agencies for its performance in spheres such as risk management, labor relations, environmental protection, and societal practices, and it is included in a number of indexes (see chapter 2.6.4 of the Universal Registration Document)

### 5.3.1.2 Renault share price performance over the last five years




**CHANGE IN RENAULT SHARE PRICE AND THE MARKETS**

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Year high *(€)* | 63.87 | 98.75 | 90.18 | 90.00 | 98.81 |
| Year low *(€)* | 41.20 | 53.68 | 74.27 | 65.36 | 57.38 |
| Closing price *(€)* | 42.18 | 54.55 | 83.91 | 84.51 | 92.63 |
| Change during the year *(%)* | -22.68 | -34.99 | -0.71 | -8.77 | +54.64 |
| CAC change during the year *(%)* | +26.37 | -10.95 | +9.26 | +4.86 | +9.05 |
| DJES Auto change during the year *(%)* | +15.09 | -28.10 | +13.9 | -3.94 | +13.8 |
| Number of shares exchanged during the year | 337,682,451 | 301,791,893 | 240,164,421 | 257,321,509 | 332,181,829 |
| Market capitalization *(€ million)* | 12,474 | 16,132 | 24,814 | 24,991 | 27,393 |

*Source: Reuters.*

The average share price in the last 30 trading days of 2019 was €42.98 (source: Reuters).

## 5.3.2 Renault and Diac participating shares *(titres participatifs)*

### 5.3.2.1 Renault participating shares

#### Characteristics of the main Renault participating shares

Renault issued a total of 2,000,000 participating shares with a par value of FRF1,000/€152.45, in two fungible issues of 1,000,000 shares each in October 1983 and October 1984.

Renault participating shares are listed on Euronext Paris under ISIN code FR0000140014.

The issue prospectus (in French) can be downloaded from the Finance section of the renault.com site or be obtained on request from the Financial Relations department.

Between March and April 2004 Renault made a public repurchase offer for its participating shares at €450 per share. In all, 1,202,341 shares, representing 60.12% of the total shares, were repurchased and cancelled. The number of shares outstanding after the operation was 797,659, unchanged at December 31, 2018.

#### Compensation

The gross compensation on participating shares paid on October 24, 2019 in respect of 2018 was €25.17 (€10.29 for the fixed portion and €14.88 for the variable portion).

The compensation on participating shares for financial year 2019, payable on October 24, 2020, is €24.68, comprising €10.29 for the fixed portion and €14.39 for the variable portion (based on consolidated revenues of €55,537 million for 2019 and revenues restated at constant Group structure and consolidation methods of €57,414 million for 2018).



**TRADING VOLUMES AND PRICES OF RENAULT PARTICIPATING SHARES OVER THE PAST THREE YEARS**

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| Year high *(€)* | 607.95 | 768.99 | 695.00 |
| Year low *(€)* | 535.00 | 600.01 | 528.54 |
| Closing price *(€)* | 557.00 | 601.02 | 695.00 |
| Number of shares exchanged during the year | 59,948 | 59,586 | 63,239 |

### 5.3.2.2 Diac participating shares

Diac, the French credit subsidiary of RCI Banque, issued 500,000 participating shares with a par value of FRF1,000/€152.45 in 1985.

Diac participating shares are listed on Euronext Paris under the ISIN code FR0000047821.

As of December 31, 2019, the number of participating shares outstanding was 60,269. At the closing price of €245, Diac's participating shares represented a total of €14,765,905 (€9,188,009 at the issue par value of €152.45).

In the course of 2019, the share price fluctuated between €215 at its lowest and €245 at its highest.

## 5.3.3 Dividends

On February 13, 2020, the Board of Directors proposed the payment of a dividend of €1.10 per share in respect of the 2019 financial year. This proposal will be submitted to the vote at the Annual General Meeting on April 24, 2020. The dividend will be paid on May 5, 2020.

### 5.3.3.1 Five-year dividend record

Dividends are paid out at the dates and places specified either by the Annual General Meeting or, failing that, by the Board of Directors.

| Financial year | No. of shares comprising the share capital at December 31st | Dividend per share *(€)* | Payable date |
|---|---|---|---|
| 2014 | 295,722,284 | 1.90 | May 15, 2015 |
| 2015 | 295,722,284 | 2.40 | May 17, 2016 |
| 2016 | 295,722,284 | 3.15 | June 23, 2017 |
| 2017 | 295,722,284 | 3.55 | June 25, 2018 |
| 2018 | 295,722,284 | 3.55 | June 20, 2019 |

### 5.3.3.2 Unclaimed dividends

Any dividend which remains unclaimed at the end of the five-year validity period shall lapse, as specified by law. Unclaimed dividends are paid out to the French Treasury.

# 5.4 INVESTOR RELATIONS POLICY

## 5.4.1 Individual shareholders

(See chapter 2.1.5 of the Universal Registration Document)

## 5.4.2 Institutional investors/socially responsible investors

Groupe Renault defines its communications with the financial community in strict compliance with Directive 2014/65/EU of the European Parliament and Council of May 15, 2014 on markets in financial instruments (MiFID2), Ruling no. 596/2014 of the European Parliament and Council of April 16, 2014 on market abuse (MAR), Ruling (EU) 2016/679 of the European Parliament and Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) and more generally, the applicable regulations, notably issued by the AMF.

Since it was listed in November 1994, Groupe Renault has endeavored to provide its shareholders and investors with clear and transparent information on a regular basis, to enable them to understand the business and strategy and thus leading to a fair assessment of the Company's value by the market. Groupe Renault conducts an open dialog with financial and extra-financial analysts, portfolio managers, financial and extra-financial rating agencies and individual shareholders in order to develop long-term relationships based on credibility and trust.

During the year, the Financial Director and Investor Relations team went out to meet the financial community during shareholder commitment campaigns, individual meetings, conferences, the "Capital Market Day" and field trips.

Governance roadshows are organized prior to the General Meeting to present the draft resolutions to shareholders. Meetings specifically dedicated to the Group's ESG issues are also organized.

## 5.4.3 2020 financial calendar

| | |
|---|---|
| February 14th (before market opening) | 2019 annual results |
| April 23rd (before market opening) | 2020 first quarter revenues |
| April 24th (afternoon) | 2020 Annual General Meeting |
| July 30th (before market opening) | 2020 first half-year results |
| October 23rd (before market opening) | 2020 first quarter revenues |

## 5.4.4 Contacts

### Shareholders relations department

**E-mail:** communication.actionnaires@renault.com

**Shareholder hotline within France** (free call and service)**:**
0 800 650 650

**Shareholder telephone line from other countries:**
+33 (0) 1 76 84 59 99

**Groupe Renault employee shareholder line:**
+33 (0) 1 76 84 33 38

**Website:** www.group.renault.com/finance/

**Contact:**
Thierry Huon
Renault Investor Relations Director
Telephone: +33 (0) 1 76 84 53 09

Renault shares can be registered with BNP Paribas Securities Services:

Relations Actionnaires Renault
(Renault Shareholder Relations)
9, rue du Débarcadère
93761 Pantin Cedex – France

Tel: 0 800 10 91 19 from France

+33 (0)1 40 14 89 25 from abroad

## 5.4.5 Public documents

The following documents are available in the Finance section of the website www.groupe.renault.com:

- the Company's articles of association;
- financial press releases;
- the regulatory information that is published in its entirety by electronic means (including on the website of the AMF), in accordance with the Transparency Directive, through a primary information provider named on a list published by the AMF. This information includes the Registration documents filed with the AMF;
- additional information on the composition of the Group established pursuant to regulation no. 2016-09 dated December 2, 2016 of the Autorité des Normes Comptables Françaises.

# VOTE ONLINE

## FOR THE GENERAL MEETING WITH *VOTACCESS*

# 06 ANNUAL **GENERAL MEETING** OF RENAULT ON APRIL 24, 2020



The elements of the annual financial report are identified by the AFR symbol.

# DRAFT RESOLUTIONS

## 1 - Ordinary general meeting

### First resolution

#### *(Approval of the annual financial statements for the financial year ended December 31, 2019)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' reports and the statutory auditors' report on the annual financial statements, approves the annual financial statements for the financial year ended December 31, 2019, as presented, as well as the transactions disclosed in those financial statements and summarized in those reports.

### Second resolution

#### *(Approval of the consolidated financial statements for the financial year ended December 31, 2019)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' reports and the statutory auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended December 31, 2019, as presented, as well as the transactions disclosed in those financial statements and summarized in those reports.

### Third resolution

#### *(Allocation of net profits for the financial year ended December 31, 2019 and setting of the dividend)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings and on the proposal of the Board of Directors, resolves to allocate the net profits for the financial year ended December 31, 2019 in the amount of €382,798,204.62 as follows:

| | |
|---|---|
| Profit for the 2019 financial year | €382,798,204.62 |
| Allocation to the statutory reserve | - |
| Balance | €382,798,204.62 |
| Retained earnings at December 31, 2019 | €8,864,916,119.81 |
| Distributable profit for the 2019 financial year | €9,247,714,324.43 |
| Dividends drawn from distributable profit | €325,294,512.40 |
| Balance of retained earnings after allocation | €8,922,419,812.03 |

Accordingly, a dividend of €1.10 per share will be paid to each of the Company's shares carrying dividend rights. The total amount of the dividend (€325,294,512.40) was determined on the basis of 295,722,284 shares comprising the share capital as at December 31, 2019. The ex-dividend date is April 30, 2020, with the dividend payable on or after May 5, 2020.

If, at the time of payment of the dividend, the number of shares carrying dividend rights for the financial year ended December 31, 2019 is less than the maximum number of shares eligible for the dividend indicated above, in particular as a result of the Company holding its own shares, the distributable profit corresponding to the balance of the dividend that will not be paid in respect of those shares will be allocated to the "retained earnings" item.

In addition, the total amount of the dividend, and therefore the amount of retained earnings, will be adjusted to take into account the exercise of stock options or the vesting of shares allocated free of charge carrying dividend rights for the financial year ended December 31, 2019.

In accordance with the provisions of Article 243 bis of the General Tax Code, the amount of dividends distributed in respect of the previous three financial years, the amount of dividends distributed in respect of these same financial years and that is eligible for the 40% tax deduction, and the amount of income not eligible for this tax deduction are set out below:

| | Financial year 2016 | Financial year 2017 | Financial year 2018 |
|---|---|---|---|
| Dividend per share | €3.15 | €3.55 | €3.55 |
| Amount of income distributed that is eligible for the 40% tax deduction | €3.15 | €3.55 | €3.55 |
| Amount of income distributed that is not eligible for the 40% tax deduction | - | - | - |

## Fourth resolution

### *(Statutory Auditors' report on the information used to determine the compensation for participating shares)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the statutory auditors' report on the information used to determine the compensation of participating shares, deliberating on this report, takes note of the information used to determine the compensation of participating shares.

