UNIVERSAL REGISTRATION DOCUMENT 2020

INCLUDING THE ANNUAL FINANCIAL REPORT 2020

GROUPE RENAULT

Summary

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

TRANSPARENCE LABEL BRONZE 2020

This logo recognizes the most transparent Universal registration documents according to the criteria of the *Classement Annuel de la Transparence* (http://www.grandsprixtransparence.com)

2020

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT
APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 18, 2021
ACCESSIBLE DOCUMENT

Groupe Renault is at the forefront of reinventing mobility

The Universal registration document was filed on March 15, 2021, with the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) as the competent authority in accordance with regulation (EU) 2017/1129, without prior approval 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 to trading 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 set of documents thus constituted 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

For Groupe Renault, the year 2020 was marked by many contrasts: contrast between the severity of the crisis we had to face and the positive dynamic of rebuilding; contrast between the lack of external visibility and the clarity of our vision for the future; contrast between the difficulty of daily life for the company's employees and their spirit of resistance and solidarity, which deserve our gratitude; and contrast, finally, between a second half-year as promising as the first half was difficult.

Faced with the adversity of the situation, we could have given into the temptation of safeguarding the present at the expense of the future. In a storm, urgency is traditionally the best advocate of short-termism, which favours repairing the sail while neglecting to set the course.

This was not the choice of the Group and its Board of Directors.

At the head of the Group, we have established a calm and solid governance structure that today has the support of all its teams. We have also been able to take the necessary steps that the situation required, with a difficult but unavoidable cost-cutting plan launched in May, based on an exemplary dialogue with employee representatives and local authorities for its implementation.

For the past two years, all our energy has been focused on strengthening our Group over the medium and long term. And 2020 was a decisive milestone in this long-term recovery.

The foundation of the Alliance has been consolidated and its operation clarified around the leader/follower principle. More than ever, the Alliance remains a formidable asset for Renault and its partners in an automotive sector that is seeing competitors consolidate.

In addition, we have resolutely placed the ecological transition at the heart of our strategy, as illustrated by the future transformation of Flins, which will become Europe's leading circular economy site dedicated to mobility, as well as our hydrogen offensive.

Finally, the Renaulution plan, presented in early 2021 by Luca de Meo, reflects the depth of our transformation: moving from a strategy of volume to a strategy of value, and preparing Renault, an automotive company that has been in the technology business since 1898, to become a technology, data and energy company that also produces cars.

“We have weathered the storm and begun to bounce back”

We have weathered the storm and begun to bounce back. This resilience bodes well for our future.

2021 will be another year of difficulties and uncertainties. Nevertheless, we will be able to move forward, thanks to the commitment of all the Group's employees, the robustness of our Renaulution plan, and the strength of our values. We will reaffirm these values at the Annual Shareholders' Meeting on April 23, during which our "Purpose" will be presented.

MESSAGE FROM LUCA DE MEO

“ I have every confidence in the Group's ability to stay the course of the Renaulution ”

2020 was a year marked by health crises, a shrinking global economy, retreat behind borders and uncertainty. It was a difficult time for everyone, including the automotive industry. It was also a year during which everyone showed their inventiveness in the face of constraints, and where each company demonstrated its resilience.

After a very tough first half for the Group, we made progress in the second half of the year. We limited the impacts of the second wave of Covid-19 by managing our inventory and production levels as closely as possible. We improved our performance by lowering our costs beyond the targets we had set ourselves. We also improved our pricing policy.

And it paid off: for the period from July to December, we posted an operating margin of 3.5% and positive free cash flow. That is great progress. I salute the efforts made by the teams throughout the Group. Before we unveiled it on January 14 this year, the Renaulution was already underway. We are moving from a system designed to generate volumes to an organization focused on value creation.

2021 does not promise to be any easier than 2020.

Covid-19 continues to impact our order book despite the success of our latest models, notably the E-TECH range and the Dacia Sandero. This will be one of our main challenges, managing our activities with low visibility on demand.

Added to this is a new crisis stemming from the shortage of electronic components affecting the automotive industry. We are doing everything we can to limit the impact of these supply disruptions.

To overcome these crises, we will continue our efforts to reduce costs, improve our pricing policy and seek value in each of our markets. In 2021, the success of our electric and hybrid E-TECH vehicles will span the entire year. We have what it takes to regain our performance levels as soon as the markets recover.

I have every confidence in the Group's ability to stay the course of the Renaulution, and to carry out its "Resurrection" over the coming two years.

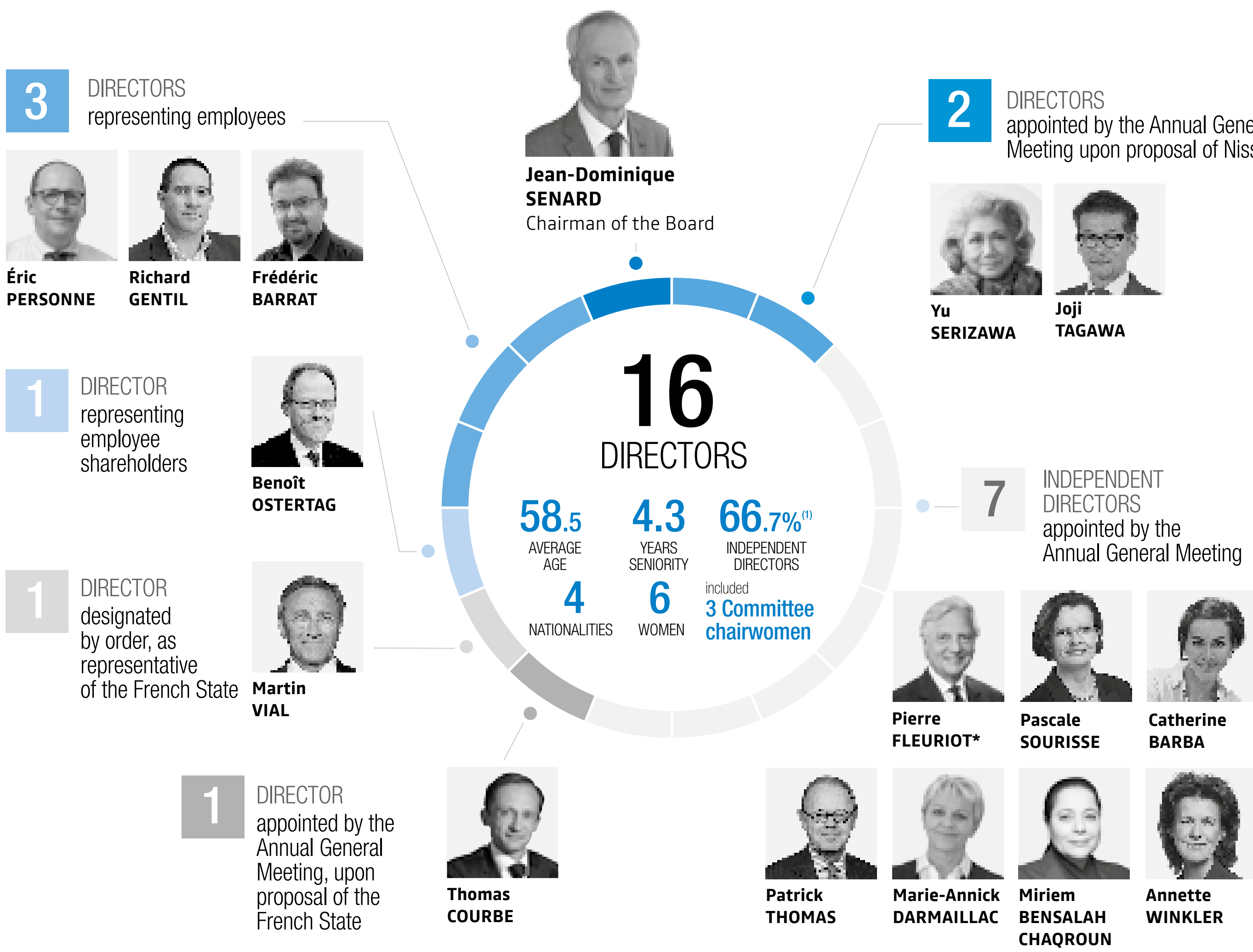
Luca de Meo

Chief Executive Officer of Groupe Renault

GOVERNANCE AND BOARD OF MANAGEMENT

As of March 1, 2021

Overview of the Board of Directors



Specialized committees

**Lead Independent Director*

AUDIT, RISKS AND COMPLIANCE Committee	ETHICS AND CSR Committee	GOVERNANCE AND COMPENSATION Committee	STRATEGY Committee
6 MEMBERS	5 MEMBERS	5 MEMBERS	6 MEMBERS
60% INDEPENDENT (2)	66.7% INDEPENDENT (2)	75% INDEPENDENT (2)	75% INDEPENDENT (2)

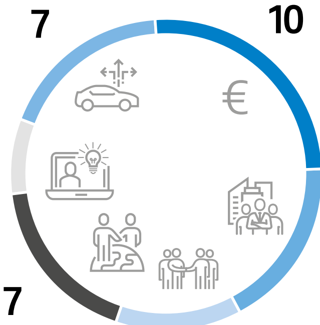
(1) Excluding the directors representing employees and the director representing employee shareholders, but including Jean-Dominique Senard.
(2) Excluding the directors representing employees and the director representing employee shareholders.

Mapping of Boards members' skills

AUTO INDUSTRY 7
Ms. Winkler, Messrs. Barrat, Gentil, Ostertag, Personne, Senard, Tagawa

FINANCE 10
Ms. Sourisse, Ms. Winkler, Messrs. Courbe, Fleuriot, Ostertag, Personne, Senard, Tagawa, Thomas, Vial

DIGITAL AND INNOVATION 3
Ms. Barba, Ms. Sourisse, Mr. Senard



SENIOR EXECUTIVE EXPERIENCE 7
Ms. Bensalah-Chaqroun, Ms. Sourisse, Ms. Serizawa, Ms. Winkler, Messrs. Fleuriot, Senard, Thomas

INTERNATIONAL EXPERIENCE 7
Ms. Barba, Ms. Bensalah-Chaqroun, Ms. Serizawa, Ms. Sourisse, Ms. Winkler, Messrs. Senard, Tagawa

ENVIRONMENTAL, SOCIAL AND GOVERNANCE 6
Ms. Bensalah-Chaqroun, Ms. Darmaillac, Ms. Serizawa, Messrs. Ostertag, Senard, Tagawa

Work of the Board of Directors

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

Overview of the Board of Management (BoM)


1.


2.


3.


4.


5.


6.

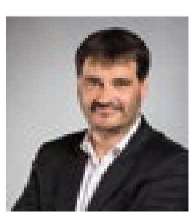

7.


8.


9.


10.


11.


12.

1. **Luca de Meo**, Chief Executive Officer of Renault S.A., Chairman of Renault SAS, CEO, Renault Brand
2. **Clotilde Delbos**, Deputy Chief Executive Officer, Chief Financial Officer, Chairman of the Board of Directors of RCI Banque, CEO, MobiliZe Brand
3. **Jose Vicente de los Mozos**, EVP, Group Industry
4. **Philippe Guérin-Boutaud**, EVP, Group Quality
5. **Ali Kassai,** EVP, Group Advanced Product & Planning
6. **Gilles Le Borgne**, EVP, Group Engineering
7. **Denis Le Vot**, EVP, CEO, Dacia & Lada Brands
8. **Nicolas Maure**, EVP, Chief Turnaround Officer
9. **François Roger**, EVP, Human Resources, Group Prevention and Protection, Real Estate, Facility Management, Health-Safety-Environment, Transformation and Organization, EVP, Renault Brand, HR
10. **Véronique Sarlat-Depotte**, EVP, Alliance Purchasing Organization (APO)
11. **Laurens van den Acker**, EVP, Group Design
12. **Frédéric Vincent**, EVP, Group IS IT/Digital, EVP, Renault Brand, IS/IT

12 MEMBERS

2 WOMENS

4 NATIONALITIES

LEARN MORE
- 2020 Universal registration document, chapter 3

BUSINESS MODEL EFPD-A

Data at December 31, 2020

OUR RESOURCES

See Section

HUMAN — 2.4.1
170,158 employees
in 39 countries

FINANCIAL — 4.2
Shareholders' equity: **€25.3 billion**
Financial debt: **€65 billion**

INTELLECTUAL — 1.4
11,773 patents' portfolio
23,125 R&D engineers
in **8** countries

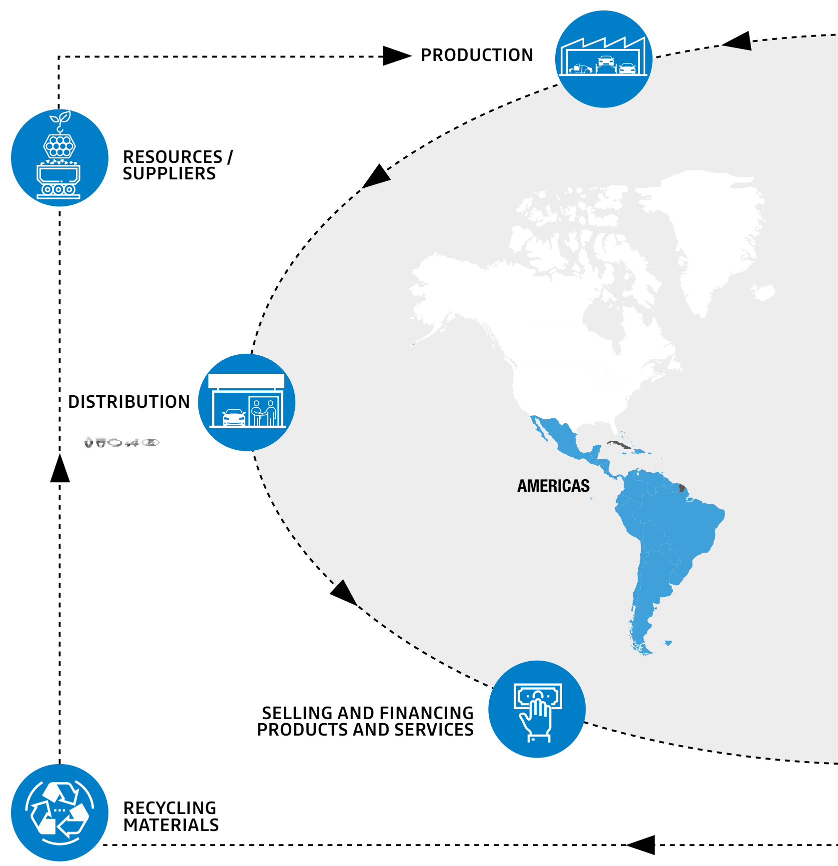
ENVIRONMENTAL — 2.2
Renewable and non-renewable
resources & energies

INDUSTRIAL — 1.1.3.4
38 plants around the world

SOCIAL AND RELATIONNAL — 2.1.5
Relationships with our
stakeholders (customers, employees,
suppliers and partners, investors,
local communities, institutions
and associations, etc.)

Groupe Renault
a mobility that

Our operations within **4 BRANDS***

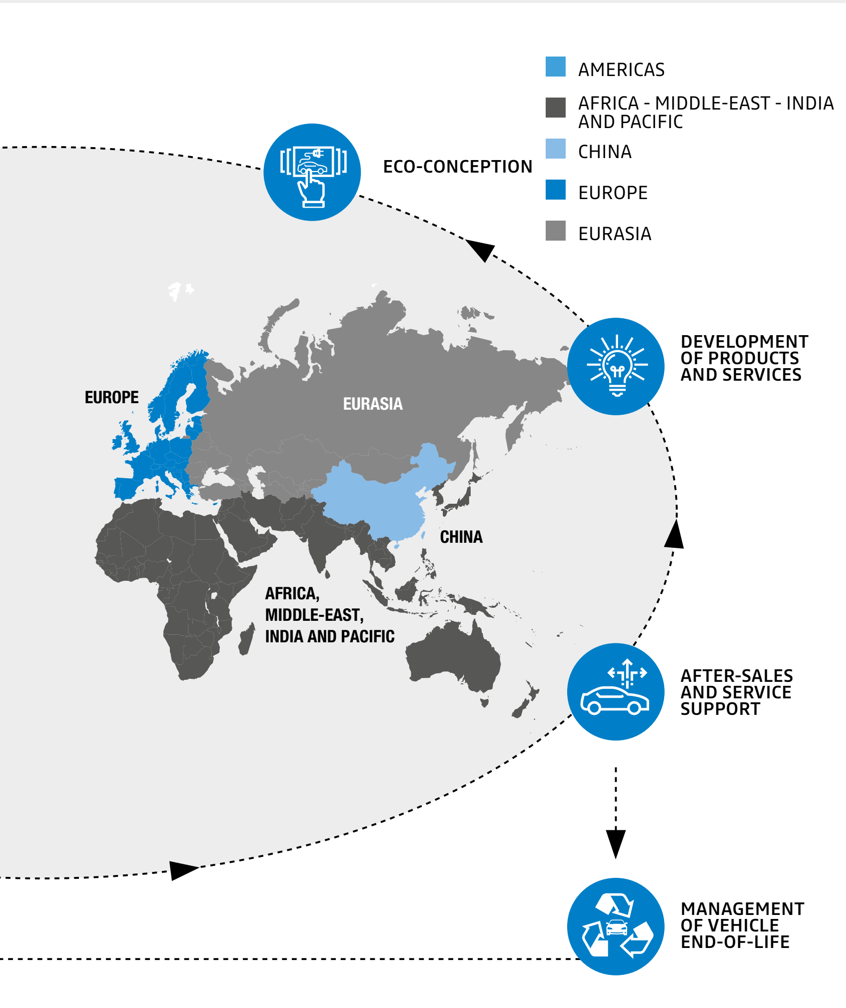


**For more informations about the brands, see page 12 of the 2020 Universal registration document*

OUR MAIN ASSETS

	See section
• ELECTRICAL VEHICLES	1.1.3.1
• RCI BANK & SERVICES	1.1.4
• GLOBAL ACCESS LINE UP	2.4.5.1

is at the forefront of
is reinventing itself



• ALLIANCE (SCALE POTENTIAL AND TECHNOLOGIES) 1.4.2

OUR CREATION OF SHARED VALUE

	See section
CUSTOMERS	
Quality and customer satisfaction	1.4.3
Innovation for all:	1.4.1
Connectivity	
Autonomous driving	
Mobility services	
SHAREHOLDERS	
Sustainable performance	1.3.1
Dividend policy	5.3.3
EMPLOYEES	
76% engagement rate	2.4.1.1
3,1 million 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	
Around **15,000** parts and services suppliers	2.5.2
826 patents filed	1.4
SOCIETY	
8 foundations worldwide	2.4.3.1
15 academic chairs funded	2.3.1

STRATEGIC PLAN

FROM VOLUME TO VALUE CREATION

A plan structured in three phases that are launched in parallel, which will restore competitiveness by:

- improving the **efficiency of functional divisions** thanks to strict cost control;
- taking advantage of Groupe Renault's **industrial strengths** and position as **leader in electrics** throughout Europe;
- drawing on the **Alliance's technological expertise** to boost efficiency;
- exploring even further into the world of **data, mobility and energy services;**
- driving profitability through **four differentiated, empowered, brand business units,** that are customer and market-driven..

RESURRECTION
THROUGH **2023**
Phase one: become competitive once again by reducing costs and generating profit.

RENOVATION
THROUGH **2025**
Phase two: renew and enrich our line-ups, feeding brand profitability.

REVOLUTION
AS OF **2025**
Phase three: redirect our business model towards technology, energy, and mobility, to define our position as precursor in the new-mobility value chain.

New financial objectives

Commitments and ambitions based on current known emission standards

*(1) ROCE= Auto Operating Profit (incl. AVTOVAZ) * (1- average tax rate) / (PP&E + intangible assets + financial assets - investments in RCI/Nissan/ Daimler + WCR).*

(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.

A **new way of working to** better serve competitiveness

- We have rethought the way we work to make it simpler, clearer, more fluid.
- In this new organization, the brands are in the driver's seat. Each brand is clearly distinguishable, they are all focused on clients and markets, and are masters of their own profitability.
- Cross-cutting functional divisions, with Engineering leading the charge, work closely with the brands and are responsible for the time-to-market calendar, competitiveness, costs, and development timeline.
- The Alliance plays a pivotal role in focusing efforts on high-impact projects.

More efficient functional divisions

A key driver behind the Renaulution plan is the boost in efficiency for functional divisions – responsible for cost and performance.

ENGINEERING

- Rationalization of platforms from six to three (with 80% of Group volumes [1] based on three Alliance platforms) and powertrains [2] (from eight to four families).
- Time taken to develop a car reduced by a full year.
- Industry leader for electric vehicles and connected services.

MANUFACTURING [3]

- Cost competitiveness [4] increased by +20 points by 2023, 2024, 2025.
- Capacity reduced to 3.1 million units by 2025.
- Plant utilization rate increased to 120% in 2025.

QUALITY

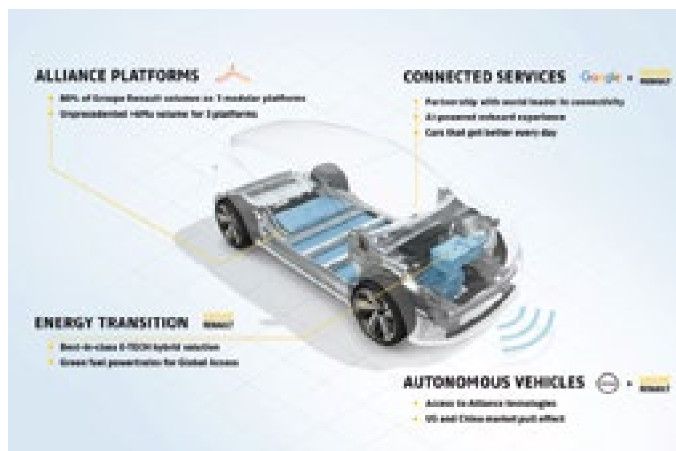
- Totally rethought business model and production approach.
- More sustainable vehicles, illustrated by the "one million kilometers" project.
- Increased residual value for vehicles through constant life-cycle developments.

PROCUREMENT

- Exceptional efforts made to control variable costs.
- Renewed supplier-side efficiency with new agreements.

(1) Perimeter: passenger cars.
(2) Perimeter: Europe.
(3) Harbour standards.
(4) Cars sold in Europe.

Take advantage of the Group and Alliance technological expertise



A **new range** that is more competitive, profitable, and balanced

Our **product-driven offensive** will be as follows:

- we are going to win back lost ground in the C and D segments with a total of 11 new electric/hybrid models, bringing the contribution margin* on variable costs of mid-size cars to Group revenue from only 15% in 2019 to 40% in 2025;
- the offensive will be led at the same time as work to maintain our position as leader in segments A and B with the release of five new electric/hybrid models;
- we will consolidate our position in the LCV segment, with six models, three of which are all-electric;

**In €, Group excluding AVTOVAZ.*

> **"The Renaulution plan will ensure the Group's sustainable profitability while keeping on track with its Zero CO_2 footprint commitment in Europe by 2050."**

FOUR BRANDS,
4 PROPOSITIONS

RENAULT | DACIA | ALPINE | MØBILIZE

As part of Renaulution*, Groupe Renault has revamped its organization around its brands, grouping them into four business units (BU): Renault, Dacia, Alpine and New Mobility.

RENAULT

The *"Nouvelle vague"* bringing modernity to the European automotive scene

With Groupe Renault's "Renaulution" strategic plan, the Renault brand moves into a new era and launches its own *"Nouvelle vague"*, bringing modernity to the European automotive scene by turning into a tech, service and clean energy brand.

ALPINE

A brand at the forefront of innovation with exclusive sport cars

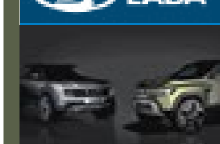
The Alpine brand shifts up a gear. Proud of its legacy, though not one for nostalgia, the Alpine brand is gearing up to branch out into new areas, like Formula 1, and mount a "dream garage" line-up of all-electric sport cars.

DACIA

Redefining what's essential by breaking new ground

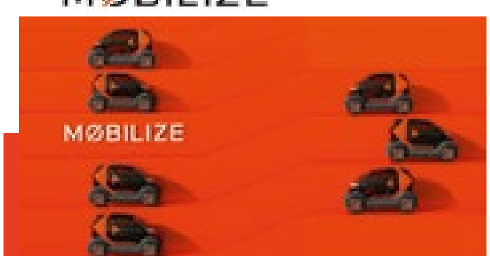
Dacia is starting a new chapter of its success history. As part of its quest to redefine the essence of affordable cars, it will venture into new territories across Europe and a new segment, throwing out the rule book on the way.

LADA



LADA too has new horizons to explore with its ambitious product plan, epitomized by the 2024 launch of its latest iteration of the iconic Niva. Like Dacia, the brand will benefit from synergies between Groupe Renault and the Alliance.

MØBILIZE



A brand dedicated to mobility and energy services

A recent addition to the Groupe Renault family, the Mobilize brand will carry the company beyond the bounds of the automotive industry, harnessing new growth drivers from the mobility and energy services and data management markets.

** Details of the Renaulution strategic plan are provided in chapter 1.1.3, "Strategy", on page 21.*

170,158 employees

150 entities

Present in

39 countries

1st

RENAULT MAINTAINS ITS LEADERSHIP IN EUROPE ON ELECTRIC VEHICLES.

ZOE

RECORD SALES PERFORMANCE IN EUROPE.
BEST-SELLING ELECTRIC MODEL IN EUROPE IN 2020.

LAUNCH OF THE

ELECTRIC TWINGO

Industrial sites (1)

and sales in 2020* of the 10 leading markets

GROUPE RENAULT PLANTS
- Passenger cars
- Light Commercial Vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

PARTNER PLANTS
- Passenger cars
- Light Commercial Vehicles (LCVs)

LOGISTICS SITES
- Logistics platform

ALLIANCE SITES
- Renault-Nissan Alliance plants

SITES IN FRANCE
- 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

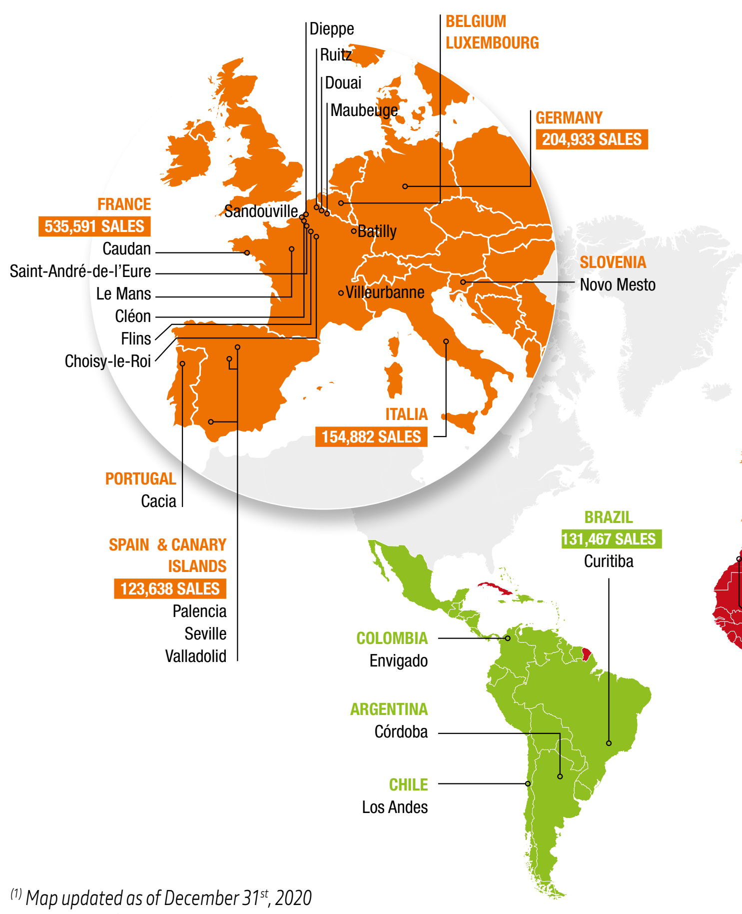
SITES IN EUROPE
- Cacia
- Novo Mesto
- Palencia
- Séville
- Valladolid

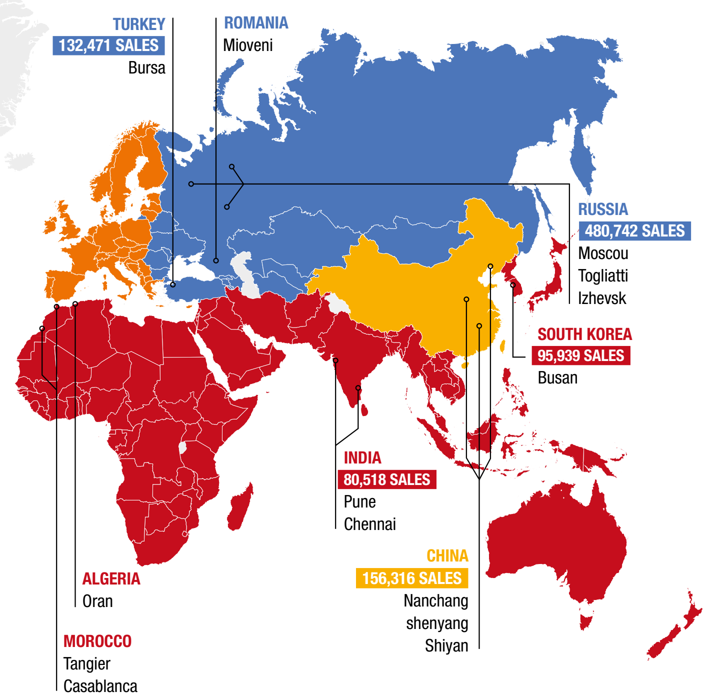
SITES IN EURASIA
- Bursa (Oyak-Renault)
- Izhevsk (AVTOVAZ)
- Mioveni (Dacia)
- Moscou
- Togliatti (AVTOVAZ)

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

SITES IN CHINA
- Nanchang (JMEV)
- Shenyang (RBJAC)
- Shiyan (eGT-NEV)

SITES IN AMERICAS
- Córdoba
- Curitiba
- Envigado (Sofasa)
- Los Andes (Cormecanica)





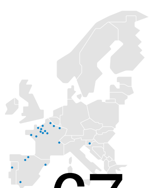
(1) Map updated as of December 31st, 2020
** Preliminary figures*

KEY FIGURES

€43,474 M
Group Renault 2020 revenues

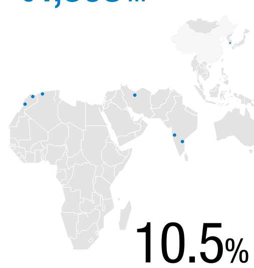
2,951,971
vehicles sold worldwide in 2020

BREAKDOWN OF REVENUES BY VEHICLES SOLD WORLDWIDE/2020

Europe
€29,335 M

67.4%

Eurasia
€6,924 M

15.8%

Africa -Middle-East - India - Pacific
€4,603 M

10.5%

Americas (without USA)
€2,488 M

5.6%

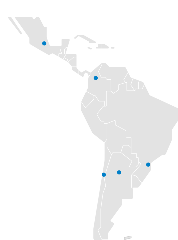
China
€124 M

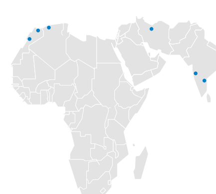
<1%

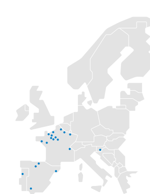
ALL BRANDS WORLD MARKET BY REGION/2020 - BY VOLUME

China
23,843,522

31.6%

Americas (without USA)
20,239,770

26.8%
- en volume

Africa -Middle-East - India - Pacific
14,786,093

19.6%

Europe
13,662,952

o/w France 2,052,501
18.1%

Eurasia
2,997,561

4%

GROUPE RENAULT SALES WORLDWIDE BY REGION

China	Americas (without USA)	Africa -Middle-East - India - Pacific	Europe	Eurasia
156,373	260,457	346,275	1,445,354	743,512

OPERATING MARGIN - €M

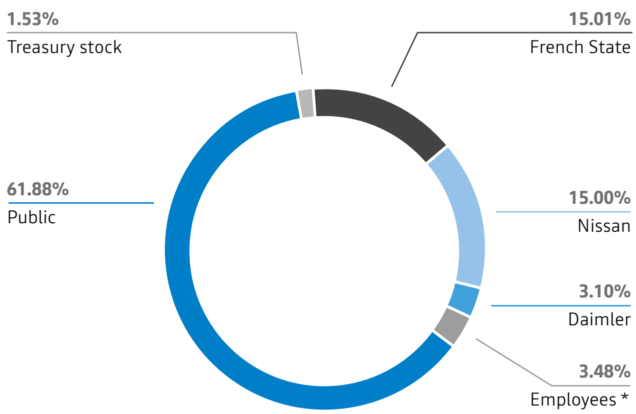
2018	3,612 (6.3% of revenues)
2019	2,662 (4.8% of revenues)
2020	- 337 (-0.8% of revenues)

AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ - €M

2018	3,702
2019	1,734
2020	- 3,579

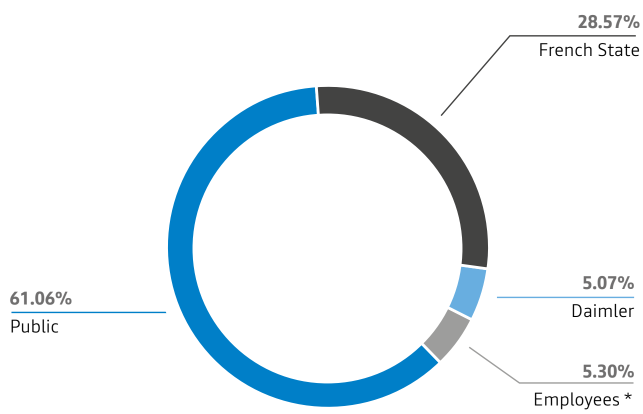
Renault shareholders at December 31, 2020

OWNERSHIP STRUCTURE AS PERCENTAGE OF SHARES



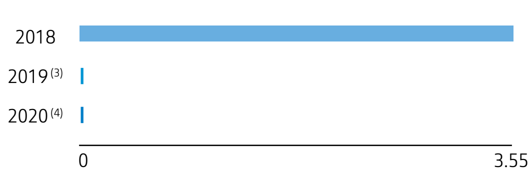
Renault E-TECH range in 2020

BREAKDOWN OF EXERCISABLE VOTING RIGHTS (1) AS A %



* *The portion of shares held by employees and former employees that is taken into account in this category corresponds to shares held in the FCPE mutual funds as well as registered shares directly held by the beneficiaries of free share allocations starting from the 2016 allocation plan.*

CHANGE IN DIVIDEND IN EUROS PER SHARE



CAFE objectives (2) Achieved

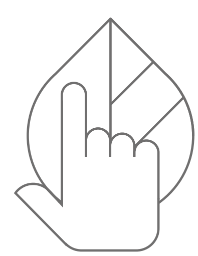
*(passenger cars and light commercial vehicles)***

** *These results should be consolidated and formalized by the European Commission in the coming months.*

Carbon footprint per vehicle (5)

-19.6%

compared to 2010



(1) See chapter 5.2.6.1.

(2) CAFE : Corporate Average Fuel Economy

(3) The Board of Directors, at is meeting of February 13, 2020, had proposed the payment of €1.10 per share in respect of the 2019 financial year. The Renault Board of Directors of April 9, 2020 decided to withdraw the proposal to pay this dividend, which was approved by the Annual General Meeting of June 19, 2020 (third resolution).

(4) The Board of Directors will propose to the Shareholders' Annual General Meeting, scheduled for April 23, 2021, not to pay any dividend in respect of 2020.

(5) See chapter 2.3.3.A.

GROUPE RENAULT WORLDWIDE DATA AT END-2020

150 ENTITIES

39 COUNTRIES

170,158
EMPLOYEES

€43,474
REVENUES

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 1, 2021

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.). In addition, the Renault Group has adapted its management bodies from January 1, 2021 following the evolution of its organization by brands and functions.

1.1.1.1 Board of Management (BoM)

On January 1, 2021, the Board of Management (BoM) replaced the Group Executive Committee (GEC).

The BoM is responsible for defining and implementing Groupe Renault's mid-term strategy, within the scope of the guidelines set by the Board of Directors. It is responsible for ensuring the competitiveness of the functions, results and profitability of the brands' operations.