## Fifth resolution

### *(Approval of the related-party agreements and commitments governed by Articles L. 225-38 et seq. of the French Commercial Code)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report on the related-party agreements and commitments governed by Articles L. 225-38 et seq. of the French Commercial Code, acknowledges the information on agreements and commitments entered into and authorized during previous financial years, and which remained effective during the last financial year, as mentioned therein, and notes that there are no new agreements to be approved.

## Sixth resolution

### *(Reappointment of KPMG S.A. as Joint Statutory Auditor)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to reappoint KPMG S.A. as Statutory Auditor for a term of six financial years, i.e. until the conclusion of the Ordinary General Meeting called to approve the financial statements for the 2025 financial year.

The Annual General Meeting, noting that the term of office of KPMG Audit ID S.A.S. as Alternate Statutory Auditor has expired, resolves not to reappoint or replace KPMG Audit ID S.A.S.

## Seventh resolution

### *(Appointment of Mazars as Joint Statutory Auditor)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint Mazars as Statutory Auditor, replacing Ernst & Young Audit, whose term of office has expired, for a term of six financial years, i.e. until the close of the Ordinary General Meeting called to approve the financial statements for the 2025 financial year.

The Annual General Meeting, noting that the term of office of Auditex as Alternate Statutory Auditor has expired, resolves not to reappoint or replace Auditex.

## Eighth resolution

### *(Approval of the information relating to the compensation of corporate officers mentioned in Article L. 225-37-3 I of the French Commercial Code)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 225-100 II of the French Commercial Code, the information mentioned in Article L. 225-37-3 I of the French Commercial Code disclosed therein, as contained in chapters 3.2.2 and 3.2.3 of the 2019 Universal registration document.

## Ninth resolution

### *(Approval of the components of the overall compensation and benefits of any kind paid during or awarded for the financial year ended December 31, 2019 to Mr Jean-Dominique Senard as Chairman of the Board of Directors)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 III of the French Commercial Code, approves the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2019 or awarded for that year to Mr Jean-Dominique Senard as Chairman of the Board of Directors, as described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, contained in chapter 3.2.2.2 of the Company's 2019 Universal registration document.

## Tenth resolution

### *(Approval of the components of the overall compensation and benefits of any kind paid during or awarded for the financial year ended December 31, 2019 to Mr Thierry Bolloré as Chief Executive Officer)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 III of the French Commercial Code, approves the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2019 or awarded for that year to Mr Thierry Bolloré as Chief Executive Officer as described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, contained in chapter 3.2.2.3 of the Company's 2019 Universal registration document.

## Eleventh resolution

### *(Approval of the components of the overall compensation and benefits of any kind paid during or awarded for the financial year ended December 31, 2019 to Ms Clotilde Delbos as interim Chief Executive Officer)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-100 III of the French Commercial Code, approves the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2019 or awarded for that year to Ms Clotilde Delbos as interim Chief Executive Officer, as described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, contained in chapter 3.2.2.4 of the Company's 2019 Universal registration document.

## Twelfth resolution

### *(Approval of the compensation policy for the Chairman of the Board of Directors for the 2020 financial year)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the elements of the compensation policy for corporate officers set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the Chairman of the Board of Directors, as set out in chapter 3.2.4.1 of the Company's 2019 Universal registration document.

## Thirteenth resolution

### *(Approval of the compensation policy for the Chief Executive Officer for the 2020 financial year)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the elements of the compensation policy for corporate officers set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the Chief Executive Officer, as set out in chapter 3.2.4.2 of the Company's 2019 Universal registration document.

## Fourteenth resolution

### *(Approval of the compensation policy for the interim Chief Executive Officer for the 2020 financial year)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the elements of the compensation policy for corporate officers set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the compensation policy for the interim Chief Executive Officer, as set out in chapter 3.2.4.3 of the Company's 2019 Universal registration document.

## Fifteenth resolution

### *(Approval of the compensation policy for directors for the 2020 financial year)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the elements of the compensation policy for corporate officers set by the Board of Directors, approves, pursuant to Article L. 225-37-2 II of the French Commercial Code, the compensation policy for directors referred to in Article L. 225-45 of the French Commercial Code, as set out in chapter 3.2.4.4 of the Company's 2019 Universal registration document.

## Sixteenth resolution

### *(Authorization granted to the Board of Directors to perform Company share transactions)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, authorizes the Board of Directors, with the power to sub-delegate, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code, Articles 241-1 et seq. of the General Regulation of the French Financial Markets Authority ("**AMF**") and EU regulations on market abuse, particularly Regulation (EU) No. 596/2014 of April 16, 2014, to perform transactions with the Company shares subject to the conditions and limits specified in the regulations, with a view to the following:

(i) cancelling them, notably to compensate for dilution arising from the exercise of share subscription options or the acquisition of shares allocated free of charge, subject to the approval of the seventeenth resolution submitted to this Annual General Meeting;

(ii) using all or some of the shares acquired to implement any stock option or free share plans, or any other form of assignment, allocation, disposal, or transfer for former or current employees and corporate officers of the Company and its Group, and completing any hedging transaction relating to any such transactions, within the terms established by law;

(iii) delivering any or all of the shares acquired upon exercise of rights attached to securities giving right, through conversion, exercise, redemption or exchange or any other means, to the allocation of shares of the Company, pursuant to applicable regulations;

(iv) acting on the secondary market or the liquidity of the Renault share through an independent investment services provider pursuant to a liquidity agreement complying with AMF-approved market practices; and

(v) more broadly, performing all other transactions currently allowed, or that would become authorized or allowed, by applicable laws or regulatory provisions or by the AMF.

The acquisition, disposal, transfer, or exchange of these shares may be performed, on one or more occasions, by any means, notably on the market or through over-the-counter transactions, including block trading, including with identified shareholders, using derivative financial instruments or bonds or securities granting access to the Company's share capital, or by implementing option strategies, within the bounds of applicable regulations.

The Annual General Meeting sets:

- the maximum purchase price (or the counter-value of this amount on the same date in any other currency), excluding acquisition costs, at €100 per share, and the maximum amount of funds allocated for the completion of the share purchase program at €2,957.22 million, it being specified that in the event of transactions affecting the share capital (splitting or consolidation of shares or free share allocations to shareholders), the price and the maximum amount of funds allocated for the completion of the share purchase program will be adjusted on the basis of the ratio of the number of securities constituting the share capital prior to the transaction compared to the total number after the transaction;
- the number of shares which may be acquired at 10% of the shares constituting the share capital, it being specified that (a) this limit applies to a given amount of the Company's share capital, to be adjusted if necessary to take into account transactions affecting the share capital subsequent to this Annual General Meeting and (b) if the aim of the share buyback is to enhance share liquidity pursuant to the conditions set out in the AMF General Regulation, the number of shares taken into account to calculate the 10% limit corresponds to the number of shares purchased, minus the number of shares resold during the authorization period.

As of December 31, 2019, the 10% limit of the share capital corresponded to 29,572,228 Company shares.

Within the limits allowed by the applicable regulations, transactions performed by the Board of Directors pursuant to this authorization may take place at any time during the validity of the share buyback program, it being specified that if a public bid for the Company's stocks is made by a third party, the Board of Directors may not implement this authorization and the Company may not pursue any share purchase program until after the end of the bid period, except in the case of prior authorization having been granted by the Annual General Meeting.

Pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the Company may not own more than 10% of the total of its own shares, or more than 10% of any given share category, either directly or through any person acting in their own name on behalf of the Company.

All powers are granted to the Board of Directors, including powers of sub-delegation, to implement this authorization, specify, if necessary, its terms, decide on its conditions and, in particular, place all orders on or off the stock market, assign or re-assign the shares acquired to the different purposes pursued in compliance with applicable legal and regulatory conditions, perform all formalities, and, more generally, do all that is required in this respect.

Each year, the Board of Directors shall make a report of the transactions performed pursuant to this resolution to the Annual General Meeting.

This authorization is granted for a period of eighteen (18) months as from the date of this Annual General Meeting and renders any previous delegation to the same end null and void for the unused portion.

# 2 - Extraordinary general meeting

## Seventeenth resolution

### *(Authorization granted to the Board of Directors to reduce the Company's share capital by cancelling treasury share)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors, with the power to sub-delegate, pursuant to the provisions of Article L. 225-209 of the French Commercial Code:

- to proceed, on one or more occasions, in the proportions and at the times determined by the Board, with cancellation of the shares acquired pursuant to any authorization granted by the Ordinary General Meeting of Shareholders pursuant to the provisions of Article L. 225-209 of the French Commercial Code, up to 10% of the total number of shares comprising the share capital for each 24-month period (the 10% limit applying to an adjusted number of shares, if applicable, in line with any transactions affecting the share capital subsequent to this Annual General Meeting) and to reduce the share capital accordingly by recognising the difference between the buyback value of the shares and their nominal value in all reserve or bonus account lines;
- to decide the definitive amount of this share capital reduction (or reductions), determine the terms and record completion thereof; and
- to amend the articles of association accordingly, and more generally do all that is required to implement this authorization.

This authorization is granted for a maximum period of eighteen (18) months as of the date of this Annual General Meeting, and renders any previous authorization to the same end null and void.

## Eighteenth resolution

### *(Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the share capital, maintaining shareholders' preferential subscription rights)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report and te statutory auditors' special report, having noted that the share capital is fully paid-up,

06

and acting in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129 to L. 225-129-6, L. 225-132, L. 225-133 and L. 225-134, and Articles L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the power to sub-delegate under conditions established by law and the Company's articles of association, the authority to decide upon and execute, on one or more occasions, in such proportions and at such times as it sees fit, subject to the final paragraph of this resolution, and maintaining shareholders' preferential subscription rights, the issuance, both in France and abroad, in euros or in any other currency (including any other unit of account established by reference to a set of currencies):
  - (i) of ordinary shares of the Company,
  - (ii) securities of any kind, issued for consideration or free of charge, granting access, by any means, immediately or in the future, to existing shares or shares yet to be issued of the Company, or
  - (iii) securities of any kind, issued for consideration or free of charge, granting access, by any means, immediately or in the future, to existing shares or shares yet to be issued of a company in which it directly or indirectly holds more than half the share capital (a "**Subsidiary**");
- resolves that the securities giving access to the share capital of the Company or a Subsidiary thus issued may consist of debt securities or be combined with the issuance of such securities, or alternatively allow the issuance of such securities as intermediate securities, and that the debt securities issued pursuant to this delegation may in particular take the form of subordinated or unsubordinated securities, with or without a fixed term, and may be issued either in euros or in any other currency;
- resolves that subscriptions may be made in cash, in particular by set-off with liquid and payable claims, or partly in cash and partly by incorporation of reserves, profits or share premiums;
- resolves that the maximum nominal amount of capital increases likely to be made, immediately or in the future, pursuant to this delegation, may not exceed three hundred and fifty (350) million euros or the equivalent of this amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies, provided that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital;
  - the nominal amount of capital increases that may result from the nineteenth to twenty-second resolutions and the twenty-fourth resolution submitted to this Annual General Meeting will also be included in this limit;
- resolves that the maximum nominal amount of debt securities that may be issued by virtue of this delegation may not exceed one (1) billion euros, or the equivalent of this amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies. This limit is common to all debt securities that may be issued subsequent to this resolution and the nineteenth to twenty-second resolutions submitted to this Annual General Meeting. Where appropriate, this limit will be increased by any above-par redemption premium;
- resolves that shareholders may exercise their preferential subscription rights as of right under conditions established by law. Furthermore, the Board of Directors will have the option to grant shareholders the right to subscribe for a number of ordinary shares or securities in excess of the number they may subscribe for as of right, in proportion to their subscription rights and, in any event, subject to the number they request;
- resolves that if subscriptions made as of right and, where applicable, for excess shares do not absorb the entire quantity of shares or securities issued pursuant to this resolution, the Board of Directors may exercise one or more of the options offered by Article L. 225-134 of the French Commercial Code, in such order as it sees fit;
- acknowledges, as needs be, that this delegation automatically entails the waiver by the shareholders of their preferential subscription rights to the benefit of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital;
- resolves that the amount returned or to be returned, to the Company for each of the shares issued under the above-mentioned delegation will be at least equal to the par value of the shares;
- grants all powers to the Board of Directors, including powers of sub-delegation, pursuant to the terms established by law, to implement this delegation, including but not limited to powers to: establish the terms, conditions and procedures, including dates, for issues; determine the number and characteristics of the securities that may be issued by virtue of this resolution, including, with respect to debt securities, their status, interest rate, and interest payment terms, issue currency, duration, and terms of reimbursement and amortization; determine the vesting date, including retroactively, of securities that may be issued by virtue of this resolution; establish the procedures by which the Company shall, as necessary, be entitled to buy back or exchange the securities that may be issued by virtue of this resolution; suspend, if necessary, the exercise of allocation rights for Company shares attached to securities, in compliance with the regulations in force; establish the means by which, if applicable, the rights of holders of securities will be preserved, in compliance with the regulations in force and the terms of said securities; if necessary, alter the terms of securities that may be issued by virtue of this resolution, throughout the lifetime of the securities in question and in observance of the applicable formalities; proceed with all credits to and withholdings from the premium(s), including for costs engaged for issues; and, more generally, make all necessary provisions, conclude all agreements, seek all authorizations, perform all formalities, and do all that is necessary to complete the issues envisaged or suspend them, and in particular record the share capital increase(s) resulting immediately or at a later date from any issue carried out by virtue of this delegation, amend the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate;

- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this delegation after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Nineteenth resolution

### *(Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the share capital, waiving shareholders' preferential subscription rights, by way of public offering)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, having noted that the share capital is fully paid-up, and acting in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2 to L. 225-129-6, L. 225-131, L. 225-135, L. 225-136 and L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the power to sub-delegate under conditions established by law and the Company's articles of association, the authority to decide upon and carry out, on one or more occasions, in such proportions and at such times as it sees fit, subject to the final paragraph of this resolution, the issuance, both in France and abroad, in euros or in any other currency (including in any other unit of account established by reference to a set of currencies), by way of public offering, as defined in Regulation (EU) 2017/1129 of June 14, 2017:
  - (i) of ordinary shares of the Company,
  - (ii) of securities of any kind, issued for consideration or free of charge, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of the Company, or
  - (iii) of securities of any kind, issued for consideration or free of charge, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of Subsidiaries;
- resolves that the securities giving access to the share capital of the Company or a Subsidiary thus issued may consist of debt securities or be combined with the issuance of such securities, or alternatively allow the issuance of such securities as intermediate securities, and that the debt securities issued pursuant to this delegation may in particular take the form of subordinated or unsubordinated securities, with or without a fixed term, and may be issued either in euros or in any other currency;
- resolves that subscriptions may be made in cash, in particular by set-off against liquid and payable claims;
- resolves that offer(s) to the public, decided upon pursuant to this resolution, may be combined in the same issue or in several issues made simultaneously as part of a private placement pursuant to the twentieth resolution submitted to this Annual General Meeting;
- resolves that the maximum nominal amount of capital increases likely to be made, immediately and/or in the future, by virtue of this delegation, may not exceed one hundred and twenty (120) million euros or the equivalent of this amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies, provided that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital,
  - the maximum aggregate nominal amount of capital increases likely to be made by virtue of this resolution and the eighteenth resolution and twentieth to twenty-second and twenty-fourth resolutions submitted to this Annual General Meeting, may not exceed the limit of three hundred and fifty (350) million euros set in the eighteenth resolution;
- resolves that the maximum nominal amount of debt securities that may be issued by virtue of this resolution may not exceed one (1) billion euros, or the equivalent of this amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies; this amount will be included in the overall limit of one (1) billion euros set in the eighteenth resolution above. Where appropriate, this limit will be increased by any above-par redemption premium;
- resolves to waive the preferential subscription rights of shareholders to the ordinary shares and securities giving access to the share capital, to be issued pursuant to this resolution, it being specified that the Board of Directors may decide, pursuant to the provisions of Article L. 225-135 paragraph 5 of the French Commercial Code, to grant the shareholders priority subscription rights for the entire issue, subject to the conditions and for the period set by the Board in compliance with legal and regulatory provisions. Said priority subscription rights will not give rise to the creation of negotiable rights, but may be exercised, if deemed appropriate by the Board of Directors, either as of right or on an optional basis;
- resolves that if the subscriptions have not absorbed the entire quantity of shares or securities issued pursuant to this resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that at least three-quarters of the issue is subscribed for;
- acknowledges, as needs be, that this delegation automatically entails the waiver by the shareholders of their preferential subscription rights to the benefit of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital;
- resolves that:
  - the issue price of the new shares will be at least equal to the minimum price provided for by the prevailing legal and regulatory provisions at the time of issue (currently the weighted average of the stock market price over the last three trading sessions on the Euronext regulated market in Paris prior to the price being set, less a maximum discount of 10%), after adjusting for the difference in dividend entitlement date if necessary,

- the issue price of the securities giving access to the Company's share capital will be such that the amount immediately received by the Company, plus any amount it subsequently receives, would, for each share issued as a result of the issuance of such securities, be at least equal to the issue price defined in the preceding paragraph;

- grants all powers to the Board of Directors, including powers of sub-delegation, pursuant to the terms established by law, to implement this delegation, including but not limited to powers to: establish the terms, conditions and procedures, including dates, for issues; determine the number and characteristics of the securities that may be issued by virtue of this resolution, including, with respect to debt securities, their status, interest rate, and interest payment terms, issue currency, duration, and terms of reimbursement and amortization; determine the vesting date, including retroactively, of securities that may be issued by virtue of this resolution; establish the procedures by which the Company shall, as necessary, be entitled to buy back or exchange the securities that may be issued by virtue of this resolution; suspend, if necessary, the exercise of allocation rights for Company shares attached to securities, in compliance with the regulations in force; establish the means by which, if applicable, the rights of holders of securities will be preserved, in compliance with the regulations in force and the terms of said securities; if necessary, alter the terms of securities that may be issued by virtue of this resolution, throughout the lifetime of the securities in question and in observance of the applicable formalities; proceed with all credits to and withholdings from the premium(s), including for costs engaged for issues; and, more generally, make all necessary provisions, conclude all agreements, seek all authorizations, perform all formalities, and do all that is necessary to complete the issues envisaged or suspend them, and in particular record the share capital increase(s) resulting immediately or at a later date from any issue carried out by virtue of this delegation, amend the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate;
- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this delegation after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Twentieth resolution

### *(Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the share capital, waiving shareholders' preferential subscription rights, by way of private placement referred to in Article L. 411-2(1) of the French Monetary and Financial Code)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, having noted that the share capital is fully paid-up, and acting in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-131, L. 225-135 and L. 225-136 and Articles L. 228-91 et seq. of the French Commercial Code and Article L. 411-2(1) of the French Monetary and Financial Code:

- delegates to the Board of Directors, with the power to sub-delegate under conditions established by law and the Company's articles of association, the authority to decide upon and carry out, on one or more occasions, in such proportions and at such times as it sees fit, subject to the final paragraph of this resolution, the issuance, both in France and abroad, in euros or in any other currency (including in any other unit of account established by reference to a set of currencies), by way of an offer made as part of a private placement, as defined in Article L. 411-2(1) of the French Monetary and Financial Code:
  - (i) of ordinary shares of the Company,
  - (ii) of securities of any kind, issued free of charge or for consideration, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of the Company, or
  - (iii) of securities of any kind, issued free of charge or for consideration, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of Subsidiaries;
- resolves that the securities giving access to the share capital of the Company or a Subsidiary thus issued may consist of debt securities or be combined with the issuance of such securities, or alternatively allow the issuance of such securities as intermediate securities, and that the debt securities issued pursuant to this delegation may in particular take the form of subordinated or unsubordinated securities, with or without a fixed term, and may be issued either in euros or in any other currency;
- resolves that subscriptions may be made in cash, in particular by set-off against liquid and payable claims;
- resolves that the offer(s) decided upon pursuant to this resolution may be combined, in the context of the same issue or of several issues made simultaneously, with one or more offers to the public decided upon pursuant to the nineteenth resolution submitted to this Annual General Meeting;
- resolves that the maximum nominal amount of capital increases likely to be made, immediately and/or in the future, by virtue of this delegation, may not exceed sixty (60) million euros or the equivalent of this amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies, provided that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital,
  - the nominal amount of any capital increase made pursuant to this delegation will be included in the limit of one hundred and twenty (120) million euros set in the nineteenth resolution,