The BoM takes strategic, financial and operational decisions within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholders' Annual General Meetings and the Board of Directors. These decisions are reflected in the budget, product plan, brand positioning, major investments, strategic plans for sites and partnerships.

Members of the BoM may be invited to attend meetings of the Board of Directors or its specialized committees depending on the topics on the agenda.

The BoM meets weekly.

Members of the BoM as of March 1, 2021:

- the Chief Executive Officer of Renault S.A., Chairman of Renault SAS, CEO, Renault Brand;
- the Deputy Chief Executive Officer, Chief Financial Officer, Chairman of the Board of Directors of RCI Banque, CEO, MobiliZe Brand;
- the EVP, Group Industry;
- the EVP, Group Quality;
- the EVP, Group Advanced Product & Planning;
- the EVP, Group Engineering;
- the EVP, CEO, Dacia & Lada Brands;
- the EVP, Chief Turnaround Officer;
- the EVP, Human Resources, Group Prevention and Protection, Real Estate, Facility Management, Health-Safety-Environment, Transformation and Organization, EVP, Renault Brand, HR;
- the EVP, Alliance Purchasing Organization (APO);
- the EVP, Group Design;
- the EVP, Group IS IT/Digital, EVP, Renault Brand, IS/IT.

1.1.1.2 The Brand Management Committee (BMC)

On January 1, 2021, the brands were reorganized into separate Business Units, each with its own Management Committee, known as the Brand Management Committee (BMC), and responsible for managing the profitability and performance of its operations.

Representatives from the following functions are included in these committees: Human Resources, IT, sales, marketing, communication, manufacturing and logistics, quality, performance and control, product, engineering, and design.

1.1.2 Key figures

MAIN CONSOLIDATED FIGURES OVER THREE YEARS – PUBLISHED DATA[1]

(€ million)	2020	2019	2018
Revenues	43,474	55,537	57,419
Operating margin	-337	2,662	3.612
Share in Nissan Motors net income	-4,970	242	1.509
Renault net income, Group share	-8,008	-141	3.302
Earnings per share *(€)*	-29.51	-0.52	12.24
Share capital	1,127	1,127	1,127
Shareholders' equity	25,338	35,331	36,145
Total assets	115,737	122,171	114,996
Dividends *(€)*	0.0 [3]	0.00 [2]	3.55
Automotive including AVTOVAZ net cash position	-3,579	1.734	3.702
Operational free cash flow including AVTOVAZ	-4,551	153	607
Total workforce at December 31, 2020	170,158 (o/w 44,415 AVTOVAZ)	179,565 (of which 46,327 AVTOVAZ)	183,002 (of which 48,678 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) The Board of Directors, at its meeting of February 13, 2020, had proposed the payment of €1.10 per share in respect of the 2019 financial year. At its meeting of April 9, 2020, the Board of Directors of Renault decided to withdraw the proposal to pay this dividend, which was approved by the Annual General Meeting of June 19, 2020 (third resolution).
(3) The Board of Directors will propose to the Shareholders' Annual General Meeting, scheduled for April 23, 2021, not to pay any dividend in respect of 2020.

OPERATING MARGIN BY ACTIVITY

(€ million)	2020	2019	Change
Group operating margin	**-337**	**2,662**	**-2,999**
% Group revenues	*-0.8%*	*4.8%*	*-5.6 pts*
o/w **Automotive** excluding AVTOVAZ	-1,450	1,284	-2,743
% of segment revenues	*-3.8%*	*2.6%*	*-6.5 pts*
o/w **AVTOVAZ**	141	155	-14
% of segment revenues	5.5%	5.0%	+0.5 pt
o/w **Sales Financing**	1,007	1,223	-216
o/w **Mobility Services** [1]	-35	-	-35

(1) New segment from 01/01/2020.

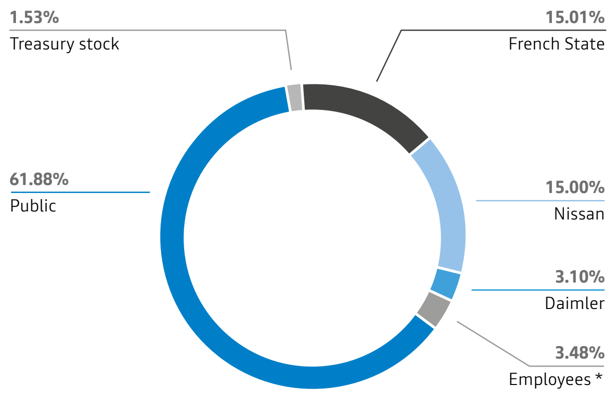
REVENUES BY ACTIVITY

(€ million)	2020	2019	Change
WORLDWIDE REGISTRATIONS [1] *(units)*	**2,951,971**	**3,749,736**	**-21.3**
GROUP REVENUES	**43,474**	**55,537**	**-21.7**
o/w Automotive excluding AVTOVAZ	37,736	49,002	-23.0
o/w AVTOVAZ	2,581	3,130	-17.5
o/w Sales Financing	3,138	3,405	-7.8
o/w Mobility Services [2]	19	-	N/A

(1) Including sales of Jinbei & Huasong.
(2) New segment from 01/01/2020.

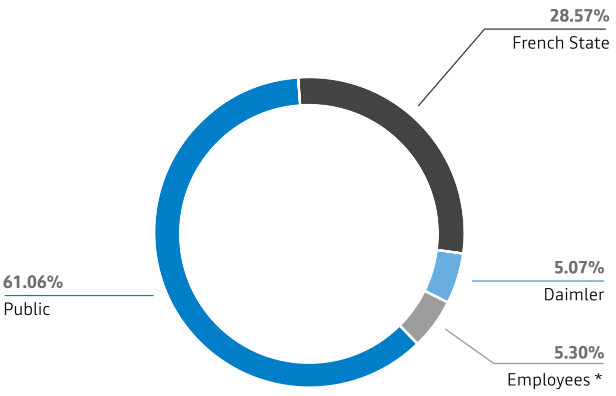
Renault shareholders at December 31, 2020

BREAKDOWN OF CAPITAL AS A %



* *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 shares as of the 2016 allocation plan.*

BREAKDOWN OF EXERCISABLE VOTING RIGHTS (1) AS A %



(1) See section 5.2.6.1.

Groupe Renault's 15 largest markets in 2020

Worldwide sales (1)

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

		Sales	Market share *(%)*
1	France	535,591	26.1
2	Russia	480,742	30.1
3	Germany	204,933	6.4
4	China (2)	156,316	0.7
5	Italy	154,882	10.1
6	Turkey	132,471	17.1
7	Brazil	131,467	6.8
8	Spain + Canary Islands	123,638	12.2
9	South Korea	95,939	5.2
10	India	80,518	2.8
11	United Kingdom	74,512	3.9
12	Belgium + Luxembourg	65,924	11.8
13	Romania	59,180	40.5
14	Morocco	54,730	41.1
15	Poland	52,188	10.7

(1) Preliminary figures.
(2) Including sales of Jinbei, Huasong & Shineray.

1.1.3 The Group’s main activities and strategy

The Group’s activities have been organized into three 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;
- **Sales financing** (RCI Banque group and its subsidiaries): sales financing, leasing, maintenance and service contracts;
- **Mobility Services**, which brings together the new mobility service activities in the Renault M.A.I. holding company, created in October 2019.

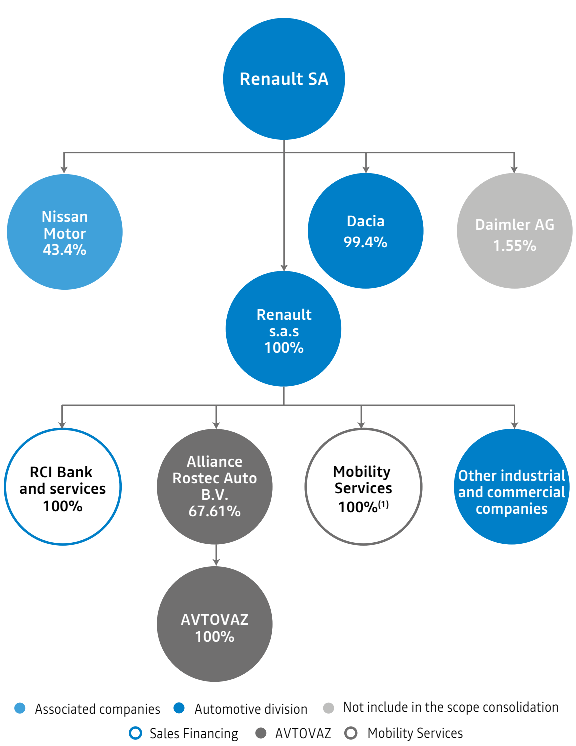
In addition, Renault has equity investments in the following two companies:

- 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 held by Renault s.a.s.

Strategy

Following approval by the Board of Directors on January 14, 2021, Luca de Meo, Groupe Renault CEO, presented Renaulution, a new strategic plan, which aims to shift Groupe Renault’s strategy from volume to value.

This strategic plan is structured in three phases that are launched in parallel:

- “Resurrection”, running up to 2023, will focus on margin and cash generation recovery;
- “Renovation”, spanning up to 2025, will see renewed and enriched line-ups, feeding brand profitability;
- “Revolution”, from 2025 onwards, will pivot the business model to tech, energy and mobility; making Groupe Renault a frontrunner in the value chain of new mobility.

The Renaulution plan will restore Groupe Renault’s competitiveness by:

- taking the "2o22 plan" [1] one step further, driving efficiency through engineering and manufacturing, to reduce fixed costs and to improve variable costs worldwide;
- leveraging the Group’s current industrial assets and electric leadership in Europe;
- building on the Alliance to boost our reach in products, business and technology coverage;
- accelerating mobility, energy-dedicated and data-related services;
- driving profitability through four differentiated Business Units based on empowered brands, customers and markets oriented.

A **new organization will roll-out this plan**:

- **the functions**, with engineering at the forefront, are accountable for the competitiveness, costs and time-to-market of the brand products;
- the fully-fledged, clear and differentiated **brands** manage their profitability.

In accordance with this value-driven organization, the company will no longer measure its performance on market shares and sales but on profitability, cash generation and investment effectiveness.

(1) The "2o22 plan" to reduce fixed costs by more than €2 billion over three years was presented on May 29, 2020.

The Group has set new financial objectives:

- by 2023, the Group to reach more than 3%, around €3 billion in cumulative Automotive operational free cash flow[1] (2021-2023) and investments (R&D and capex) reduced to approximately 8% of revenues;
- by 2025, the Group aims for at least 5% group operating margin, about €6 billion in cumulative automotive operational free cash flow[1] (2021-2025), and an improvement in ROCE[2] of at least 15 points compared to 2019.

The Renaulution plan will ensure the Group's sustainable profitability while keeping on track with its Zero CO_2 footprint commitment in Europe by 2050.

The Renaulution plan includes the following main elements:

1. **Acceleration of the efficiency of functions,** which will be accountable for competitiveness, costs, development time and time-to-market.
   - Engineering and manufacturing efficiency, speed and performance, boosted by the Alliance:
     - rationalization of platforms from six to three (with 80% of Group volumes based on three Alliance platforms) and powertrains (from eight to four families),
     - all models to be launched on existing platforms will be in the market in less than tree years,
     - rightsizing manufacturing footprint from 4 million units in 2019 to 3.1 million units in 2025 (Harbour standard),
     - reinvented efficiency with suppliers;
   - steering of the Group's international footprint towards high margin business: notably in Latin America, India and Korea while leveraging our competitiveness in Spain, Morocco, Romania, Turkey and creating more synergies with Russia;
   - strict cost discipline:
     - fixed cost reduction: the "2o22 plan" achieved earlier and pushed further by 2023 to reach €2.5 billion, and target €3 billion by 2025 (including fixed cost variability),
     - variable costs: €600 improvement per vehicle [3] by 2023,
     - decreasing investment (R&D and Capex) from around 10% of revenues to below 8% by 2025.

All these efforts will strengthen the Group's resilience and lower its break-even point by 30% by 2023.

2. **Four Business Units with strong identity and positioning.** This new model will create a rebalanced and more profitable product portfolio with 24 launches by 2025 - half of them in the C/D segments – and at least 10 full EVs.

   This new value-driven organization and product offensive will drive a better pricing and product mix.

Renault, *la Nouvelle vague*

The brand will embody modernity and innovation within and beyond the automotive industry in energy, tech and mobility services, for example.

As part of its strategy, the brand will lift up its segment mix with a C-segment offensive and will strengthen its positions in Europe, while focusing on profitable segments and channels in key markets such as Latin America and Russia.

The brand will lean on our powerful assets:

- leader in electrification by 2025 with an "Electro pole", potentially in the north of France, the Group's largest EV manufacturing capacity worldwide:
  - hydrogen joint-venture from fuel-cell stack to vehicle,
  - "greenest" mix in Europe,
  - half of launches in Europe being full EVs, with higher margin contribution than ICE (in €),
  - challenger in hybrid market with 35% hybrid mix;
- high-tech Ecosystem assembler: becoming a player in key technologies from big data to cybersecurity, with the "Software République";
- leader in circular economy with EV & energy-dedicated services through Re-Factory in Flins (France).

Dacia-Lada, *Tout. Simplement*

Dacia, will stay Dacia with a touch of coolness, and Lada, still rough and tough, will continue to offer affordable products, based on proven technologies targeting smart buyers, while breaking the C-segment glass ceiling.

- Super-efficient business models:
  - design-to-cost,
  - improved efficiency: from four platforms to one,18 body-types to 11, increasing average production from 0.3 million units/ platform to 1.1 million units/platform;
- revamped competitive line-up breaking into the C-segment:
  - seven models launched by 2025, two in the C-segment,
  - revival of iconic models,
  - CO_2 efficiency: leverage Group tech assets (LPG for both brands, E-TECH for Dacia).

(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) ROCE= Auto Operating Profit (incl. AVTOVAZ) x (1- average tax rate)/(PP&E + intangible assets + financial assets - investments in RCI/Nissan/Daimler + WCR)

(3) Mix unchanged.

Alpine

Alpine will combine Alpine cars, Renault Sport Cars and Renault Sport Racing into a new, fully-fledged, lean and smart entity, dedicated to developing exclusive and innovative sportscars.

- 100% electric product plan to support brand expansion through:
  - leveraging the scale and capabilities of Groupe Renault and the Alliance with the CMF-B and CMF-EV platforms, a global manufacturing footprint, a powerful purchasing arm, a global distribution network and RCI Bank and Services financial services, all of which will ensure optimum cost competitiveness,
  - F1 at the heart of the project, renewed commitment to the championships,
  - developing a next-generation EV sports car with Lotus;
- aiming at being profitable in 2025, including investment in motorsport.

Mobilize, beyond automotive

This new business unit aims at developing new profit pools from data, mobility and energy-related services for the benefit of vehicle users and to generate more than 20% of group revenues by 2030.

Mobilize will enable Groupe Renault to jump faster into the new world of mobility, providing solutions and services to the other brands and external partners.

- Three missions:
  - more time-use of the car (90% unused),
  - better residual value management,
  - aim of zero carbon footprint;
- a unique, accessible and useful offer:
  - four purpose-designed vehicles, two for carsharing, one for ride-hailing, one for last-mile delivery,
  - innovative financing solutions (subscription, leasing, pay-as-you-go),
  - dedicated data, services and software platform,
  - new maintenance and refurbishment services (Re-Factory).

1.1.3.1 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: a creative brand for modern living

Renault is the inventive and popular French car brand that put France on four wheels. It innovates tirelessly to improve mobility and, with it, everyone's lives. It dreams up creative solutions adapted to modern life. Bold in its offer, attentive to people, upbeat and brimming with life, the Renault brand has been inventing the future of mobility since 1898.

Renault cars have often been synonymous with progress, and that is why, like the R4, the TWINGO and more recently the ZOE, they have become icons. The first fully electric vehicle for the general public, the ZOE, is Europe's leading car in its segment today.

A pioneer in electric vehicles, Renault is continuing to electrify its entire range. Thanks to the Formula 1 innovation laboratory, Renault has developed its E-TECH hybrid powertrain. Protected by 150 patents, it has served in the development of two types of hybrid engine: hybrid and plug-in hybrid, which can be found on the new CLIO, the new CAPTUR and the new MEGANE Estate. The MEGANE eVision, with its know-how and ingenuity, embodies a breakthrough that is at once emotional (design), innovative (cabin) and technological (electric) at the very heart of the Renault range. With it, Renault continues its role as an innovator and creator of cars for living.

In 2020, in addition to the renewal of the MEGANE, TALISMAN, ESPACE (Europe), KAPTUR Phase 2 (Russia), and DUSTER (Brazil), Renault plans to roll out an extensive electrification program for the entire range. This year was marked by the launches of the TWINGO Electric (all-electric technology), the CLIO E-TECH Hybrid (full hybrid technology), the CAPTUR and the MEGANE E-TECH Plug-in Hybrid (plug-in hybrid technology).

In 2021, Renault will continue to refresh its vehicles in Europe and pursue its international expansion: in Latin America with the CAPTUR Phase 2, in Russia, Colombia and Argentina with the New DUSTER, in India with the all-new KIGER SUV, and in Turkey with the replacement of the SYMBOL, which will go on sale in spring 2021, under a new name.

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.

In the A segment of small city cars, the TWINGO once again maintained its clear leadership in France (31.4% A segment market share in 2020, +5 pts), putting it well ahead of its competitors, the Fiat 500 (13.1% segment share) and the Peugeot 108 (11.6% segment share). It is thus taking full advantage of its overhaul in 2019 to consolidate its fourth ranking in Europe, with a growing market share (9.5% segment share in 2020, +2.1 pts).

After selling nearly 4 million units in 25 countries, the TWINGO opened a new chapter in its story this year with the launch of the TWINGO ELECTRIC, its all-electric version. Renault has used its in-depth knowledge of the small city car segment to develop an electric car whose handling, range and equipment are tailored to the needs of owners of mini-city cars. Built on a platform that is natively predisposed to electric vehicles, the TWINGO ELECTRIC offers performance that retains everything that has already made the TWINGO a success and further maximizes its appeal. Like its thermal twin, the TWINGO ELECTRIC has the best turning radius on the market. With its 22 kWh battery, the TWINGO ELECTRIC can crisscross the city for an entire week on a single charge. And its charging versatility allows it to charge up to four times faster than its competitors on the 22 kilowatt AC terminals frequently found in public spaces. The TWINGO ELECTRIC takes up TWINGO's playful design, endearing personality and unique potential for personalization, enriched by a few details that show off its electric identity.

On international markets, the KWID, launched in October 2015 on the Indian market, followed by South Africa, in 2017 in Brazil and Argentina and in 2019 along the Pacific coast in Mexico and Colombia, has already sold over 730,000 cars. Its success reflects the unique, trusted product offering designed to be affordable for as many people as possible, as well as 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: positioned in the Top 3 in Latin America in Segment A and with the 2019 launch of the new KWID in India. The KWID continued its dynamic path in 2020 in Latin America and India with the introduction of two-tone bodywork.

In the B segment (station wagon & sedan), the CLIO 5, launched in Europe in 2019, extended its range this year with an electrified offering, the CLIO E-TECH, Groupe Renault's first full hybrid. With its new self-rechargeable hybrid engine, the CLIO E-TECH Hybrid offers unprecedented driving pleasure and allows city driving in electric mode up to 80% of the time.

During this first full year, the CLIO confirmed its steady growth since 2005 and once again consolidated its first place in Europe, not only in the B Hatch segment (market share of 11.9%, +2.2 pts vs. the Peugeot 208, No. 2) but also in the entire B segment (market share of 6.5%, +1.3 pts vs. the Peugeot 208, No. 2). In France, the CLIO remained the best-selling vehicle for the eighth consecutive year, with 114,102 vehicles sold.

The CLIO 5 was rolled out internationally throughout 2020. The CLIO continued to grow outside France, in particular in Turkey, where it is the undisputed leader in its segment (market share of 50.7% in 2020).

In 2020, a total of 340,098 CLIOs were sold worldwide. Sales of the ESTATE variant of the CLIO 4 were maintained in parallel with the CLIO 5 throughout 2020, but this variant will be discontinued from 2021.

In the growing B-crossover sub-segment, the CAPTUR 2 was launched at the end of 2019: new, fully customizable design and the best levels of technology and modularity in the category. The new CAPTUR has reinvented itself, while keeping the best of its classic features that have made it such a success throughout the world over the past seven years.

In the second half of 2020, the new CAPTUR E-TECH Plug-in Hybrid joined the range: it is the first plug-in hybrid vehicle available on a mass-produced scale, making this technology accessible to everyone. Eschewing compromises, the CAPTUR E-TECH Plug-in Hybrid offers a driving experience that is fully electric on weekdays and hybrid on weekends or for longer trips (65km range in all-electric mode in cities and 50km in a combined cycle – WLTP). In addition, at the core of the range, the 1.3 L TCe 140 gasoline engine is enhanced by a 12V micro-hybridization system. Finally, the E-TECH Hybrid engine (full hybrid) will come to the market in the first half of 2021. The new CAPTUR will thus propose a fully electrified offer, for increasing versatility and controlled fuel consumption/CO_2 emissions.

Although the competitive environment is still very aggressive, the New CAPTUR managed to retain its leadership in 2020 in its main markets: in Europe, the CAPTUR 2 continues to occupy first place (with a 10.9% Segment B crossover share in 2020. The vehicle remains popular with our customers and continues to contribute significantly to the Brand's image.

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. The KAPTUR/CAPTUR confirmed its strong global expansion potential with over 266,000 sales.

Following the renewal of the SANDERO, the STEPWAY and the LOGAN in Latin America in 2019, a major focus has been placed on the performance of retail sales in 2020, in parallel with a net pricing policy. These efforts contributed to an improvement in overall profitability, causing a slight weakening of market share in the Region (-0.5 pt vs. 2019 for these models, at 1.9%) in a highly competitive environment.

These vehicles maintained their positions on the Russian market, with market shares of 1.7% for the SANDERO and 2.0% for the LOGAN and their STEPWAY versions, stable versus 2019. They will benefit from a refresh this year to include new stylistic elements (fun stickers, new upholstery and interior materials), to support the commercial performance on this key market, six years after their launch.

2020 marks the end of the marketing of the SYMBOL in Turkey. It will be replaced by a brand-new model in the second quarter of 2021. The new vehicle aims to cover a large part of the compact sedan market and will drive Renault's revival in this segment thanks to a new line, a new name, new equipment and all the stylistic codes of the Renault brand.

In India, the TRIBER continues to shake up the B segment with its unique positioning. After several months on the market, the TRIBER has confirmed its commercial success, with market share of more than 2% in the second quarter of 2019 and 1.4% in 2020. Super flexible, ultra-modular, benefiting from the tax advantages of vehicles under 4.00 meters but offering unrivaled spaciousness, the TRIBER is on the way to becoming a blockbuster in India. The TRIBER was launched to great acclaim in South Africa in February 2020 and in Indonesia as well. The arrival of the Easy-R robotic gearbox in the spring has further expanded the engine/transmission range for this model.

Renault will complete its range in India from the beginning of 2021 with the arrival of the KIGER: a small, dynamic SUV with a racy design built on and with all the advantages of the TRIBER platform, particularly in terms of roominess.

Segment C represented 36.6% of the global market in 2020 and 39.1% in Europe, where Renault was in eleventh place (behind VW, Peugeot, BMW, Ford, Kia, Skoda, Toyota, Mercedes and others) with a 3.9% segment share and more than 181,000 vehicles sold, a drop of 44.4% from 2019, due in large part to the current health crisis.

The C segment as a whole continues to be by far the world's leading segment in terms of volumes, on a growing trend expected over the coming years. Against this backdrop, Renault is adapting its commercial ranges to best meet the expectations of customers in the segment. Thus, each of the three models launched a new, simpler and more efficient range in 2020.

In Europe, the **C-SUV sub-segment** is the largest, representing more than 2.2 million vehicles sold, or nearly half of C-segment sales (46.6%).

Based on its two main strengths (exterior design and comfort), and in an increasingly competitive market, the KADJAR sold over 69,000 units worldwide in 2020.

For the KADJAR in Europe, this means sales of over 63,000 and a segment share of 3.2% in 2020. In some major markets, it performed well, as it did in France, where the model is in the top sellers with a segment share of 7.8% and more than 20,000 registrations.

The DUSTER's success is embodied by excellent international sales spanning all continents – India, Russia and Latin America – with nearly 1.5 million units sold since its launch, putting it in the top three of the C-SUV segment in Russia and Latin America.

Launched in Brazil in 2020, the new DUSTER will set out to conquer other Latin American countries and Russia in 2021, with a compelling exterior and interior design that has been completely overhauled. It now features striking new equipment: new multimedia system with 8-inch screen, hands-free access card, and new driving aids: blind spot warning, multi-view camera, downhill speed control (4X4).

With this new generation, perceived quality improves without compromising on the attributes that have made the DUSTER so successful: robustness, roominess, reliability, off-road capabilities and equipment adapted to the needs of the various markets.

Launched in June of this year in Russia, the KAPTUR Phase 2 has seen its interior significantly improved in terms of finishes, with better quality materials, as well as in terms of usability. Its new equipment – and above all its new 1.3 l turbo engine – have been widely acclaimed by the press and customers. This engine already accounts for more than half of the model's sales. This model will set out to conquer Latin America at the end of next year.

The ARKANA, launched in September 2019, continues to attract new customers for the Renault brand in Russia thanks to its unique design in this price range. In 2021, this model will gain traction from the release of a new limited series and continuous improvement, particularly around perceived quality.

The **C-HATCH sub-segment** fell 14.3% worldwide in 2020, while in Europe it decreased by 24.3%. The C-ESTATE sub-segment also fell, by 17.6% worldwide and by 20% in Europe.

In 2020, the HATCH+ESTATE sub-segment accounted for 42.9% of the C-segment, in which the MEGANE is in eleventh place with a segment share of 3.6% (-1.25 pts vs. 2019) and 71,968 vehicles sold in Europe (PC).

In 2020, the MEGANE HATCH fell in France but remained in second place (20,640 vehicles sold excluding company), with a 14.0% segment share (-2.43 pts vs. 2019). The MEGANE is also among the Top 6 in Spain, with a 6.4% segment share (-0.78 pts vs. 2019); The MEGANE is in the Top 4 in Portugal, 13.3% segment share, -4.31 pts vs. 2019), and second in France with a 20% segment share (-1.97 pts vs. 2019).

The MEGANE SEDAN had a very good year in Turkey, ranking second in its segment with more than 40,000 units sold during the year (+73.6% vs. 2019) bringing its segment share to 15.4% (+1.76 pts vs. 2019).

With 130,096 units sold (PC+LCV), including 71,968 in Europe (PC) and 62,309 including LCV, the MEGANE, in its 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 was launched in spring 2020, and continues to be popular thanks to an even more attractive design and new on-board technologies. Its increasingly advanced range of engines meets customer expectations in terms of comfort and the environment. The New MEGANE ESTATE presents the first plug-in hybrid powertrain (E-TECH) in the history of the MEGANE and Renault's C-segment, pending its next unveiling in the Sedan version in 2021.

The **C-MPV sub-segment** was down 46% to represent only 5.5% of Segment C in Europe in 2020.

In 2020, the SCENIC held up well, attracting 37,048 customers on the continent, with a 14.5% segment share (-2 pts vs. 2019). This year, it occupied third place in the European C-MPV market, and was leader in France and Belgium. In France, the SCENIC (17,845 vehicles sold) represents a segment share of 38.5% (-2.94 pts vs. 2019). In Belgium, the SCENIC (4,376 vehicles sold) achieved a segment share of 32.5% (-3.56 pts vs. 2019). To continue increasing its attractiveness, in 2020, the SCENIC benefitted from a fresh design and updated engines that are increasingly efficient and compliant with current European standards.

The KANGOO, which has been made in Maubeuge (France) for 13 years, is in its last year of production for Europe in 2020. It thus finishes in seventh place in the Combispace segment in Europe, with a range limited exclusively to BVM diesel engines. The new generation KANGOO was unveiled in picture in November 2020, with its elegant and athletic design sparking enthusiasm. The first deliveries are slated for the spring of 2021. For some countries outside Europe, the New KANGOO will be supported by the New EXPRESS made in Tangiers (Morocco).

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 65% of sales in Korea (SM6 and QM6) and China (KOLEOS).

The new Renault ESPACE launched in June 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 65% 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;
- 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 seven seats, with its enveloping seats, brightness with its panoramic windshield, loading volume. It embodies business class comfort. It sold 4,345 vehicles in 2020 with a 5.6% market share in its category in Europe (excluding right-hand drive vehicles). It is the undisputed leader in this category in France, with a 52% share of the segment.

The New TALISMAN - launched in October 2020 - is in the highly competitive large sedan and station wagon segment (low-driving Segment D, representing 45% of Segment D in Europe). To appeal to potential clients, whether private individuals or company executives, the TALISMAN offers even more refinement and technology and boasts five key strengths:

- even more assertive design, including its new light signature, new LED MATRIX VISION headlamps and new taillights with a touch of chrome and scrolling indicators;
- revisited INITIALE PARIS version combining the best of equipment and even better perceived quality, presenting 30% of the model's sales in Europe;
- Renault EASY LINK multimedia system controlled via the 9.3-in central touch screen, complemented by a 10.2-in digital screen on the dashboard;
- new EASY DRIVE driving aids including the highway and traffic assistant, plus the exclusive 4CONTROL chassis system with 4-wheel steering and controlled damping;
- a wide and revamped range of powerful and efficient meeting the latest WLTP D-Full standards: two gasoline turbo engines with FAP, flexible and frugal (140 to 165hp TCe 140 and 160 EDC) and two turbo diesel engines with SCR technology (160 to 190hp Blue dCi with EDC), combining pleasure and efficiency with low consumption and CO_2 and NO_x emissions.

In 2020, the Renault TALISMAN sedan and ESTATE sold 8,028 units and accounted for 3.1% of their category in Europe, excluding right-hand drive countries, luxury and premium brands, ranking in seventh place. In France, the TALISMAN ranks second with 16.4% market share. The TALISMAN is also sold beyond the borders of Europe, in Turkey and Morocco.

Sold in 87 countries, the new Renault KOLEOS is the most international high-end vehicle with 55% of sales in Europe, 30% in Asia Pacific (with 2,408 vehicles sold in Australia), as well as sales in the Americas region totaling 18% and bringing the Company to No. 3 in the D-SUV segment in Mexico. In 2020, a total of 15,278 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 enriched with new full-LED front and rear lights, with scrolling indicators, a new interior ambience featuring the introduction of new Riviera Camel color leather upholstery and a new Highland Gray body color. 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 30% 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 Europe, in addition to the new Blue dCi 190 EDC Euro6 D-Full available in 4X2 and 4X4 versions, the engine offering has been enhanced with a new gasoline unit particularly suited to the needs of our individual and fleet customers: the TCe 160 EDC. Powerful, quiet, flexible and fuel-efficient, this engine emits only 153g of CO_2/km, making it the best in its class.

Its top-of-the-range equipment has been enriched over the years, notably in terms of ADAS features, with Adaptive Cruise Control, pedestrian and cyclist AEBS and Easy Park Assist, while its 4x4 version now includes hill descent control.

Renault also stands out in passenger transport with the complete renewal of its TRAFIC range in early 2021: the New TRAFIC Combi and New Renault SPACECLASS make 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.

The exterior design has been modernized, with a more expressive and dynamic front end, and the cabin has been revisited to make it even more practical and elegant, notably with a new dashboard.

The new passenger transport range also benefits from latest-generation driving aids for enhanced safety and the Renault EASY LINK multimedia system.

The upmarket versions of the SpaceClass - for transporting VIP customers - provide a veritable mobile lounge for an improved on-board experience, with features including up to six seats facing each other (best knee radius on the market), individual sliding, swivel and removable seats and a sliding table.

The New TRAFIC Combi and New Renault SpaceClass offer an expanded and renewed range of efficient engines that meet FULL Euro 6d standards with a 2.0 l diesel engine boasting from 110 to 170hp and an EDC6 automatic transmission available from 150hp.

Sold in over 40 countries, the Renault TRAFIC PC accounts for nearly 15.2% of TRAFIC sales worldwide, with 11,999 sales in 2020.

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 Nissan, Renault Trucks, and Daimler since 2016.

At the end of 2015, Renault launched the "Renault Pro+" expert brand dedicated to professional customers. It covers a wide range of LCVs and services, tailored offers of converted and bodyworked vehicles, and a network of Renault Pro sales and after-sales specialists.

Renault Pro+ aims to offer its customers intelligent innovations to make their day-to-day work easier and thus help them grow their business in a sustainable way.

The specialized Renault Pro+ network is the spearhead of the expert brand. This specialized network currently comprises 626 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's commercial performance in 2020 was hampered by the complex economic context of COVID-19. With 520,640 LCV sales (including JINBEI), or 5.48% of global market share (excluding North America), the drive for international sales continued and accounted for 47.8% of global LCV sales, compared with 42.3% in 2019.

In non-pick-up markets in Europe, the Renault brand ranked in the Top 2 with 14.6% of the LCV market. Renault was also 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 (ZOE Company, KANGOO Z.E. and MASTER Z.E.). Renault is the European leader in LCV EV sales, with a 37.1% market share thanks to the KANGOO Z.E., the best-seller with almost 10,000 sales and the ZOE LCV.

In the small van segment (weight <2 metric tons), the KANGOO remains an essential benchmark in the market. The KANGOO and KANGOO Z.E. remain firmly entrenched in the Top 3 in Europe, with 14% of the small van segment. The KANGOO Z.E. – the electric model – took 29.2% of the electric LCV market, with nearly 10,000 vehicles sold over the year. More than 55,000 KANGOO Z.E. cars are on the road in Europe, making it a major contributor to sustainable mobility in the field of professional activities.

The combined PC+LCV KANGOO, now on the market for 13 years, has racked up more than 1.5 million sales worldwide. It will continue its life a little in 2021, but will soon be supported by a new generation of two models: the New EXPRESS van and the New KANGOO van, which were unveiled in picture in November 2020, with the first deliveries due in the spring of 2021. The new KANGOO van offers some very appealing innovations that will once again revolutionize the market and the way user companies work.

In Latin America, the new generation of KANGOO vans, made in Cordoba (Argentina) and launched in mid-2018, is suffering from the very unfavorable economic environment in Argentina, but is extending its marketing reach into countries like Mexico pending its entry into the Brazilian market with flex-fuel engines. The KANGOO thus ranked third in Latin America in 2020.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive with a brand New TRAFIC and MASTER range that has been available since September 2019 and which sold 141,072 units in 2020.

The TRAFIC is a 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 8.6m^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.

The Renault TRAFIC recorded annual sales of 63,221 in the Compact LCV segment in Europe (with a segment share of 14%). It is manufactured at the Sandouville plant in 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 22m^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 while keeping fuel consumption low.

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 fourth place on the podium. Internationally, in 2020 the Renault MASTER positioned itself as a leader on strategic markets, including Brazil (42.8% segment share) and Morocco (31.5% market share). The MASTER maintains its position on the podium in Australia (14.4%) and Argentina (17.2%).

The Pick-up market represents a potential for Renault to win new customers. The Renault ALASKAN and the Renault OROCH form the backbone of this market offensive.

In America, the Renault ALASKAN has taken a new step forward. In November 2020, the Renault Santa-Isabel plant in Cordoba began manufacturing the Renault ALASKAN for the Argentinian market. This launch rounds out the ALASKAN's footprint in the Americas with an entry into Colombia, where it recorded a segment share of 5.7% in 2020.

In Europe, the ALASKAN has suffered from a complicated commercial and industrial environment, with the transition to the E6dTemp range, the impact of COVID-19 and the consequences of Nissan's announced withdrawal from the Barcelona plant at the end of 2021. Despite this backdrop, a limited "Ice Edition" will be marketed in January 2021 to highlight one of the model's strengths: its highly expressive design.

Sales of the OROCH were constrained by production capacities in 2020, despite the downturn in markets linked to COVID-19 and its economic fallout. However, the OROCH remained at the top of its segment or took second or third place in most countries (ranked first in Colombia, second in Argentina and Mexico). The Renault OROCH is sold in many regions, including Africa and Asia-Pacific.