  - the maximum aggregate nominal amount of capital increases likely to be made by virtue of this resolution and the eighteenth, nineteenth, twenty-first, twenty-second and twenty-fourth resolutions submitted to this Annual General Meeting may not exceed the limit of three hundred and fifty (350) million euros set in the eighteenth resolution;
- resolves that the maximum nominal amount of debt securities that may be issued by virtue of this resolution may not exceed one (1) billion euros, or the equivalent amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies; this amount will be included in the overall limit of one (1) billion euros set in the eighteenth resolution;
- resolves to waive shareholders' preferential subscription rights to ordinary shares and securities giving access to the share capital to be issued on the basis of this resolution;
- resolves that if the subscriptions have not absorbed the entire quantity of shares or securities issued pursuant to this resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that at least three-quarters of the issue is subscribed for;
- acknowledges, as needs be, that this delegation automatically entails the waiver by the shareholders of their preferential subscription rights to the benefit of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital;
- resolves that:
  - the issue price of the new shares will be at least equal to the minimum price provided for by the prevailing legal and regulatory provisions at the time of issue (currently the weighted average of the stock market price over the last three trading sessions on the Euronext regulated market in Paris prior to the price being set, less a maximum discount of 10%), after adjusting for the difference in dividend entitlement date if necessary,
  - the issue price of the securities giving access to the Company's share capital will be such that the amount immediately received by the Company, plus any amount it subsequently receives, would, for each share issued as a result of the issuance of such securities, be at least equal to the issue price defined in the preceding paragraph;
- grants all powers to the Board of Directors, including powers of sub-delegation, pursuant to the terms established by law, to implement this delegation, including but not limited to powers to: establish the terms, conditions and procedures, including dates, for issues; determine the number and characteristics of the securities that may be issued by virtue of this resolution, including, with respect to debt securities, their status, interest rate, and interest payment terms, issue currency, duration, and terms of reimbursement and amortization; determine the vesting date, including retroactively, of securities that may be issued by virtue of this resolution; establish the procedures by which the Company shall, as necessary, be entitled to buy back or exchange the securities that may be issued by virtue of this resolution; suspend, if necessary, the exercise of allocation rights for Company shares attached to securities, in compliance with the regulations in force; establish the means by which, if applicable, the rights of holders of securities will be preserved, in compliance with the regulations in force and the terms of said securities; if necessary, alter the terms of securities that may be issued by virtue of this resolution, throughout the lifetime of the securities in question and in observance of the applicable formalities; proceed with all credits to and withholdings from the premium(s), including for costs engaged for issues; and, more generally, make all necessary provisions, conclude all agreements, seek all authorizations, perform all formalities, and do all that is necessary to complete the issues envisaged or suspend them, and in particular record the share capital increase(s) resulting immediately or at a later date from any issue carried out by virtue of this delegation, amend the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate;
- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this delegation after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Twenty-first resolution

### *(Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the share capital, waiving shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the Company)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, having noted that the share capital is fully paid-up, and acting in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2 to L. 225-129-6 and L. 225-148, and Articles L. 228-91 and L. 228-92 et seq. of the French Commercial Code:

- delegates to the Board of Directors, including powers of sub-delegation subject to the terms established by law and the Company's articles of association, the power to decide and proceed, on one or more occasions, in the proportions and at the times determined by the Board, subject to the final paragraph of this resolution, with the issue, both in France and abroad:
  - (i) of ordinary shares of the Company, or
  - (ii) of securities of any kind, issued free of charge or for consideration, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of the Company;
- in consideration for securities tendered for an offer comprising an exchange component (on a principal or subsidiary basis) initiated by the Company in France or abroad, according to local rules (including any transaction having the same effect as a public exchange offer or its equivalent), on the securities of a company whose shares are admitted to trading on one of the regulated markets referred to in the above-mentioned Article L. 225-148, and resolves, where necessary, to waive, for the benefit of the holders of such securities, shareholders' preferential subscription rights to such shares and securities;

- resolves that the securities giving access to the Company's share capital thus issued may consist of debt securities or be combined with the issuance of such securities, or alternatively allow the issuance of such securities as intermediate securities, and that the debt securities issued pursuant to this delegation may in particular take the form of subordinated or non-subordinated securities, with or without a fixed term, and may be issued either in euros or in any other currency;
- resolves that the maximum nominal amount of capital increases likely to be made, immediately or in the future, pursuant to this delegation, may not exceed one hundred and twenty (120) million euros, provided that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital;
  - the nominal amount of any capital increase made pursuant to this delegation will be included in the limit of one hundred and twenty (120) million euros set in the nineteenth resolution;
  - the maximum aggregate nominal amount of capital increases likely to be made by virtue of this resolution, and the eighteenth to twentieth and twenty-second and twenty-fourth resolutions submitted to this Annual General Meeting may not exceed the limit of three hundred and fifty (350) million euros set in the eighteenth resolution;
- resolves that the maximum nominal amount of debt securities that may be issued by virtue of this resolution may not exceed one (1) billion euros, or the equivalent amount at the date of the decision to issue the securities, in the case of issuance in another currency or in a unit of account established by reference to several currencies; this amount will be included in the overall limit of one (1) billion euros set in the eighteenth resolution;
- acknowledges, as needs be, that this delegation automatically entails the waiver by the shareholders of their preferential subscription rights to the benefit of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital;
- grants all powers to the Board of Directors, with the power to sub-delegate under the conditions provided for by law, to give effect to this resolution, including, but not limited to: establishing the conditions and implementing the public offering(s) referred to in this resolution; recording the number of securities tendered for exchange; determining the number and features of the securities issued pursuant to this resolution, including, as regards debt securities, their ranking, interest rate and coupon payment terms, their currency of issue, their maturity and the procedures for their redemption and amortization; deciding the arrangements for and terms and conditions of issuance, including the dates; setting the dividend entitlement date, even retroactively, of the securities issued pursuant to this resolution; establishing the conditions in which the Company will be able, where appropriate, to redeem or exchange the securities issued pursuant to this resolution; suspending, where appropriate, the exercise of rights to the allocation of Company shares attached to the securities in accordance with the applicable regulations; establishing the conditions in which the rights of securities holders will be preserved, where appropriate, in accordance with the applicable regulations and the terms and conditions of said securities; amending, where appropriate, the terms and conditions of the securities issued pursuant to this resolution, during the lifetime of the securities concerned and in accordance with the applicable formalities; making any charges or deductions against the premium(s); and, more generally, taking all relevant measures, signing all agreements, applying for all authorizations, completing all legal formalities and doing everything necessary for the satisfactory completion of the proposed transactions or to defer same, and in particular recording the capital increase(s) resulting immediately or in the future from any issuance made pursuant to this delegation, amending the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate;
- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this delegation after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous authorization to the same end null and void for the unused portion of this delegation.

## Twenty-second resolution

### *(Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the share capital, waiving shareholders' preferential subscription rights, with a view to remunerating contributions in kind granted to the Company)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, having noted that the share capital is fully paid-up, and acting in accordance with the provisions of Articles L. 225-147, final paragraph, and Articles L. 228-91 to L. 228-97 of the French Commercial Code:

- delegates to the Board of Directors, including powers of sub-delegation subject to the terms established by law and the Company's articles of association, the power to decide and proceed, on one or more occasions, in the proportions and at the times determined by the Board, subject to the final paragraph of this resolution, with the issue, both in France and abroad:
  - (i) of ordinary shares of the Company, or
  - (ii) of securities of any kind, issued free of charge or for consideration, giving access, by any means, immediately or in the future, to existing shares or shares yet to be issued of the Company,

  as remuneration for contributions in kind made to the Company and consisting of capital securities or securities giving access to the share capital of another company, if the provisions of Article L. 225-148 of the French Commercial Code do not apply;

- resolves that the securities giving access to the Company's share capital thus issued may consist of debt securities or be combined with the issuance of such securities, or alternatively allow the issuance of such securities as intermediate securities, and that the debt securities issued pursuant to this delegation may in particular take the form of subordinated or non-subordinated securities, with or without a fixed term, and may be issued either in euros or in any other currency;
- resolves that the total nominal amount of capital increases likely to be made, immediately and/or in the future, pursuant to this delegation may not exceed, in addition to the statutory limit of 10% of the share capital (this percentage applying to capital adjusted for transactions affecting it after this Annual General Meeting), the amount of one hundred and twenty (120) million euros, provided that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital,
  - the nominal amount of any capital increase made pursuant to this delegation will be included in the limit of one hundred and twenty (120) million euros set in the nineteenth resolution,
  - the maximum aggregate nominal amount of capital increases likely to be made by virtue of this resolution and the eighteenth to twenty-first and twenty-fourth resolutions submitted to this Annual General Meeting may not exceed the limit of three hundred and fifty (350) million euros set in the eighteenth resolution;
- acknowledges, as needs be, the absence of preferential subscription rights to the shares or securities thus issued and that this delegation automatically entails the waiver by the shareholders of their preferential subscription rights to the benefit of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital;
- grants all powers to the Board of Directors, including powers of sub-delegation, pursuant to the terms established by law, to implement this resolution, including but not limited to powers to: state its opinion on the assessment of contributions, the granting of any special benefits, and their value; establish the terms, conditions and procedures, including dates, of issues; determine the number and characteristics of the securities that may be issued by virtue of this resolution, including, with respect to debt securities, their status, interest rate, and interest payment terms, issue currency, duration, and terms of reimbursement and amortization; determine the vesting date, including retroactively, of securities that may be issued by virtue of this resolution; establish the procedures by which the Company shall, as necessary, be entitled to buy back or exchange the securities that may be issued by virtue of this resolution; suspend, if necessary, the exercise of allocation rights for Company shares attached to securities, in compliance with the regulations in force; establish the means by which, if applicable, the rights of holders of securities will be preserved, in compliance with the regulations in force and the terms of said securities; if necessary, alter the terms of securities issued by virtue of this resolution, throughout the lifetime of the securities in question and in observance of the applicable formalities; proceed with all credits to and withholdings from the premium(s); and, more generally, make all necessary provisions, conclude all agreements, seek all authorizations, perform all formalities, and do all that is necessary to complete the envisaged transactions or suspend them, and in particular record the share capital increase(s) resulting immediately or at a later date from any issue carried out by virtue of this delegation, amend the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate;
- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this delegation after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Twenty-third resolution

### *(Delegation of authority to the Board of Directors to increase the share capital through the incorporation of reserves, profits or premiums)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, having noted that the share capital is fully paid-up, and acting in accordance with the provisions of Articles L. 225-129 et seq. and L. 225-130 of the French Commercial Code:

- delegates to the Board of Directors, with the power to sub-delegate, under conditions established by law and the articles of association of the Company, the authority to increase, on one or more occasions, in such proportions and at such times as it sees fit, the share capital subject to a maximum nominal amount of one (1) billion euros by the successive or simultaneous incorporation in whole or in part of the reserves, profits or premiums or any other amount whose capitalization would be permitted by law or the articles of association, by means of the creation and free allocation of shares or by increasing the par value of equity securities or by a combination of both these methods. The limit for this delegation is autonomous and distinct from the limits for share capital increases which may result from issues of ordinary shares or securities giving access to the share capital, authorized by the other resolutions put to this Annual General Meeting. If applicable, this limit shall be increased by the nominal value of ordinary shares to be issued to preserve, in compliance with the law and any applicable contractual stipulations providing for other adjustment situations, the rights of the bearers of securities or other rights giving access to the Company's share capital;

- resolves that fractional rights will not be negotiable or transferable, and that the corresponding capital securities will be sold, the proceeds of the sale thereof being allocated to the holders of rights under the applicable legal and regulatory provisions;
- resolves that the Board of Directors shall have all powers, including powers of sub-delegation, pursuant to the terms established by law, to: implement this delegation and, in particular, establish the dates, terms and other characteristics of issues; establish the amounts to be issued; determine the date, including retroactively, from which the new shares shall be vested or the date on which the nominal value shall be increased; and, more generally, make all necessary provisions to ensure the proper completion of the envisaged transactions, complete all deeds and formalities to make the corresponding share capital increase(s) definitive, record the share capital increase(s), request the listing of the securities issued, and proceed with the relevant amendments to the articles of association;
- resolves that the Board of Directors may not, without the prior authorization of the Annual General Meeting, make use of this authority after a third party has filed a tender offer for the Company's shares and until the end of the offer period.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Twenty-fourth resolution

### *(Delegation of authority to the Board of Directors to proceed with a share capital increase, waiving shareholders' preferential subscription rights, reserved for employees of the Company or related companies)*

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Extraordinary General Meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and acting in accordance with the legal provisions, firstly pertaining to commercial companies, in particular Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and secondly Articles L. 3332-18 et seq. and L. 3332-1 et seq. of the French Labor Code:

- delegates to the Board of Directors, including powers of sub-delegation subject to the terms established by law and the Company's articles of association, the power to decide and proceed, on its own initiative, in the proportions and at the times determined by the Board, with one or more share capital increases, by the issue, free of charge or against payment, of ordinary shares and securities granting access, immediately or at a later date, to the Company's share capital, for up to 1% of the existing share capital on the date of the meeting of the Board of Directors deciding on the issue, it being specified that:
  - if applicable, to this amount shall be added the nominal amount of share capital increases corresponding to the ordinary shares to be issued to maintain, in compliance with the law or any applicable contractual stipulations, the rights of the bearers of securities giving access to the Company's share capital,
  - the nominal amount of any capital increase made will be included in the limit of one hundred and twenty (120) million euros set in the nineteenth resolution, and
  - the maximum aggregate nominal amount of capital increases likely to be made pursuant to this resolution and the eighteenth to twenty-second resolutions submitted to this Annual General Meeting may not exceed the limit of three hundred and fifty (350) million euros set in the eighteenth resolution;
- resolves that the beneficiaries of share capital increases covered by this delegation shall be the holders of a company savings plan or a group savings plan established by the Company and/or related French and foreign companies within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, and which also meet any conditions set by the Board of Directors;
- resolves that subscriptions may be made in cash, including by set-off with liquid and payable claims, or by incorporation of reserves, profits or premiums in the case of the free allocation of shares or other securities giving access to the share capital in respect of the discount and/or matching contribution;
- resolves to waive, for the benefit of the above-mentioned beneficiaries, the preferential subscription right of the shareholders to the ordinary shares issued pursuant to this resolution and to waive any right to ordinary shares or other securities granted pursuant to this resolution, the shareholders further waiving, in the event of a free allocation of shares pursuant to the following paragraph, any right to said shares, including the portion of capitalized reserves, profits or premiums;
- resolves that the Board of Directors may, in accordance with the provisions of Article L. 3332-21 of the French Labor Code, proceed with the free allocation to the above-mentioned beneficiaries of shares or other securities giving access, immediately or in the future, to the Company's share capital, in respect of the matching contribution that may be paid in accordance with the savings plan rules, or in respect of the discount, provided that the inclusion of their monetary value, valued at the subscription price, does not have the effect of exceeding the legal or regulatory limits;
- resolves that:
  - the subscription price of the equity securities may not be higher than the average quoted price during the twenty trading sessions preceding the date of the Board of Directors' decision setting the opening date of subscriptions, nor more than 30% below this average, or 40% below, depending on the lock-up period envisaged by the savings plan, in compliance with Article L. 3332-19 of the French Labor Code,
  - the features of issues of other securities giving access to the Company's share capital will be determined by the Board of Directors under conditions established by legislation;
- resolves that the Board of Directors shall have all powers, including powers of sub-delegation, pursuant to the terms established by law and the Company's articles of association, to implement this delegation, including but not limited to powers to: decide and set the terms of issue and free allocation of shares or other securities giving access to the share capital, pursuant to the authorization granted above, and if necessary suspend them; establish the terms, conditions and procedures, including dates, for issues; determine the number and characteristics of the securities that may be issued by virtue of this resolution; determine the vesting date, including retroactively, of securities

that may be issued by virtue of this resolution; establish the procedures by which the Company shall, as necessary, be entitled to buy back or exchange the securities that may be issued by virtue of this resolution; suspend, if necessary, the exercise of allocation rights for Company shares attached to securities, in compliance with the regulations in force; establish the means by which, if applicable, the rights of holders of securities will be preserved, in compliance with the regulations in force and the terms of said securities; if necessary, alter the terms of securities that may be issued by virtue of this resolution, throughout the lifetime of the securities in question and in observance of the applicable formalities; proceed with all credits to and withholdings from the premium(s), including for the costs engaged for issues; and, more generally, make all necessary provisions, conclude all agreements, seek all authorizations, perform all formalities, and do all that is necessary to complete the issues envisaged or suspend them, and in particular record the share capital increase(s) resulting immediately or at a later date from any issue carried out by virtue of this delegation, amend the articles of association accordingly, and request admission to trading for securities issued by virtue of this resolution anywhere it may deem appropriate.

The delegation thus granted to the Board of Directors, with the power to sub-delegate where applicable, is valid for a period of twenty-six (26) months from the date of this Annual General Meeting; said delegation renders any previous delegation to the same end null and void for the unused portion of this delegation.

## Twenty-fifth resolution

### *(Amendment of Article 11, paragraph D of the Company's articles of association concerning the appointment of the director representing employee shareholders)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report, resolves to amend Article 11, paragraph D of the Company's articles of association, which henceforth will read as follows:

*"D/ A director representing employee shareholders:*

*A member representing employee shareholders and an alternate shall be elected by the Ordinary General Meeting from among two candidates for the position of full member and two candidates for the position of alternate, appointed by the employee shareholders as defined in Article L. 225-102 of the French Commercial Code under the conditions set out below, supplemented by special rules drawn up by the Board of Directors for the election.*

*The member representing employee shareholders and his/her alternate shall serve a four-year term of office.*

*However, the term of office of either one shall cease as of right and the member representing employee shareholders or his/her alternate shall be deemed automatically to have resigned in any of the following cases:*

- *in the event of losing the status of employee of the Company or of an affiliated company as defined in Article L. 225-180 of the French Commercial Code;*
- *in the event of losing the status of shareholder of the Company or, for candidates appointed by Supervisory Boards, of the status of unit holder of a company mutual investment fund invested in shares of the Company, if the situation is not rectified within three months;*
- *if the Company of which he/she is an employee is no longer affiliated to the Company under the conditions provided for in Article L. 225-180 of the French Commercial Code.*

*In the event of death or resignation, the vacant seat shall be filled by the alternate member appointed by the employee shareholders together with the full member. The alternate member shall then replace the full member for the remaining term of office.*

*In the absence of an alternate candidate, the vacant seat shall be filled, as soon as practicable, in accordance with the procedure for the appointment and election of the director representing employee shareholders defined below. The term of office of the director thus appointed to replace the previous director shall expire on the date on which the latter's term of office would have expired.*

*Appointment of candidates*

*The two candidates (full and alternate) for election to the office of member representing employee shareholders shall be appointed in accordance with the following provisions.*

*Each full candidate shall be appointed, together with his/her alternate, by:*

- *the Supervisory Boards of company mutual investment funds (FCPE) whose assets are composed of shares of the Company, in accordance with Article L. 214-165 of the French Monetary and Financial Code, and whose unit holders are current or former employees of the Company or of an affiliated company as defined in Article L. 225-180 of the French Commercial Code;*
- *employees of the Company or of an affiliated company as defined in Article L. 225-180 of the French Commercial Code who directly hold registered shares of the Company (i) following free share allocations made under Article L. 225-197-1 of the French Commercial Code and authorized by a decision of the Extraordinary General Meeting after August 7, 2015, (ii) within the framework of the employee savings plan or (iii) acquired under Article 31-2 of order no. 2014-948 of August 20, 2014 on governance and transactions affecting the share capital of companies with public shareholding and Article 11 of Law No. 86-912 of August 6, 1986 on privatization, in the version applicable prior to the entry into force of the above-mentioned order.*

*The timetable for appointing candidates shall be set by the Chairman of the Board of Directors. It shall be on display in all relevant companies at least three months prior to the Ordinary General Meeting called to elect the director representing employee shareholders and his/her alternate.*

***i) Appointment of the candidate and his/her alternate by employees and former employees holding units of the Company mutual investment fund***

*The full candidate and his/her alternate shall be appointed by the Supervisory Boards of Company mutual investment funds, convened specifically for this purpose, from among their employee members.*

*Only employees and unit holders shall be eligible for appointment as candidates.*

*The Supervisory Board members shall appoint the full candidate and his/her alternate by a majority vote of members present or represented at the meeting or having a postal vote, provided that each member has a number of votes equal to the number of Renault shares held by the Company mutual investment fund divided by the number of members of the Supervisory Board of that fund. In the event of a tie, the candidate for full member who is longest serving in the Group shall be selected.*

*The joint resolution of the Supervisory Boards shall appoint a full candidate and an alternate candidate to represent employee shareholders.*

***ii) Appointment of the full candidate and his/her alternate by employees directly holding registered shares of the Company***

*The Chairman of the Board of Directors shall consult the relevant employee shareholders with a view to their appointment of a full candidate and an alternate candidate to represent employee shareholders.*

*The consultation shall be preceded by a call for applications. Only employees of the Company or an affiliated company as defined in Article L. 225-180 of the French Commercial Code directly holding shares in one of the categories defined above may apply for the position of full member or alternate member. Each application for the position of full member shall be submitted together with an application for the position of alternate member.*

*The consultation shall be organized with due regard for the confidentiality of the vote. A number of votes shall be allocated corresponding to the number of voting rights held by the employee.*

*The applicants receiving the highest number of votes shall be appointed as full and alternate candidates for the position of employee shareholders' representative. In the event of a tie, the candidate for full member who is longest serving in the Group shall be selected.*

*The consultation shall take place by any technical means able to ensure the reliability of the vote, and if necessary by electronic means or by post. The practical arrangements for the consultation, including the conditions for submitting applications with a view to the consultation of employee shareholders, shall be set out in special rules.*

*At the end of the consultation, a report shall be drawn up indicating the number of votes received by each candidate.*

*Election of the member representing employee shareholders and his/her alternate*

*The full member representing employee shareholders and his/her alternate shall be elected by the Shareholders' Annual General Meeting, upon presentation of the two candidates (full and alternate) appointed under the conditions described above, subject to the conditions of quorum and majority of Ordinary General Meetings.*

*In the event that a candidate is not appointed at the end of any of the appointment procedures referred to above, a single candidate may be submitted to the Shareholders' Annual General Meeting."*

The remainder of Article 11 remains unchanged.