Groupe Renault's electric range: pioneer and leader in the electric market, Groupe Renault is expanding its product offensive

In 2020, the European electric vehicle market enjoyed the fastest growth in the world, with volumes doubling versus 2019, and a new record was set with more than 755,900 electric vehicles sold. Growth in the market for fully electric vehicles is accelerating, with more and more competitors entering the market in all segments.

Germany has become the leading electric vehicle market in terms of volumes, with 197,400 units sold and market share of 6.2% in electric vehicles. Norway remains Europe's leading vehicle market in terms of share of a market in which: two out of every five vehicles sold are electric. France is the second-biggest country in terms of volumes, with 119,700 units and electric vehicles accounting for 5.8% of the overall market.

Renault maintains its leadership in Europe thanks to the ZOE's record sales performance, with 100,815 sales in 2020 for this scope. The Renault ZOE was also the best-selling electric model in Europe in 2020. Groupe Renault's biggest markets are France, Germany, Italy, the United Kingdom and Spain. The range expands with the launch of the TWINGO Electric.

In the electric light commercial vehicle segment:

- for the tenth consecutive year, the KANGOO Z.E. remains by far the leader in Europe, with electric segment share of 29.2%. At the end of 2020, cumulative sales of the KANGOO Z.E. in Europe totaled more than 55,000 units. In 2021, the New KANGOO van will take over with its Z.E. versions, bringing improvements and innovations that should continue to convince companies to switch to sustainable mobility for their transport and service activities;
- with the MASTER Z.E., Renault now offers the widest variety of versions of large electric vans, with a new chassis-cab version recently and a payload of up to 1,700 kg.

The new range offers:

- the choice between three types of bodies (van, floor-cab, chassis cab);
- a gross vehicle weight rating (GVWR) of 3.1 or 3.5 metric tons, allowing a payload of up to 1,700 kg (before transformation);
- from 8m^3 to 23m^3 of useful volume.

The new offer has been made possible in particular thanks to developments in the electric motor gearbox. The entire MASTER Z.E. range offers an WLTP range of 130 km and a full charge in six hours with the WallBox 32A/7.4 kW.

Since it launched its electric program, Renault has sold more than 370,000 electric vehicles in Europe and more than 397,000 worldwide: 284,800 ZOE, 59,150 KANGOO Z.E., 11,400 FLUENCE Z.E./SM3 Z.E., 4,600 K-Z.E., 31,100 TWIZY, 770 MASTER Z.E. and 5,100 TWINGO Electric in 2020.

The Group has reached technical and commercial maturity in this segment thanks to its experience dating back more than 10 years. This offers a competitive advantage over other carmakers. In 2020, Groupe Renault announced several new products: launch of the TWINGO ELECTRIC to round out the range for urban use and presentation of the DACIA SPRING, which promises to be the most affordable offer on the market to open up electric mobility for all. Through the MEGANE eVISION show car, the Group is also announcing the arrival of an offer in the C segment.

To facilitate the use of electric vehicles, Renault continues to develop innovative connected services. The MyRenault app brings together all the connected services linked to the electric vehicle so as to support the customer's day-to-day experience. This app also ushers in new services such as a trip planner factoring in charging needs and time, and the real-time availability of nearby charging stations.

Renault is also committed to ecosystem development that promotes – and is encouraged by – the widespread roll-out of electric mobility. For example, the Group has set up solutions with its partners that allow used batteries to be reused for different applications: stationary energy storage, which allows better integration of renewable energies in the energy mix, or even maritime use by electrifying boats going up and down the Seine. The transformation of the Flins plant into a center of excellence in the circular economy is another example of Groupe Renault's determination to promote the development of sustainable mobility.

The Dacia brand: a focus on the basics

A Groupe Renault brand since 1998, Dacia was founded in Romania in 1968 to manufacture Renault models under license for the local market. Revived with the LOGAN in 2004, the Dacia brand is now present in 44 countries, mainly in Europe and the Mediterranean region.

The first Dacia vehicle sold outside Romania, the LOGAN was the result of close collaboration between the Romanian engineering teams and those based at the Renault Technocentre. From the outset, the program broke with automotive industry practice by rethinking the entire production chain based on cost constraints. This equation has made – and continues to make – the brand a success.

With the launch of the SANDERO and then the DUSTER, Dacia has confirmed its boldness and ability to shake up the codes by offering spacious, practical and robust new cars at the best value for money in the market. Drawing on proven and amortized technologies, the vehicles' equipment and features are kept to a strict minimum, and are easy to use and maintain. Dacia's commercial offering (equipment, price policy) makes the purchase as simple as possible.

A large proportion of Dacia customers come from the used vehicle market and are accessing a new vehicle for the first time. However, Dacia is also attracting a new type of consumer who is choosing to consume in a different, more thoughtful way. 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 all these pragmatic customers, who want to pay a fair price for what they need, without foregoing any modern features.

Over the past 15 years, Dacia has enjoyed growing success, with more than 7 million customers, many of them Dacia enthusiasts, meeting at community events in many countries and exchanging views on social networks about the use of their cars.

2020, the start of a new chapter

The COVID-19 health crisis has had a considerable impact on the sale of vehicles, particularly to private individuals, the preferred channel for the Dacia brand. Nearly 521,000 vehicles were sold during the year, a 29% decline on the record set in 2019. Despite the bleak backdrop, Dacia now boasts all-time high levels of market share in Spain and Hungary, and remains the undisputed leader in Romania and Morocco.

In Europe, the SANDERO was the best-selling vehicle for individual customers for the fourth year in a row. The ECO-G, bi-fuel gasoline-LPG powertrain offered on the majority of the range achieved a significant breakthrough: more than one in two cars with engines running on LPG sold in Europe was a Dacia.

2020 was the year of the launch of the new generation of the iconic LOGAN and the no less emblematic SANDERO and SANDERO Stepway. This launch has allowed Dacia to refresh its offering in the city and multi-purpose compact segments to meet all the needs of individuals. The new SANDERO, SANDERO Stepway and LOGAN are revitalized incarnations of the spirit of their elders. For a price that is still as low as ever, they provide access to a new model at the best value for money on the market. Retaining their external dimensions, they offer more modernity, volume and versatility without repudiating their fundamentals of simplicity and reliability. They change platforms and offer a higher level of equipment, active and passive safety, new engines including a dual gasoline/LPG format, a new automatic gearbox and a new six-speed manual gearbox.

The SANDERO has become the best-seller of the range since its launch. With nearly 2.2 million units sold, it accounted for 41% of the brand's sales in 2020. Its Stepway version represents 68% of the SANDERO family sales mix.

The LOGAN is Dacia's flagship model and the brand's legacy family sedan. In 2005, it revolutionized the automotive market by making new cars accessible to a wider public. Fifteen years later, still true to its original values, the new generation offers increased comfort and record-breaking roominess. A key model for sedan markets like Romania and Morocco, the New LOGAN represents 27% of cumulative Dacia brand sales and will continue to appeal to customers looking for spacious cars.

Three years after the launch of the new generation model, DUSTER's success story continues as it retains its ranking among the SUVs with the highest sales in the individual market in Europe. Its still very attractive 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.

The DOKKER, the practical, versatile 5-seater Combispace, and DOKKER Van, its LCV version, had an excellent year in 2020, with 71,000 sales, mainly in the Combispace segment in Europe, ranking in fourth place with 14.1% of segment share. Since their launch the DOKKER and the DOKKER Van have exceeded 630,000 sales. In 2021, the DOKKER Van will give way to a 100% Renault Van offer with the New EXPRESS Van and the New KANGOO Van.

2020 was also the year of a new chapter in Dacia's history with the unveiling of its first fully electric model. The brand's entry into the electric city car market was heralded in March 2020 with the presentation of the Dacia SPRING Electric show car. The SPRING Electric is a revolution: positioned as the cheapest electric city car in the market, it makes electric mobility even more accessible. Behind its disruptive SUV look, it boasts record-breaking roominess, a simple and reliable electric engine and a reassuring range. Robust and well-equipped, the SPRING Electric will address both retail customers and new areas of electric mobility such as car sharing and last-mile delivery.

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 2020, RSM ranked as the leader in customer satisfaction for the nineteenth consecutive year in sales, and for the fifth consecutive year in after-sales.

The brand's volumes amounted to 90,300 units in 2020, an increase of 14% compared with 2019, with market share of 5.5%.

In sedans, the SM3 covers the C segment and is only available in an electric version (SM3 Z.E.) (857 units sold, an increase of 8%).

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. The New SM6, launched last July, sold 8,527 vehicles in 2020, giving it a 4.4% segment share (third place), just behind the local brands, thanks in particular to the arrival of two new turbo gasoline engines (powerful yet frugal TCe160 EDC and TCe225 EDC).

For SUVs, the range includes the QM6, launched on September 1, 2016. Sold under the Renault Samsung Motors brand, the QM6 is positioned in the D-SUV segment. In 2020, 46,825 units were sold, only a slight decline of 1.7% compared with 2019, despite the crisis. The QM6 thus maintained its third ranking in its category, with a 19.4% segment share in a market dominated by local players.

In 2020, Renault Samsung Motors introduced the XM3 SUV Coupé, based on the 2019 XM3 Inspire show car. RSM is the first mass-market carmaker to launch this type of concept on the South Korean market. The XM3 is the Korea-specific version of the Renault ARKANA SUV Coupé, already on sale in Russia. The XM3's launch is part of Groupe Renault's international strategy. Manufactured at the Busan plant south of Seoul, the XM3 conquered the South Korean market from its launch, with 34,091 units sold in 2020 and an 18% segment share (No. 3 behind local brands).

All 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 253,924 units sold in 2020 (this model shares the RSM QM6 and Renault KOLEOS platform).

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

The Alpine is the Groupe Renault brand dedicated to innovative, authentic and exclusive sports cars. 2020 was a pivotal year for it, with the announcement of its arrival in Formula 1 in 2021 and its move up to LMP1, the premier category of the World Endurance Championship (WEC). On the product side, Alpine is enriching its A110 offer – a multi-award-winning model whose range consists of the A110 Pure, the A110 Legend, the A110S – with the launch of two limited series: the A110 Color Edition 2020 and the A110 Legend GT. In 2020 the brand logged a total of 1,525 registrations.

The A110 Color Edition 2020 is not only a limited-edition version, but also a new annual program. Mirroring the world of fashion and its seasonal collections, the A110 Color Edition will be renewed every year. In 2020, the A110 Color Edition took its inspiration from the intense and vibrant A110S. It offers an exclusive Sunflower Yellow finish and was available for sale until the end of 2020. That hue was then removed from the color palette.

With only 400 units produced worldwide – all in 2020 – the A110 Legend GT is based on the current A110 Legend. With custom-designed design interior and bodywork features, it enhances the elegance of the A110 Legend. This reinterpretation gave birth to the most sophisticated version of the A110 to date, giving the brand real prominence – especially among the most discerning sports car buyers.

2020 also marked the beginning of its customization offer with the Atelier Alpine, which includes 29 new colors, each limited to 110 cars worldwide, four new caliper colors, three new wheel finishes and thousands of possible combinations to make each A110 as unique as its owner.

With competition built into its wiring, Alpine completed its third 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 2020, the A110 Rallye successfully took part in its first races in France. In September, it received FIA R-GT approval, thereby becoming eligible for all international events.

Lada: complete transformation of the range continues

An iconic leader in the Russian market for over 50 years, LADA is Groupe Renault's fifth brand.

LADA vehicles are designed, produced and sold by AVTOVAZ, Russia's leading carmaker and a partner of Groupe Renault since 2008, which also manufactures cars for the Renault-Nissan-Mitsubishi Alliance for the Russian market and CIS countries.

With the launch of the LADA Vesta in 2015, thanks to the LADA XRAY a new era began for the LADA brand, with major ambitions: a fully renewed range of vehicles and services, accessible and adapted to local markets, attractive new design concepts and a rapidly changing network. In 2019, with the renewal of the legendary 4X4, LADA marked a new step in the enrichment of the brand and confirmed its leadership as an unbeatable all-terrain vehicle manufacturer.

In 2020, LADA confirmed its dynamism, not only with exciting new developments on renowned and popular models, but also with a continuous transformation of the dealer network in Russia reflected in a clear improvement on quality and customer service. LADA is in line to maintain its leadership in the Russian market and expand abroad.

Thanks to the success of its renewed line up and efforts to develop new market opportunities and brand sustainability, and in the context of the COVID-19 health crisis, LADA sales worldwide fell by 5% to 394,000 cars (including the NIVA): of this total, 354,000 were sold in the Russian market and 41,000 internationally.

The LADA brand is leader in the Russian automotive market with a market share of 21.5%, an improvement of 0.9 point compared to 2019 and giving it the highest market share since 2011.

This sustainable growth in recent years is driven by the success of its models in a very competitive environment, with three LADA vehicles among the Top 10 most sold passenger cars in Russia, including the LADA Granta at No. 1 (for the 2 second year in a row), the LADA Vesta at No. 2 (also for the 2 second year in a row) and the LADA Largus VP at No. 7.

In a very challenging environment, LADA has preserved its leadership in Belarus (LADA Vesta No. 1) and Azerbaijan, and ranks in the Top 3 in all CIS countries. Sales volumes increased by 12% in Kazakhstan, where Granta ranks No. 1 in terms of sales. LADA confirmed its position as the No. 1 imported brand in Uzbekistan, with an extensive and refreshed dealer network of 16 centers. Growth was also recorded in Central Asia and the Caucasus, led by Tajikistan (+30%), Kyrgyzstan (+110%) and Armenia (+45%), thanks to the opening of new concessions, fleet contracts and the appointment of new importers.

AVTOVAZ also produced more than 74,000 vehicles for the Alliance, including popular models such as: the Renault LOGAN, LOGAN Stepway, SANDERO and SANDERO Stepway.

1.1.3.2 Internationalization of the Group - Sales figures

GROUP INTERNATIONAL SALES

Sales excluding Europe *(%)*

Year	2011	2012	2013	2014	2015	2016	2017(1)	2018(2)	2019(3)	2020
Group sales internationally *(%)*	43.1%	50.1%	50.5%	46.0%	42.5%	43.3%	49.2%	50.6%	48.1%	51.0%
Group sales internationally *(volume)*	1,172,696	1,277,229	1,326,288	1,247,101	1,194,735	1,379,999	1,850,253	1,963,553	1,803,903	1,506,617

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

ALL BRANDS WORLD MARKET BY REGION IN 2020

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

	In volume	In % of the TAM Worldwide PC + LCV
TOTAL EUROPE	**13,662,952**	**18.1**
France	2,052,501	2.7
G9	11,610,451	15.4
TOTAL INTERNATIONAL	**61,866,946**	**81.9**
Africa – Middle-East – India Pacific	14,786,093	19.6
Eurasia	2,997,561	4.0
Americas	4,162,788	5.5
China	23,843,522	31.6
North America	16,076,982	21.3
TOTAL WORLDWIDE	**75,529,898**	**100.0**

GROUPE RENAULT SALES WORLDWIDE BY REGION

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

	2020	2019	Change
TOTAL EUROPE	**1,445,354**	**1,945,833**	**-25.7%**
France	535,591	698,723	-23.3%
G9	909,763	1,247,110	-27.1%
TOTAL INTERNATIONAL	**1,506,617**	**1,803,903**	**-16.5%**
Africa – Middle-East – India - Pacific	346,275	451,282	-23.3%
Eurasia	743,512	748,486	-0.7%
Americas	260,457	424,564	-38.7%
China	156,373	179,571	-12.9%
TOTAL WORLDWIDE	**2,951,971**	**3,749,736**	**-21.3%**

GROUPE RENAULT SALES WORLDWIDE BY BRAND

In volume of PC + LCV

	2020	2019	Change
Renault			
Passenger cars	1,473,679	1,942,328	-24.1%
Light commercial vehicles	314,666	411,963	-23.6%
TOTAL RENAULT	**1,788,345**	**2,354,291**	**-24.0%**
Dacia			
Passenger cars	484,330	689,287	-29.7%
Light commercial vehicles	36,655	46,020	-20.3%
TOTAL DACIA	**520,985**	**735,307**	**-29.1%**
Renault Samsung Motors			
Passenger cars	90,300	79,081	+14.2%
Alpine			
Passenger cars	1,527	4,832	-68.4%
LADA			
Passenger cars	369,510	400,308	-7.7%
Light commercial vehicles	14,505	12,662	+14.6%
TOTAL LADA	**384,015**	**412,970**	**-7.0%**
Jinbei & Huasong			
Passenger cars	2,161	8,449	-74.4%
Light commercial vehicles	154,815	153,452	+0.9%
TOTAL JINBEI & HUASONG	**156,976**	**161,901**	**-3.0%**
AVTOVAZ			
Passenger cars	9,823	1,354	+625.5%
Groupe Renault			
Passenger cars	2,431,330	3,125,639	-22.2%
Light commercial vehicles	520,641	624,097	-16.6%
TOTAL GROUPE RENAULT	**2,951,971**	**3,749,736**	**-21.3%**

Europe Region sales

MARKET ALL BRANDS EUROPE REGION

By volume of PC + LCV registrations

	2020	2019	Change
Germany	3,189,549	3,916,069	-18.6%
France	2,052,501	2,694,063	-23.8%
United Kingdom	1,930,134	2,687,526	-28.2%
Italy	1,539,893	2,101,547	-26.7%
Spain + Canary Islands	1,009,966	1,474,031	-31.5%
Belgium + Luxembourg	558,314	696,906	-19.9%
Poland	486,209	621,952	-21.8%
Netherlands	416,698	521,644	-20.1%
Sweden	323,249	410,163	-21.2%
Austria	285,449	372,941	-23.5%
Switzerland	271,186	351,915	-22.9%
Denmark	229,740	259,939	-11.6%
Czech Republic	220,107	270,351	-18.6%
Norway	174,956	181,694	-3.7%
Portugal	172,996	262,251	-34.0%
Hungary	150,315	184,316	-18.4%
Finland	110,076	129,799	-15.2%
Ireland	110,040	142,439	-22.7%
Greece	87,356	122,370	-28.6%
Slovakia	82,618	110,102	-25.0%
Baltic States (1)	81,699	104,080	-21.5%
Slovenia	61,586	84,503	-27.1%
Croatia	43,064	72,081	-40.3%
Serbia	26,064	29,250	-10.9%
Other Balkans (2)	21,400	27,979	-23.5%
Greek Cyprus	11,866	14,527	-18.3%
Iceland	10,418	13,170	-20.9%
Malta	5,503	8,495	-35.2%
TAM EUROPE	**13,662,952**	**17,866,103**	**-23.5%**

(1) "Baltic States" include Estonia, Latvia and Lithuania.
(2) "Other Balkans" includes Kosovo, Montenegro, Bosnia, Macedonia and Albania.

RENAULT BRAND SALES [(1)] AND MARKET SHARES

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

	2020			2019	
Renault markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share** *(%)*
France	436,473	21.3	+0.7	554,975	20.6
Germany	150,645	4.7	+0.6	160,816	4.1
Italy	98,008	6.4	+0.1	131,913	6.3
Spain + Canary Islands	73,853	7.3	-0.4	113,034	7.7
United Kingdom	55,489	2.9	-0.1	78,829	2.9
Belgium + Luxembourg	46,009	8.2	-1.3	66,645	9.6
Poland	29,701	6.1	+0.1	37,108	6.0
Netherlands	26,957	6.5	-0.2	34,834	6.7
Portugal	22,708	13.1	-1.0	37,007	14.1
Austria	16,952	5.9	-0.0	22,279	6.0
Switzerland	14,625	5.4	+0.8	16,163	4.6
Denmark	12,677	5.5	-0.3	15,080	5.8
Sweden	10,353	3.2	-1.6	19,751	4.8
Slovenia	10,066	16.3	+1.7	12,333	14.6
Czech Republic	9,206	4.2	-0.4	12,326	4.6
Ireland	6,902	6.3	-0.9	10,190	7.2
Hungary	6,777	4.5	-0.9	9,917	5.4
Baltic States	4,508	5.5	-0.7	6,485	6.2
Slovakia	4,454	5.4	+0.8	5,029	4.6
Croatia	4,252	9.9	-0.5	7,491	10.4
Norway	3,581	2.0	+0.2	3,429	1.9
Finland	3,410	3.1	-0.4	4,605	3.5
Greece	3,269	3.7	+0.1	4,492	3.7
Serbia	2,512	9.6	+1.4	2,405	8.2
Other Balkans	1,336	6.2	+0.1	1,718	6.1
Greek Cyprus	437	3.7	+0.3	490	3.4
Malta	271	4.9	-0.8	490	5.8
Iceland	255	2.4	-1.2	485	3.7
TOTAL RENAULT	**1,055,686**	**7.7**	**+0.1**	**1,370,319**	**7.7**

(1) Excluding sales to governments.

DACIA BRAND SALES [(1)] AND MARKET SHARES

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

	2020			2019	
Dacia markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share** *(%)*
France	98,370	4.8	-0.4	140,568	5.2
Italy	56,849	3.7	-0.5	88,536	4.2
Germany	52,310	1.6	-0.5	83,521	2.1
Spain + Canary Islands	49,771	4.9	+0.2	70,187	4.8
Poland	22,464	4.6	-0.5	31,802	5.1
Belgium + Luxembourg	19,801	3.5	+0.1	23,998	3.4
United Kingdom	18,918	1.0	-0.2	30,951	1.2
Hungary	11,591	7.7	+1.1	12,152	6.6
Czech Republic	10,336	4.7	-1.1	15,542	5.7
Austria	7,330	2.6	-0.1	9,842	2.6
Switzerland	6,589	2.4	+0.0	8,548	2.4
Portugal	4,897	2.8	+0.2	6,851	2.6
Slovakia	3,791	4.6	-1.0	6,145	5.6
Slovenia	3,137	5.1	+0.1	4,250	5.0
Croatia	2,577	6.0	+0.2	4,162	5.8
Denmark	2,485	1.1	-0.2	3,354	1.3
Netherlands	2,319	0.6	-0.1	3,414	0.7
Sweden	2,142	0.7	-0.6	5,001	1.2
Baltic States	1,966	2.4	-0.8	3,318	3.2
Ireland	1,892	1.7	-0.5	3,103	2.2
Greece	1,874	2.1	+0.5	2,024	1.7
Serbia	1,665	6.4	-1.4	2,290	7.8
Other Balkans	1,481	6.9	-1.8	2,431	8.7
Finland	909	0.8	-0.6	1,829	1.4
Greek Cyprus	153	1.3	+0.5	119	0.8
Iceland	138	1.3	-4.0	700	5.3
Malta	87	1.6	+0.3	106	1.2
Norway	87	0.0	-0.0	165	0.1
TOTAL DACIA	**385,929**	**2.8**	**-0.3**	**564,909**	**3.2**

(1) Excluding sales to governments.

ALPINE BRAND SALES

In volume of PC

Alpine Markets	2020	2019
France	744	3,172
Germany	166	324
Belgium + Luxembourg	113	302
United Kingdom	105	171
Switzerland	70	183
Austria	31	51
Netherlands	26	57
Italy	19	62
Spain + Canary Islands	14	39
Poland	19	16
Sweden	9	20
Portugal	6	24
Czech Republic	3	4
Norway	1	1
Hungary	0	1
Baltic States	0	1
TOTAL ALPINE	**1,326**	**4,428**

LADA BRAND SALES

In volume of PC + LCV

LADA market	2020	2019
Germany	1,812	2,533
Other Balkans	234	379
Austria	138	224
Czech Republic	121	136
Baltic States	31	453
Italy	6	46
Poland	4	27
France	4	8
Slovakia	3	1,023
Hungary	1	635
Finland	1	3
Croatia	1	6
Serbia	0	413
Belgium + Luxembourg	1	67
Spain + Canary Islands	0	18
Switzerland	1	17
TOTAL LADA	**2,358**	**5,990**

Sales Africa – Middle-East – India – Pacific Region

MARKET ALL BRANDS AMI PACIFIC REGION

By sales volume PC + LCV

Principal markets	2020	2019	Change
Japan	4,503,621	5,089,109	-11.5%
India	2,858,011	3,519,889	-18.8%
South Korea	1,847,342	1,752,164	+5.4%
Australia	891,551	1,034,379	-13.8%
Thailand	760,231	1,007,551	-24.5%
Malaya	507,489	604,287	-16.0%
Indonesia	483,780	1,030,126	-53.0%
Saudi Arabia	446,750	535,021	-16.5%
South Africa + Namibia	360,103	509,542	-29.3%
Vietnam	240,811	281,262	-14.4%
Philippines	238,292	410,406	-41.9%
Israel	216,954	258,632	-16.1%
Egypt	219,000	170,568	+28.4%
Morocco	133,308	165,916	-19.7%
Pakistan	124,429	187,714	-33.7%
New Zealand	115,764	149,293	-22.5%
TAM AFRICA – MIDDLE-EAST – INDIA – PACIFIC	**14,786,093**	**17,910,171**	**-17.4%**

RENAULT BRAND SALES [(1)] AND MARKET SHARES

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

	2020			2019	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
India	80,518	2.8	+0.3	88,869	2.5
South Africa + Namibia	16,687	4.6	-0.7	27,249	5.3
Morocco	16,557	12.4	-2.2	24,238	14.6
Egypt	14,245	6.5	-2.6	15,550	9.1
French overseas departments*	10,960	17.6	+1.0	12,840	16.5
Saudi Arabia	8,124	1.8	+0.2	8,839	1.7
Israel	7,837	3.6	-0.2	9,831	3.8
Australia	6,904	0.8	-0.1	8,634	0.8
Japan	5,775	0.1	+0.0	6,454	0.1
South Korea	5,639	0.3	-0.1	7,778	0.4
TOTAL RENAULT	**199,903**	**1.4**	**-0.2**	**279,139**	**16**

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

(1) By sales volume + Brokers.

DACIA BRAND SALES [1] AND MARKET SHARES

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

	2020			2019	
Dacia principal markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share** *(%)*
Morocco	38,173	28.6	+0.9	46,043	27.8
Frech overseas departments*	5,212	8.4	-0.5	6,879	8.9
Israel	2,108	1.0	-0.3	3,317	1.3
Tunisia	1,626	3.3	+0.6	1,343	2.7
New Caledonia	801	10.5	-0.9	887	11.4
Mayotte	452	22.7	+2.2	438	20.6
Algeria	378	2.2	-16.3	23,066	18.5
Tahiti	331	7.0	-2.1	665	9.1
Lebanon	96	1.5	+0.1	316	1.4
Palestine	40	57.1	-23.6	88	80.7
TOTAL DACIA	**52,350**	**0.4**	**-0.1**	**88,732**	**0.5**

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

ALPINE BRAND SALES

By sales volume PC

Alpine markets	**2020**	**2019**
Japan	183	349
Singapore	9	15
Australia	7	35
French overseas departments*	0	4
TOTAL ALPINE	**199**	**403**

* *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

	2020			2019	
LADA markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share** *(%)*
Egypt	2,183	1.0	-0.5	2,603	1.5
Jordan	116	0.8	+0.4	97	0.4
Lebanon	103	1.6	+0.5	257	1.1
Ghana	75	1.6	+1.6	0	0.0
Tunisia	49	0.1	-0.1	77	0.2
TOTAL LADA	**2,526**	**0.0**	**+0.0**	**3,034**	**0.0**

SAMSUNG MOTORS BRAND SALES AND MARKET SHARES

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

	2020			2019	
Renault Samsung Motors market	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share** *(%)*
South Korea	90,300	5.5	+0.4	79,081	5.1
TOTAL SAMSUNG MOTORS	**90,300**	**0.8**	**+0.2**	**79,081**	**0.5**

JINBEI & HUASONG BRAND SALES

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

Jinbei & Huasong principal markets	2020	2019
Egypt	650	500
Nigeria	200	0
Myanmar	87	129
South Africa + Namibia	28	39
Angola	20	0
Vanuatu	10	10
Jordan	0	200
Cuba	0	3
Lebanon	0	12
Bangladesh	2	0
Laos	0	0
TOTAL JINBEI & HUASONG	**997**	**893**

Eurasia Region Sales

MARKET ALL BRANDS EURASIA REGION

By sales volume PC + LCV

Principal markets	2020	2019	Change
Russia	1,598,369	1,759,532	-9.2%
Turkey	772,788	479,060	+61.3%
Uzbekistan	195,000	197,103	-1.1%
Romania	146,128	181,889	-19.7%
Ukraine	95,493	97,608	-2.2%
Kazakhstan	89,202	71,818	+24.2%
Belarus	51,861	64,505	-19.6%
Bulgaria	30,258	43,785	-30.9%
TAM EURASIA	**2,997,561**	**2,927,003**	**+2.4%**

RENAULT BRAND SALES AND MARKET SHARES

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

	2020			2019	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
Russia	128,408	8.0	-0.2	144,989	8.2
Turkey	101,534	13.1	-0.4	64,977	13.6
Ukraine	17,128	17.9	+1.1	16,480	16.9
Romania	11,799	8.1	-0.4	15,427	8.5
Belarus	6,892	13.3	-5.2	11,895	18.4
TOTAL RENAULT	**272,164**	**9.1**	**+0.1**	**261,821**	**8.9**

DACIA BRAND SALES AND MARKET SHARES

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

	2020			2019	
Dacia principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
Romania	47,380	32.4	+2.4	54,638	30.0
Turkey	30,800	4.0	-0.2	20,006	4.2
Bulgaria	3,683	12.2	-1.0	5,772	13.2
Moldova	828	16.3	-1.7	1,232	18.0
TOTAL DACIA	**82,691**	**2.8**	**-0.0**	**81,648**	**2.8**

ALPINE BRAND SALES

By sales volume PC

Alpine markets	2020	2019
Bulgarie	1	0
Roumanie	1	0
TOTAL ALPINE	**2**	**0**

LADA BRAND SALES AND MARKET SHARES

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

	2020			2019	
LADA principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
Russia	343,512	21.5	+0.9	362,356	20.6
Kazakhstan	17,454	19.6	-1.8	15,364	21.4
Belarus	10,317	19.9	-5.3	16,281	25.2
Uzbekistan	5,031	2.6	-0.8	6,631	3.4
Azerbaijan	1,102	24.6	+0.8	1,592	23.8
TOTAL LADA	**378,832**	**12.6**	**-1.2**	**403,663**	**13.8**

AVTOVAZ BRAND SALES

By sales volume PC

AVTOVAZ markets	2020	2019
Russia	8,822	1302
Kazakhstan	674	32
Azerbaijan	105	0
Belarus	99	5
Uzbekistan	51	0
Ukraine	38	13
Armenia	34	2
TOTAL AVTOVAZ	**9,823**	**1,354**

Americas Region Sales

MARKET ALL BRANDS AMERICAS REGION

By sales volume PC + LCV

Principal markets	2020	Change	2019
Brazil	1,941,834	2,651,737	-26.8%
Mexico	949,353	1,317,727	-28.0%
Argentina	324,542	441,506	-26.5%
Chile	259,044	348,575	-25.7%
Colombia	173,121	248,689	-30.4%
Peru	110,832	155,507	-28.7%
Porto Rico	103,487	101,928	+1.5%
Ecuador	78,244	119,197	-34.4%
TAM AMERICAS	**4,162,788**	**5,689,508**	**-26.8%**

RENAULT BRAND SALES AND MARKET SHARES

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

	2020			2019	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
Brazil	131,467	6.8	-2.2	239,173	9.0
Argentina	42,861	13.2	-1.2	63,452	14.4
Colombia	39,848	23.0	+0.2	56,639	22.8
Mexico	25,516	2.7	+0.2	32,890	2.5
Chile	5,203	2.0	-0.5	8,719	2.5
TOTAL RENAULT	**258,228**	**6.2**	**-1.2**	**420,897**	**7.4**

LADA BRAND SALES

By sales volume PC + LCV

LADA principal markets	2020	2019
Bolivia	299	235
Chile	0	48
TOTAL LADA	**299**	**283**

ALPINE BRAND SALES

By sales volume PC

Alpine market	2020	2019
Brazil	0	1
TOTAL ALPINE	**0**	**1**

JINBEI BRAND SALES

By sales volume PC

Jinbei principal markets	2020	2019
Peru	847	908
Chile	797	1,716
Bolivia	212	552
TOTAL JINBEI	**1,930**	**3,383**

China Region Sales

MARKET ALL BRANDS CHINA REGION

By sales volume PC + LCV

Principal markets	2020	Change	2019
China	23,432,840	-3.8%	24,368,969
Taiwan	379,915	-10.6%	425,000
Hong Kong	30,767	-8.9%	33,777
TAM CHINA	**23,843,522**	**-4.0%**	**24,827,746**

RENAULT BRAND SALES AND MARKET SHARES

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

	2018			2019	
Renault principal markets	Sales [1]	Market share *(%)*	Change in share *(pts)*	Sales	Market share *(%)*
China	2,267	0.0	-0.1	21,869	0.1
Hong Kong	57	0.2	-0.0	77	0.2
TOTAL RENAULT	**2,324**	**0.0**	**-0.1**	**21,946**	**0.1**

(1) Sales from January to March 2020, following the withdrawal from the Chinese market.

JINBEI & HUASONG BRAND SALES

By sales volume PC + LCV

Jinbei & Huasong market	2020	2019
China	154,049	157,625
TOTAL JINBEI & HUASONG	**154,049**	**157,625**

Groupe Renault worldwide electric vehicle sales

	2020	2019	Change
ZOE	102,868	48,332	+112.8%
KANGOO Z.E.	10,313	10,388	-0.7%
TWINGO Z.E.	5,116		+++
SPRING	1,722		+++
SM3 Z.E.	857	795	+7.8%
MASTER Z.E.	351	304	+15.5%
K-ZE	242	2,658	-90.9%
FLUENCE Z.E.	1		
TOTAL Z.E.	**121,470**	**62,477**	**+94.4%**

Worldwide TWIZY sales

	2020	2019	Change
TWIZY	**2,016**	**3,273**	**-38.4%**

1.1.3.3 Business-to-business Powertrain activity

The powertrain business provides major manufacturing R&D synergies with the other Alliance members and Groupe Renault 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, absorb fixed production costs, and generate economies of scale in the industrial activities of Renault and its suppliers in order to optimize Groupe Renault's free cash flow. In addition to the Alliance with Nissan and MMC, which share a common range of products, an industrial system and a supplier network, this activity seeks to promote and offer Renault's powertrain units in the context of automotive cooperations or third-party sales. These operations 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 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 reducing the environmental footprint of vehicles throughout their life cycle. The qualities of the Renault powertrain range have convinced our partners of the advantages of using our engines for their vehicles.

Nissan, Renault's partner in the Alliance, has thus relied on the latest generations of Renault engines to reduce average CO_2 emissions in its range of passenger cars in Europe. Groupe Renault is one of the most efficient manufacturers in Europe in terms of consumption and approved CO_2 emissions (for more details, see chapter 2.2.3.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 carmaker customers, these teams allow for optimal responsiveness by interfacing with all Renault Engineering departments.

1.1.3.4 Main manufacturing sites - production figures

To meet the demands of its 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 it sells its brands' vehicles.

All these sites operate under common principles:

- making employee a priority;
- a desire to satisfy our customers;
- constantly working to improve the competitiveness of our sites, in particular through convergence toward our industry 4.0 vision. (see section 2.2.3 "Plants that are transforming").

Our production capacity utilization rate in 2020 is 88% worldwide and 68% in France (using the Harbour method on the basis of two shifts, calculated on the standard of 3,760 hours per year).

The Alliance and Renault's strategic partnerships offer opportunities for synergies based on the pooling of production resources and enable us to increase the industrial activity of our sites. Therefore:

- Renault-Nissan vehicles are produced by AVTOVAZ in Russia;
- Flins, Batilly, Maubeuge, Sandouville, Moscow and Cordoba are Renault plants that produce vehicles for Nissan. In 2020, Sandouville started the production of a van for Mitsubishi;
- the Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler;
- Sandouville and Batilly produce light commercial vehicles for other partners such as GM, Renault Trucks or Fiat;
- finally, in India, Renault and Nissan share a plant common to both.

For the production of powertrain parts, the cross-utilization of Alliance plants provides manufacturing opportunities that allow us to share investments and optimize the use of our production capacities. Some 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. In India, Nissan's Chennai plant produces powertrains 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;
- the Le Mans plant manufactures chassis for Nissan, Mitsubishi, Daimler and GM as well as for Groupe Renault brands.