### Twenty-sixth resolution

#### *(Amendment of Article 20 of the Company's articles of association concerning the alternate statutory auditors)*

The Annual General Meeting, voting under the conditions of quorum and majority required for Extraordinary General Meetings, having reviewed the Board of Directors' report, resolves to delete the third paragraph of Article 20 of the Company's articles of association, which henceforth will read as follows:

***Previous version:***

***"Article 20 – statutory auditors***

*The Annual General Meeting shall appoint at least two statutory auditors responsible for conducting the audits required under applicable legislation.*

*Said statutory auditors shall meet the eligibility conditions required by law. They shall be appointed for a term of six financial years and shall be re-eligible for office.*

*One or more Alternate statutory auditors shall be appointed to replace the regular statutory auditors in the event of their death, incapacity, refusal or resignation."*

***New version:***

***"Article 20 – Statutory auditors***

*The Annual General Meeting shall appoint at least two statutory auditors responsible for conducting the audits required under applicable legislation.*

*Said statutory auditors shall meet the eligibility conditions required by law. They shall be appointed for a term of six financial years and shall be re-eligible for office."*

## 3 - Ordinary general meeting

### Twenty-seventh resolution

#### *(Powers to carry out formalities)*

The Annual General Meeting grants all powers to the bearer of the original or a copy or excerpt of the minutes of this Annual General Meeting to carry out all registration formalities specified by law.

# THE RENAULT LANGUAGE EXPLAINED!

07

# ADDITIONAL **INFORMATION**



The elements of the annual financial report are identified by the AFR symbol.

# 7.1 CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE DOCUMENT

*Contact:*

***Clotilde Delbos, interim Chief Executive Officer***

I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this Universal registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of the Company and of all the undertakings included in the consolidation taken as a whole, and that the management report, of which the various headings are mentioned in the Table of concordance appearing in chapter 7 of this Universal Registration Document, presents a true and fair of the business performance, profit and loss and financial position of the Company and of all the undertakings included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties to which they are exposed.

Boulogne-Billancourt, March 18, 2020

Clotilde Delbos

Interim Chief Executive Officer

# 7.2 HISTORICAL INFORMATION ON FINANCIAL YEARS 2017 AND 2018

Pursuant to Article 28 of Commission regulation (EC) No. 809/2004, the following information is incorporated by reference in this 2019 Universal Registration Document:

## 7.2.1 For financial year 2017

The 2017 Registration Document was filed with the French Financial Markets Authority on April 5, 2018.

The consolidated financial statements appear in Chapter 4, on pages 318 to 396, and the Statutory Auditors' report on the consolidated financial statements appears in Chapter 4, on page 314-317, of the same document.

The financial information appears in section 1.3.2, on pages 84 to 90, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration Document.

## 7.2.2 For financial year 2018

The 2018 Registration Document was filed with the French Financial Markets Authority on April 15, 2019.

The consolidated financial statements appear in Chapter 4, on pages 328 to 411, and the Statutory Auditors' report on the consolidated financial statements appears in Chapter 4, on page 424-427, of the same document.

The financial information appears in section 1.3.2, on pages 84 to 88, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration Document.

# 7.3 STATUTORY AUDITORS

## 7.3.1 Regular statutory auditors

**KPMG S.A.**

represented by Laurent des Places
Tour Eqho
2, avenue Gambetta
92066 Paris-La Défense

KPMG was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

**EY Audit**

represented by Aymeric de la Morandière and Philippe Berteaux
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

Ernst & Young Audit was appointed for the first time by order of the Ministry of Economy and Finance on March 27, 1979. Its mandate was then renewed by the Combined General Meetings of June 7, 1996, April 26, 2002, April 29, 2008 and April 30, 2014, for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

## 7.3.2 Alternate statutory auditors

**KPMG Audit ID s.a.s.**

Alternate for KPMG S.A.
Tour Eqho
2, avenue Gambetta
92066 Paris-La Défense

KPMG Audit ID s.a.s. was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

**Auditex**

Alternate for EY Audit
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

Auditex was appointed for the first time by the Combined General Meeting of June 7, 1996 for a period of six years. Its mandate was renewed by the Combined General Meetings of April 26, 2002, April 29, 2008 and April 30, 2014 for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

## 7.3.3 Statutory auditors' fees

### TABLE OF FEES OF THE STATUTORY AUDITORS AND THEIR NETWORKS

| | EY Audit | | EY Network | | |
|---|---|---|---|---|---|
| *€ million* | Amount | % | Amount | % | Total 2019 |
| **Certification of parent company and consolidated financial statements and half-yearly limited review** | | | | | |
| • Renault SA and Renault s.a.s. | 2.67 | 77% | 0.00 | 0% | 2.67 |
| • Fully consolidated subsidiaries | 0.76 | 22% | 3.39 | 89% | 4.15 |
| **SUB-TOTAL A** | **3.43** | **99%** | **3.39** | **89%** | **6.82** |
| **Services other than certification of financial statements required by law and additional services** | | | | | |
| • Renault SA and Renault s.a.s. | 0,03 | 1% | 0,00 | 0% | 0.03 |
| • Fully consolidated subsidiaries | 0,00 | 0% | 0,09 | 2% | 0.09 |
| **SUB-TOTAL B** | **0.03** | **1%** | **0.09** | **2%** | **0.12** |
| **Services other than the certification of financial statements provided at the request of the entity** | | | | | |
| • Renault SA and Renault s.a.s. | 0 | | 0,00 | 0% | 0 |
| • Fully consolidated subsidiaries | 0 | | 0.34 | 9% | 0.34 |
| **SUB-TOTAL C** | **0** | **0 %** | **0.34** | **9%** | **0.34** |
| **Services other than the certification of financial statements** | | | **0** | **0%** | |
| **SUB-TOTAL D = B+C** | **0.03** | **1%** | **0.43** | **11%** | **0.46** |
| **TOTAL E = A+D** | **3.46** | **100%** | **3.82** | **100%** | **7.28** |

*Services other than the certification of financial statements provided by Ernst & Young Audit during the year to the Company and the entities that it controls involve:*
*(i) comfort letters for bond issues;*
*(ii) certifications for the purpose of obtaining subsidies; and*
*(iii)agreed procedures.*

| | KPMG SA | | KPMG Network | | |
|---|---|---|---|---|---|
| *€ million* | Amount | % | Amount | % | Total 2019 |
| **Certification of parent company and consolidated financial statements and half-yearly limited review** | | | | | |
| • Renault SA and Renault s.a.s. | 2.46 | | | | 2.46 |
| • Fully consolidated subsidiaries | 1.06 | | 3.12 | | 4.18 |
| **SUB-TOTAL A** | **3.52** | **90%** | **3.12** | **91%** | **6.64** |
| **Services other than certification of financial statements required by law and additional services** | | | | | **0** |
| • Renault SA and Renault s.a.s. | 0.106 | | | | 0.106 |
| • Fully consolidated subsidiaries | 0.036 | | 0.05 | | 0.091 |
| **SUB-TOTAL B** | **0.142** | **4%** | **0.05** | **2%** | **0.197** |
| **Services other than the certification of financial statements provided at the request of the entity** | | | | | |
| • Renault SA and Renault s.a.s. | 0.218 | | | | 0.218 |
| • Fully consolidated subsidiaries | 0.052 | | 0.27 | | 0.323 |
| **SUB-TOTAL C** | **0.270** | **7%** | **0.27** | **8%** | **0.541** |
| **Services other than the certification of financial statements** | | | | | |
| **SUB-TOTAL D = B+C** | **0.41** | | **0.32** | | **0.73** |
| **TOTAL E = A+D** | **3.93** | **100 %** | **3.45** | **100 %** | **7.38** |

*Services other than the certification of financial statements provided by KPMG Audit during the financial year to the Company and the entities that it controls involve:*
*(i) comfort letters for bond issues;*
*(ii) certifications as part of the EFPD and for the purpose of obtaining subsidies;*
*(iii)agreed procedures.*

# 7.4 CROSS-REFERENCE TABLES

## 7.4.1 Headings required by Annex 1 of European commission regulation (EC) No. 809/2004

This URD includes the components from the annual financial report mentioned in Article L 451-1-2 of the French Monetary and Financial Code as well as Articles 222-3 and 222-9 of the AMF General Regulation. The following cross-reference table facilitates the identification within this Registration Document of information included in the December 31, 2019 Annual Financial Report.

Information required by appendices 1 and 2 of Delegated Regulation (EC) No. 2019/980 of March 14, 2019 in accordance with the URD diagram.

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| 5-3 Major events | 19; 426 | 1.1.3; 4.4.2.1 |
| 5-4 Strategy and objectives | 20; 59; 67; 72; 84 *et seq*; 288 | 1.1.4.1; 1.2.3.1; 1.3; 1.3.1.2; 1.4.2; 1.4.3; 3.1.5.4 |
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| 5-7-3 Information on joint ventures and associates | 19; 45 *et seq*; 340; 345 *et seq* 356; 361; 376 *et seq*; 379; 410; 416 *et seq*; 429; 437 | 1.1.4; 4.2.3; 4.2.6.1; 4.2.6.2; 4.2.6.4; 4.2.6.6; 4.4.2.8; 4.4.2.25 |
| 5-7-4 Environmental issues that may affect the utilization of property, plant and equipment | 118 *et seq*; 153 *et seq* | 1.7.2; 2.3 |
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| 1-3 Significant events occurring between the financial year closing date and the preparation date of the management report | L. 232-1 and L. 233-26 of the French Commercial Code | 123; 412 | 1.8; 4.2.6.6 (note 30) |
| 1-4 Research and development activities | L. 232-1 and L. 233-26 of the French Commercial Code | 78 *et seq* | 1.4 |
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07

## 7.4.3 Cross-reference table of the annual financial report

This URD includes the components of the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code as well as Articles 222-3 and 222-9 of the AMF General Regulation. The following cross-reference table facilitates the identification within this Registration Document of information included in the December 31, 2019 Annual Financial Report.

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| 1 Statement of the person assuming responsibility for the information contained in the financial report | 472 | 7.1 |
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# GLOSSARY

## A

**Alliance:** Renault, Nissan, Mitsubishi and AVTOVAZ are members of the Alliance (a legal structure described in Chapter 1.2 of this document) with a cumulative sales volume for 2016 of over 9.9 million units.

**AVES:** Alliance Vehicle Evaluation System. A system of quality checks conducted on new vehicles as they come off the assembly lines. AVES applies a detailed method comprising a static/visual component and a dynamic component to detect any visual or mechanical defects or abnormal noises.

**AVTOVAZ:** Russian company, manufacturer of the Lada brand in which Renault has a controlling interest, via a joint-venture, fully consolidated in Renault's financial statements since the end of 2016.

## C

**CAFE:** the "CAFE" (Corporate Average Fuel Economy) represents the average level of fuel consumption or $CO_2$ emissions for all passenger cars sold by a carmaker.

**CMF:** Common Module Family, a sharing principle, via a series of platforms shared between Renault and Nissan, based on a modular system of architecture that enables a wide range of vehicles to be built from a smaller pool of parts, creating higher added-value for the Group's customers.

**CCT:** Cross-Company Team, a team consisting of representatives from Renault and Nissan who explore opportunities for synergy between the two companies within the framework of the Alliance.

**CVT:** Continuously Variable Transmission. A gearbox technology that enable the vehicle to run at optimum power. A CVT delivers better fuel economy than a conventional automatic transmission. It provides a smoother, more comfortable driving experience by shifting seamlessly through gear ratios with no break in acceleration.

## D

**DPF:** Diesel Particulate Filter: a particulate filter removes diesel particulate matter from exhaust gases by trapping them in a microporous honeycomb structure. The filter is automatically regenerated every 500 km.

**Downsizing:** reduction in engine capacity. Optimizing internal combustion engines remains one of the most effective ways of limiting fuel consumption, and therefore greenhouse gas emissions. Downsizing involves reducing the capacity of the engines – and thus fuel consumption and $CO_2$ emissions – while maintaining performance.

## E

**EBA:** emergency brake assist, a system that detects emergency braking situations and instantaneously increases braking pressure to shorten the distance the vehicle takes to stop.

**Euro NCAP:** European New Car Assessment Program. Safety standards for crash tests in Europe.

Euro NCAP performs crash tests to give consumers precise information about the safety of their cars.

Since 2009, Euro NCAP has released a single overall rating for each vehicle tested, which comprises assessments of Adult Occupant Protection, Child Occupant Protection, Pedestrian Protection and Safety Assist. Euro NCAP also publishes information about ESC fitment and the results of rear impact (whiplash) tests in terms of seat design.

**Euro 5 and Euro 6:** the Euro 5 emission standards are part of the Euro emission standards, which set the maximum pollutant emission limits, excluding $CO_2$, for cars and other vehicles. The Euro 5 emission standard came into effect in September 2009 for new car certifications and covers all new cars since January 2011. In 2014, Euro 6, which focuses mainly on NOx emissions, took its place.

## F

**FCF:** Free Cash Flow is the amount of cash generated by a company after interest payments, tax and net investments. FCF is used to:

- reduce the Net Financial Debt of Automotive;
- pay dividends;
- buy back the company's own shares and minority interests;
- carry out external growth operations: acquire companies or makeinvestments in associated companies.

The FCF for Automotive sectors is an indicator defined by the Renault Group and calculated from the accounting data in the Statement of Changes in Cash. However, this indicator is neither defined in nor required by IFRS.

The Group has chosen to calculate this indicator on the scope of the Automotive sectors, excluding all elements from the Sales Financing sector, with the exception of dividends paid and capital increases in Sales Financing.

Free Cash Flow is obtained from the elements in the Statement of Changes in Cash for Automotive sectors by summing the following elements:

Cash flow (excluding dividends received from publicly listed companies and including dividends received from Sales Financing)
+ Change in working capital requirements
+ Tangible and intangible investments net of disposals
+ Change in capitalized leased assets (vehicles and batteries)
- Subscription to capital increases from Sales Financing
**= Automotive sectors' operational free cash flow**

**FTT:** Functional Task Teams: a team consisting of representatives from Renault and Nissan who share their expertise in processes, standards and management tools within the framework of the Alliance.

**Fuel cell:** Consisting of a nucleus and a single electron, hydrogen is the simplest and lightest of the elements. It is fourteen times lighter than air. In a fuel cell, hydrogen and oxygen are brought into contact on either side of a polymer electrolyte membrane. They combine to produce water, the only "emission" of the engine, which generates electricity and heat. It is this electrical energy that powers the vehicle's electric engine.

## G

**GEC:** Group Executive Committee, which is in charge of the Company's strategic directions and decisions.

**Groupe Renault:** the Group manufactures and sells passenger cars and utility vehicles under three brands: Renault, Dacia and Renault Samsung Motors for a total volume of over 3.1 million vehicles sold in 2016.

## H

**HSE:** Renault created an HSE division (Health, Safety, Environment) on September 1, 2016. Its task is to converge policies on working conditions, health, safety and the environment. The task of this new entity is to carry out the Group's HSE governance by defining an overall policy and ambitious progress targets in respect of safety and working conditions, ergonomics, industrial health and the environment in collaboration with corresponding functions.

## K

**KPI:** Key performance indicators. KPIs are used to measure the company's performance. They provide an overview of the Group's performance, which is reported monthly to the GEC. KPIs are the main tool for performance management in each geographical region or business line.

## L

**LAB:** Laboratory of Accidentology, Biomechanics and Human Behavior. The LAB reflects will to improve road safety by combining several scientific disciplines at the crossroads between physics and human sciences. The accidentology and driver behavior teams analyze the causes and effects of road accidents with a view to improving prevention. The biomechanics team works toward better occupant protection.

## M

**Materiality Matrix:** the Materiality matrix is a tool which enables prioritization of extra-financial stakes with strategic reach. By conducting a materiality analysis, the Company works on the subjects that have a (potentially) extensive and significant impact on its business model, and then translate these (as far as possible) into indicators. The methodology used must be comprehensible, reproducible and transparent.

The **Monozukuri** is the indicator that measures performance growth for the Purchasing, Warranty, R&D, Production and Logistics business activities over the current year versus the previous year. It is calculated excluding changes in raw materials, mix effects, enrichment, volume and currencies.

## N

**NEDC:** the NEDC (New European Driving Cycle) is a standardized driving cycle and test procedure used to measure the emission levels and fuel economy of all types of vehicles in Europe. The NEDC is thus an objective criterion for assessing the performance of models by different manufacturers. The vehicle is put on a roller test bench and put through the same urban cycle three times (cycle ECE-15), followed by one non-urban cycle. The average of the four cycles is the average fuel economy.

## O

**Open Innovation Lab:** the creation of Open Innovation Labs is part of the Renault-Nissan Alliance's innovation culture and strategy: they enable innovation opportunities to be cultivated based on an opene co-system comprising start-ups, universities and investors and a local economy such as local authorities, associations, customers and markets. These laboratories bring together in one place the three pillars of open innovation: the socialization of knowledge (events, conferences, think tanks, meet-ups), creativity and innovative design methods (design thinking, Fablab) and new economy leveraging (acceleration of start-ups, collaborative and open modes and platforms). Since March 2017, there are three around the world (Silicon Valley, Tel Aviv and Paris).

**Operating income:** includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs (see operating margin).

**Operating margin:** the operating margin corresponds to the operating income before taking into account other operating income and expenses which by nature or exception have a significant or unusual character and may affect margin comparisons. Other operating income and expenses mainly include:

- restructuring provisions associated with activity stoppages and the costs of workforce adjustment measures;
- income from disposals of activities or operational investments (total or partial), the income from disposals of investments in associates and joint ventures (total or partial), other income from changes in scope such as takeovers under IFRS 10 of entities previously consolidated under the equity method and the direct acquisition costs of companies consolidated by full consolidation or according to the percentage share specific to each balance sheet and income statement item;
- gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales);
- impairment of intangible assets and property, plant and equipment and goodwill (excluding goodwill from associated companies and joint ventures);
- income and expenses that are unusual in their frequency, nature or amount, in respect of disputes or impairment on significant operating receivables.

**Oyak-Renault:** Renault's manufacturing partner in Turkey.

## R

**R&AE:** Research and Advanced Engineering. R&AE activities are managed across the company's Engineering departments using a shared, structured plan. The plan covers all vehicle, powertrain, product, process and service applications.

**REACH:** (for Registration, Evaluation and Authorization of CHemicals) is a regulation adopted in 2006 by the European Parliament and Council. It has enabled the creation of a Community system for the registration, evaluation and authorization of chemical substances managed by the new European Chemicals Agency (ECHA) based in Helsinki.

The implementation of REACH is the result of three main intentions: to expand knowledge of the health and environmental risks of over 30,000 chemical substances, to implement a substitution policy for the most harmful substances and to entrust manufacturing and exporting companies with the evaluation and management of risks linked to these substances.

**Revenues:** revenues include all income from the sale of the Group's automotive products, less rebates for services linked to these sales, and the different sales financing revenues sold to customers by Group companies.

**RMC:** Regional Management Committee, which represents most of the Company's central business functions, meets monthly and contributes to growing the Company's presence, in both volume and market share, in the markets of the region in question. GEC: Group Executive Committee, which is in charge of the Company's strategic directions and decisions.

**RNPO:** Renault Nissan Purchasing Organization, Shared Renault and Nissan division, created in 2001, responsible for purchasing parts and all other activities for the two companies.

## S

**Shareholders' equity:** the Group manages the equity for the Automotive division excluding AVTOVAZ using a ratio, equal to net debt for the Automotive segment excluding AVTOVAZ divided by the amount of shareholders' equity. Net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans. Shareholders' equity is as reported in the Group's financial position.

## T

**TAM:** Total Automotive Market. The TAM is an aggregate figure representing new registrations of all automotive makes in the same market. TAM is frequently used in conjunction with Market Share (MS).