Production by plant and Region	2020
FRANCE	
Batilly (Sovab)	
Renault MASTER	88,840
MASTER Z.E.	265
Nissan NV400	5,271
Other	34,626
Caudan (Fonderie de Bretagne)	
Iron foundry (metric tons)	9,519
Choisy-le-Roi	
ES transmissions	9,296
ES engines	12,545
Cléon	
Transmissions	238,664
ICE engines	396,593
Electric engine	240,219
Aluminum foundry (metric tons)	12,731
Dieppe	
Alpine A110	1,279
Douai	
ESPACE	4,841
SCENIC	35,700
TALISMAN	8,516
Flins	
ZOE	92,621
Nissan MICRA	35,998
Le Mans	
Rear suspensions	257,255
Front suspensions	617,888
Iron foundry (metric tons)	68,863
Maubeuge	
KANGOO/CITAN	88,727
KANGOO Z.E.	9,092
Nissan NV250	2,282
Other	239
Ruitz (STA)	
Automatic gearboxes	100,356
Sandouville	
Renault TRAFIC	80,132
Nissan NV300	5,620
Mitsubishi Express	2,598
Other	18,039
Villeurbanne	
Front suspensions	227,634

Production by plant and Region	2020
EXCLUDING FRANCE	
SPAIN	
Palencia	
MEGANE	47,873
MEGANE ESTATE	35,643
KADJAR	65,286
Seville	
Transmissions	590,205
Valladolid	
New CAPTUR	193,754
Valladolid Motores	
Engines	849,833
Aluminum foundry (metric tons)	7,828
Barcelona (Nissan group plant)	
Alaskan	20
PORTUGAL	
Cacia	
Transmissions	359,610
SLOVENIA	
Novo Mesto	
CLIO	57,683
TWINGO/SMART (Daimler)	68,583
TWINGO Z.E./SMART Z.E. (Daimler)	15,449
AFRICA, MIDDLE-EAST, INDIA, PACIFIC	
ALGERIA	
Oran	
LOGAN	173
SANDERO	354
CLIO	227
SOUTH KOREA	
Busan (Renault Samsung Motors)	
SM6	8,040
XM3/ARKANA	37,554
KOLEOS/QM6	62,494
TWIZY	2,562
Engines	99,264
Aluminum foundry (metric tons)	2,175
INDIA	
Chennai [Nissan group plant]	
DUSTER	2,527
KWID	42,753
CAPTUR	7
TRIBER	43,293
KIBER	406

Production by plant and Region	2020
MOROCCO	
Casablanca (SOMACA)	
LOGAN	17,891
SANDERO	49,761
New SANDERO	53
Tangiers	
LODGY	26,937
SANDERO	95,383
New SANDERO	8,627
DOKKER	72,062
LOGAN MCV	6,769
Other	228
EURASIA	
ROMANIA	
Mioveni (Dacia)	
LOGAN	30,387
LOGAN MCV	8,563
New LOGAN	447
SANDERO	21,694
New SANDERO	14,719
New DUSTER	183,286
Transmissions	339,044
Engines	367,413
Front suspensions	456,376
Rear suspensions	752,421
Aluminum foundry (metric tons)	19,062
RUSSIA	
Moscow	
CAPTUR	18,955
DUSTER	34,180
New DUSTER	141
ARKANA	12,320
Nissan TERRANO	10,239
Togliatti (AVTOVAZ)	
LOGAN	35,007
SANDERO	27,578
Lada X-RAY	20,741
Lada Largus	54,195
Lada Kalina	17,653
Lada Granta	117,677
Lada 4x4	34,559
Datsun MI-DO	1,208
Datsun ON-DO	10,298
Transmissions	381,838
Engines	441,506
Chassis	880,956
Iron foundry (metric tons)	65,853
Aluminum foundry (metric tons)	44,317
Izhevsk (AVTOVAZ)	
Lada Vesta	107,503

TURKEY	
Bursa (Oyak-Renault)	
CLIO IV	43,945
CLIO IV ESTATE	10,728
CLIO V	196,577
MEGANE SEDAN	57,963
Transmissions	185,755
Engines	431,337
Front suspensions	310,728
Rear suspensions	308,568
Aluminum foundry (metric tons)	302
CHINA	
CHINA	
Wuhan – DRAC [partner plant]	
KOLEOS	51
CAPTUR	101
Shiyan (eGT-NEV) [partner plant]	
SPRING/K-ZE	4,699
Shenyang – RBJAC [partner plant]	
Jinbei Haise/Granse/F50/Konect	24,717
Nanchang (JMEV) [partner plant]	
EV3/E400/Others	1276
AMERICAS	
ARGENTINA	
Cordoba	
SANDERO	7,391
LOGAN	5,002
KANGOO,(DOKKER)	8,526
ALASKAN	754
Nissan NAVARA/FRONTIER	11,037
Planta Fundicion Aluminio (PFA)	
Aluminum foundry (metric tons)	1,501
BRAZIL	
Curitiba	
MASTER	6,225
DUSTER Pick-up	18,050
New DUSTER	19,449
SANDERO	26,347
LOGAN	12,288
CAPTUR	18,379
KWID	75,145
Engines	199,774
Aluminum foundry (metric tons)	2,647
CHILE	
Los Andes (Cormecanica)	
Transmissions	178,875
COLOMBIA	
Envigado (Sofasa)	
LOGAN	7,381
SANDERO	15,297
DUSTER	15,544
New DUSTER	49
MEXICO	
Cuernavaca (Nissan group plant)	
ALASKAN	65

1.1.3.5 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 1.1.3.6.

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 change in our distribution network is the accelerated marketing of our "E-TECH" range of vehicles – EV, PH-EV, HEV – with the widespread roll-out of Expert Sites, which enable us to provide all the services related to these New Energies.

At the same time, the main initiatives taken to support our sales network in 2020 focused on:

- the recommendation of a very strict health protocol to manage the impact of the COVID-19 pandemic on our activities, while developing new remote services to ensure continuity of service for customers;
- the upgrade of our network in terms of training, equipment, methods and charging infrastructure in order to market and maintain the entire E-TECH range under the best conditions, as it represents a growing part of our sales mix;
- the continuation of our policy aimed at improving customer satisfaction by constantly upgrading our methods (for the development of remote solutions for example) and supporting our network in their implementation.

	2020		2019	
Number of Renault sites	**Worldwide**	**o/w Europe**	**Worldwide**	**o/w Europe**
Primary network	5,084	2,670	4, 872	2,469
o/w RRG dealers and branches	*193*	*185*	*205*	*190*
o/w Renault Pro+ specialized dealerships	*664*	*525*	*626*	*485*
Secondary network	5,569	5,249	6, 026	5,709
TOTAL SITES	**10,653**	**7,919**	**10,898**	**8,174**

	2020		2019	
Number of Dacia sites	**Worldwide**	**o/w Europe**	**Worldwide**	**o/w Europe**
Primary network	3,057	2,679	2,838	2,456

	2020		2019	
Number of Alpine sites	**Worldwide**	**Europe**	**Worldwide**	**Europe**
Primary network	81	60	81	59

	2020	2019
Number of Renault Samsung Motors sites	**Korea**	**Korea**
Primary network*	715	665

* *change in scope*

	2020		2019	
Number of Lada sites	**Worldwide**	**o/w Russia**	**Worldwide**	**o/w Russia**
Primary network	470	296	594	288

	2020	2019
Number of Jinbeï sites	**China**	**China**
Primary network	246	288

1.1.3.6 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 nearly 185 sales and service outlets in 14 European countries: Autria, Belgium, the Czech Republic, France, Germany, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Slovakia and Switzerland.

In 2020, RRG opened two plants dedicated to used vehicles for the preparation and reconditioning of used cars. One of the two used-vehicle plants is located in France, in Seclin in the Nord department, and the other in Madrid, Spain.

The other highlight of 2020 was the sale of RRG's sites in view of the planned change in its scope of consolidation in France by 2024. On November 30, 2020, RRG sold six sites: Montbéliard, Mulhouse, Strasbourg (HESS), Nancy (BymyCar), Nîmes (GGP), and Orléans (WARSEMANN) to reliable and robust buyers who have preserved jobs.

2020	Revenues *(€ billion)*	NV sales	UV sales
TOTAL	**8.9**	**285,000**	**181,000**
France	5.5	169,000	129,000
Europe	3.4	52,000	52,000

	2020		2019	
Number of Renault Retail Group sites	**Worldwide**	**o/w Europe**	**Worldwide**	**o/w Europe**
o/w RRG dealers and branches		*185*		*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 664 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.

1.1.3.7 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.

1.1.3.8 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, 2020 was ¥2,364 billion (€18,686 million), based on a closing price of ¥560 per Nissan share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2020, the market value of the shares held by Renault totaled €8,110 million, based on a conversion rate of ¥126.49 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, the Russian market leader, continued its recovery in 2020, despite the impact of the COVID-19 crisis on the Russian automotive market and exports.

For the fourth consecutive year, AVTOVAZ made a positive contribution to Groupe Renault's results with market share in Russia increasing to 21.5% and an operating margin of €141 million, *i.e.* 5.5% of revenues.

These results are the fruit of the mid-term plan approved by AVTOVAZ shareholders in 2016, which aims to achieve a return to growth and profitability. In 2020, AVTOVAZ was able to offset less favorable market conditions and exchange rates thanks to the in-depth restructuring of the company undertaken in recent years, which focused on reducing costs by increasing local integration, boosting exports and developing product ranges in anticipation of the launch of a new product plan validated by shareholders at the end of 2020.

In 2020, AVTOVAZ finalized the integration of the activities of its subsidiary LADA West resulting from the purchase at the end of 2019 of GM's share of the GM-AVTOVAZ joint venture. That enabled AVTOVAZ to take over the right to use the NIVA trademark, which will be extended to future LADA models intended to revive the brand.

At the end of December 2019, Renault's stake in Alliance Rostec Auto B.V. was 67.61%, with Alliance Rostec Auto B.V. holding 100% of the capital of AVTOVAZ, which was transformed into a private company in 2019.

Strategic cooperation between the Renault-Nissan alliance and Daimler AG

See paragraph "Cooperation with Daimler" in section 1.2.4.

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 pools the three partners' strengths and extends their expertise through the assessment of market opportunities and joint research work on commercial, legal and regulatory issues related to autonomous mobility service offers in France and Japan. Their international dimension and the complementary fit of their offers, covering every segment of light commercial vehicles and passenger cars, perfectly position Groupe Renault and Nissan to undertake this exploratory work with Waymo, a company specializing in driverless technologies with more than 32 million kilometers on roads under its belt.

New mobilities and services

For five years, Groupe Renault has been committed to the development of new shared mobility services (Renault Mobility, Zity in Madrid and Paris since May 2020, in partnership with the Ferrovial group), and has made targeted acquisitions and equity investments in various start-ups in the field (Karhoo, iCabbi, two new acquisitions (Mobile Knowledge in Canada and Original Software in Brazil), Glide). The World Mobility department, assisted by Renault M.A.I. (Mobility as an Industry), was able to accelerate synergies, simplify the decision-making chain, clarify existing offers and create new ones, prior to the launch of Mobilize in 2021, which will bring together all services (financial with RCI Bank, Energy, Mobility).

In conjunction with various partners, Groupe Renault develops and offers its customers **energy-related services** so that they can enjoy the full benefits of their electric vehicles. In 2020, for instance, Renault created Elexent to offer its professional customers tailor-made recharging solutions, which are gradually being rolled out with local partners in Europe. In France, Renault has joined forces with Solstyce, a company specializing in the design and installation of charging solutions. Since 2017, Renault has also been partnering with Jedlix, a Dutch technology startup with which Renault has developed an intelligent mobile charging app for the smart charging of electric vehicles, guaranteeing users carbon-free electricity and savings on their energy bills. This service, already operational in the Netherlands and France, is now to be rolled out in other European countries. In France (Tokai1) and Germany (Tokai2), Renault is developing an original and innovative solution called Advanced Battery Storage. Operational in Douai and Elverlingsen, it consists in using electric vehicle batteries before their use in vehicles in order to maximize the sites' self-consumption of renewable energy and stabilize the electricity grid while improving battery warranty costs. The Mobility House, Caisse des Dépôts et Consignations, Demeter and Mitsui are partners in this project. Also noteworthy is the creation in 2013 of tech company Gireve, which has developed an interoperability platform for charging infrastructure operators to facilitate roaming for electric vehicle drivers. Gireve acts as a contractual, technical and operational interface between the various systems. Renault, CNR, Caisse des Dépôts, EDF, Enedis and Demeter are partners.

Alliance Ventures

Created in January 2018, Alliance Ventures is a strategic venture capital fund operated by the Renault-Nissan-Mitsubishi 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 one 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 most recently:

- K•Upstream Security, (ISR) a cybersecurity player and developer of C4, a cloud-based cybersecurity platform aimed at new mobility players and carmakers to protect fleets from remote hacking and attempts at fraudulent use;
- Otonomo, (ISR) a vehicle data marketplace that connects data-consuming companies with historical or real-time data from data providers and enables vehicle manufacturers to generate new types of revenue by monetizing data on the platform.

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.

RVC did not acquire any new shareholdings in 2020.

Light commercial vehicles

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

In the compact van segment: 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.

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. Also within the framework of the Alliance, a version of the TRAFIC for Australia and New Zealand for Mitsubishi was launched in June 2020.

In the heavy 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.

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 2019 and 2020, the agreements between Renault and Daimler were renewed and extended for the manufacture in Maubeuge of its successor and its electric version based on the new KANGOO. It will be marketed under the names CITAN (van) and T-CLASS (passenger).

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. It is also made in the Santa Isabel plant (Argentina) for Nissan, and was launched commercially on the Argentinian market under the name ALASKAN in November 2020.

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. MAIS will continue to manage sales and after-sales operations for vehicles, spare parts and services for the Renault and Dacia brands.

These agreements have not changed 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).

In China

Renault ended its cooperation with the Dongfeng Group in April 2020. It sold its shares in DRAC (Dongfeng Renault Automotive Company), which has ceased activities related to the Renault brand.

Renault Brilliance 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. 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 (China)/SPRING (Europe). The first vehicles destined for Europe rolled off the production line at the end of 2020.

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 (JMEV) to promote the growth of the electric vehicle industry in China. This company sells vehicles in China under the EV Easy brand and will be able to export outside China from the end of 2021. 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 JV (RNAIPL). Production began in 2010. Currently, the DUSTER, KWID and, since August 2019, the new TRIBER vehicle are produced there for Renault. In 2020, Renault sold 80,000 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-up is 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 4.6% share in 2020.

In 2020, the TRIBER was launched on the market. Renault sales in South Africa reached 16,600 vehicles.

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%).

The plant has been idle since January 2020.

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 2.2.

1.1.4 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.

1.1.4.1 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.

1.1.4.2 Savings bank activity: a pillar of corporate refinancing

The Savings business was launched in 2012 and operates in six markets, namely France, Germany, Austria, the United Kingdom, Brazil and, since November 2020, Spain. Savings deposits are a key instrument in the diversification of the Group's sources of refinancing for its operations. Deposits collected came to €20.5 billion, or approximately 43% of net assets at the end of December 2020[1].

1.1.4.3 3,800 employees active in 36 countries

Our employees operate in 36 countries in four major Regions of the world: Europe; Americas; Africa—Middle-East—India and Pacific; Eurasia.

Business activity

In the context of the COVID-19 pandemic, the global automotive market held up well in the second half of the year, following a slump in the first half. RCI Bank and Services achieved a financing penetration rate up by 3.1 points to 45.3%.

RCI Bank and Services financed 1,520,330 contracts in 2020, down by 15.5% compared to 2019. Used vehicle financing posted a limited decline of 5.2% compared to 2019 with 349,243 contracts financed.

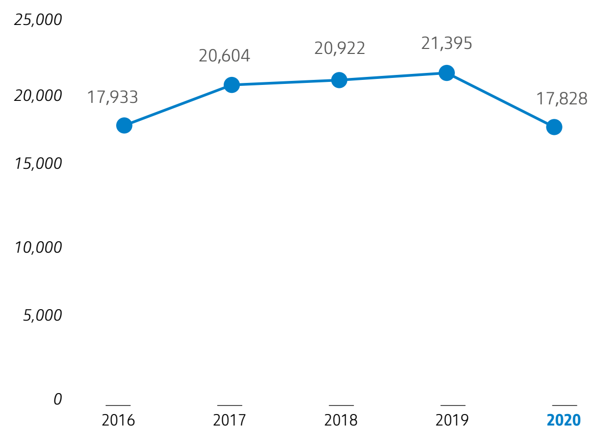
Excluding Turkey, Russia and India (companies consolidated using the equity method, "EM"), it came to 47.5%, compared with 44.2% in 2019.

New financing generated (excluding cards and personal loans) amounted to €17.8 billion.

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

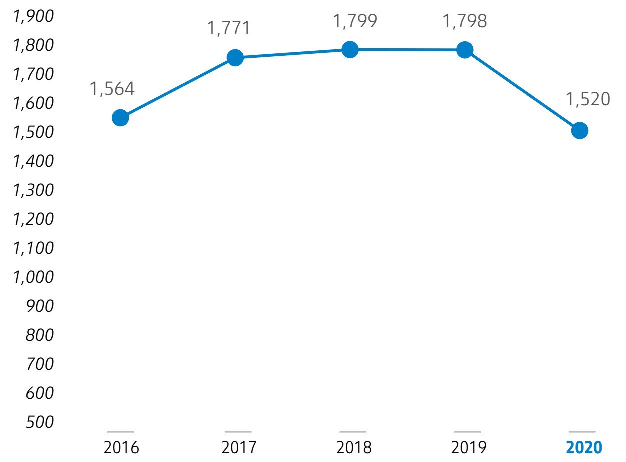
NEW FINANCING CONTRACTS

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



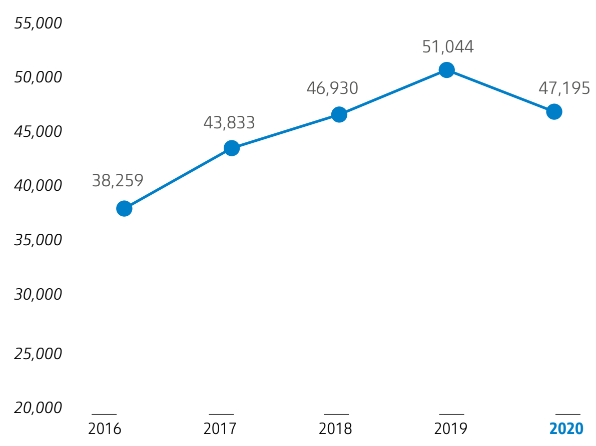
TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS

(thousands)



NET ASSETS AT YEAR END [(1)]

(€ million)



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

Average performing assets (APA)[(1)] related to the Retail Customer business amounted to €37.6 billion, an increase of 1.1%. Average performing assets linked to the Dealer business stood at 9.3 billion, a decrease of 8.8% in connection with a new policy of optimizing inventories. Overall, average performing assets amounted to €46.9 billion, a decrease of 1.1% compared to 2019.

A pillar of the group's strategy, the number of services sold over the last 12 months represents 4.6 million insurance and service contracts, down by 9.6%, of which 70% are associated with the customer and vehicle use-related services.

The Europe Region had the highest financing penetration rate among the RCI group regions, at 48.9%, up by 3.5 points compared to last year.

The financing penetration rate in the Americas Region was 41.6%, up by 3.6 points compared to 2019, driven by the strong performance of Brazil and Colombia, which achieved high financing penetration rates of 41.1% and 62.8% respectively.

The financing penetration rate for the Africa—Middle-East—India and Pacific Region amounted to 41.8%, an increase of 0.9 point compared to 2019. In Korea, more than one in two new vehicles sold by Renault Samsung Motors was financed by RCI Bank and Services, which achieved a financing penetration rate of 57.3%, slightly down by 2.2 points compared to 2019.

The financing penetration rate in the Eurasia Region stood at 35.0%, benefiting in particular from the strong performance of Turkey, which recorded strong growth of 13.9 points in Financing intervention to reach 33.8%. This was also the case in Russia, with a Financing intervention rate of 36.5%, a sharp increase of 4.4 points compared to 2019.

Results

Net banking income (NBI) amounted to €1,955 million, down 6,7% compared to 2019. The contribution of Services activities to NBI continued to grow (+1.8% compared to last year) and now represents one-third of NBI.

Operating expenses amounted to €585 million, or 1.25% of APA, representing an improvement of €11 million and one basis point compared to the previous year. With a cost-to-income income ratio of 29.9%, a slight increase of 1.4 point, RCI Bank and Services demonstrates its ability to adapt its operating expenses to the level of its activity and is fully committed to Groupe Renault's fixed cost reduction plan.

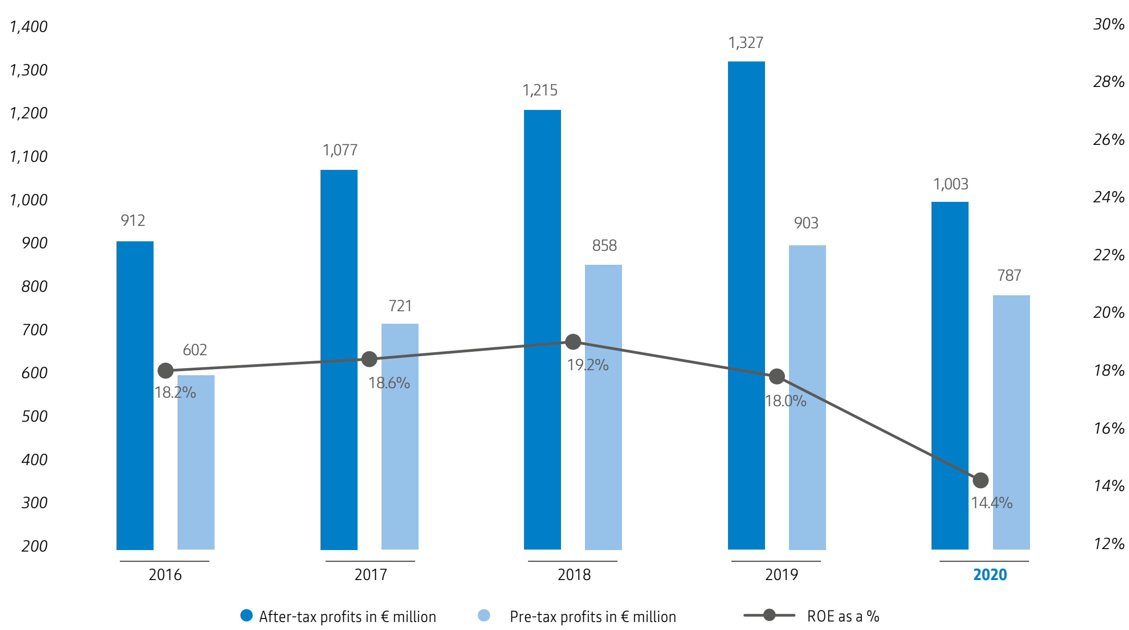
The cost of risk for the Customer business (financing for private and business customers) rose to 0.89% of APAs in 2020 compared to 0.47% of APAs last year. This deterioration is explained by the increase in provisions following the negative repercussions of the lockdown policies on several sectors of the economy and the slight increase in the proportion of non-performing loans in assets. The Dealer business (financing for dealerships) was also negatively impacted by the updating of macroeconomic forecasts in the context of IFRS 9 forward-looking provisioning. It stood at 0.19% of APA in 2020 compared with a negative cost of risk of 0.09% (reversal of provisions) in 2019. The total cost of risk therefore stands at 0.75% of APA compared to 0.37% in 2019.

Pre-tax income stood at €1,003 million at the end of 2020, compared to €1,327 million in 2019. This decrease results mainly from the increase in the cost of risk for €176 million, from a negative currency effect of €36 million linked to the devaluation of the Brazilian real and the Argentine peso, and from the non-repetition of non-recurring positive impacts linked to disposals made in 2019.

Consolidated net income - parent company shareholders' share - reached €787 million in 2020, compared to €903 million in 2019.

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.

Summary

In 2020, commercial activity was negatively impacted by the health crisis. The decrease in the number of financing applications approved to retail and corporate customers led to a decrease in net assets at end.

At the end of December 2020, these amounted to €47.2 billion, compared to €51.0 billion at the end of December 2019 (-7.5%).

Consolidated equity amounted to €6,273 million compared to €5,702 million at the end of December 2019 (+10.0%).

Solvency

The total capital ratio [(1)] came to 19.83% at the end of December 2020 (of which Core Equity Tier One was 17.34%), against 17.73% at the end of December 2019 (of which Core Equity Tier One was 15.27%) [(2)]. The main impacts [(3)] stem from the generation of organic capital [(4)], with the 2020 forecast dividend being limited to €69 million. This is in accordance with recommendations from the ECB on dividend payments. If these recommendations are not extended beyond September 30, 2021, and in the absence of an unanticipated unfavorable event, RCI plans to pay an additional dividend of around €930 million as soon as possible. This would impact the Core Equity Tier One ratio by -2.7%.

Financial policy

The COVID-19 pandemic profoundly affected economies and markets throughout 2020. Governments and central banks took quick action to avoid a major and lasting economic crisis.

Initially confined to China and Asia, the coronavirus epidemic subsequently spread worldwide. Between March and April 2020, fears of a health crisis led many countries to impose strict lockdown measures, which had a major impact on economic activity and consumption. To prevent the health crisis from triggering a major economic crisis, the key central banks took far-reaching monetary policy initiatives.

In the United States, the Federal Reserve reactivated an asset purchase program spanning government, municipal and corporate bonds, mortgage-backed securities and securitization instruments in a total amount of US$2,600 billion. It also cut the Fed Funds rate to 0-0.25%, bringing the reduction to 150 basis points since the beginning of March, and is guiding on near-zero interest rates until 2022 at least. In July, the Fed modified its long-term policy to achieve an average target interest rate of 2% and allow for flexibility in monetary policy with a view to achieving a return to full employment.

The European Central Bank introduced a new emergency purchasing program in response to the pandemic. Initially intended to total €750 billion, the Pandemic Emergency Purchase Programme (PEPP) was later increased to €1,850 billion. The terms of the TLTRO III were also eased by lowering the interest rate and a downward recalibration of the growth targets that banks must meet in order to benefit from the subsidized rate. In July, the 27 European Union member states also reached an agreement on a €750 billion stimulus plan, split between €390 billion in grants and €360 billion in loans to fund post-pandemic recovery efforts.

The Bank of England followed the lead of the Fed and the ECB, lowering its base rate in two steps from 0.75% to 0.10%, and strengthening its £200 billion non-bank investment grade government and corporate bond buyback program in March 2020.

Equity indices nevertheless fell sharply in February and March, and credit spreads widened significantly. During the second half, marked by the lifting of lockdown measures, market conditions gradually returned to normal before a temporary upturn in risk aversion sparked by the resurgence of the health crisis in late October. The election of a new Democratic President in the USA in early November and growing hopes for the development of an effective vaccine against COVID-19 allowed equity markets to rally significantly and risk premiums to tighten in the bond markets. The agreement reached on the terms of Brexit and the start of vaccination campaigns against COVID-19 also provided the markets with support in early 2021.

Down 36% at its intra-year low, the Eurostox 50 ended the year down 5%. At the same time, corporate bond credit spreads (IBOXX Corporate Overall index) experienced similar volatility, rising from 70bp in January to 200bp at the end of March, before ending the year at 74bp.

Recourse to market financing was modest during the year, and the company was not particularly impacted by the increase in financing costs. The situation resulted from lower 2020 bond redemptions than in previous years (anticipation of the refinancing of TLTRO II launched in 2016), the slowdown in car sales and the resulting decline in new loan volume. A €750 million 7-year fixed-rate bond was issued in January.

Retail customer deposits have increased by €2.8 billion since December 2019 and totaled €20.5 billion at December 31, 2020, representing 43% of net assets at the end of December.

In the secured refinancing segment, private securitizations of car loans in the UK and leasing in Germany saw their revolving periods extended for another year. The French subsidiary also carried out its first securitization of automobile lease purchase option (LOA) receivables in France in the amount of €991.5 million, split between €950 million in senior securities (including €200 million in self-subscribed securities) and €41.5 million in subordinated securities.

These resources, to which should be added, based on the European scope, €4.5 billion of undrawn committed credit lines, €4.5 billion of assets eligible as collateral in ECB monetary policy operations and €7.4 billion of high quality liquid assets (HQLA), enable RCI Banque to maintain the financing granted to its customers for more than 12 months without access to external sources of liquidity. At December 31, 2020, RCI Banque's liquidity reserve (European scope) stood at €16.6 billion, an increase of €7.1 billion compared with the end of 2019.

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.

(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.
(2) Impact of a €300 million residual 2019 dividend cancellation at end-December 2019 is +86bps on CET1.
(3) TRIM related headwinds globally in line with expectations reported in February 2020 and compensated by activation of certain CRR options (netting of deferred tax, Credit Conversion Factor).
(4) Net profit minus planned 2020 dividend distribution.

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, 2020, a 100-basis point rise in rates would have an impact on the group's net interest income (NII) of:

- +€4.3 million in EUR;
- -€0.6 million in BRL;
- +€0.6 million in KRW;
- -€0.3 million in GBP;
- -€0.1 million in PLN;
- +€0.2 million in CZK;
- +€0.5 million in CHF.

The absolute sensitivity values in each currency totaled €9.44 million.

The RCI Banque group's consolidated foreign exchange position[1] totaled €5.8 million.

1.1.5 Mobility services

On October 9, 2019, Groupe Renault created Renault M.A.I (Mobility As an Industry) to accelerate its development in new mobilities and form strategic partnerships.

To anticipate and support profound changes in lifestyles and consumption patterns, Groupe Renault has for the past four years been committed to developing new shared mobility services, with or without drivers (Renault MOBILITY, Zity in Madrid and then Paris, Marcel), and by making highly targeted acquisitions and equity investments in various start-ups specializing in this field (Karhoo, Yuso, Como, iCabbi, Glide.io).

Renault M.A.I. (Mobility As an Industry) is a subsidiary dedicated exclusively to new mobilities.

(1) 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 articles of association).

Revenues at December 31, 2020: €35,667 million.

Workforce at December 31, 2020: 30,930 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 2020: €17.9 billion.

Total balance sheet (consolidated) at December 31, 2020: €58,886 million.

Workforce at December 31, 2020: 3,794 people.

Renault Retail Group (France)

2, avenue Denis Papin 92142 Clamart Cedex (France)

100% owned by Renault s.a.s

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

Revenues at December 31, 2020: €4,358 million.

Workforce at December 31, 2020: 6,860 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, 2020: €6,237 million.

Workforce at December 31, 2020: 10,806 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, 2020: €1,699 million.

Workforce at December 31, 2020: 288 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, 2020: €3,291 million.

Workforce at December 31, 2020: 383 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, 2020: €2,051 million.

Workforce at December 31, 2020: 229 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, 2020: €1,392 million.

Workforce at December 31, 2020: 2,410 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, 2020: €2,917 million.

Workforce at December 31, 2020: 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, 2020: €1,148 million.

Workforce at December 31, 2020: 160 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, 2020: €919 million.

Workforce at December 31, 2020: 175 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, 2020: €1,430 million.

Workforce at December 31, 2020: 6,436 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, 2020: €494 million.

Workforce at December 31, 2020: 2,010 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, 2020: €2,471 million.

Workforce at December 31, 2020: 4,014 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, 2020: €47 million.

Workforce at December 31, 2020: 458 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, 2020: €647 million.

Workforce at December 31, 2020: 771 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, 2020: €2,094 million.

Workforce at December 31, 2020: 6,652 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, 2020: €3,717 million.

Workforce at December 31, 2020: 6,894 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, 2020: €3,767 million.

Workforce at December 31, 2020: 13,484 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, 2020: €1,381 million.

Workforce at December 31, 2020: 2,994 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, 2020: 221 people.

PAO AVTOVAZ

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

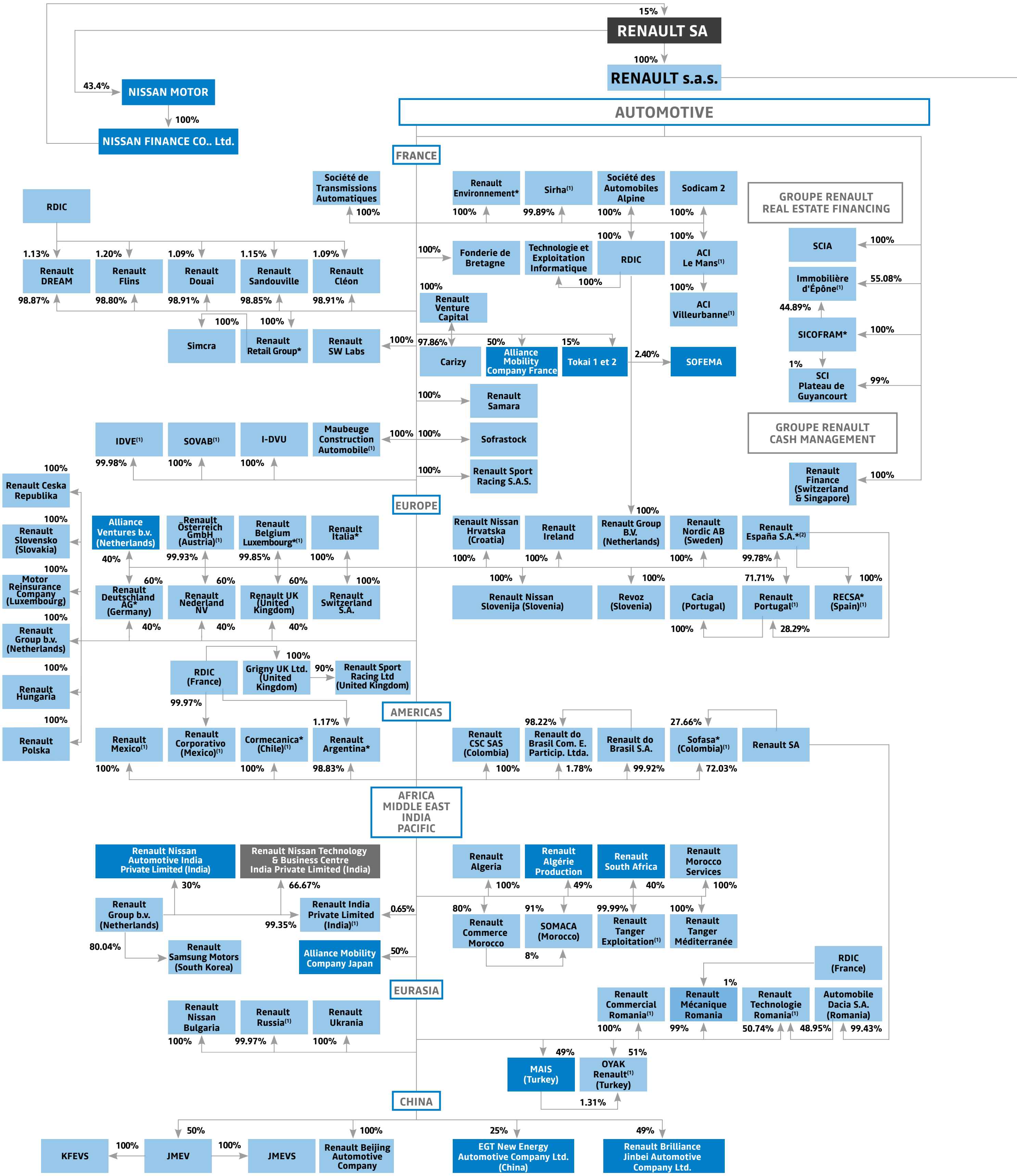
67.61% indirectly owned by Groupe Renault.

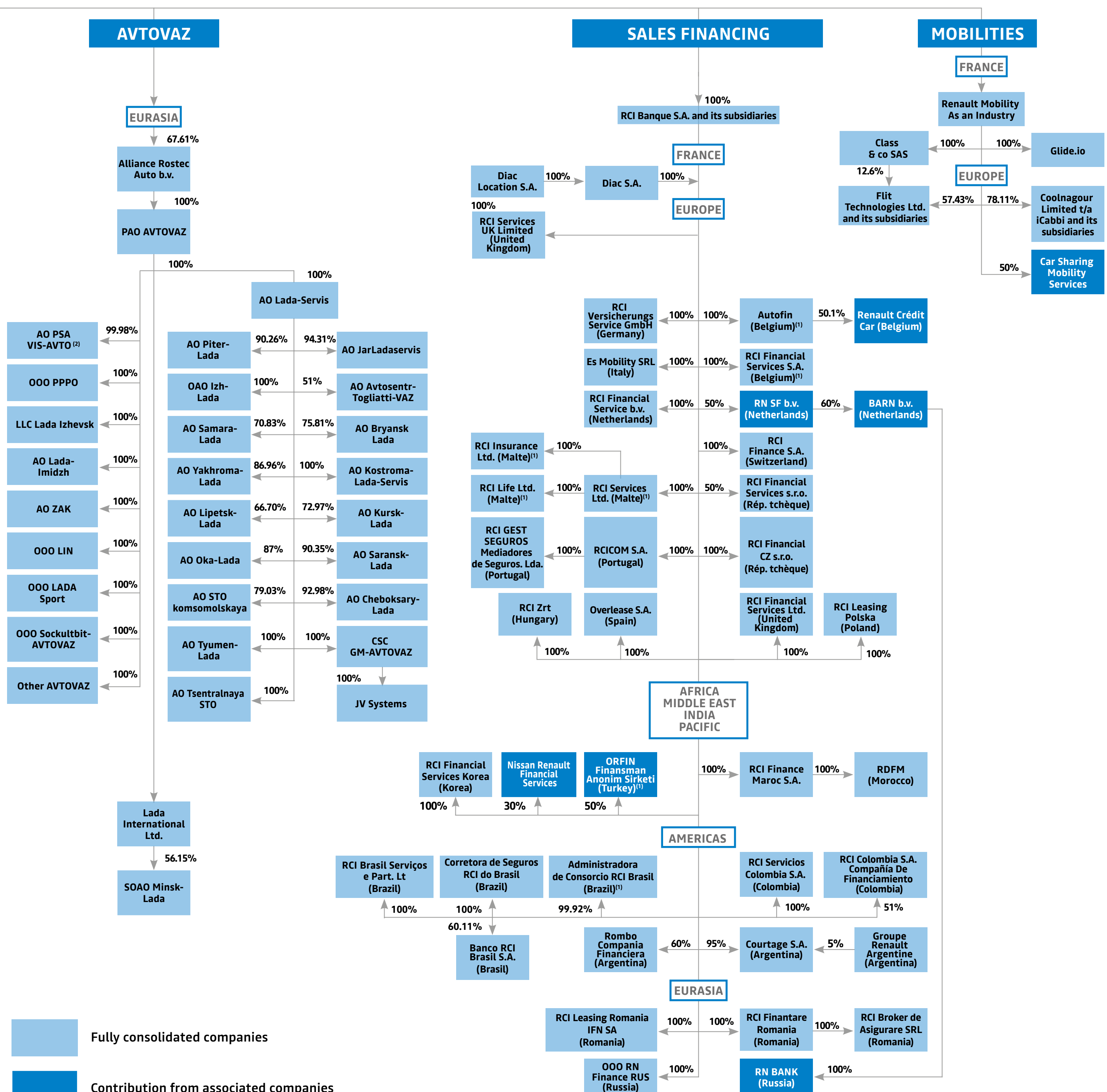
Business: manufacturing and marketing of Lada vehicles

Revenues at December 31, 2020: €3,008 million.

Workforce at December 31, 2020: 34,142 people.

1.1.6.2 Detailed organization chart of the consolidated Group as of December 31, 2020





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.**

November 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 centenary, 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.

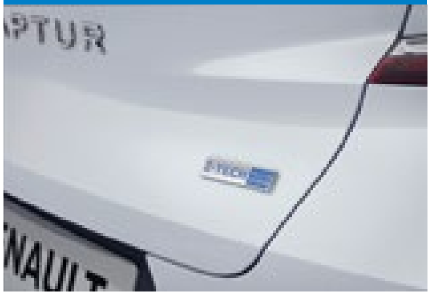
2018

- **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

2019

- **Creation of a new business line for mobility services:** Renault M.A.I (Mobility as an Industry)
- **Launch of the New ZOE, the third generation of Europe's best-selling electric city car, which has extended its range (up to 395 km).**
- **Launch of the TRIBER in India, a brand new spacious and ultra-modular model that can accommodate up to seven adults in a length of less than four meters, a world first specially designed for the Indian market.**
- **Arrival of E-TECH hybrid technology on the CLIO E-TECH Hybrid and the CAPTUR E-TECH Plug-in Hybrid.**



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 Annual 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").

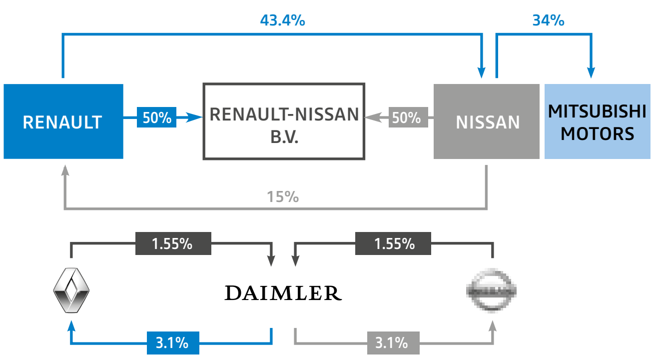
In the context of the increase by the French State's stake in the share capital of Renault in 2015 and then the introduction of double voting rights, the Board of Directors of Renault authorized, on December 11, 2015, the signing of the following agreements, which the Shareholders' Annual General Meeting 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' Annual 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 2020

1.2.3.1 The Alliance Operating Board

The Alliance Operating Board, created on March 12, 2019, 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 (two members, including the Chairman of the Alliance Operating Board), by Nissan (one member), and by Mitsubishi Motors (one member).

As of December 31, 2020, the Alliance Operating Board was composed of Jean-Dominique Senard, Chairman of the Board of Directors of Renault and Chairman of the Alliance Operating Board, Makoto Uchida, Chief Executive Officer of Nissan, Luca de Meo, Chief Executive Officer of Renault, and Takao Kato, Chief Executive Officer of Mitsubishi Motors (following the resignation and death of Osamu Masuko in August 2020).

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, or by video-conference when necessary.

The 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 articles of association of Renault s.a.s and of RNBV.

The Alliance Operating Board's General Secretary, Hadi Zablit, appointed December 2019, is tasked with coordinating and facilitating the Alliance' major projects launched to accelerate the operating efficiency of the respective companies. He reports to the Alliance Operating Board.

The Alliance Operating Board is assisted by specific operating committees that make recommendations on new sources of value creation between the three carmakers. During 2020, 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 2020, the three partner companies reaffirmed that the Alliance is essential for strategic growth and improving their respective competitiveness.

Thus, on May 27, 2020, the Alliance announced the adoption of a new business model for cooperation.

Alliance partners will use the leader-follower model to enhance the efficiency and competitiveness of vehicles and technologies.

Each member will become a benchmark in the regions where it has the best strategic assets, and will act as a facilitator and provider of support bolstering the competitiveness of the other members.

The three members plan to build on the Alliance's existing strengths, such as joint purchasing, by leveraging their respective leadership positions and geographic strengths to support their partners' development.

The aim is to:

- strengthen the Alliance's standardization strategy, from platform to complete vehicle;
- determine, by product segment, a "parent vehicle" (or leader car), and "sister vehicles" (or follower cars), developed by the leader company with the support of the follower team;
- ensure that the three companies' leader and follower vehicles are produced in the most competitive environment possible, including by combining production where appropriate;
- continue to develop synergies on commercial vehicles, where the leader-follower model is already applied.

This should reduce costs and capital expenditure per model by up to 40% for vehicles designed under the new arrangements. These benefits are set to compound the synergies already achieved to date.

The Alliance also approved the principle of designating different parts of the world as "reference regions", with each company focusing on its key regions in the aim of being among the most competitive and serving as a benchmark for others to strengthen their own competitiveness.

On this principle, Nissan will become the reference in China, North America and Japan; Renault for Europe, Russia, South America and North Africa; and Mitsubishi Motors for ASEAN and Oceania.

As each member becomes a reference in its respective region, synergies will increase in order to maximize the sharing of fixed costs and the exploitation of each company's assets.

Taking all these elements into account, nearly 50% of Alliance models will be developed and manufactured under the "leader-follower" model by 2025.

In terms of technological efficiency, Alliance members will continue to capitalize on existing assets to ensure that each member company continues to share investments in platforms, powertrains and technologies. Sharing of this nature has already proved its effectiveness in the development of powertrains and platforms, and has led to the successful launch of the CMF-B platform for the Renault CLIO and the Nissan JUKE, as well as the KEI Car platform for Nissan DAYS and the Mitsubishi eK WAGON. The CMF-C/D and CMF-EV platforms will follow soon.

The new business model will be extended from platforms and powertrains to all key technologies, with leadership assigned as follows:

- autonomous driving: Nissan;
- connected car technologies: Renault for the Android platform and Nissan in China;
- e-body – the main system of electric-electronic architecture: Renault;
- e-PowerTrain (ePT) engine: CMF-A/B ePT – Renault, CMF-EV ePT – Nissan;
- PHEV for the C/D segments: Mitsubishi.

This new model of cooperation will enable member companies to make the most of their expertise and competitiveness, which will strengthen the Alliance as a whole in a changing global automotive environment.

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 note 2-B of the 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 articles of association, 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 were informed of this at Renault's 2012 Annual 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 comprises 10 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.

In 2018, Mitsubishi Motors was fully integrated into the cooperation with Daimler.

The cooperation between the Alliance and Daimler now covers 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 was launched in 2020. 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 is 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 KANGOO and CITAN are currently under development in both ICE and electric versions;
- Renault continues to supply Daimler with engines and gearboxes, including a 1.7-liter diesel version for certain Mercedes-Benz commercial vehicles;
- the Alliance and Daimler AG have jointly developed 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.

1.2.4.1 Value of joint operations in 2020

Groupe Renault made purchases from Nissan in 2020 for approximately €1,361 million (€1,896 million in 2019), comprising around €1,000 million in vehicles (€1,046 million in 2019), €277 million in components (€655 million in 2019), and €84 million in miscellaneous services (€195 million in 2019) (see note 12 J of the Renault consolidated financial statements).

1.2.4.2 Alliance production sites worldwide

Industrial sites[(1)]

and sales in 2020* of the 10 leading markets

GROUPE RENAULT PLANTS
- Passenger cars
- Light Commercial Vehicles (LCVs)
- Chassis, engines, gearboxes
- Foundry

PARTNER PLANTS
- Passenger cars
- Light Commercial Vehicles (LCVs)

LOGISTICS SITES
- Logistics platform

ALLIANCE SITES
- Renault-Nissan Alliance plants

SITES IN FRANCE
- 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

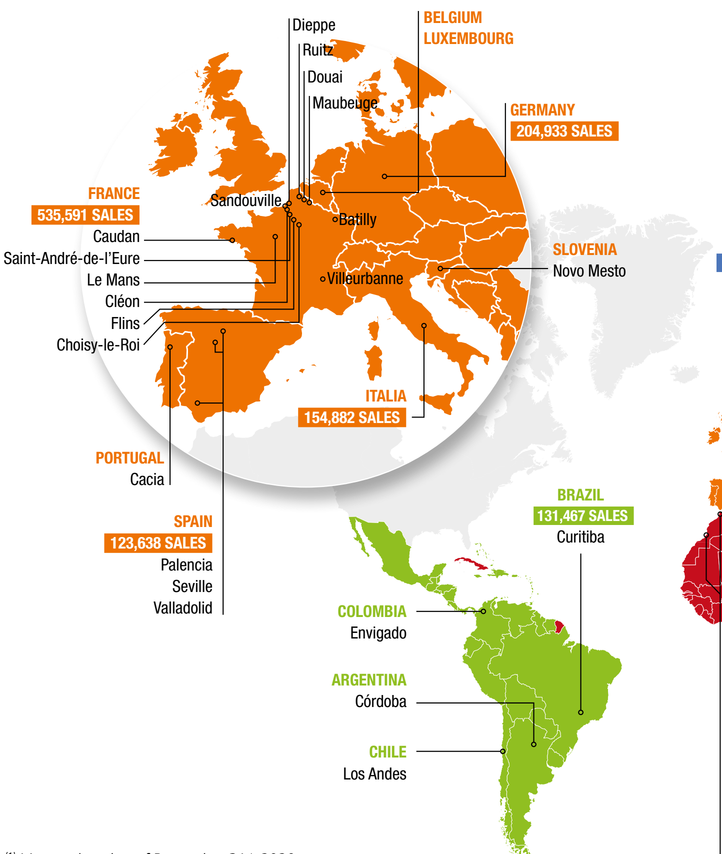
SITES IN EUROPE
- Cacia
- Novo Mesto
- Palencia
- Séville
- Valladolid

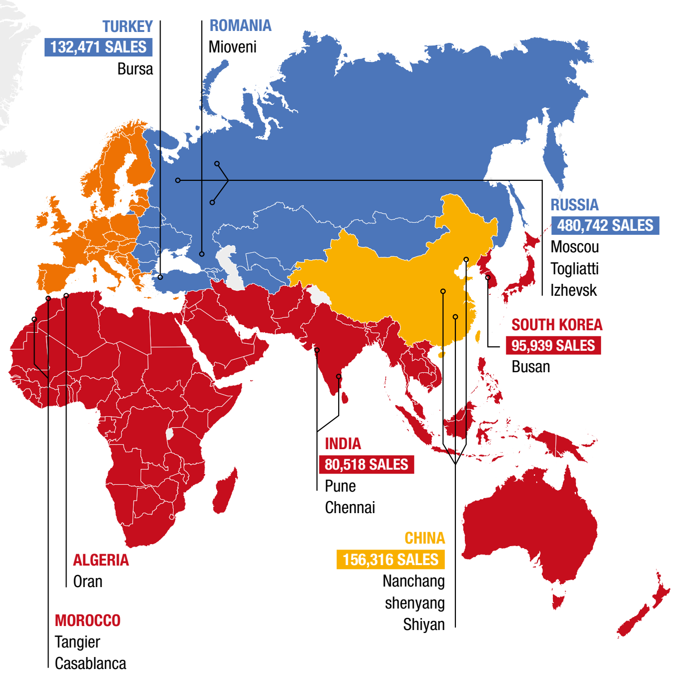
SITES IN EURASIA
- Bursa (Oyak-Renault)
- Izhevsk (AVTOVAZ)
- Mioveni (Dacia)
- Moscou
- Togliatti (AVTOVAZ)

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

SITES IN CHINA
- Nanchang (JMEV)
- Shenyang (RBJAC)
- Shiyan (eGT-NEV)

SITES IN AMERICAS
- Córdoba
- Curitiba
- Envigado (Sofasa)
- Los Andes (Cormecanica)





(1) Map updated as of December 31st, 2020
* Preliminary figures

1.2.5 Nissan 2020 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 1 and ends on March 31 of the following year.

1.2.5.1 Nissan 2020 financial year after nine months

For the nine months ended December 31, 2020, Nissan's net income amounted to a loss of -¥367.7 billion (compared to earnings of ¥39.3 billion for the nine months ended December 31, 2019). The operating margin was -¥131.6 billion for the period, representing a margin of -2.5% on net revenue of ¥5.3 trillion. Globally, Nissan sold 2.8 million vehicles in the first nine months of the 2020 financial year, a 24.8% decrease compared to last year.

1.2.5.2 Nissan’s contribution to Renault’s 2020 consolidated net income

Nissan’s contribution to Renault’s loss in 2020 was -€4,970 million, compared to earnings of €242 million in 2019, 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 – 2020

In brief

KEY FIGURES

	2020	2019	Change
Worldwide Group registrations[(1)] *(million vehicles)*	2.95	3.75	-21.3%
Group revenues *(€ million)*	43,474	55,537	-12,063
Group operating profit *(€ million)*	-337	2,662	-2,999
% revenues	*-0.8%*	*4.8%*	*-5.6 pts*
Group operating income *(€ million)*	-1,999	2,105	-4,104
Contribution from associated companies *(€ million)*	-5,145	-190	-4,955
Of which Nissan (€ million)	*-4,970*	*242*	*-5,212*
Net income *(€ million)*	-8,046	19	-8,065
Net income, Group share *(€ million)*	-8,008	-141	-7,867
Earnings per share *(€)*	-29.51	-0.52	-28,99
Automotive operational free cash flow[(2)] *(€ million)*	-4,551	153	-4,704
Automotive net financial position *(€ million)*	-3,579 at 12/31/2020	+1,734 at 12/31/2019	-5,313
Sales Financing, average performing assets *(€ billion)*	46.9	47.4	-1.1%

(1) Group registrations include Jinbei, Huasong & Shineray registrations.
(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.

Overview

In a context of the COVID-19 pandemic, the 2020 Groupe Renault worldwide sales totaled 2,951,971 vehicles, down 21.3%. After a first half of 2020 in which the Group's main markets were severely impacted by the pandemic and the associated containment measures, the second half of the year shows greater resilience: Group sales in Europe remained in line with the markets.

On the European electric market, the Renault brand doubled its sales and confirmed its leadership with 116,196 electric vehicles sold. ZOE is the best-selling electric car with 114% growth at 100,815 units.

Groupe Renault achieved its CAFE targets [(1)] (passenger cars and light commercial vehicles) in Europe.

Group revenues reached €43,474 million (-21.7%). At constant exchange rates, the decrease would have been -18.2%.

Automotive excluding AVTOVAZ revenues stood at €37,736 million, down -23.0%.

The volume effect was -19.2 points. It stemmed primarily from the health crisis and, to a lesser extent, from our commercial policy favoring profit over volume.

Sales to partners declined by -5.1 points, also impacted by the health crisis and the Nissan ROGUE production discontinuation.

Forex impact was negative -2.8 points, and related to the devaluation of the Argentinean peso, Brazilian real and Turkish lira and to a lesser extent to the Russian rubble.

Price effect, up 3.9 points, came from a more ambitious price policy and measures to mitigate devaluations. Product mix impacted for 1.1 points thanks to ZOE sales increase.

Effect "others" weighed for -1 point, notably because of lower contribution from spare parts activity, largely impacted by the confinement measures in H1.

The **Group's operating margin** amounted to -€337 million and represented -0.8% of revenues (4.8% in 2019) thanks to a marked improvement in H2 (3.5% of revenues).

Automotive excluding AVTOVAZ operating margin was down -€2,734 million to -€1,450 million, which represented -3.8% of revenues compared to +2.6% in 2019. In the second half, it was positive at €198 million (0.9% of revenues).

The change can be explained by the following:

- volume effect had a negative impact of -€2,556 million, including sales to partners;
- mix/price/enrichment effect was positive +€172 million despite the enrichment of new products and the regulatory content;

(1) CAFE: Corporate Average Fuel Economy. These results should be consolidated and formalized by the European Commission in the coming months.

- the Monozukuri effect was positive by +€36 million after taking into account a negative impact of -€479 million due to the increase in depreciation and amortization and a lower R&D capitalization rate;
- raw materials weighed for -€131 million largely on higher prices for precious metals;
- the improvement of +€172 million of G&A spending stemmed from the impact of lower activity in H1 but also from the company's effort to limit its costs under the "2o22 plan";
- currencies impacted by -€428 million reflecting the devaluation of our main currencies despite the positive impact of the Turkish lira on production costs.

The **AVTOVAZ operating margin contribution** amounted to €141 million, compared to €155 million in 2019, highlighting the resilience of AVTOVAZ in the COVID-19 context.

Sales Financing contributed €1,007 million to the **Group's operating margin**, compared to €1,223 million in 2019. This decrease was due to a lower activity, with new financings down -17% and a cost of risk representing 0.75% of average performing assets compared to 0.42% last year.

The **contribution of Mobility Services to the Group's operating margin** amounted to -€35 million in 2020.

Other operating income and expenses amounted to -€1,662 million (compared to -€557 million in 2019) coming from significantly higher restructuring charges and impairments.

Group operating income came to -€1,999 million compared with €2,105 million in 2019 after taking into account a strong increase of charges related to competitiveness improvement.

Net financial income and expenses amounted to -€482 million, compared with -€442 million in 2019, due to higher average indebtedness.

The **contribution of associated companies** came to -€5,145 million, compared with -€190 million in 2019. Nissan's contribution was negative at -€4,970 million and the one of other companies amounted to -€175 million.

Current and deferred taxes represented a charge of -€420 million compared to a charge of -€1,454 million in 2019.

Net income stood at -€8,046 million and **net income, Group share** totaled -€8,008 million (-€29.51 per share compared with €0.52 per share in 2019).

Automotive operational free cash flow, including AVTOVAZ, was negative at -€4,551 million. It takes into account the fall in operating margin, the change in working capital requirements and the absence of dividend received from RCI following European Central Bank's decisions. On the sole second half, the free cash flow was positive at +€1,824 million due to investment management and a reverse of the change in working capital requirement, without, however, offsetting the change in the first half of the year.

The **Automotive net cash position** was negative at -€3,579 million at December 31, 2020 compared with a positive position of €1,734 million at December 31, 2019.

The **Automotive activity** at December 31, 2020 held +€16.4 billion of **liquidity reserves**.

At December 31, 2020, **total inventories** (including independent dealers) represented 486,000 vehicles, down more than 100,000 units (-19%). It represented 61 days of sales, compared to 68 days at end-December 2019.

The Board of Directors will propose at the Shareholders' Annual General Meeting, scheduled for April 23, 2021, not to pay a dividend in respect of 2020.

Outlook

The electronic chip shortage impacting the whole auto industry does not spare the Group. It is entirely dedicated to limit as much as possible the impact on production. The peak of the shortage should be reached in Q2. The most recent estimate, assuming a production catch-up in H2, gives a net risk of about 100,000 vehicles for the year 2021.

In accordance with the Renaulution plan, the Group will continue the implementation of the actions aiming at its recovery and confirms the 2023 objectives communicated during the plan presentation:

- Group operating margin above 3% by 2023;
- cumulative automotive operational free cash flow[1] (2021-2023) about €3 billion;
- investments (R&D and capex) at about 8% of revenues by 2023.

(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.

1.3.1 Sales performance

Overview

- In a context of the COVID-19 pandemic, the 2020 Groupe Renault worldwide sales totaled 2,951,971 vehicles, down 21.3% in a global automobile market that declined by 14.4% [(1)].
- Groupe Renault confirms that it has achieved its CAFE [(2)] (passenger cars and light commercial vehicles) targets by the end of 2020 [(3)].
- After a first half of 2020 in which the Group's main markets were severely impacted by the pandemic and the associated containment measures, the second half of the year shows greater resilience: Group sales in Europe remained in line with the markets.
- On the European electric market, the Renault brand doubled its sales and confirmed its leadership with 116,196 electric vehicles sold. ZOE is the best-selling electric car with 114% growth at 100,815 units.
- The order portfolio in Europe at the end of December 2020 was up by 14% compared to 2019, due partly to the attractiveness of the new E-TECH hybrid and plug-in hybrid offerings, while inventories were down by around 20% from 2019.
- In 2020, the Groupe Renault is making progress in the most profitable sales channels, with the Renault brand increasing its share in the retail market in Europe by almost one point.
- In 2021 the Group will continue its profit-oriented sales policy with the full implementation of the Renaulution strategic plan, presented on January 14, 2021.

Groupe Renault's top fifteen markets

Sales		Volumes 2020 [(1)] *(units)*	PC/LCV market share 2020 *(%)*	Change in market share on 2019 *(points)*
1	France	535,591	26.1	+0.2
2	Russia	480,742	30.1	+1.2
3	Germany	204,933	6.4	+0.1
4	China[(2)]	156,316	0.7	-0.1
5	Italy	154,882	10.1	-0.4
6	Turkey	132,471	17.1	-0.6
7	Brazil	131,467	6.8	-2.2
8	Spain	123,638	12.2	-0.2
9	South Korea	95,939	5.2	+0.2
10	India	80,518	2.8	+0.3
11	United Kingdom	74,512	3.9	-0.2
12	Belgium + Luxembourg	65,924	11.8	-1.3
13	Romania	59,180	40.5	+2.0
14	Morocco	54,730	41.1	-1.3
15	Poland	52,188	10.7	-0.4

(1) Preliminary figures.
(2) Including Jinbei, Huasong & Shineray.

(1) The evolution of the global automotive market for all brands, also called Total Industry Volume (TIV), indicates the annual variation in sales volumes of passenger cars and light commercial vehicles** in the main countries including USA & Canada, provided by official authorities or statistical agencies in each country, and consolidated by Groupe Renault to constitute this world market.*
**Sales: registrations or deliveries or invoices according to the data available in each consolidated country.*
***Light commercial vehicles of less than 5.1 tons.*
(2) Corporate Average Fuel Economy.
(3) These results should be consolidated and formalized by the European Commission in the coming months.

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[2] *(units)*	2020[1]	2019	Change *(%)*
GROUP	**2,951,971**	**3,749,736**	**-21.3**
EUROPE REGION	**1,445,354**	**1,945,833**	**-25.7**
Renault	1,055,726	1,370,488	-23.0
Dacia	385,944	564,927	-31.7
Alpine	1,326	4,428	-70.1
Lada	2,358	5,990	-60.6
AFRICA MIDDLE-EAST INDIA & PACIFIC REGION	**346,275**	**451,282**	**-23.3**
Renault	199,903	279,139	-28.4
Dacia	52,350	88,732	-41.0
Renault Samsung Motors	90,300	79,081	+14.2
Alpine	199	403	-50.6
Lada	2,526	3,034	-16.7
Jinbei & Huasong[3]	997	893	+11.6
EURASIA REGION	**743,512**	**748,486**	**-0.7**
Renault	272,164	261,821	+4.0
Dacia	82,691	81,648	+1.3
Alpine	2	0	+++
Lada	378,832	403,663	-6.2
AVTOVAZ (Niva)	9,823	1,354	+++
AMERICAS REGION	**260,457**	**424,564**	**-38.7**
Renault	258,228	420,897	-38.6
Alpine	0	1	-100.0
Lada	299	283	+5.7
Jinbei & Huasong[3]	1,930	3,383	-43.0
CHINA REGION	**156,373**	**179,571**	**-12.9**
Renault	2,324	21,946	-89.4
Jinbei & Huasong[3]	154,049	157,625	-2.3
BY BRAND			
Renault	1,788,345	2,354,291	-24.0
Dacia	520,985	735,307	-29.1
Renault Samsung Motors	90,300	79,081	+14.2
Alpine	1,527	4,832	-68.4
Lada	384,015	412,970	-7.0
AVTOVAZ (Niva)	9,823	1,354	+++
Jinbei & Huasong[3]	156,976	161,901	-3.0
BY VEHICLE TYPE			
Passenger cars	2,431,330	3,125,639	-22.2
Light commercial vehicles	520,641	624,097	-16.6

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

In the context of the COVID-19 pandemic, Groupe Renault saw its sales fall by 21.3% to 2,951,971 units, in a market down 14.4%. The decline in group sales was mainly due to its high exposure in countries which were strictly confined and suspended their sales activities in the second quarter, as well as a slowdown in the fourth quarter, particularly in France. In addition, the Group has pursued a sales policy focusing on profitability over sales volumes.

Electric vehicles: Renault, the leading brand in Europe

In a fast-growing electric market, the Renault brand confirmed its leadership in the European electric market with 116,196 vehicles sold, an increase of 101.9% compared to 2019. **ZOE** is the best-selling electric car with 100,815 units, up 114%. In the electric utility segment, **KANGOO Z.E.** is the best-selling vehicle.

The Renault TWINGO Electric and Dacia SPRING will enhance the Group's electric vehicle offering in 2021.

In addition to its electric range (BEV), Renault has been offering an **E-TECH hybrid and plug-in hybrid** on its best-sellers (CLIO, CAPTUR & MEGANE Estate) since the summer. The brand is thus establishing itself on the market for hybrid and plug-in hybrid vehicles with more than 30,000 sales in Europe, representing 25% of order volumes for these vehicles.

During the first half of 2021, the E-TECH range will be expanded with the arrival of the Renault ARKANA E-TECH hybrid, CAPTUR E-TECH hybrid and MEGANE Sedan E-TECH plug-in hybrid.

In Europe

Group sales totaled 1,445,354 units, down 25.7% in a market down 23.5%.

The **Renault** brand slightly increased its market share to 7.7%, up 0.1 points, thanks to the successful renewal of its B segment models (CLIO, CAPTUR and ZOE) and the successful launch of the E-TECH range.

CLIO is the best-selling vehicle in its category in Europe with 227,106 units sold. The Renault brand thus increased its share of sales in the retail market by nearly one point.

The **Dacia** brand recorded a 31.7% drop in sales to 385,944 vehicles sold. The SANDERO remains for the fourth consecutive year the best-selling vehicle within the retail market. Two of the brand's historic models, the New SANDERO and New SANDERO Stepway, have been available since the end of 2020.

Dacia's new dual-fuel petrol and LPG engines, which are offered on the majority of its range under the ECO-G name, account for more than 25% of its vehicle sales in Europe.

Outside Europe

Group sales were down 16.5%, mainly due to a 45% decline in sales in **Brazil** as a result of the reorientation towards the most profitable channels.

In **Russia**, the Group's second-largest country in terms of sales volume, Groupe Renault is the leader with a market share of 30.1%, up 1.2 points. Sales fell 5.5% in a market down 9.2%.

LADA confirmed its position as the leading brand in the Russian market with 21.5% market share. The LADA Granta and LADA Vesta remain the two best-selling vehicles in Russia.

The **Renault** brand's market share fell 0.2 points to 8% pending the arrival of the New DUSTER in the first half of 2021.

In **India**, Group sales fell 9.4% in a market that was down 18.8%. Renault thus achieved a market share of 2.8% (+0.3 points) thanks to the success of the TRIBER. In the first half of 2021, the Renault range (KWID, DUSTER, TRIBER) will be expanded with the arrival of KIGER, a brand-new SUV.

In **Turkey**, the Group remains the leader in a market making a strong recovery.

In **South Korea**, the Renault Samsung Motors brand posted a 14.2% increase in sales in a market up 5.4% thanks to the success of its new XM3 model launched in March 2020.

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 financial information of the Finance section on Groupe Renault website.

https://group.renault.com/en/finance-2/financial-information/key-figures/monthly-sales/

1.3.1.1.2.2 Group worldwide production

Passenger cars and light commercial vehicles *(units)*	**2020[1]**	**2019**	**Change** *(%)*
Group global production[2]	**2,705,499**	**3,662,802**	**-26.1**
Of which produced for partners:			
Nissan	81,953	196,682	-58.3
Mitsubishi	2,598	-	+++
Daimler	19,437	49,969	-61.1
Opel/Vauxhall	19,920	26,796	-25.7
Fiat	18,039	23,031	-21.7
Renault Trucks	14,706	15,580	-5.6

Produced by partners for Renault	**2020[1]**	**2019**	**Change** *(%)*
Nissan	89,071	101,508	-12.3
China JVs – DRAC, RBJAC, e-GT-NEV, JMEV[3]	30,844	54,101	-43.0

(1) Preliminary figures.
(2) Production data concern the number of vehicles leaving the production line.
(3) JMEV was not taken into account in 2019.

1.3.1.1.2.3 Geographical organization of Groupe Renault by Region – countries in each Region

AT DECEMBER 31, 2020

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

1.3.1.2 Sales financing

1.3.1.2.1 New financing and services

In the context of the COVID-19 pandemic, the automotive market resisted in the second half of the year after falling in the first half.

RCI Bank and Services recorded a financing penetration rate [1] up 3.1 points to 45.3%. Excluding Turkey, Russia and India (companies consolidated using the equity method), this rate is 47.5% compared with 44.2% in 2019. The Group financed 1,520,330 contracts in 2020, down 15.5% compared to 2019, generating €17.8 billion in new financing.

Used vehicle financing business posted a limited decline of 5.2% compared to 2019, with 349,243 contracts financed.

In this context, average performing assets now stand at €46.9 billion, down 1.1% year-on-year. Of this amount, €37.5 billion is directly related to Customer business, up 1.1%.

(1) The penetration rate is calculated as the number of vehicles financed divided by the number of vehicles registered by the manufacturers.

RCI BANK AND SERVICES – FINANCING PERFORMANCE

	2020	2019	Change (%)
Number of financing contracts *(thousands)*	**1,520**	**1,798**	**-15.5**
Including UV contracts (thousands)	*349*	*368*	*-5.2*
New financing *(€ billion)*	**17.8**	**21.4**	**-16.7**
Average Performing Assets *(€ billion)*	46.9	47.4	-1.1

PENETRATION RATE BY BRAND

	2020 (%)	2019 (%)	Change (points)
Renault	45.7	42.7	+3.0
Dacia	47.4	44.7	+2.8
Renault Samsung Motors	66.2	59.2	+7.0
Nissan	37.9	36.5	+1.4
Infiniti	25.9	29.9	-3.9
Datsun	26.6	23.9	+2.8
RCI Bank and Services	**45.3**	**42.2**	**+3.1**

PENETRATION RATE BY REGION

	2020 (%)	2019 (%)	Change (points)
Europe	48.9	45.4	+3.5
Americas	41.6	38.0	+3.6
Africa Middle-East India and Pacific*	41.8	40.9	+0.9
Eurasia	35.0	29.7	+5.2
RCI Bank and Services	**45.3**	**42.2**	**+3.1**

* *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", now including Algeria, Morocco, India and South Korea.*

Pillar of the Group's strategy, the number of services sold over the last 12 months represents 4.6 million insurance and service contracts, down 9.6% compared with 2019, of which 70% are customer and vehicle use-related services.

RCI BANK AND SERVICES – SERVICE PERFORMANCE

	2020	2019	Change
Number of service contracts *(thousands)*	4,602	5,092	-9.6%
Penetration rate on Services	**178.2%**	**150.3%**	**+27.8 pts**

1.3.1.2.2 International development and new activities

In line with its refinancing diversification strategy, RCI Bank and Services launched two savings products in Spain for individuals in October 2020 (a current account offer, "*Cuenta contigo*", and a term account offer, "*Depósito Tú+*"). RCI Bank and Services is thus continuing to develop its deposit collection business by now offering it in six markets: France, Germany, Austria, The United Kingdom, Brazil and Spain.

1.3.2 Financial results

Summary

(€ million)	2020	2019	Change
Group revenues	**43,474**	**55,537**	**-21.7%**
Operating profit	**-337**	**2,662**	**-2,999**
Operating income	-1,999	2,105	-4,104
Net financial income & expenses	-482	-442	-40
Contribution from associated companies	**-5,145**	**-190**	**-4,955**
Of which Nissan	*-4,970*	*242*	*-5,212*
Net income	**-8,046**	**19**	**-8,065**
Automotive operational free cash flow*	**-4,551**	**153**	**-4,704**
Automotive net financial position	**-3,579 at 12/31/2020**	**+1,734 at 12/31/2019**	**-5,313**
Shareholders' equity	25,338 at 12/31/2020	35,331 at 12/31/2019	-9,993

* *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.*

1.3.2.1 Comments on the financial results

1.3.2.1.1 Consolidated income statement

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

	2020					2019				
(€ million)	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	8,591	7,136	8,948	13,061	37,736	10,916	13,875	9,662	14,549	49,002
AVTOVAZ	701	388	663	829	2,581	767	790	791	782	3,130
Sales Financing	827	773	758	780	3,138	844	858	843	860	3,405
Mobility Services*	6	3	5	5	19	0	0	0	0	0
TOTAL	**10,125**	**8,300**	**10,374**	**14,675**	**43,474**	**12,527**	**15,523**	**11,296**	**16,191**	**55,537**

	Change				
(%)	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	-21.3	-48.6	-7.4	-10.2	-23.0
AVTOVAZ	-8.6	-50.9	-16.2	+6.0	-17.5
Sales Financing	-2.0	-9.9	-10.1	-9.3	-7.8
Mobility Services*	-	-	-	-	-
TOTAL	**-19.2**	**-46.5**	**-8.2**	**-9.4**	**-21.7**

* *New segment as of 01/01/2020.*

Group revenues reached €43,474 million (-21.7%). At constant exchange rates, the decrease would have been -18.2%.

Automotive excluding AVTOVAZ revenues stood at €37,736 million, down -23.0%.

The volume effect was -19.2 points. It stemmed primarily from the health crisis and, to a lesser extent, from our commercial policy favoring profit over volume.

Sales to partners declined by -5.1 points, also impacted by the health crisis and the Nissan ROGUE production discontinuation.