**TCE:** Turbo Control Efficiency. TCE engines are equipped with a low inertia turbo that ensures minimal lag, thanks to its small-diameter turbine and compressor. The marriage of small capacity and low inertia turbo ensures lively response from low revs.

## W

**WLTP:** Worldwide harmonized Light vehicles Test Procedure. In the vehicle approval process, WLTP is the new procedure for measuring $CO_2$ emissions and pollutant consumption and emissions under conditions more representative of customer use and the diverse nature of vehicle equipment. It has gradually been replacing the NEDC procedure since September 1, 2017. In line with the Euro 6d standard, which has gradually been implemented since September 1, 2017, this standard laboratory test procedure is supplemented by road tests that use the new Real Driving Emissions (RDE) protocol.

# INITIALS AND ACRONYMS

## A

**AAA:** French: automobile manufacturers' association (Association auxiliaire automobile)

**ABS:** Anti-lock Braking System

**ADEME:** Environment and energy management agency (Agence de l'environnement et de la maîtrise de l'énergie)

**AM:** Asset Management

**APO:** Alliance Purchasing Organization

**APP:** EU Agency for the Protection of Programs

**ARC:** EU Accounting Regulatory Committee

**ASFE:** Alliance for Synthetic Fuels in Europe

**AV:** Autonomous vehicle

**AVES:** Alliance Vehicle Evaluation System

**AVTOVAZ:** Renault's subsidiary in Russia

## B

**BOP:** Bottom Of the Pyramid

**BOT:** Build Operate Transfer Agreements

**BPU:** Single Personnel Database

## C

**CAC:** Statutory Auditors

**CAE:** Computer-Aided Engineering

**CAFE:** Corporate Average Fuel Economy (indicator)

**CARE:** Audit, Risks and Ethics Committee

**CASA:** Ceasing of activity by older employees

**CCI:** Chamber of Commerce and Industry

**CCT:** Cross-Company Team

**CDC:** Public infrastructure investment agency (Caisse des dépôts et consignations)

**CDP:** Carbon disclosure project

**CECC:** Country Ethics and Compliance Committee

**CESP:** Company Employee Savings Plan

**CMF:** Board of financial markets

**CMS:** Constant Maturity Swap

**CNC:** National audit office (Conseil national de la comptabilité)

**CNG:** Compressed Natural Gas

**CVT:** Continuously Variable Transmission

## D

**DRIRE:** Regional directorate for industry, research and the environment (Direction régionale de l'industrie, de la recherche et de l'environnement)

## E

**EBA:** Emergency Brake Assist

**EBIT:** Earnings before Interest and Tax

**ECB:** European Central Bank

**EFNA:** Automotive division net financial debt

**EIB:** European Investment Bank

**EIG:** Economic Interest Grouping

**ELV:** End-of-Life Vehicle

**EMU:** Economic and Monetary Union

**EONIA:** Euro Overnight Index Average (overnight interest rate)

**EPE:** Association of environmentally-concerned companies (Entreprises pour l'Environnement)

**ESP:** Electronic stability control. Trajectory control

**EU:** European Union

**EV:** Electric Vehicle

## F

**FED:** US Federal Reserve

## G

**GEC:** Group Executive Committee

**GESP:** Group Employee Savings Plan

**GHG:** Greenhouse Gases

**GmbH:** Limited liability company in German-speaking countries (Gesellschaft mit beschränkter Haftung)

**GNP:** Gross National Product

## H

**HMI:** Human-Machine Interface

**HR:** Human Resources

## I

**IASB:** International Accounting Standards Board

**IBS:** Identifiable Bearer Securities

**ICE:** Internal Combustion Engine

**ICPE:** in France, environmentally-sensitive facilities, which must undergo regular inspections *(installations classées pour la protection de l'environnement)*

**ICV:** International Corporate Volunteer

**IFA:** French minimum turnover tax *(imposition forfaitaire annuelle)*

**IFRS:** International Financial Reporting Standards

**ILO:** International Labor Organization

**ISO 9000:** International Organization for Standardization quality management standard

**ISMP:** Information Security Management Policy

**ISSP:** Information Systems Security Policy

## J

**JV:** Joint-venture

## L

**LCA:** Life-Cycle Assessment

**LCV:** Light Commercial Vehicle

**LIBOR:** London Interbank Offered Rate

**LTL:** Long-term leasing

## M

**MCV:** Multi-Convivial Vehicle

**MOU:** Memorandum of Understanding

**MPV:** Multi-Purpose Vehicle

## N

**NER:** New Economic Regulations Act of 2001, requiring listed companies to include environmental impact data in their annual reports *(loi sur les nouvelles régulations économiques)*

**NGO:** Non-Governmental Organization

**NGV:** Natural Gas Vehicle

**$NO_x$:** Nitrogen oxides

**NV:** New Vehicle

## O

**OaO:** Overall Opinion

**OBSAR:** Warrant bond *(obligation à bons de souscription d'actions remboursables)*

**OECD:** Organization for Economic Co-operation and Development

**ONERA:** French aerospace research agency (Office national d'études et de recherches aérospatiales)

**OOIE:** Other operating income and expenses

**OPA:** Takeover bid

**OPE:** Public Exchange Offer

**OSCE:** Organization for Security and Co-operation in Europe

## P

**PC:** Passenger Car

**PDCA:** Plan, Do, Check, Act

**PEA:** Equity investment plan *(plan d'épargne en actions)*

**PEL:** Homebuyers' savings plan *(plan d'épargne-logement)*

**PERP:** Retirement savings plan *(plan d'épargne retraite personnalisé)*

**PIP:** Practical Idea for Progress

**PPM:** Parts Per Million

## R

**RCS:** French business register (Registre du commerce et des sociétés)

**REACH:** Registration, Evaluation and Authorization of Chemicals

**R&D:** Research and Development

**RGC:** Renault Group Committee

**RIA:** Recyclability Index for Automobiles

**RMC:** Regional Management Committee

**ROCE:** Return on Capital Employed

**ROE:** Return on Equity

## S

**SAM:** Sustainable Asset Management, a sustainability rating agency

**SOC:** Security Operations Center

**SRI:** Socially Responsible Investing

**SRP:** Renault System for Restraint and Protection

**SUV:** Sport Utility Vehicle

## T

**TACE:** Activity rate excluding holidays

**t$CO_2$eq:** Metric tons of $CO_2$ equivalent

**TFI:** International French-language proficiency test *(test de français international)*

**TPAM:** Third-Party Application Maintenance

## U

**UCITS:** Undertakings for Collective Investment in Transferable Securities

**UV:** Used Vehicle

## V

**VAR:** Value at risk

**VPC:** mail-order selling

## W

**WEF:** World Economic Forum

**WTO:** World Trade Organization

## Z

**Z.E.:** Zero Emission

# DISCOVER

The digital versions of the 2019 Annual Report and the 2019 Universal Registration Document

**on our website:**
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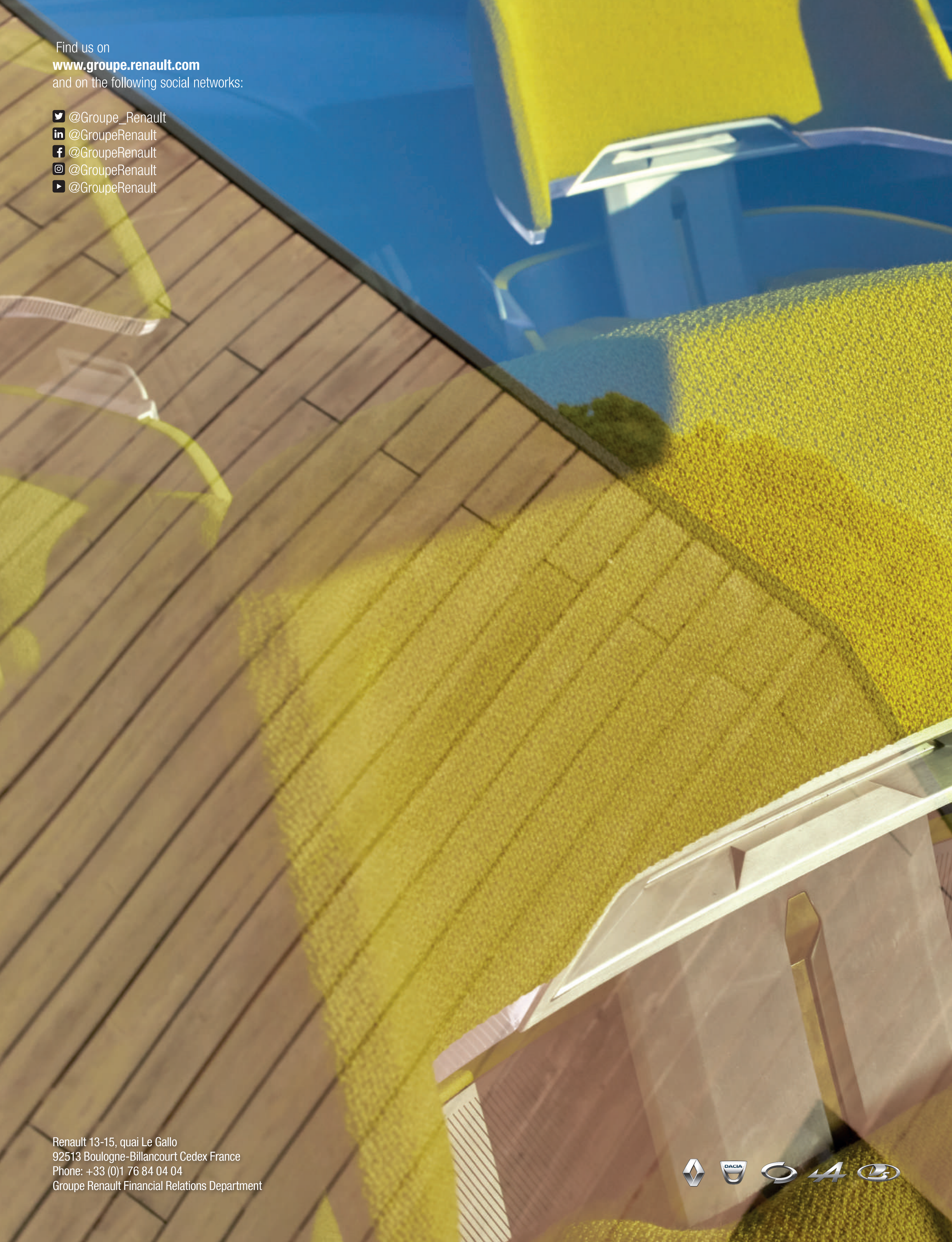

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