Forex impact was negative -2.8 points, and related to the devaluation of the Argentinean peso, Brazilian real and Turkish lira and to a lesser extent to the Russian rubble.

Price effect, up 3.9 points, came from a more ambitious price policy and measures to mitigate devaluations. Product mix impacted for 1.1 points thanks to the ZOE sales increase.

Effect "others" weighed for -1 point, notably because of a lower contribution from spare parts activity, largely impacted by the confinement measures in H1.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	2020	2019	Change
Automotive division excl. AVTOVAZ	**-1,450**	**1,284**	**-2,734**
% of division revenues	*-3.8%*	*2.6%*	*-6.5 pts*
AVTOVAZ	**141**	**155**	**-14**
% of AVTOVAZ revenues	*5.5%*	*5.0%*	*+0.5 pts*
Sales Financing	**1,007**	**1,223**	**-216**
Mobility Services*	**-35**	**0**	**-35**
TOTAL	**-337**	**2,662**	**-2,999**
% of Group revenues	*-0.8%*	*4.8%*	*-5.6 pts*

* *New segment as of 01/01/2020.*

The **Group's operating margin** amounted to -€337 million and represented -0.8% of revenues (4.8% in 2019) thanks to a marked improvement in H2 (3.5% of revenues).

Automotive excluding AVTOVAZ operating margin was down -€2,734 million to -€1,450 million, which represented -3.8% of revenues compared to +2.6% in 2019. In the second half, it was positive at €198 million (0.9% of revenues).

The change can be explained by the following:

- volume effect had a negative impact of -€2,556 million, including sales to partners;
- mix/price/enrichment effect was positive +€172 million despite the enrichment of new products and the regulatory content;
- the Monozukuri effect was positive by +€36 million after taking into account a negative impact of -€479 million due to the increase in depreciation and amortization and a lower R&D capitalization rate;
- raw materials weighed for -€131 million largely on higher prices for precious metals;
- the improvement of +€172 million of G&A spending stemmed from the impact of lower activity in H1 but also from the company's effort to limit its costs under the "2o22 plan";
- currencies impacted by -€428 million reflecting the devaluation of our main currencies despite the positive impact of the Turkish lira on production costs.

The **AVTOVAZ operating margin contribution** amounted to €141 million, compared to €155 million in 2019, highlighting the resilience of AVTOVAZ in the COVID-19 context.

Sales Financing contributed €1,007 million to the **Group's operating margin**, compared to €1,223 million in 2019. This decrease was due to a lower activity, with new financings down -17% and a cost of risk representing 0.75% of average performing assets compared to 0.42% last year.

The **contribution of Mobility Services** to the Group's operating margin amounted to -€35 million in 2020.

Other operating income and expenses amounted to -€1,662 million (compared to -€557 million in 2019) coming from significantly higher restructuring charges and impairments.

Group operating income came to -€1,999 million compared with €2,105 million in 2019 after taking into account a strong increase of related to measures taken to improve competitiveness.

Net financial income and expenses amounted to -€482 million, compared with -€442 million in 2019, due to higher average indebtedness.

The **contribution of associated companies** came to -€5,145 million, compared with -€190 million in 2019. Nissan's contribution was negative at -€4,970 million and the one of other companies amounted to -€175 million.

Current and deferred taxes represented a charge of -€420 million compared to a charge of -€1,454 million in 2019.

Net income stood at -€8,046 million and **net income, Group share** totaled -€8,008 million (-€29.51 per share compared with €0.52 per share in 2019).

1.3.2.1.2 Automotive operational free cash flow

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	2020	2019	Change
Cash flow after interest and tax (excluding dividends received from publicly listed companies)	+1,523	+4,144	-2,621
Change in the working capital requirement	-1,527	+1,829	-3,356
Tangible and intangible investments net of disposals	-3,827	-4,846	+1,019
Leased vehicles and batteries	-839	-1,002	+163
Operational free cash flow excl. AVTOVAZ	**-4,670**	**125**	**-4,795**
Operational free cash flow AVTOVAZ	**+119**	**+28**	**+91**
Automotive operational free cash flow	**-4,551**	**+153**	**-4,704**

In 2020, the **Automotive operational free cash flow including AVTOVAZ** segment reported negative operational free cash flow of -€4,551 million. The change is resulting from:

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of +€1,523 million, including -€325 million of restructuring costs. It included no dividend from RCI (compared to €500 million in 2019);
- a negative change in the working capital requirement of -€1,527 million (of which +€326 million in working capital requirements related to sales with a buyback commitment);
- property, plant and equipment and intangible investments net of disposals of -€3,827 million, a decrease of -€1,019 million compared with 2019;
- investments related to vehicles with buyback commitments and leased batteries for -€839 million; and
- AVTOVAZ operational free cash flow for +€119 million, largely due to a positive impact related to a change in the accounting presentation of reverse factoring programs in accordance with the December 2020 IFRIC IC decision, and including -€14 million in restructuring costs.

1.3.2.1.3 Capex and research & development

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

2020 *(€ million)*	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive excluding AVTOVAZ	2,522	1,305	3,827
AVTOVAZ	98	74	172
Sales Financing	10	0	10
Mobility Services*	1	11	12
TOTAL	**2,631**	**1,390**	**4,021**

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

* *New segment as of 01/01/2020.*

Total gross investment in 2020 decreased compared to 2019, with Europe accounting for 68% and the rest of the world for 32%:

- **in Europe**, the investments made are mainly to renew the LCV (KANGOO and TRAFIC), C (KADJAR) and EV ranges, but also to introduce the hybrid engines for the AB (CAPTUR) and C (MEGANE) ranges;
- **outside Europe**, the investments are mainly for the renewal of the Global Access (successor of LOGAN and SANDERO in Romania and Morocco, and of DUSTER in Russia and Brazil), the C (XM3 in Korea), the AB (CLIO Hybrid in Turkey) and the LCV (successor of DOKKER in Morocco) ranges, and the industrialization of engines of these vehicles.

RESEARCH AND DEVELOPMENT EXPENSES RECORDED IN THE INCOME STATEMENT

Analysis of research and development costs:

(€ million)	2020	2019	Change
R&D expenses	-2,749	-3,697	948
Capitalized development expenses	+1,390	+1,985	-595
R&D capitalization rate	*50.6%*	*53.7%*	*-3.1 pts*
Amortization	-1,210	-946	-264
Gross R&D expenses recorded in the income statement*	**-2,569**	**-2,658**	**+89**
of which AVTOVAZ	*-1*	*-6*	*+5*

* *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 53.7% in 2019 to 50.6% in 2020, in connection with the projects progresses.

The decrease in research and development expenses over 2020 is explained by the end of an initial cycle of upgrades to the product range, the lower level of business, and actions to reduce fixed costs, which focused particularly on subcontracting and purchases of prototypes.

This decrease was accentuated by the COVID-19 pandemic, although it did not significantly affect the level of capitalized development expenses under the rules set out in IAS 38. The lower level of capitalized development expenses is notably attributable to deferral of certain technical milestones from which development expenses are capitalized.

Amortization was substantially higher in 2020 than 2019, due to the higher level of capitalized development expenses in 2018 and particularly in 2019.

NET CAPEX AND R&D EXPENSES IN % OF REVENUES

(€ million)	2020	2019
Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	2,631	3,006
CAPEX invoiced to third parties and others	-83	-213
Net industrial and commercial investments excl. R&D (1)	**2,548**	**2,793**
% of Group revenues	*5.9%*	*5.0%*
R&D expenses	**2,749**	**3,697**
R&D expenses billed to third parties and others	*-366*	*-521*
Net R&D expenses (2)	**2,383**	**3,176**
% of Group revenues	*5.5%*	*5.7%*
Net CAPEX and R&D expenses (1) + (2)	**4,931**	**5,969**
% of Group revenues	*11.3%*	*10.7%*

Net Capital expenditures and R&D expenses, down -€1,038 million, amounted to 11.3% of Group revenues in 2020, compared with 10.7% in 2019.

1.3.2.1.4 Automotive net financial position at December 31, 2020

CHANGE IN AUTOMOTIVE NET FINANCIAL POSITION (€ MILLION)

Automotive net financial position at December 31, 2019	**1,734**
2020 operational free cash flow	-4,551
Dividends received	+11
Dividends paid to Renault's shareholders and minority shareholders	-11
Financial investments and others	-762
AUTOMOTIVE NET FINANCIAL POSITION AT DECEMBER 31, 2020	**-3,579**

Beyond the Automotive segment reported positive operational free cash flow of -€4,551 million, the €5,313 million decrease in the net cash position of the Automotive segment compared with December 31, 2019 is half due to financial investment and other effects (IFRS 16 impact, debt reclassification, security deposits).

AUTOMOTIVE NET FINANCIAL POSITION

(€ million)	**Dec. 31, 2020**	**Dec. 31, 2019**
Non-current financial liabilities	-12,519	-7,927
Current financial liabilities	-5,147	-3,875
Non-current financial assets – other securities, loans and derivatives on financial operations	+118	+64
Current financial assets	+1,020	+1,174
Cash and cash equivalents	+12,949	+12,298
AUTOMOTIVE NET FINANCIAL POSITION	**-3,579**	**+1,734**

In 2020, **Renault SA** issued one Eurobond of €1 billion (maturity of five and a half years) via its EMTN program.

Furthermore, in June 2020, Renault SA set up a €5 billion bank credit agreement with a guarantee from the French State. This credit facility, which could only be used until December 31, 2020, in whole or in part and on one or more instalments, has been drawn down several times for a total amount of €4 billion as at December 31, 2020.

The **Automotive** segment's liquidity reserves (including AVTOVAZ) stood at €16.4 billion as of December 31, 2020. This reserve consisted of:

- €12.95 billion in cash and cash equivalents;
- €3.43 billion in undrawn committed credit lines.

At December 31, 2020, **RCI Banque** had available liquidity of €16.6 billion, consisting of:

- €4.5 billion of undrawn confirmed credit lines;
- €4.5 billion of central-bank eligible collateral;
- €7.4 billion of high quality liquid assets (HQLA);
- €0.3 billion of financial assets.

1.4 RESEARCH AND DEVELOPMENT

	2020	2019	2018	2017	2016
Net R&D expenses *(€ million)*(1)	2,383 (2)	3,176(2)	3,043(2)	2,609(2)	2,284
Group revenues *(€ million)* as published	43,474	55,537	57,419	58,770	51,243
R&D spend ratio	5.5%	5.7%	5.3%	4.60%	4.50%
R&D headcount, Groupe Renault	23,125(2)	23,586(2)	23,451(2)	19,721	18,120
Groupe Renault patents	826	1,040	816	683	565
of which co-owned Renault and Nissan	352	*484*	*375*	*235*	
o/w AVTOVAZ	85	*99*	*35*	*33*	

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

1.4.1 The car of the future

Research into connected vehicles and electric vehicles

The car is already electric and connected; tomorrow it will also be autonomous, with the benefit of smoother, more seamless driving and improved safety. The development of autonomous cars and shuttles will accelerate the growth of electric, autonomous and shared mobility services, which in turn will promote multimodality – complementarity between modes of transport – and make the overall system cleaner, safer, easier, more accessible, more effective and more efficient. The car is already electric and connected; tomorrow it could also be autonomous in specific use cases, with the benefit of smoother, more seamless driving and improved safety.

From 2017 and into 2020, Groupe Renault, together with public and private partners, has been testing electric, autonomous and shared mobility services delivered by autonomous Renault ZOE Cab prototypes:

- TORNADO project in Rambouillet: testing of autonomous driving solutions, technologies and infrastructure in sparsely populated areas. Testing took place along a 13km route providing a direct link between Gazeran train station and the Bel Air business park in Rambouillet, representative of the specificities of peri-urban and rural areas;
- Rouen Normandy Autonomous Lab: first testing in Europe of an autonomous, shared and on-demand mobility service on open roads, as an extension to the existing public transport service. The tests were carried out on three routes serving different stopping points throughout the Technopôle du Madrillet district;
- Paris-Saclay Autonomous Lab: testing of services for smarter, electric, autonomous, shared and on-demand mobility in addition to the modes of transport already present on the Paris-Saclay campus. The aim was to test a point-to-point mobility service for everyday travel on the Paris-Saclay urban site. Groupe Renault is continuing its research into autonomous mobility, and is participating, via the SAM (Safety and Acceptability of Driving and Autonomous Mobility) consortium coordinated by the French Automotive Platform (PFA);
- to the EVRA Project (autonomous road vehicle experimentation) launched by ADEME as part of the Future Investments Program (PIA), a key part of the national strategy for the development of autonomous vehicles. Its objective is to contribute to the development of safety validation methodologies, to improve knowledge on uses, acceptability and societal impacts. The Group's work will consist notably in testing on-demand, electric, autonomous and shared car services, such as collective public transport and private public transport, in the Rouen city center and at Paris-Saclay.

In June 2019, Groupe Renault, Nissan Motor Co. and Waymo signed an exclusive agreement for an initial phase of exploration covering all aspects of autonomous mobility services for the transport of people and the delivery of goods in France and Japan. The agreement brings together the strengths of the three partners and extends 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.

Vehicles are increasingly connected to the world around them. In 2019 and 2020, 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 vehicles, 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 experiment, which began in 2019 and continued in 2020, Renault is undertaking a new approach to prepare and design the cars of the future. The fleet of 10 vehicles was launched, and a number of functional developments have been made to adapt to different uses. After Greater Montpellier and La Poste in the Paris region, several companies of all sizes and in various sectors have expressed an interest in testing the vehicle in 2021.

TORNADO PROJECT: autonomous mobility services in rural areas.

The aim of the TORNADO project is to define and test the technologies and conditions necessary for the roll-out of autonomous mobility services in low-density areas. Launched in September 2017 and running for 36 months (until November 2020), the TORNADO project explored different use cases aimed at meeting the needs of rural areas.

Led by Groupe Renault and co-managed by Rambouillet Territoires, this research project was carried out in conjunction with approximately 10 industrial and academic partners. Autonomous mobility is not a challenge reserved for large cities. Autonomous vehicle trials must take into account the specificities of sparsely populated areas where transport solutions are often scarce, with many rural areas facing specific challenges. The TORNADO research project, which ends today, accordingly aimed to identify the technologies and communication infrastructure necessary for the roll-out of autonomous mobility services in rural and peri-urban areas, through two use cases and thanks to collaboration between industrial and academic partners, a region and local populations.

In this context, two electric and autonomous mobility services were tested, with validation periods in the field on a real scale and environment:

- an on-demand shared vehicle service (Renault ZOE) directly connecting the Gazeran rural train station and the Bel Air: La Forêt business park in Rambouillet;
- another via a shuttle service with stopping points within the Bel Air business park.

The technical component of the TORNADO project consisted in defining and developing autonomous driving solutions as well as communication technologies and infrastructure:

- that ensure a maximum level of safety: hardware, software, on-board and remote solutions, vehicle-infrastructure communication, *etc.*;
- that adapt to the specificities of peri-urban and rural areas: narrow roads, roundabouts, obstacles blocking visibility, lack of road markings or landmarks, heterogeneity of road edges, narrow tunnels with a single lane, *etc*.

For Groupe Renault, the challenge was to run an electric vehicle completely autonomously over a distance of 13km, in a direct link between the Gazeran train station and the Bel Air business park in Rambouillet, representative of these specific features. The complexity and diversity of traffic scenarios in rural and peri-urban environments required it, among other things:

- to increase the perception capabilities of autonomous vehicles with real-time 360-degree detection of the environment (type of objects, size, distance from the vehicle);
- to be able to locate and control the autonomous vehicle to within 20 centimeters to ensure that it stays in its lane, on roads that can be very narrow, regardless of the shoulder;
- to make up for temporary loss of GPS signal or total lack of visibility, such as when passing through a single-lane tunnel;
- to achieve, in autonomous mode, "acceptable" speed levels as close as possible to the reality of passengers and other road users, namely up to 70 km/h.

On this route, project partners were able to test the role of connected infrastructure elements (connected lights and fixed cameras enabling vehicles to take into account objects beyond their own perception).

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, 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).

AD-learning: The driver at the heart of the learning process for new driving styles

Driving aids (ADAS) are already a reality in the Renault range (adaptive driving control, parking aid, lane keeping aid, *etc.*). Their development will continue in the future, leading gradually to autonomous driving functions. This arsenal of technologies makes driving both more enjoyable and safer. But to take full advantage of all the new functions, drivers must be comfortable with their use and fully understand how they work.

To this end, and with the customer always at the heart of its concerns, Renault has for several years been developing a program called "AD Learning", which aims to develop a battery of educational tools, from simple videos to driving simulators, to put customers in a learning situation. This program is being developed in partnership with the company's sales functions, which are in direct contact with customers.

For example, a demonstrator was placed in a large dealership in the Paris region for several weeks in order to collect the opinions and suggestions of sales staff and customers in the field. This research program will be continued in the years to come, as this is a key point in the roll-out and effectiveness of driving aids.

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.

INCIT-EV, an ambitious European research project on electric vehicle charging launched in early 2020 and coordinated by Renault

After conducting several research projects aimed at developing innovative load concepts, such as induction charging while driving, Groupe Renault launched the European INCIT-EV project in 2020, in conjunction with 32 partners across Europe. The INCIT-EV project will run for 48 months, from January 2020 to December 2023, and will be divided into two main phases:

- a phase of study of consumer needs and constraints, which, from April 2020, will be followed by the study of charging technologies and their integration into infrastructure;
- a phase of on-site demonstration of seven technologies from the second half of 2022 until the end of the project;
  - a dynamic induction charging system in urban areas in Paris, France,
  - high-power charging systems on the outskirts of Tallinn in Estonia,
  - optimized bi-directional smart charging in Amsterdam and Utrecht in the Netherlands,
  - a dynamic induction charging system in peri-urban/long-range areas in Versailles in France,
  - a charging hub in a car-sharing car park on the outskirts of Turin in Italy,
  - bi-directional low-power charging (including two-wheelers) and static induction charging in taxiways at Zaragoza airport and central railway station in Spain.

In view of the need to test charging technologies in real conditions and to structure the ecosystem as a whole, Groupe Renault was keen to take part in a call for projects from the European Commission. Within that framework, the Group worked to create a consortium. Some 30 carmakers, universities, institutes, cities, start-ups and SMEs responded positively to the initiative, with a shared desire to promote electromobility in Europe through testing focused on electric vehicle users. The approach is highly customer-centric and will make it possible to build a new ecosystem and design charging technologies that can be easily rolled out to encourage the development of electromobility in Europe. The INCIT-EV project has received funding from the European Union's Horizon 2020 research and innovation program under grant agreement no. 875683. The INCIT-EV project consortium was initiated and coordinated by Groupe Renault. In this capacity, Groupe Renault serves as the interface between the European Commission and all partners, overseeing technical development, budgets and planning.

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 10-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 our R&AE activities. These initiatives are an effective way of expanding our strategic plan. Renault's cooperation budget is a multi-year figure of €180 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 €2.7 million in 2020, broken down into €2.65 million in subsidies and €85 thousand in repayable advances. In a global health crisis characterized by extensive telework, some demonstrations and tests had to be postponed, and the level of financial assistance was very exceptionally down in 2020 compared with 2019.

In 2020

A portfolio of 74 subsidized projects was managed in 2020 using traditional methods (36% of the projects were more than 50% funded, with some 10% fully funded by financial backers). A total of 26 French and European projects were submitted over the year: 11 were accepted, eight were still being processed and seven were rejected. In addition, projects linked to the national support plan for the automotive sector were submitted to traditional financing mechanisms. In June 2020 Renault made submissions on:

- the R&D part of the support plan: eight projects, of which three were accepted and are funded by ADEME or Bpifrance, and five were rejected during the pre-validation phase by the General Directorate of Enterprises (DGE), which deemed them not priorities, given the other projects submitted by the applicant companies. The themes addressed are power electronics, the greater availability of EV and hybrid technologies, and battery thermal management;
- eight projects have been submitted as part of a call for expressions of interest for the modernization of the support plan. Two projects are still under examination as part of the call for projects that followed, and six projects were rejected before submission by the DGE, which deemed them not priorities, given the other projects submitted by the applicant companies. They concern the plants in Le Mans (sustainability of the activity and employment of the Chassis industrial site in Le Mans) and Batilly (project to create a battery assembly activity for electric vehicles).

Renault also 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 large-scale project (SAM – Safety and Acceptability of Driving and Autonomous Mobility: design of high-performance automated systems, functionally safe for autonomous vehicles) on autonomous vehicles, submitted as part of PIA 2, began testing as initially planned, but nevertheless suffered some postponements due to the impossibility of carrying out certain tests in view of the health crisis. Renault's research costs were €42 million over the project period, while €11 million in French State aid was awarded by ADEME for budgeted activities;
- in addition, an ANR project from academics was submitted and accepted in 2020, with Renault's participation. It is the DeepSee project, which is an artificial intelligence project focused on the study of new artificial neural networks.

Managed projects include the following:

Project name	Description	Project start date	Project end date	Financing programs	Business line
5Gcroco	Fifth generation cross-border control	01/01/2019	12/31/2021	H2020-ICT-2018-2020	Electronics
COCTEL	Development of a hybrid powertrain	10/11/2013	05/25/2021	PIA Vehicle of the Future Program	Powertrain
CONCORDA	Preparing European highways for automated driving with appropriate services and connected technologies	10/01/2017	12/31/2020	2016-EU-TM-0327-S	New mobility
C-ROADS	Improvement and extension of knowledge about Car2X	09/01/2016	12/31/2020	CEF	New mobility
DENSE	Development of sensors combining three functions of radars, lidars, and cameras operating in all weather conditions for autonomous vehicles	06/01/2016	02/29/2020	H2020-ECSEL	Electronics
EAGLE	Development of a lean burn gasoline engine with a 50% gasoline engine efficiency target in line with the ICE research road map	10/01/2016	03/31/2020	H2020-GV-02-2016	Powertrain
EMPHYSIS	Development of a quasi-automated, standardized process for porting models created for digital simulation to embedded codes	12/01/2016	02/28/2021	EUREKA ITEA3	Powertrain
EVAPS	Developing and testing of autonomous mobility services with electric vehicles	03/01/2017	02/29/2020	PIA2 Road vehicles and Mobility of the Future	New mobility
HPP HAUTE PRESSION PULSÉE	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	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	New mobility
ISA3	Integration of aluminum solutions to lighten cars – Production of aluminum doors	04/01/2020	10/01/2023	CPSP No. 8	Materials
L3PILOT	Development of a level 3 autonomous vehicle with demo model	09/01/2017	08/31/2021	H2020-ART-02-2016	New mobility
SAM EVRA	Design of high performance, functionally safe automated systems for autonomous vehicles	10/16/2019	04/15/2023	PIA Autonomous Road Vehicle Experimentation	New mobility
SAM EVRA (LAB)	Evaluation of the management of critical scenarios Social and economic impact studies	10/16/2019	04/15/2023	PIA Autonomous Road Vehicle Experimentation	New mobility
TORNADO	Determine infrastructure requirements for the roll-out of autonomous vehicles Demonstrate public transport for a population living in large/peri-urban areas Understand the needs/expectations of users within the extended boundaries of metropolises	09/01/2017	02/28/2021	FUI 23	New mobility

At European level

Renault has submitted seven projects under European financing programs, including Horizon 2020, ECF and EUREKA. These projects primarily cover batteries, autonomous vehicles, safety, connectivity, materials and processes.

The following projects attracted the largest subsidies in 2020:

Name of the project	Description
COLLABS	Artificial intelligence research - industrial automation on intelligent industrial systems for exchanging information and operating remotely. Cyber intelligence and cybersecurity in the context of Industry 4.0.
FLEXAMEP	Production of quickly reconfigurable, easily adaptable and flexible elastomer parts.
Hi-DRIVE	Test and demonstrate the functionality of highly automated vehicles in demanding traffic scenarios. Ability to interact securely with other traffic participants.
INTERQ	New industry 4.0 technology solution for process/product quality control and data reliability.

2021 Outlook

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), and €1 million 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** (GSM, created in 1980). A third line is housed in the Materials IRT. 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 GSM worked this year to diversify its work into green energies. Studies carried out at the Materials IRT focused on industry's ability to make effective use of recycling channels.

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 and materials resistance.

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 95 doctoral students under CIFREs in 2020. A total of 28 new topics were proposed in 2020. 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.

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. An amendment has extended this agreement to the end of 2024.

2020 represented total activity of €1.3 million and involved research, advanced engineering and business projects relating to such topics as electrical and power electronics architecture, electric vehicles, second-life batteries, the integration of photovoltaic panels on a vehicle in our range, 3D printing and mechatronics and quality control of air in our industrial buildings. In addition, in 2020, Renault continued its collaboration 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 2020, despite the exceptional context of the COVID-19 pandemic, seven new chairs were announced and work began successfully in line with objectives:

- “Data to maximize valorization” with the Laboratory of Excellence of the University of Lyon’s;
- “Real-time Extended Reality (XR) simulations 4 Industry” with Arts et Métiers ParisTech’s;
- “Futur de l’Industrie et du Travail” with Mines Paritech, Fabrique de l’Industrie, École de Paris du Management and GRTgaz, Orange and Michelin’s;
- “Systèmes de Systèmes”. “Énergie & prospérité” with Institut Louis Bachelier, AFD, ADEME, *etc.*;
- “AI for data-driven and self-configurable supply chains” with the Multidisciplinary Institute in Artificial intelligence of the University of Grenoble;
- “Fair & Robust Methods in Machine Learning” with Artificial and Natural Intelligence Toulouse Institute (ANITI);
- “New certification approaches of critical AI based systems” with ANITI. The work that had been planned on the "Intercultural Management" scope with the ESCP were finalized.

The other chairs active in 2020 dealt with the following subjects:

- cybersecurity;
- aerodynamics;
- 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;
- inclusive and social business;
- supply chain of the future.

With these new chairs announced in 2020, Renault remains part of the group of economic and industrial players that lead support and participation in research and teaching chairs.

1.4.2 New products in 2020 and 2021 and their innovations

1) New DACIA SANDERO, SANDERO STEPWAY and LOGAN

A new on-board experience

The interior has taken a leap forward on all fronts: increased quality of presentation, materials, finish, assembly, ergonomics and the appearance of new equipment. True to the Dacia promise, the new SANDERO, SANDERO Stepway and LOGAN still offer the best space for money in the market.

Superior roominess: the new SANDERO, SANDERO Stepway and LOGAN offer three real adult seats in the back, a fold-down bench seat (depending on the version) and a family trunk. Meanwhile, the SANDERO has a capacity of 328 l (310 l+12 l), is equipped with a dual-level floor (depending on the version) and can be unlocked remotely via a button on the key or the hands-free card. The new LOGAN offers loading capacity of 528 liters. The roominess is worthy of the high-end segment, with the largest space in the category for the rear passengers’ legs. They enjoy up by 42mm more on the new SANDERO and the new LOGAN. In terms of storage, capacity can reach 21 liters (+2.5 l), with space under the central armrest (1.4 l), in the front and rear doors, and on the backs of the front seats.

More comfort

The design and shape of the new front seats offer more comfort and support, notably with height-adjustable headrests. To improve driving position, the driver can now adjust the seat height (+/- 35mm), the steering wheel height (+/- 2.1°) and depth (+/- 25mm), and opt for an individual or central armrest. The gear stick has been shortened. The steering is fully electrically powered for increased comfort, particularly in tight turns and for parking (36% less effort than the previous SANDERO).

More equipment

At Dacia, modernity is not synonymous with a race for superfluous equipment. The new equipment on the SANDERO, SANDERO Stepway and LOGAN matches change in key customer expectations. Whatever the level of finish, the standard equipment includes a smartphone holder (movable in some versions), an on-board computer screen, cruise control and speed limiting controls on the steering wheel and automatic lights. For better comfort and safety, drivers can keep their eyes on the road and their hands on the steering wheel. New automatic air conditioning with digital display, heated front seats (from April 2021), hands-free card with remote opening of the trunk, an electric parking brake, a reversing camera, front and rear parking aids and automatic ignition of the windshield wipers are available as standard equipment or as an option depending on the market. Finally, for the first time at Dacia, an electric glass sunroof will be offered on the new SANDERO and the new SANDERO Stepway in 2021.

Modern equipment for safety

Thanks to their modular CMF-B platform and their new electronic architecture, the new SANDERO, SANDERO Stepway and LOGAN boast latest generation driving aids and safety equipment.

Gasoline/LPG bi-fuel system with Dacia ECO-G

Dacia is the only carmaker to offer a gasoline/LPG bi-fuel system on its entire range of passenger cars under the ECO-G label. The plant integration of this proven technology on the TCe 100 ECO-G engine is a guarantee of safety and reliability. The duration of the manufacturer's warranty, the interval and cost of maintenance operations and the trunk capacity are identical to those of a gasoline version (the LPG tank is located where the spare wheel usually goes). When running on LPG, the new SANDERO ECO-G emits on average 11% less CO_2 than an equivalent gasoline engine. It also offers a range of more than 1,300km thanks to its two tanks: a 50 l LPG tank (or 40 l of useful capacity because filling is limited to 80% for safety reasons), an increase of eight liters on the previous generation of SANDERO GP, and a 50 l gasoline tank. With Dacia, LPG combines ease of use, driving pleasure, reduction of CO_2 emissions and long range. Depending on the country, a gasoline/LPG bi-fuel system benefits from incentives or tax reductions including low fuel prices at the pump, and no environmental penalties or traffic restrictions.

2) Renault KANGOO and EXPRESS

The KANGOO Van, the innovative van with an athletic and dynamic style, is mainly aimed at demanding fleets, craftspeople and traders looking for a tailor-made vehicle equipped with the latest technologies for professionals.

With its major innovation, Easy Side Access and Easy Inside Rack, the KANGOO Van is revolutionizing the way people work.

Easy Side Access: particularly practical in city centers, this innovation gives customers easy access to their load, regardless of parking constraints. By eliminating the central post, KANGOO Van offers 1,416 mm, the widest side access in the market (twice as wide as its previous version).

Easy Inside Rack: another innovation, this retractable interior rack makes it possible to transport long and bulky objects above the passenger seat, thereby freeing up space on the floor.

EXPRESS Van is particularly aimed at young entrepreneurs and small fleets looking for the best value for money while satisfying their essential needs, synonymous with robustness and modernity, the aesthetic codes signature of the Renault brand. Equipped with enhanced seats, the new interior brings quality and comfort on board. Particular attention has been paid to storage spaces and ergonomics. It offers the best level of storage in its category (48 l) as well as a load volume of between 3.3 and 3.7m^3. The EXPRESS Van is fitted with the Renault EASY LINK multimedia system, and offers driving aids including Rear View Assist, Blind Spot Warning, Front & Rear Park Assist, and the Wide View Mirror. The KANGOO and EXPRESS are also available in versions for private individuals.

3) DACIA SPRING

Unveiled at eWays, the DACIA SPRING Electric is **Dacia's first all-electric model based on the CMF-A platform.**

This electric city car will be the least expensive on the market and will make electric mobility even more accessible. With its versatile and practical SUV look, it boasts record-breaking roominess, a simple and reliable electric drivetrain and a reassuring range. Offered with a fully electric 33 kW motor coupled with a 26.8 kWh battery, the SPRING Electric has a range of 225 km in the WLTP cycle and 295 km in the WLTP City cycle (certification cycle confined to the urban portion).

It boasts extensive standard equipment, including fully electric variable power steering, remote central locking, four electric windows, speed limitation, ABS, ESP (Electronic Stability Program), electronic brake force distribution, six airbags, emergency call (SOS button), automatic lights and automatic emergency braking. It comes with two new versions for new forms of mobility, namely a version adapted to electric car-sharing, and a utility version dubbed Cargo, for last-mile deliveries without polluting emissions.

4) Renault ARKANA in Europe

The ARKANA in Europe, unveiled at eWays, i**s based on the Alliance's modular CMF-B platform**, on which the new generations of CLIO and CAPTUR have already been developed. The version intended for Europe is produced at the Busan plant in South Korea.

In terms of powertrain, the ARKANA offers a full hybrid E-TECH engine that systematically starts up with electric traction and ensures driving pleasure at all times, with clear and instant acceleration. Energy efficiency is also part of the deal, thanks in particular to its innovative multi-mode gearbox, its efficient regenerative braking and its high capacity for automatic battery recharging. Driving time in cities is fully electric up to 80% of the time. That makes it possible to limit CO_2 emissions and reduce consumption by up to 40% in the urban cycle compared with a combustion-only engine.

The ARKANA also offers a four-cylinder gasoline engine with 1.3 TCe direct injection. Economical and efficient, it procures real driving pleasure. Combined with EDC dual-clutch automatic transmission, it will first be offered in a 140hp version and then also in a 160hp version. New and innovative, the 1.3 TCe engine is now micro-hybridized with the addition of a starter-alternator system coupled with a 12 V lithium-ion battery under the passenger seat. This technology improves Stop & Start and ensures energy regeneration during deceleration phases. It also assists the engine in the phases that consume the most energy, namely starting and accelerating. It thus reduces fuel consumption and CO_2 emissions while ensuring smoother restarting and better driving comfort.

Equipment-wise, the ARKANA has a high-tech cockpit with a digital display on the instrument panel. The color screen comes in 4.2, 7 or 10.2 inches depending on the version and allows you to personalize your driving experience in a very intuitive way. Complemented by a central 7- or 9.3-inch screen, it houses the EASY LINK multimedia system (permanent 4G connectivity, enhanced services, system and mapping always up to date thanks to "Over The Air" technology and even customization of settings with MULTI-SENSE), which helps give the vehicle one of the largest display surfaces in its category.

The ARKANA also boasts a full range of driving aids. Its latest generation technologies include a 360-degree camera to detect all obstacles around the vehicle, as well as highway and traffic assistants, combining adaptive cruise control with the stop & start function and lane departure assistance. This level-two autonomy service considerably increases driving comfort.

5) Powertrains, players in the energy transition

Renault continues to develop new emission control technologies for its internal combustion engines to reduce CO_2 and particulate emissions.

We are responding with technological propositions that strike the best balance between pollutant/CO_2 emissions and cost for the customer. Since June 2020, new Groupe Renault vehicles sold to individuals in Europe have gradually been fitted with engines meeting the new Euro 6D-Full standard thanks to new pollution control technologies on its gasoline, diesel, hybrid and plug-in hybrid and LPG engines.

Groupe Renault is preparing for the arrival of the European Euro 6D-Full standard, which comes into force for passenger cars on January 1, 2021 (January 1, 2022 for commercial vehicles) and which strengthens the measurement procedures and thresholds for emissions of pollutants from thermal engines.

To support the energy transition, we rely on a comprehensive range of technologies: carbon-free hydrogen is one of them and part of the Groupe Renault's strategy. We have range extenders in our line-up of utility vehicles.

Groupe Renault has a wealth of experience in LPG. We have been selling it for over 10 years in Europe. LPG has so many advantages: it is more ecological (-12% CO_2/100km) and more economical, while also being more efficient. Groupe Renault is offering a new bi-fuel gasoline-LPG engine on the CLIO, CAPTUR, SANDERO, LOGAN and DUSTER in Europe, the TCe ECO-G 100 (HR10). In gas mode, this engine reduces CO_2 emissions by around 12% compared with gasoline mode.

In the Euro 6D-Full format, engine performance is improved by +10Nm of torque and +7kW of additional power because gas combustion has greater potential than gasoline. The cost of using LPG is equivalent to that of diesel, and its purchase cost is at least €1,500 lower. LPG is 20% to 25% cheaper than gasoline per kilometer, allowing someone driving 15,000 km per year to save roughly €200 on fuel.

We have a large distribution network, with 33,000 stations in Europe. 10% of the gas consumed is bio LPG in France, and this is constantly increasing.

6) Renewal of the international range

In 2020, Groupe Renault renewed its range worldwide, with the DUSTER in Latin America, the new CAPTUR in Korea, and phase 2 for the KAPTUR in Russia, the MEGANE, the KOLEOS, the TALISMAN and the ESPACE.

1.4.3 Performance levers

Modular design

Introduced in 2013 as a source of increased competitiveness and synergies, the modular design approach known as CMF (Common Module Family) enables the standardization of architecture across Renault, Nissan and Mitsubishi vehicles.

CMF has already generated an average reduction in product/process design costs of approximately 30 to 40% per model and a 20 to 30% reduction in parts costs. By 2022, 70% of Alliance vehicles and 80% of Groupe Renault vehicles will be manufactured on common platforms.

Common Alliance platforms

CMF-EV is "THE" reference platform for the new generation of electric vehicles for Groupe Renault and the Alliance. This all-electric platform overcomes the constraints generated by thermal architectures and offers a new level of service: more energy efficiency for more range, the roominess of the high-end segment and all the driving pleasure of an electric vehicle.

CMF-A is the Alliance's small city car platform. Its architecture is electric compatible, and can accommodate all-electric vehicles. This is the case for the Renault CITY K-ZE and the Dacia SPRING, unveiled in 2020.

CMF-B is the Alliance's modular platform *par excellence*. By 2022, the CMF-B will carry more than 12 Alliance models, with a target of three million vehicles in series production after the complete renewal of the B segment in 10 plants worldwide. Its production was launched in 2019, starting with the CLIO V in the Bursa and Novo Mesto plants, then in Valladolid and Sunderland with the CAPTUR and the JUKE. In 2020, it will welcome the new LOGAN and SANDERO produced in the Pitesti and Tangiers plants. In addition to combustion engines, this platform is compatible with LPG and enables the electrification of vehicles (hybrid and plug-in hybrid). It is designed to accommodate advanced driving assistance leading to the first levels of driving autonomy. Its architecture makes it possible to offer models adapted to the various markets in terms of services and costs.

CMF-CD is the platform dedicated to C and D segment SUVs for each of the Alliance partners. It equips the X-TRAIL/ROGUE and the Qashqai for Nissan and the Outlander for Mitsubishi, and will support the renewal of the KADJAR and the KOLEOS for Renault. The platform is compatible with multiple energies (gasoline, hybrid and plug-in hybrid), and will bring this generation of vehicles a complete technological renewal for driving aids, connected services (including the integration of Google Automotive Services) and the ability to update systems remotely (Firmware Over The Air – FOTA). Groupe Renault vehicles will also benefit from specific advantages, such as multi-directional rear suspension (4CONTROL) or predictive controlled damping depending on the models and trim levels selected. Within the Alliance, nearly 10 million vehicles will be produced on this platform and brought into series production in eight plants across all major global automotive markets (United States, Japan, Europe, China and Russia).

Software Engineering

A new entity dedicated to software, the SOFTWARE FACTORY, was created in August 2020.

Thus, Groupe Renault is acquiring specific skills in the software business in order to meet the future challenges of mobility and services, in addition to the necessary changes in on-board software architecture to build and offer new innovative services at any time in the vehicle's life. Software innovation is key to the vision of a smart, self-learning car with Artificial Intelligence technologies and cloud extensions. The innovations and services provided to our customers are increasingly produced using software embedded in our vehicles or located in off-board servers.

The SOFTWARE FACTORY delivers reliable and robust software based on a unique, continuous and cross-functional software development process aimed at:

- reducing associated customer complaints;
- controlling growing software complexity without allowing development costs to spiral;
- offering customers the possibility of purchasing new services or functionalities throughout the life of their vehicle.

The SOFTWARE FACTORY is central to a corporate strategy (Renaulution) geared towards delivering constant improvement in the customer experience. It contributes to the development of innovative services to generate revenue in the field of mobility services (where the target is 20-30% by 2030). The implementation of innovative software functions and their centralization on powerful processors bring significant gains on the manufacturing cost price and value for money, improving the attractiveness and profitability of our vehicles. The SOFTWARE FACTORY brings in-house development expertise (Make) and a break from the classic tier-based working model (tier-1 supplier) by seeking out technical expertise at the source and relying on technological partnerships (Google, Qualcomm, *etc.*) and by getting involved in automotive and consortium standards (Autosar, *etc.*).

System engineering

This development methodology, which Renault has gradually integrated into its processes and tools over the past 10 years, enables us to control the increase in complexity of our products and services while facilitating the reduction of diversity.

Areas such as ADAS, connectivity and the electrification of traction are obviously targeted, but more generally the entire vehicle, ranging from its "mechatronic" perimeters (openings, active aerodynamics, *etc.*), vehicle assembly and off-shore information systems supporting services to mobility and energy ecosystems, where the challenges are not only technical and require building new collaborations.

SWEET

One of the areas experiencing very substantial development in vehicle-related innovations is known as SWEET, for SoftWare Electric & Electronic Technology.

SWEET covers software, electrical and electronic architectures, connected services, multimedia and driving aids in vehicles. SWEET provides our physical platforms and vehicles with a large part of our products' on-board intelligence.

More specifically, SWEET is an Alliance software and electrical/electronic platform equipping our vehicles. There are several generations of SWEET (100, 200, 400, *etc.*) arranged in chronological order, with technical content adjusted to the needs of the Alliance range plan.

SWEET100 equips all our new vehicles from the new CLIO. SWEET200 and SWEET400 are currently in development, while SWEET200 will equip the new CMF-EV electric platform. SWEET is an important part of the Renaulution plan: it helps reduce costs and the price of engineering, and helps increase carry-over while remaining focused on the expectations of our customers.

Customer satisfaction plan: from reliability to customer satisfaction

Our goal: satisfy 100% of our customers

The quality of our products is the cornerstone of our customers' trust. As such, quality is a priority for all our brands and no compromise is acceptable. Within the framework of Renaulution, our goal is clear: 100% of our customers must be satisfied.

Each customer is unique and deserves the best: a long-lasting reliable car and impeccable end-to-end service.

So we aim not just for zero defects, but also to find solutions for each problem encountered by our customers.

Each employee, from upstream to downstream, has a role to play on that front. To achieve our goal, Groupe Renault is strengthening its Customer Satisfaction Plan initiated in 2018. Three key points ensure constant quality at every stage of the customer experience:

- zero defects. The first essential quality of a vehicle is its reliability. The services of our products are designed to meet customer expectations: performance, style, perceived quality, comfort and pleasure. The industrial system is evolving to produce "zero manufacturing defects" and ensure the proper functioning of all systems. If problems arise, they are dealt with locally to ensure maximum responsiveness;
- sustainable quality. A car that ages well, that can be kept longer, is the assurance of keeping the pleasure of driving intact and preserving the resale value. A corporate approach has been put in place to push back the limits of sustainability and give vehicles a second and third life. Parts are being strengthened in terms of endurance, and electronic systems are being updated;
- tailor-made services and a customized relationship. The network offers its customers services tailored to both the sale of the vehicle (reception, advice, handling, financing and insurance) and after-sales service (support, maintenance, repair, replacement. spare parts, *etc.*). Listening to customers during their visits and the provision of explanations for vehicle servicing have been strengthened.

The customer is central to the quality approach. The entire company is committed to the satisfaction of its customers: from upstream to downstream, every detail counts.

Quality is a "state of mind" deeply entrenched in everyone's thoughts and actions throughout the Group.

The expertise network that serves all of the Group's functions

The expertise network develops and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and customer satisfaction. It has an impact on the Group, and as such, serves the new brand-based organization together with all functions, and is actively involved in Renaulution.

The expertise network consists of 53 areas of strategic expertise established in all major business lines, with a strong predominance in engineering. After a reorganization of the powertrain and manufacturing networks in 2020, the evolution of the segment is set to continue in 2021 to adapt to the Company's new organization by brands.

The network comprises four levels of expertise matching the needs of the business lines, and reflecting the Company's strategy and the expectations of our customers:

- the Expert Fellow is responsible for defining and ensuring the consistency of the strategic areas of expertise, and coordinates the Expert Leader network in order to structure production both at the strategic level and the operational level regarding technical or methodological innovations and support for projects under development. The collaborative work carried out during expert workshops 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;
- Expert Leaders, each reporting to a Business Vice-President, are responsible for their roadmap. Expert leaders have responsibility for one of the 53 areas 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;
- looking outside the Company, 273 Experts are in charge of secondary fields of expertise, responsible for benchmarks, identifying relevant partners and investing in the protection of know-how through patents. They are responsible in particular for defining and promoting standards and processes;
- responsible for Specialty professions, 509 Consultants further the state of the art by being "the point of reference" in their practice, thus developing standards on which the teams can then capitalize.

The organization of the Expertise activity and its agile mode of operation allow the way ahead to be mapped out using a set of coherent roadmaps, the enhancement of knowledge to be accelerated through innovation and the performance of operations, thus allowing the business activities to excel in their various areas of expertise.

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

Since May 27, 2020, Groupe Renault, Nissan Motor Co, Ltd. and Mitsubishi Motors Corporation have jointly positioned new strategic guidelines within a "leader-follower" business model. The aim of the new business model is to strengthen the efficiency and competitiveness of vehicles and technologies by reference region. It is expected to reduce investment costs for vehicle models by up to 40%.

The "leader-follower" model covers three dimensions: vehicle projects, reference regions, and key technologies.

The vehicle projects on which the three entities will cooperate aim to increase the use of the Alliance's common platforms and to strengthen the Alliance's standardization strategy, from the platform to the complete vehicle. Designation of different parts of the world as "reference regions."

Each company focuses on its key regions in order to be among the most competitive and serve as a benchmark for others, in order to strengthen their own competitiveness. Under this principle, Nissan becomes the benchmark in China, North America and Japan; Renault in Europe, Russia, South America and North Africa; and Mitsubishi Motors in the ASEAN and Pacific countries.

Key technologies such as platforms, powertrains, electric motors, autonomous driving technologies, electrical and electronic architecture systems and connectivity are distributed under the leadership of one of the three entities.

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 Latin America. 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

Groupe Renault has adopted organizational structures and procedures to contain the risks inherent in its activities and to limit their negative impact. The risk management and internal control 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 rules, laws and regulations;
- 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.

The Group comprises the following operating sectors: Groupe Renault Automotive excluding AVTOVAZ, the AVTOVAZ group, RCI Bank and Services, and Mobility Services.

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. This framework applies to Groupe Renault Automotive and Mobility Services Segments.

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.

RCI Banque sales financing has defined its own internal control framework for sales financing in accordance with banking and financial regulations. This system is outlined in section 1.5.1.4 "The RCI Banque group's specific features in terms of internal control and risk management". RCI Banque is subject to controls by the French Prudential Supervisory Authority (ACPR) and the European Central Bank (ECB).

1.5.1.1 The various actors involved in risk management

In 2020, the Automotive division of Groupe Renault, excluding AVTOVAZ, was 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.

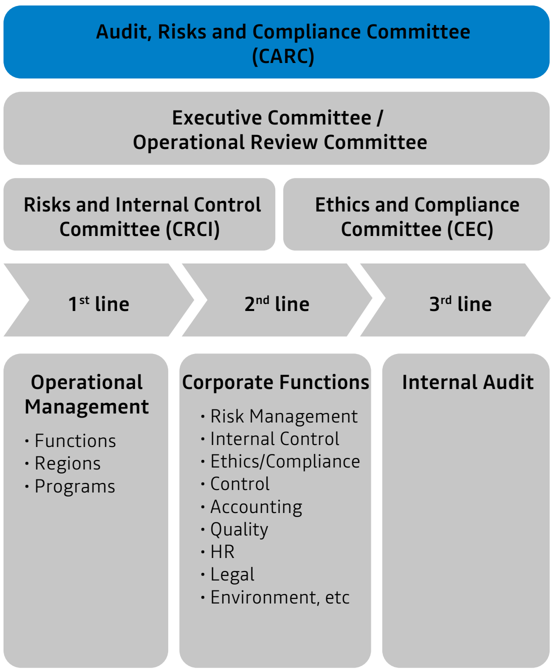
From 2021, this organization will change to comprise four brands and global functions. See sections 1.1.1 "Management bodies" and 1.1.3 "Strategy" for more details.

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 1.5.1.4.

Structuring around three lines of control

In accordance with the general principles of internal control defined by the AMF, and in compliance with the principle of separation of offices, Groupe Renault's internal control and risk management system is structured around the concept of the three lines of defense described below:



- operational management, the first line of control, applies and deploys in its area of responsibility the principles and techniques of internal control and risk management defined at Group level. Employees are therefore required to comply with the internal control system defined for their field of activity, the Group's code of ethics, the guide for preventing corruption and influence peddling, as well as their own dedicated Codes of Ethics;
- corporate functions, an essential link in the second line of control, provide ongoing support to assess the proper application and effectiveness of risk management. This monitoring is performed by:
  - the Internal Control department, which circulates self-assessment questionnaires and carries out compliance tests. It also ensures that action plans are identified and implemented to correct the shortcomings identified,
  - the Risk Management department, which is responsible for updating the mapping of the Group's major risks and monitoring action plans designed to reduce the impact or probability of the main risks identified, and for providing support for the risk mapping of programs, operating entities and corporate functions,
  - the Group Performance Control department, with its representatives in the entities, which coordinates and steers the process in the field. It ensures that all personnel comply with management rules and assists operational staff in the coordination of their action plans and monitoring,
  - the other departments of the so-called "corporate" functions, which are responsible at the global level for establishing policies, standards and methods;
- internal audit, the third line of control, assesses the functioning of internal control and risk management systems and makes recommendations for their improvement.

Internal Audit department

The Internal Audit department conducts an independent and objective assessment of the corporate governance, risk management and control processes as defined within the Group. The mission, role, responsibilities and scope of internal audit are laid down in an audit charter whose updated version was approved by the Audit, Risks and Compliance Committee (CARC) in May 2019. 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 areas audited, the functions/entities/projects in question, 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 covers all entities and activities of Groupe Renault's automotive branch, excluding AVTOVAZ, which has its own internal audit structure. The financial branch (RCI Banque) also has its own internal audit structure. The Internal Audit department can also audit functions that have converged with Nissan. For entities in partnership with Groupe 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 and cover a 2-year period. They are verified by Senior Management and approved by the Audit, Risks and Compliance Committee. The audit plans are revised as often 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 each 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]. This certification, in accordance with the standards for the professional practice of internal auditing (*référentiel professionnel de l'audit interne* – RAI), comprises 25 general requirements divided into 100 detailed requirements across five categories: positioning, steering, audit processes, GRC (governance, risks and compliance) assessment program and professionalism.

Governance

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.

1.5.1.2 The Group risk management system

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 corporate 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 1.5.2.

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 corporate 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 corporate 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.

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.

In 2020, the Risk Management department focused its activities on:

- updating the mapping of the Group's major risks. This process was carried out in a descending direction in relation to the Group's medium-term strategic plan, which was developed during 2020, so that it will integrate the treatment plans responding to the identified risks;
- 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 corporate 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 2021, the Risk Management department's activities will continue to focus on these priority areas.

1.5.1.3 The Group internal control system

Group ethics and Corporate Function guidelines

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) *French Institute for Audit and Internal Control (Institut français de l'Audit et du Contrôle interne).*

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.

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.

Implementation of objectives

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 Risks and Internal Control Committee and Audit, Risks and Compliance 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. This internal control system applies to the parent company and all significant entities, fully consolidated companies in particular.

Entities with lower risk levels (entities not fully consolidated or unconsolidated entities) are subject to separate internal control systems.

The work of the Internal Control department in 2020 included:

- continued action to improve the corruption prevention system and support for the operational staff concerned;
- work designed to make "*métier*" prescribers more involved into internal control self-assessment to better assess operational risks;
- the roll-out of training courses on internal control, in particular on the method for analyzing the separation of duties with standard matrices on the main risky processes; more than 455 managers and 43 Management Committees have been trained over the last three years;
- 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 circulation of an editorial signed by the Group CFO, positioning internal control as an essential feature of management and a key performance driver.

The priorities in 2021 will be to continue these underlying actions begun in previous years.

1.5.1.4 The RCI Banque group's specific features in terms of internal control and risk management

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 defense 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 macroprocesses 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 Banque's Executive Committee, RCI Banque'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 RCI Banque's 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 four 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 Appointments 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 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.

1.5.2 Groupe Renault risk factors

Groupe Renault identifies risk factors to which it is exposed using its formal risk management approach. You are reminded that the Group comprises the following operating divisions: Automotive excluding AVTOVAZ, which includes Groupe Renault's automotive activities (hereafter known as "Automotive"), AVTOVAZ, which includes the AVTOVAZ group and its parent company, Alliance Rostec Auto B.V., Sales Financing (the RCI Banque group and its subsidiaries), and Mobility Services, which brings together new mobility service activities under the Renault M.A.I. holding company. Each of these has its own risk management system, which is used to keep the risks related to its activities under control. These systems are described in section 1.5.1. The Risk Management department carries out a summary to obtain an overview of the risks to which Groupe Renault is exposed. For AVTOVAZ, the risk management system is unique, based on methodologies that are widely shared with Groupe Renault with a view to gradual harmonization and increasing maturity.

This identification of risks is based on assessments of residual impact and probability of occurrence (after taking into account the management plans), the product of these two terms defining criticality. For risk factors whose criticality for the Group is high, we specify which factor is decisive in this criticality (e.g. "impact > probability") or whether the impact and probability contribute evenly ("impact = probability").

Risk factors presented in this section are those 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, and whose criticality is rated at the highest levels on the Group's risk scale. The risks presented in chapter 2.1.6 "Extra-financial performance" of this Document, have been included in this analysis. Depending on their materiality, they fed into the description of certain risk factors. This is the case, for example, with risks related to global warming, the protection of personal data or supplier relations.

It cannot however be ruled out that other risk factors currently considered insignificant or not identified could in the future adversely affect the Group. Potential evolutions in the mid-term strategic plan of the Group may also induce changes in the nature or relative weight of risk factors. It should actually be noted that the major risk mapping is updated every year, in close collaboration with the preparatory work and implementation of the strategic plan, so that the plan integrates the appropriate action plans designed to respond to the operational or strategic risks identified.

The major risk factors resulting from the Group's analysis for all of its operating segments are summarized in the following table and presented below. In each of the five categories, risk factors with the higher criticality levels are described at the beginning.

RISK FACTORS FOR GROUPE RENAULT

		CRITICALITY LEVEL	
		MEDIUM	HIGH
STRATEGY	Risk of insufficient performance of the Alliance	■	■
	Risk of insufficient response to disruption of existing activities	■	
	Risk of natural, health or industrial disasters	■	
OPERATIONS	Risks related to geopolitical instability and economic conditions	■	■
	Risk of insufficient capacity to restore margins	■	■
	Risk of supply chain interruption	■	■
	Risk of natural, health or industrial disasters	■	
PRODUCTS AND SERVICES	Risk of inadequate product and service definition or execution	■	■
	Risk of inadequate innovation in relation to market expectations	■	■
	Risk of product or service quality defects	■	
	Risk of insufficient reinforcement of the Renault brand	■	
CROSS-GROUP RISKS	Risk of inadequate innovation in relation to market expectations	■	■
	Risk of non-compliance with laws and regulations	■	
	Legal risks	■	
FINANCIAL RISKS	Liquidity risk	■	■
	Foreign exchange risk	■	
	Customer and network credit risk	■	
	Bank counterparty risk	■	
	Interest rate risk	■	
	Risk of decrease of residual value	■	

In the following descriptions, this logo identifies the risk factors on which global warming has a significant impact (see chapter "Extra-Financial Performance Declaration" of this Document for more details).

1.5.2.1 Risks related to strategy

Risk of inadequate performance by the Alliance - *high risk with impact > probability*

The Group's membership of the Renault-Nissan-Mitsubishi Alliance brings a major contribution to the success of the Group and its strategic plan. In the context of its members' deteriorating financial performance and the global health crisis, the Alliance's member companies have focused their strategy on efficiency and competitiveness rather than volumes. This situation, in the context of the Alliance governance in place since March 2019 (see Chapter 1.2.3 of this Document), could result in a risk of insufficient performance due to reduced or less optimal sharing within the Alliance of platforms, technologies and, more generally, the investments necessary for the development of product ranges, which would jeopardize the future competitiveness of the Group's offering and the achievement of its revenues and earnings targets. In addition, the product cycle and the transition towards the end of diesel could also result in a decline in business volumes between Nissan and Renault. Lastly, Nissan's financial position could limit the distribution of dividends to the Group for this year, as was the case in 2020.

Risk management

The Alliance Operating Board (AOB), created on March 12, 2019, is responsible for operational coordination between Renault, Nissan and Mitsubishi Motors and for new initiatives creating value for their respective shareholders and employees. On May 27, 2020, the Alliance announced the new cooperation business model in order to improve the competitiveness and profitability of its three member companies. Alliance partners use the leader-follower model to enhance the efficiency and competitiveness of vehicles and technologies. Each member becomes a reference in the regions where it has the best strategic assets, and acts as a facilitator and provider of support for the competitiveness of the other members.

The announcement of the upcoming launch of the MEGANE eVision on the shared CMF-EV platform also used by Nissan is an illustration of essential synergies and joint developments. In addition, under the new strategic plan announced on January 14, 2021, the aim is to derive 80% of the Group's volumes from three Alliance platforms. Alliance members ensure they are always at the forefront of the industry in terms of their performance, products, technologies and markets, while continuing to benefit from joint purchasing and development.

Risk of insufficient response to a disruption of existing activities - *medium risk*

The proportion of business carried out by digital means is steadily increasing and could lead to the disruption of existing activities by favoring disintermediation through the arrival of new players attracted by the direct contact with customers. This trend is emerging in businesses linked to new mobility (car-sharing, connected services, *etc.*), but also in existing and traditional sectors of sales of services or automotive products, sales and after-sales, used vehicles and sales financing, which represent a significant part of our profitability (the contribution of the Sales Financing operational segment to Groupe Renault's consolidated net income is a profit of €789 million in 2020).

The different forms of lockdown related to the COVID-19 pandemic have only reinforced this. The risk for Groupe Renault is that part of its business or value chain may be captured by these new players (which may come from the world of technology), positioning themselves between Groupe Renault and its customers.

Risk management

Groupe Renault has always paid close attention to customer relations, both directly and through its subsidiary RCI Banque, which has direct and regular contact with its customers. In addition, on September 3, 2020, Groupe Renault announced its reorganization around its brands into four Business Units (see section 1.1.3), each of which will focus on value creation and concentrate resources on market segments and associated customer expectations.

Specific action plans have been put in place by the after-sales business line, RCI Banque and Mobility Services to reduce the risk of disintermediation in the medium term. The aim is to propose innovative offers to customers, including new mobility services in order to increase contact with customers throughout the vehicle's life cycle.

The Group is also pursuing its digital transformation, notably through its subsidiary Renault Digital, in order to develop the agile tools and organizations needed to be competitive.

Risk of insufficient capacity to develop new businesses - *medium risk*

Against a background of deep and sustained transformation in demand and the mobility offerings, in line with societal changes and environmental and climate issues, Groupe Renault could be faced with an inadequate ability, within a given timeframe, to change its business model, to anticipate and adapt to changes and possible disruptions of markets, mobility offers and related value chains, and thus to develop new business. This could lead to lower revenues than the objectives over the affected portions of the Group's commercial offering, as a result of a lack of innovation and inadequate preparation for its future, beyond the deadlines of the current strategic plan.

Risk management

The Group's strategic plan aims to make this risk an opportunity by mobilizing (if necessary through the use of new organizations) the resources of the Group, the Alliance, RCI Banque, targeted partnerships and acquisitions, so as to structure a strong and innovative sustainable, electric, autonomous and connected mobility offer. These innovative service offerings will be housed within the automotive brands, but also within the new Mobilize Business Unit, whose scope goes beyond the traditional framework. The recent decision to create this Business Unit paves the way for the future: Groupe Renault is aiming to derive more than 20% of its revenues from new businesses by 2030. The November 25, 2020 announcement of the Re-Factory project in Flins, Europe's first circular economy plant dedicated to mobility, is another example of the ongoing transformation into innovative offers.

1.5.2.2 Risks related to operations

Risks related to geopolitical instability and economic conditions - *high risk with impact ≈ probability*

The Group has industrial and commercial operations in a large number of countries (see sections 1.1, 1.2, 1.3 of this Document). Some of these countries may present specific risks that could have an adverse impact on the Group's industrial and commercial operations, sales, revenues, income statement or balance sheet, despite a geographical spread of sales that limits the overall impact of regional contingencies while taking advantage of opportunities. These risks and opportunities may relate to the changing economic related situations, political or regulatory instability, social unrest, protectionism, nationalizations, fluctuating interest rates and exchange rates, lack of foreign currency liquidity or foreign exchange control measures. In 2020, the risks were also health-related, in relation with the COVID-19 pandemic and its consequences, such as the numerous production unit, suppliers site and customer sales point shut-downs. The health crisis has also contributed to the deterioration of the economic situation. These disruptions were experienced on all markets by most of automotive industry actors. Groupe Renault and the industry remain exposed to the risk related to geopolitical instability and economic conditions and its consequences depending on the evolution of the health situation.

Specific risks

Europe

The Group's activities remain heavily dependent on the European market, which in 2020 represented approximately half of its sales (see the Group's worldwide sales in Chapter 1.1.3.2 of this Document and the breakdown of sales in the Europe Region).

Eurasia

In Turkey, the Group is exposed to geopolitical risk, and macroeconomic and regulatory instability. As a result, the market is highly volatile, leading the Group to implement a risk management policy aimed at combining the short-term adaptability of its production system and the preparation of alternative solutions for the main logistics flows. Turkey accounted for less than 5% of Groupe Renault sales and just over 11% of production in 2020 (see chapters 1.1.3.2 and 1.1.3.4 of this Document for sales and production figures for 2019, as well as chapter 1.1.3.8 for the renewal of the partnership with Oyak).

In Russia, the Group ensures, through its various sites and via the AVTOVAZ group, a major player in the Russian market (see chapter 1.1.3.1 paragraph Lada: complete transformation of the range continues and chapter 1.1.6.2 Detailed organization chart at December 31, 2020), a management aligned as closely as possible with fluctuations in the economic environment. This management, which is likely to affect sales volumes (which represented 13% of the Group's sales in 2020), revenues and profits (see chapters 1.1.3.2 for sales and 1.1.3.8 for the 2020 results), includes the consideration of:

- risks related to the political and economic situation (economic sanctions or other factors of instability resulting in changes in government policy in support of local integration and export assistance);
- risks related to changes in customs regulations;
- risks related to the situation of local suppliers.

Stronger local integration also remains a priority at all production facilities. In 2020, production at the sites in Russia represented slightly less than 19% of Groupe Renault's production (see chapter 1.1.3.4).

Americas

In a volatile political and economic environment that has worsened with the global health crisis, the main countries in the region have been impacted by exchange rates and falling GDP. The automotive market fell as a result, and the Americas region accordingly rolled out a vigorous plan in 2020 with the restructuring of industrial capacity accompanied by a reduction in headcount, the elimination of unprofitable sales and higher price increases than the market. These measures helped offset most of the exogenous impacts from the time the market recovery started in the second half of 2020. The subsidiaries benefit from an increasingly optimized structure that should make it possible, if necessary, to face further turbulence in 2021 or benefit fully if there is an economic recovery. In this plan, sales in the Americas accounted for less than 9% of Groupe Renault sales in 2020, compared with more than 11% in 2019.

Africa, Middle-East, India, Pacific

In Iran, US sanctions continued to apply throughout the year, preventing the import of all foreign components for vehicle production in the country (see chapter 1.1.3.8 of this Document).

In Algeria, faced with an economic crisis and diminishing foreign exchange reserves, the public authorities have blocked since early 2020 all imports of components for vehicle production, which has halted production (see chapters 1.1.3.2 and 1.1.3.4 of this Document for sales and production, 1.1.3.8 for partnership data, and 1.1.6). Groupe Renault has taken measures to safeguard its local assets, with a structured plan to adapt the workforce and shut down the RAP plant in Oran. The site has been preserved, and will be able to resume for the needs of the Group when the broader context allows.

Risk management

In terms of industrial locations, the Group's geographical choices are made taking into account the risks of instability built into a global industrial approach in order to ensure risk diversification. 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 level of local integration in order to reduce the impact of political and foreign exchange risks and make its products more competitive.

In addition, 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 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.

As for the consequences on economic conditions of the COVID-19 pandemic, starting from the very first restrictions, Groupe Renault has implemented multi-functional crisis management cells, which convened on a daily basis at the start of the health crisis, weekly later, to define in a coordinated and hands-on manner the reactions to be implemented within the company, but also upstream with suppliers and downstream with network and customers. The Group has adjusted several of its processes to improve its reactivity to present and future consequences of the pandemic or any other similar systemic crisis. For example, the commercial demand versus industrial response balancing process was able to operate efficiently on a weekly rather than monthly basis. This flexibility in closely shadowing market evolution is paramount in Groupe Renault's strategy in order to protect employees, optimize financial performance and seize all possible opportunities.

Risk of insufficient ability to restore margins - *high risk with impact > probability*

Restoring financial performance is a priority for Groupe Renault, as announced on May 29, 2020 when the 2o20 plan was released. Despite internal control systems, installed production capacities are greater than the volumes sold, product costs have ballooned under the effect of regulations and technological choices that are not financially efficient enough to offset this increase, and overall profitability suffers from the Group's exposure to unprofitable countries and reduced presence in profitable segments such as the C and C+ segments. The rapidly changing competitive environment could result in an inability to restore the margins needed to finance the investments of the medium-term strategic plan announced on January 14, 2021.

Risk management

In the Renaulution plan announced on January 14, 2021 (see chapter 1.1.3 of this Document), cost-cutting targets were strengthened. The "2o22 plan" announced in May 2020, which targeted a reduction of more than €2 billion in fixed expenses over three years compared with 2019, has been accelerated and extended to €2.5 billion by 2023, with a target of €3 billion by 2025. The plan also provides for a reduction in variable expenses of €600 per vehicle by 2023. To tighten its cost control and financial performance within the framework of these objectives, Groupe Renault appointed a Chief Turnaround Officer at the end of 2020, tasked with restoring profitability in the short and medium terms. His scope for action and decision-making is based on the four pillars of profitability: variable costs, revenues, fixed costs and working capital.

Risk of supply chain interruption - *high risk with impact > probability*

The Group's business relies heavily on a complex system of supply and delivery chains, both upstream and downstream of its production facilities. Various components of these supply chains could prove to be defective, despite the existing control system, the characteristics and strengthening of which are described below. Such breakdowns could lead to technical, planning or economic inefficiencies, or even interruptions in vehicle production, transport and/or delivery to distribution networks and end-customers, with negative consequences for the Group's sales, revenues, profits or customer satisfaction. These potential interruptions may be either internal – due in particular to the interdependence underlying the Group's industrial network (see chapter 1.1.3.4 of this Document) – or external, as seen in the COVID-19 health crisis, and can be analyzed according to the following typology:

- supplier default;
- interruption in supply or transport systems;
- interruption in supply of raw materials.

Supplier default

Groupe Renault relies on a tier-one supplier base comprising more than 800 parts supplier groups and more than 400 service providers, with which it maintains significant business relationships. These suppliers may present risks of interruption in the design and production of compliant quality parts, in meeting delivery deadlines, in providing the necessary production capacity and in the financial, strategic, industrial, social and management, supply chain, sustainable development and compliance fields.

Due to the COVID-19 pandemic and the accelerating decline in diesel engines, 2020 saw a further weakening of the supplier base in all of the countries where Groupe Renault operates. These factors have contributed to the significant increase in the number of suppliers at risk. At the end of 2020, this proportion, usually between 5% and 10%, was between 10% and 15%.

However, the implementation of support measures for industry, in all countries around the world and in particular in France (State-guaranteed loans (PGE), coverage of tax and social security expenses, *etc.*) has enabled the supplier base not to suffer from multiple interruptions and domino effects. The supplier base has nevertheless increased its debt, which makes it more vulnerable over the long term.

These difficulties have been observed in all of the Group's sourcing countries, with the situation looking worse in Germany, the United Kingdom, Spain and South America, compared to the stronger resilience of the Turkish, Indian, Russian and, thanks to the action of the public authorities, French supplier bases.

At the start of 2021, breaks in the supply chain for electronic components appear in the industry, particularly the automotive industry, and lead to production interruptions. The consequences of these ruptures for the Groupe Renault are analysed in real time and decisions are taken to limit their impact. Risk management systems are also mobilized for this purpose. As of the filing date of this Document, we expect that production losses will occur mainly in the first half, with a catch-up in the second half. We have assumed the risk of a net loss of around 100,000 vehicles over the year. We are working with our suppliers to reduce this risk, but cannot rule out the possibility of additional factors arising in this complex chain.

Risk management

The Group applies and reinforces a comprehensive risk management system:

- prevention policy designed to make suppliers accountable for their own risks and in particular the compliance and robustness of their own supply chain;
- use of Alliance standards for products in development by suppliers;
- Alliance capability repository process aimed at controlling, within a two-year timeframe, supply risks not covered by the existence of available industrial capacities;
- Alliance process for detecting non-compliance (quality, traceability) of parts delivered;
- monitoring of intrinsic supplier risks: annual multi-criteria ratings, financial and default risks (Alliance grid);
- monitoring of the risks created by the relationship between Groupe Renault (or other customers) and its suppliers by analyzing indicators such as (i) the proportion represented by Groupe Renault or the main customer in revenues, (ii) the supplier's market share in the Group panel, (iii) the range's exposure to individual failure. Vigilance is especially reinforced insofar as Groupe Renault does not have a systematic policy of multi-sourcing;
- implementation of action plans on detection of non-compliance or supplier risk.

The prevention policy concerns both risks under human control such as those listed, and risks outside human control (natural disasters for example). Renault, Nissan and Mitsubishi thus have a business continuity plan program.

All of these risks are dealt with in Purchasing Risk Committees, at Group level and for each local Purchasing department. A specific focus on the impact of the COVID-19 pandemic on the supplier base and its resilience has been set-up in 2020 and will be maintained as long as the consequences of the crisis last. With regard to supply disruptions of electronic components, the Groupe Renault has activated, in accordance with its usual management processes, an internal and external multi-business team which decides on the corrective measures to be implemented to minimize the impact on the production of its plants or on its sales.

Interruption to supply or transport systems

The risks identified relate to planning, production, transport or delivery interruptions of parts, upstream of vehicle production sites, or vehicles, downstream of these sites, which could impact sales, revenues, profits of the Group or customer satisfaction. Among these risks, we are seeing a steady increase in cybersecurity risk among our logistics suppliers. We have also seen a significant increase of these upstream and downstream units shut-downs in 2020 due to the COVID-19 pandemic related constraints.

These risks, which are assessed in the dual context of the interdependence of the Group's industrial network extended to its global suppliers and the footprint of the distribution network (see in particular section 1.1.3.5 of this Document), are subject to a comprehensive prevention and protection system whose robustness is constantly being strengthened.

This system, shared within the Alliance, is thus being strengthened, as described below.

Risk management

The Supply Chain is running a "Control Tower" program. Through the roll-out of digital processes and with an end-to-end vision, it aims to manage risks at the appropriate levels of the organizations and to apply consistent methods between the Group's various regions and business lines. The program, which covers the risks of supplier default as well as within the supply and transport system, aims to:

- detect demand through an integrated sales and operational planning process;
- manage supply capacity and supplier default;
- manage the logistics capacities of transporters, warehouses and parks;
- anticipate risks.

In addition, the COVID-19 crisis has demonstrated the ability of the Supply Chain to operate in a short loop to be more responsive to fluctuations in the environment. The commercial demand versus industrial response balancing process was able to operate efficiently on a weekly rather than monthly basis. This experience allowed us to validate the effectiveness of our digital tools. The Supply Chain crisis management system, which has been in place for many years, is the central tool for responding to occasional crises and contingencies (border blockages, weather crises, shortage of means of transport, cybersecurity, *etc.*).

Interruption in supply of raw materials

The risks identified relate to potential supply restrictions (imbalance between supply and demand, sourcing issues, geopolitical disturbances) and raw material prices, the variations in which can be significant and sudden. Purchases of raw materials account for approximately one-third of the total purchasing budget. Three-quarters of such raw material purchases are deemed strategic because they are liable to have a significant impact on production conditions or are experiencing significant imbalances between supply and demand. In addition, in 2020, the COVID-19 pandemic resulted in difficulties related to the production or extraction of materials due to lockdown measures or a shortage of personnel (on precious metals in South Africa for instance), or difficulties in adapting material production capacity to the uncertainties of demand (particularly for steel, with significant tension relating to the resumption of blast furnaces). Measures implemented by the company with its suppliers made it possible to avoid any major impact.

Risk management

Against a backdrop of highly volatile raw material prices and changes in energy mixes (gasoline, diesel, electrified vehicles), Groupe Renault is supplementing its purchasing, technical, monitoring and hedging policies in order to identify and limit supply and cost overrun risks.

For purchasing policies, Groupe Renault continues to develop multi-sourcing for materials such as steel or cast aluminum so as to optimize costs while securing supplies. The Group is also reinforcing the control of materials contained in parts and components through a panel of approved materials and the performance of detailed analysis of material prices in the costing of parts.

In terms of technical policies, the Group is actively working to reduce the use of or to substitute sensitive materials such as cobalt, palladium and rhodium. It continues to also develop the use of recycled materials (precious metals in particular) and the recycling of end-of-life vehicles. The new Re-Factory project in Flins announced on November 25, 2020 is a further step in this direction.

In a forward-looking approach, the Group reassesses its forecasts on a bi-monthly basis for the main indexed and non-indexed items. At the same time, it ensures permanent monitoring of critical materials markets and suppliers.

Finally, to reduce risks and limit exposure to market fluctuations, Groupe Renault negotiates annual raw materials supply contracts whenever possible and appropriate. Furthermore, a systematic hedging policy has been put in place for the main indexed commodities.

Risk of natural, health-related or industrial disasters - *medium risk*

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. In addition, some facilities (see in particular section 1.1.3.4 of this Document presenting the main industrial sites) are subject to the risk of natural disasters: earthquakes (particularly in Chile, Turkey, Romania, Colombia, Slovenia and Morocco), but also floods or submersions (particularly in France and Korea), with the latter risks being increased by the higher frequency of external climate events related to global warming.

The occurrence of one of these risks, despite the prevention and resilience policies presented below, could harm people, the environment or the sites concerned and lead to significant disruptions in their ability to operate affected sites – potentially damaging the Group's assets and/or overall performance (sales, revenues, income statement or balance sheet), particularly through industrial interdependencies.

A global pandemic, such as the current COVID-19 pandemic, can result in significant and shifting health threats in countries where the Group operates. Such situations may be accompanied by measures imposing restrictions on the free movement of people and goods, disrupting the opening of sales or after-sales outlets of distribution networks and the smooth running of industrial sites. The main impacts of such situations would be on the health and availability of the Group's personnel and its suppliers, as well as on financial performance (sales, cash flow and cash) and, potentially, the value of certain balance sheet assets.

Risk management

Over the past 30 years, the Group has been committed to implementing and developing an ambitious and rigorous prevention policy (safety of people, property and business continuity). Excluding AVTOVAZ, more than 93% of the assets (industry, engineering and logistics) covered by the "property damage and business interruption" insurance program were awarded the international "Highly Protected Risk (HPR)" label in 2020, which reflects a level of prevention and protection approved by insurance companies. And in a convergent approach, the AVTOVAZ group implements fire protection and safety measures on its sites, including insurance against any risks related to the operation of industrial facilities.

Furthermore, the entire Group is working to increase its resilience capacity in the face of natural disasters. In particular, a specific multi-year plan is being rolled out to optimize the treatment of seismic risk at the sites concerned: reinforcement of buildings and facilities, staff training, specific means of communication, crisis management systems, business continuity and an appropriate insurance program.

With regard to the health crisis, the Group has taken actions, notably through a crisis management system, to protect the health of its employees, in conjunction with the public authorities, preserve its assets and its ability to operate, and to adapt to changes in the situation. The provisions mainly concern specific work organization, management of work interruptions and resumptions in line with local measures and commercial demand.

1.5.2.3 Risk linked to products and services

Risk of inadequate definition or execution of products and services - *high risk with impact > probability*

In the continuously changing environment of the automotive markets, regulations, customer expectations and technologies, linked to societal, environmental and climate issues, the Group is exposed to a risk of insufficient match between its product and services offering and the expectations of the various markets, which 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 electrified and, in the longer term, autonomous vehicles (see section 1.4.1 "The car of the future" of this Document);

- continual increases in the cost of vehicles resulting from more stringent regulations (*e.g.* Euro 7 regulations - see section 1.6.1), 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 (see sections 1.1.3.1 "Renault Z.E.: a pioneer and expert on the electric market, Renault is beginning its product offensive in electric cars", and 1.4.1 "Research into electric vehicles (EVs)"), in the context of intense, complex industrial and market dynamics with uncertain timings, in particular conditioned by the development of ecosystems (recharging, battery recycling), and regional regulations (CAFE for example, in Europe – see section 1.6.1), and increasingly 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.

Should the reference assumptions used in the Group's product development decisions be strongly called into question (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.

Risk management

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 components is decided on the basis of this work and an evaluation of the anticipated profitability, calculated over the projected life cycle.

The new brand organization announced on September 3, 2020 should make it possible to better focus needs on customers and brands while controlling product diversity.

From a general perspective, to ensure the robustness of the product plan and keep risks under control, the Group strives to:

- maximize the distribution of the same model in different markets, which reduces its exposure to possible fluctuations in one of these markets;
- offer 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;
- offer a diversified and adaptable engine portfolio (ICE, electrified, electric, *etc.*) to meet customer expectations in different markets and enable potential changes in the engine mix to be supported;
- develop, with its Alliance partners, a limited number of standardized technical platforms (*e.g.* CMF-EV) to maximize economies of scale for component volumes and costs and facilitate their reuse from one region to another;
- control the robustness of main product development milestones so as to secure the market launch schedule of new products in particular by strengthening governance through the increased involvement of top management.

Inadequate innovation risk in relation to market expectations - *high risk with impact > probability*

Groupe Renault operates in markets where requirements are increasing in many areas: regulatory (*e.g.* emissions and CO_2/Climate), market trends and customer expectations (*e.g.* connected services). These requirements make it necessary to further develop technical innovations, mainly in the fields of powertrains, and electronics and software, with substantial investments reflecting long development times before the return on investment (see details of the innovations in chapter 1.4.1 "*The car of the future*" of this Document). At the same time, Groupe Renault intends to reduce its R&D spending from around 10% of revenue currently to less than 8% in 2015 in order to preserve profitability. This dual necessity increases the risk weighing on the choices made about innovations and the chances of seeing those innovations match real expectations and therefore generate returns on investment.

Risk management

Groupe Renault has reviewed the definition of its entire product and technology development portfolio under the impetus of its new CEO since July 2020. It was also decided to review the organization from the start of 2021, with the establishment of four Business Units in charge of each of the Group's four brands in order to ensure that it matches consumer expectations as closely as possible. These brands are able to make the most relevant choices and trade-offs in order to strengthen their specific identities and can rely on the expertise of the central business lines and the bodies and technologies developed at the Alliance level or with partners (*e.g.* Google). The group can thus develop products that will offer all types of engines (gasoline, diesel, electric and electrified, LPG, hydrogen), increased connectivity for its vehicles and the driving aids expected by its customers. For example, at the end of 2020, the company launched a major innovation on the hybridization market with the E-TECH engines, which, in addition to the electric range, will make it possible to meet CAFE regulatory requirements. In addition, the MEGANE eVision will be the first consumer vehicle to integrate the Google automotive platform.

Risk of shortcomings in product or service quality - *medium risk*

The quality of the Group's products and services could be considered insufficiently competitive by potential customers in the face of the competition, which would adversely affect the satisfaction of its customers or partners, and negatively affect its sales, revenues, costs or reputation.

This risk is specifically considered within the stringent environment of major changes in the automotive technologies implemented by the Group as part of its strategic plan (see in particular the presentation of the new products in 2020 and 2021 in section 1.4.2. of this Document as well as the "vehicle of tomorrow" mentioned in section 1.4.1).

Risk management

Control of this risk was enhanced by the launch of a specific Customer Satisfaction plan (see section 1.4.3) 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.

The Group has also set up a market monitoring system that allows it to very quickly learn about sources of customer dissatisfaction and act accordingly. This is done in particular 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.

Insufficient reinforcement of the Renault brand - *medium risk*

The Renault brand is recognized for its products in the small car segment, with the success of the CLIO and the CAPTUR, and in the electric vehicle segment with the ZOE, which was the biggest-selling electric vehicle in Europe in 2020. To meet ambitions for value creation in the upper segments, particularly the C and C+ segments in line with the strategy announced at the end of 2020, the Renault brand must improve its image with customers in those segments.

Risk management

The organization set up at the start of 2021 with the division into four Business Units, one of which dedicated to the Renault brand, should make it possible to ensure that brand strategy is perfectly coordinated and consistent across all business lines from upstream to downstream, with stricter centralized governance. The Renault brand will be able to rely on the launch of 14 new models in its range by 2025, all of which will be offered in electric or hybrid versions. The refocusing of sales on value instead of volume, with a precise roll-out plan in the network, should enable the image to be strengthened to the required level.

1.5.2.4 Cross-functional risks

Risk of cyberattack and failure of information systems - *high risk with impact > probability*

The conduct of the Group's activities depends, continuously and increasingly, on the proper functioning of its IT and information systems. Developments in the Group's strategy and its new challenges (cloud strategy, digitization, Industry 4.0, development of connected services or strengthening of the cybersecurity regulatory environment in particular) are tending to increase its exposure to threats and making cybersecurity a major challenge.

The main risks that could adversely affect its activities, its systems, or those associated with connected services offered to its customers as part of the Group's product and service offer, are related to:

- cybercrime: global computerized attacks or attacks targeting the Group's interests or, as a side effect, national interests. These attacks, in a context of strong growth, may aim to access sensitive data (strategic, products, services or personal data), to steal or alter them, to block services or even all of the Group's Information Systems;
- incidents that could affect the continuity of services hosted in our infrastructures and those of our partners and suppliers;
- non-compliance with IT standards or practices required by legislation, external authorities or contracts with suppliers.

The materialization of these risks, despite the continuous strengthening of systems aimed at controlling them, 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 (see in particular sections 1.4.1 and 1.4.2) 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.

Risk management

The general control of these risks is currently provided at an operational level by:

- the deployment of Group security policies and the continuous enrichment of the process of defining security requirements according to the level of criticality of the applications and data handled;
- the deployment of an evolving action plan based on a security master plan and an annual risk mapping. The security master plan was updated and presented to the Audit, Risks and Compliance Committee (CARC) in 2020;
- the establishment of insurance coverage for cybersecurity.

At organizational and governance level, it is provided in particular by:

- a transversal global cybersecurity organization;
- the Risk and Internal Control Committee;
- Governance Committees coordinated by the IT Security department, which carry out inspections to check the effective application of, 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:

- a major program to strengthen security at the Group's various plants;
- the development of vehicle cybersecurity and associated services in connection with the need to comply with the new regulations (UNECE) on vehicle cybersecurity;
- enhanced supervision (Security Operation Center – SOC) of systems in all the Group's domains (in particular IS/IT, vehicles, connected services, cloud infrastructure and plants);
- strengthening awareness, training and cybersecurity skills;
- strengthening of the protection of the Group's systems/ infrastructures (including those hosted in cloud mode).

Risk of non-compliance with laws and regulations - *medium risk*

As a result of its international activities, Renault is subject to increasingly numerous, complex and shifting laws and regulations, particularly in the areas of automotive manufacturing, the environment, competition, labor law and new technologies (see in particular chapter 1.6 "Regulatory environment" of this Document).

The Group could therefore find itself exposed to a change in laws or regulations that were insufficiently anticipated or incorrectly taken into account by the existing management system described below.

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.

Risk management

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 on going 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 uses a structured approach to analyze and ensure the robustness of its regulatory compliance in a sustainable and pro-active manner, over a scope of major regulated domains, including in particular: "competition", "fight against fraud and corruption", "environment", "occupational health, safety, work environment", "technical regulations", "data protection", *etc.*

This approach is managed by the Ethics and Compliance department, working closely with the Legal department, under the supervision of the Ethics and Compliance Committee (CEC).

Legal risk - *medium risk*

Groupe Renault is exposed to a legal risk induced by two components, the evaluation and potential impacts of which are detailed below.

The Group uses a global assessment of these components in its criticality analysis. These are presented without prioritization in the following description.

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 "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 Groupe Renault. The DGCCRF decided to communicate its conclusions on this matter to the public prosecutor who, on January 12, 2017, opened judicial investigations on the grounds of aggravated deception in respect of the substantive nature and controls conducted. Renault contests the existence of any infringement and intends to prove its compliance with French and European regulations in the legal investigation. Moreover, Groupe 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's industrial know-how, innovations resulting from research, and the products marketed are the subject of patents, trademarks, designs and models filed to protect the Group's intellectual property. As such, Groupe Renault files a significant number of patents, trademarks, designs and models in its area of activity each year (see chapter 1.4 of this Document). The major risk facing Groupe Renault in terms of intellectual property is the risk of counterfeiting, whether suffered or active.

Counterfeiting may be committed by third parties against products, industrial processes, brands, designs and models protected by Renault. From a technological standpoint, given Groupe Renault's reputation, particularly in the field of hybrid and electric vehicles, the Group could become a prime target for such counterfeiting. Renault's E-TECH technology is a significant example. As regards trademarks, designs and models, repercussions can be felt in particular in the replacement market. Groupe Renault's existing reputation is a key factor in increasing the risk of counterfeiting, particularly in Europe and the Middle-East.

Any such actions could have an immediate unfavorable impact on the Group's revenues and earnings, and may harm the reputation and quality image of the technologies and products concerned. Patents, trademarks, designs and models registered by Renault in the Group's main automotive markets provide it with an effective weapon in the fight against counterfeiting. In addition, with regard to trademarks, the establishment of customs monitoring in various countries allows the reporting of dubious products, both imports and exports.

So-called active infringement could be an involuntary act by Renault, given the risk associated with the time period during which patent applications are not made public. Patent applications filed by third parties and known only at the time of publication could force Renault to modify a product under development, increasing the project's Research and Development costs, or to negotiate rights to use the patented item. In either case, the project's margin would be affected. This risk is particularly present in the context of connectivity and standard essential patents.

Risk management

The control of legal risks is in particular based upon 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.

1.5.2.5 Financial risks

Groupe Renault is exposed to the following six main risk components of a financial nature, the assessment, potential impacts and principles of control of which are specified below.

Liquidity risk - *high risk with impact > probability*

The Group depends on access to resources in the financial markets. It finances its Automotive and Sales Financing activities through the issuance of long-term debt and commercial paper, bank loans and through the securitization of receivables and deposit-gathering activities. In the event of prolonged market closures or pressure on access to credit, the Group is exposed to liquidity risk. If the Group's funding requirements increase or if the Group is unable to access new sources of funding, insufficient liquidity would be particularly detrimental to its competitiveness, operating results and financial position. Liquidity risk is the risk of the automotive and sales financing segments experiencing reduced liquidity to repay debts as they fall due or to finance balance sheet growth. The Group's liquidity could be significantly affected by factors beyond its control, such as general market disruptions, the market's perception of increased liquidity risk or speculative pressure in the debt market.

In 2020, the COVID-19 pandemic has caused general market disruption with a downward impact on the Group's activity, which adversely affected its working capital requirement.

The Automotive and Sales Financing segments are also rated by several agencies. Any downgrading of their ratings could limit and/or increase the cost of access to the capital markets for these Group segments. Under current market conditions, a possible downgrading of Renault SA's credit rating (Automotive segment) by Moody's and S&P would result in the downgrading of RCI Banque (Sales Financing segment).

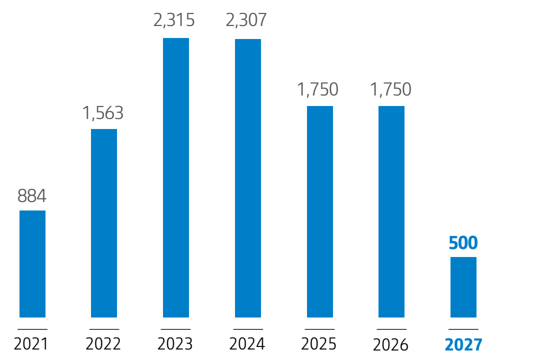
The table of Renault SA's credit ratings is presented below (dated March 11, 2021), together with its bond, bank and similar debt maturity schedule as at December 31, 2020:

RENAULT SA RATINGS

Agency	Rating & Perspective	Date
Moody's	Ba2/NP/Negative Outlook	May 28, 2020
S&P	BB+/B/Negative Outlook*	March 5, 2021
R&I	A-/Negative Outlook**	March 11, 2021
JCR	A-/Negative Outlook	October 5, 2020

* *Rating affirmed on March 5, 2021.*
** *Rating affirmed on March 11, 2021.*

RENAULT SA – REDEMPTION SCHEDULE OF BONDS, BANK AND EQUIVALENT DEBT (INCLUDING DRAWDOWNS OF FRENCH STATE-GUARANTEED LOAN, EXCLUDING REDEEMABLE SHARES & NEU CP) AS OF DECEMBER 31, 2020 (1)



(1) Nominal amounts excluding interest and IFRS impacts (in € millions, exchange rates at December 31, 2020).

A detailed redemption schedule of the financial liabilities related to the Automotive and sales financing segments is presented in note 23-D to the consolidated financial statements.

For more details on liquidity risk, see Note 25-B1 to the consolidated financial statements.

Risk management

Liquidity risk management in the Automotive sector is conducted by the Financing and Treasury department. This management is based on an internal model that defines the level of the liquidity reserve that the Automotive segment must maintain to finance its activity and its growth. The liquidity reserve level of the Automotive division is subject to close monthly monitoring, through a periodic review and reporting validated internally by the Chief Financial Officer. Oversight and management of the liquidity reserve level were strengthened in the context of the COVID-19 pandemic.

To finance the liquidity requirements stemming from the COVID-19 pandemic, Renault SA entered into a €5 billion bank credit agreement in June 2020, backed by a French State guarantee. This credit facility, which may be used in whole or in part and in one or more installments only until December 31, 2020, was drawn three times in a total amount of €4 billion (see note 23-C to the consolidated financial statements).

In 2020, Renault SA also maintained its access to the capital markets by issuing a new Eurobond under its EMTN program (€1 billion, maturity five and a half years) on November 25 and its access to short-term financing thanks to its NEU CP program. The contractual documentation for this funding, including bank loans and credit lines, does not contain any clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or its compliance with financial ratios.

As of December 31, 2020, the Automotive segment's liquidity reserve (including AVTOVAZ) stood at €16.4 billion, enabling it to meet its commitments in the coming 12 months. It breaks down as €12.95 billion in cash and cash equivalents and €3.43 billion in committed bank credit lines, which remained unused at December 31, 2020.

For the Sales Financing segment, liquidity risk management is based on several indicators or analyses, updated monthly on the basis of the latest estimates of outstanding loans and actual refinancing transactions. Laws relating to the outflow of deposits are subject to conservative assumptions. The Group has limits governing its liquidity risk. RCI Banque must always have sufficient financial resources to ensure the long-term future of its business and development. As of December 31, 2020, RCI Banque's liquidity reserve (European scope) stood at €16.6 billion, enabling it to ensure the continuity of its commercial activity for more than 12 months without access to external liquidity (centralized refinancing scope). It comprises €4.5 billion in undrawn confirmed bank lines, €4.5 billion in collateral eligible for the ECB's monetary policy operations, €7.4 billion in high-quality liquid assets (HQLAs), and €0.3 billion in short-term financial assets. As of December 31, 2020, RCI Banque's liquidity reserve (European scope) stood at €16.6 billion, an increase of €7.1 billion compared to end 2019.

For more details on the liquidity risk management system, see note 25-B1 to the consolidated financial statements.

Foreign exchange risk - *medium risk*

The international expansion of its activities leaves the Group exposed to foreign exchange risk. This risk is related to the fluctuation of the various currencies against the euro, and **mainly impacts the Group's Automotive activity.**

The operating margin and working capital requirement constitute the Automotive segment's main exposure to foreign exchange risk, with the policy being not to hedge future operating cash flows in foreign currencies. Based on the structure of its results and operating cash flows for 2020, an increase of 1% in the euro against all currencies would have a negative impact of €24 million on the Automotive division's annual operating margin after hedging (detailed impact by currency in note 25-B2 of the notes to the consolidated financial statements).

Net financial income, the share in the result of associated companies, shareholders' equity and the net cash position may also be impacted by exchange rate fluctuations against the euro. In particular, the Group has a stake of 43.7% in Nissan, and therefore holds a net asset in yen whose fluctuations impact the value of the securities in assets and the Group's translation reserves in liabilities. For the 2020 financial year, the impact of a 1% increase in the euro against the yen would represent a €137.5 million reduction in Nissan's contribution to shareholders' equity and a €49 million reduction in the Group's income from associated companies (see notes 12-C ad 12-D to the consolidated financial statements). The Group partially hedges the foreign exchange risk related to its investment in Nissan by issuing loans in Japanese yen, which impacts its net cash position. Thus, a 1% rise in the euro against the yen would increase the net cash position by €1.4 million.

The Sales Financing segment is exposed to a more limited extent to the risk of exchange rate fluctuations, which may nevertheless have a negative impact on its financial position.

Risk management

The implementation and monitoring of the **Automotive segment foreign exchange risk management policy (excluding AVTOVAZ) are ensured by** the Financing and Treasury department. Any exceptional hedging of foreign exchange risk in the operating margin and working capital requirement must be subject to prior analysis by the Finance and Treasury department and then formally authorized by the Finance department or Senior Management, and the results are then reported monthly to the Chief Financial Officer. Whenever possible, foreign exchange transactions are carried out by the Group's trading room (Renault Finance) for currencies traded on international markets.

In 2020, in order to limit the exposure of its operating margin and working capital to foreign exchange risk, the Automotive segment (excluding AVTOVAZ) set up currency hedges on the pound sterling, the Argentinian peso and the Turkish lira.

In addition, to avoid any distortion of the financial result linked to foreign exchange fluctuations, the exchange rate risk linked to financing and cash management flows in foreign currencies is systematically minimized. Cash surpluses recorded 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 Financing and Treasury department. Financing transactions are carried out in the accounting currency of each entity, or when carried out in foreign currencies, are hedged in the same currency under the supervision of the Financing and Treasury department. Residual exposures (including those resulting from Renault Finance operations) are subject to derogations and are reported monthly to the Chief Financial Officer.

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). 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.

AVTOVAZ manages exchange rate risk in a very similar way to the Automotive segment excluding AVTOVAZ. The process is overseen by AVTOVAZ's Finance department. It identifies, assesses and manages the exchange risk by analyzing the net position in each currency. No exchange rate risk hedging operations were carried out in 2020. AVTOVAZ's surplus cash and bank financings at December 31, 2020 were almost entirely denominated in Russian rubles.

RCI Banque's 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. Equity and annual earnings for RCI Banque subsidiaries outside the euro zone are themselves subject to foreign exchange movements and are not specifically hedged. At December 31, 2020, the RCI Banque group's consolidated foreign exchange position amounted to €5.8 million.

For further details on the management of foreign exchange risk, see note 25-B2 to the consolidated financial statements.

Customer and network credit risk - *medium risk*

The Group's sales financing activity is exposed to customer and dealer network credit risk if its risk management techniques are insufficient to protect it from the default of its counterparties.

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 macroeconomic factors that include, among others, the unemployment rate, business failures, debt service charges, income growth, disposable household income, dealer profitability and used vehicle prices. It has a significant impact on its business. The level of credit risk of RCI Banque's customers is affected by the overall macroeconomic situation, which may affect the ability of some of its customers to meet their repayments. The level of credit risk on the dealer networks is impacted, among other things, by their financial strength, the quality of their guarantees and overall vehicle demand. An increase in credit risk would increase the cost of risk and provisions for credit losses, and would have a direct impact on RCI Banque's financial results and potentially its internal capital.

The cost of risk on customer activity (individuals and company financing) rose in 2020. It is impacted by the lock-down policies negative consequences on several sectors of the economy, namely : an increase of the provision booked for corporate customers on an individual basis, an adjustment of the respective weight of the macro-economic scenarios resulting in an increase of the provision booked under the forward-looking IFRS 9, and the booking of collective provisions on debtors operating in sectors strongly impacted by the COVID-19 pandemic.

Risk management

RCI Banque uses advanced credit scoring systems and queries external databases to assess the quality of loans to individuals and businesses. The Group also uses an internal rating system to evaluate dealer loans. Although RCI Banque continually adjusts its lending policy to take market conditions into account, an increase in credit risk would increase its cost of risk and provisions for credit losses. RCI Banque implements detailed procedures to ensure the recovery of debts incurred or otherwise organizes the recovery of unpaid vehicles and the sale of repossessed vehicles. However, there can be no assurance that the lending policy, credit risk monitoring, collection activities, recording of accounts receivable or vehicle repossessions are or will be sufficient to prevent an adverse effect on its results and financial position. In 2020, in anticipation of the deterioration in economic conditions linked to the COVID-19 pandemic, RCI Banque adjusted its lending policy in line with the risk observed, and forecasts and stress in the main countries by market (individuals, companies). As a result, additional controls have been implemented, with specific granting policies for each business segment (corporate client or employer of a particular client), pricing has been increased, mainly in South American countries and regions, and default probability targets have been adjusted down. In addition, following the first period of lockdown, RCI Banque increased the number of employees dedicated to the recovery of non-performing and doubtful receivables, and additional staff were assigned in countries that have granted a significant number of deferred payments.

The total cost of risk at December 31, 2020 was 0.75% of average performing assets and at December 31, 2019 was 0.42%. At December 31, 2020, net customer assets amounted to €38,301 million and net dealer assets to €8,894 million.

For further details on customer and network credit risk management, see note 25-B6 to the consolidated financial statements.

Bank counterparty risk - *medium risk*

As a result of its transactions in the financial and banking markets for the investment of its cash surpluses, for the management of its foreign exchange and interest rate risk, and for the management of its settlement flows, the Group is exposed to bank counterparty risk. This risk corresponds to the non-recovery of the capital committed as a deposit or cash investment transaction recorded among assets, or the possible impossibility of returning to market conditions (interest rates, exchange rates) equivalent to those of the initial conditions for the use of derivative instruments. The counterparty's default could have a negative financial impact on Groupe Renault.

Risk management

The management of the bank counterparty risk of the Group's various entities is fully coordinated between the Automotive and Sales Financing segments. It is based on an internal rating system that mainly takes into account counterparties' long-term ratings and the level of their shareholders 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 counterparty, 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.

To reduce bank counterparty risk, 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. Due to the international expansion of its business activities, including in emerging countries, the Group pays special attention to the choice of its counterparties in each banking system. In 2020, the Group suffered no financial loss as a result of the failure of a banking counterparty.

For more details on the bank counterparty risk management system, see note 25-B6 to the consolidated financial statements.

Interest rate risk - *medium risk*

Exposure to interest rate risk relates mainly to the Sales Financing segment, for which this risk represents the impact of a change in interest rates on future financial gross margin. RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.

Risk management

The Sales Financing segment monitors interest rate risk 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 all RCI Banque entities. The sensitivity consists of measuring the impact of a 100 bps rise in interest rates on the value of balance sheet flows for each entity. The hedging system enables RCI Banque's overall exposure to be reduced as well as that of each entity. At December 31, 2020, after hedging, RCI Banque's overall sensitivity to interest rate risk was €5.8 million below the limit set by the Group (€50 million).

For the Automotive segment, cash reserves are generally built up at variable rates, and long-term investments in the Automotive segment excluding AVTOVAZ are generally financed at fixed rates (fixed-rate borrowings are maintained at fixed rates as long as the yield curve is close to zero or even negative). The Automotive segment available cash is centralized, as far as possible, within Renault SA, and invested in the form of short-term bank deposits by Renault Finance. AVTOVAZ's cash surpluses and bank debt are mainly indexed at floating rates. AVTOVAZ did not set up any interest rate hedging instruments on its financial debt in 2020. AVTOVAZ's Finance department closely monitors interest rate trends in Russia and, in the event of a rise in interest rates, could take measures to reduce the impact on its financial result by increasing the proportion of fixed-rate debt as its portfolio is refinanced.

For further details on interest rate risk management, see note 25-B3 to the consolidated financial statements.

Risk of decrease in residual values - *medium risk*

The Group's Sales Financing activity may be exposed to a risk of a decrease in residual values when vehicles are financed with a buy-back commitment and do not benefit from a buy-back agreement from a third party and/or when a customer does not exercise a purchase option. If the value of the vehicle is less than the residual value defined in the financing contract, the holder of these residual values incurs a loss when the vehicle is sold. Changes in prices on the used vehicle market can entail a risk for the owner of 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 could have a negative impact on the company's operating results and financial position due to the recognition of higher-than-expected losses.

The risk of a decrease in residual values is borne by the Group's automotive businesses and 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.

At December 31, 2020, Groupe Renault's exposure to a change in residual market values amounted to €3,336 million for the Automotive segment (net book value of vehicles) and €1,810 million for RCI Banque (value of the buy-back commitment in financing contracts). At December 31, 2019, it amounted to €3,104 million and €1,935 million respectively.

Risk management

Developments in the used car market are monitored closely in line with range policy, sales channel mix sale prices to reduce this risk as much as possible, in cases when the Automotive division or RCI Banque take over the vehicles. Provisions are carefully made for the loan portfolio when the observed market values have fallen below the level of the Automotive division or RCI Banque take back commitments, or if specific future risks have been identified on the used car market.

1.6 REGULATORY ENVIRONMENT

1.6.1 Vehicle manufacturing regulations

1.6.1.1 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 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.

It should be noted that the health situation in 2020 resulted in very few delays or discrepancies in the preparation or application dates of regulatory texts, nor did it have a significant influence on the determination of the levels of regulatory requirements, whether in terms of active and passive safety or in terms of emissions and pollutants.

1.6.1.2 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 harmonized 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 interim stage, called Euro 6d TEMP, sets controls for NO_x (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.

A second step, known as Euro 6d, provides for reducing this compliance factor to 1.00 for NO_x and PR, and takes into account a measurement uncertainty margin of 0.43 for NO_x and 0.5 for PR, it being specified that the latter factor will be revised each year in the light of progress in the Portable Emissions Measurement System (PEMS) procedure and equipment. 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.

The next major regulatory deadline is Euro 7. The European Commission has commissioned a consortium of consultants to develop a substantiated proposal for the Euro 7 technical requirements.

The co-decision proposal to be submitted to the European Parliament and the Council is expected in the final months of 2021. The Commission's aim is for Euro 7 to be the last step before zero emissions.

The health situation did not have a significant impact on regulatory requirements in terms of emissions, either on their content or their timing.

Furthermore, (EU) regulation 2019/631, which lays 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 car 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.

In 2020, following the European Union's decision to make a strong commitment to carbon neutrality by 2050, we can expect to see a significant increase in CO_2 emissions targets (from -37.5% to -50% for passenger cars for instance) for the transport segment. This risk is monitored closely, and the possible tightening is already included in Renault's scenarios.

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).

1.6.1.3 Passive safety and active safety

The entry into force of **(EU) regulation no. 2019/2144 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.

1.6.1.3.1 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.

1.6.1.3.2 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 aid 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.

1.6.1.3.3 Cybersecurity

Regulation 661/2009 also introduced vehicle cybersecurity requirements (all categories) through the adoption of the new Geneva regulation that governs this area. 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, will adopt similar requirements with the same timelines.

1.6.1.3.4 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, the amendment of the Vienna Convention on Road Traffic, which was adopted in 2020 and will be formalized in 2021, paves the way for these developments.

Connectivity is also a special case, insofar as it calls on a number of players outside the automotive sector.

1.6.1.4 Prohibited substances and materials and recycling

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 and their batteries.

Global guidelines on regulatory substances and recycling are mainly set by the European Union.

They include the European regulations REACH, POP (persistent organic pollutants), and biocidal products for substances, the F-GAS regulation and the Air Conditioning Systems Directive on greenhouse gas emissions for air conditioning system fluids, and the ELV and recyclability directives on end-of-life treatment of vehicles and recycling (minimum recyclability and recovery quotas and limits on certain substances or prohibition of certain hazardous materials in recycled materials), as well as the introduction of environmental performance obligations over the entire life cycle of vehicles.

The European Commission’s Green Deal will prompt many changes to vehicle design in the coming five to 10 years. These changes are expected to result in a sharp increase in the number of banned substances, the extension of end-of-life treatment to large commercial vehicles, with requirements on the recycled plastic content of vehicles and stricter requirements for the performance, durability and recyclability of batteries, together with ethical rules on sourcing and, as for vehicles, requirements on the recycled content of batteries.

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.

1.6.1.5 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.

1.6.2 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.

1.6.2.1 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).

Most of the Group's industrial sites depend on the BREF STS (surface treatment using solvents) for automotive paint activities, which has been revised and whose new conclusions were published on December 9, 2020 in EU Decision 2020/2009. The sites concerned therefore have a year to submit a review file and four years to comply with the new thresholds set out in the document. Moreover, the revision of the BREF SF concerning foundries also started in 2019. Following the same logic as the BREF STS, this revision will eventually set the future emission limits for this activity.

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.

1.6.2.2 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 13 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.

1.6.2.3 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.*, identifying them and establishing emission thresholds and quality standards for them;
- establishing a management plan for each hydrographic basin;
- 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.

1.6.2.4 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 course of its activities, Groupe Renault is particularly concerned by regulations relating to batteries and accumulators (particularly for electric vehicle batteries) and end-of-life vehicles.

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. The European Union's Green Deal is a new European roadmap for achieving carbon neutrality by 2050. The policy is aimed notably at the circular economy and the preservation of resources and biodiversity, which are also central to Groupe Renault's concerns. Groupe Renault is therefore preparing to meet the new challenges by showing vigilance and continuing to pursue an approach designed to continuously reduce its impact on the 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.

1.6.3 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, 2010**, 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.

1.6.4 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.

1.6.5 Banking regulations

Several banking sector regulations applicable to Groupe Renault via its subsidiary RCI Banque 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 executive compensation, with the aim of harmonizing the regulations applicable to credit institutions in these areas at 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 was transposed into French law by Order no. 2020-1635 of December 21, 2020 bringing in a number of provisions adapting the legislation to European Union law on financial matters.

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 require 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 was transposed in France by Government Order 2020-115 of February 12, 2021. This system:

- 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.

1.7 POST-BALANCE SHEET EVENTS

- On January 14, 2021, following the approval of the Board of Directors, Luca de Meo, CEO of Groupe Renault, presented Renaulution, a new strategic plan that aims to reorient Groupe Renault's strategy from the quest for volumes to value creation (for more details on Renaulution, see chapter 1.1.3 "Strategy").
- On March 12, 2021, Renault S.A. announced the successful sale of its entire stake in Daimler AG (i.e. 16,448,378 shares representing 1.54% of the share capital of Daimler) at a price of 69.50 euros per share (i.e., a total amount of c. 1.143 billion euros), through a placement to qualified investors, as defined in Article 2 point (e) of Regulation (EU) 2017/1129, as amended, by way of an accelerated book building process.

  The proceeds of this sale will allow the Renault Group to accelerate the financial deleveraging of its Automotive activity. The industrial partnership between the Renault Group and Daimler remains unchanged and is not impacted by this financial transaction [1].

  Settlement of the offering should take place on March 16, 2021 at the latest.

(1) Except for the waiver (to ensure reciprocity among the two companies) of the obligation for Daimler to propose first to Renault to acquire its shares in case of a sale through a capital markets transaction.


RENAULT

02 GROUPE RENAULT: A COMPANY THAT ACTS RESPONSIBLY

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

2.1 CREATING SHARED VALUES THAT RESPECT SOCIETY AND THE ENVIRONMENT

2.1.1 A strong CSR commitment

The automotive sector is currently undergoing a rapid transformation, with the growth in the market for electric vehicles, connected and autonomous vehicles, new relationships with mobility and the digitization of services.

At the same time, a globalized economy and a growing awareness of environmental issues place the company at the center of these issues. Given its size, its international scope, its impact on society and the environment, as well as its involvement in the regions where it operates, Groupe Renault occupies a prominent place in these discussions.

In this context, also marked by an unprecedented health crisis, in 2020 the Group decided to carry out two major projects simultaneously (in order to ensure that they work together): **its corporate purpose and the new Renaulution strategic plan**.

While Renaulution was announced in January 2021, **the corporate purpose** of Groupe Renault will be unveiled at the Shareholders' Annual General Meeting in April 2021. This announcement will mark the end of a review begun more than a year ago and a major collaborative and unifying process involving the Company's management bodies, the Group Works Council and all employees worldwide (via an open global survey) as well as external stakeholder panels. A study on the company's culture was also carried out at this time. The members of the Ethics & CSR Committee were regularly informed of the progress of the work.

As a follow-up to this announcement, **the Group's new CSR ambitions, which will focus on three areas – the environment, inclusion and safety –** will also be disclosed during the Annual General Meeting.

The key stages of 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)
- ▲ First foundation in Spain to fund scholarships for employees' children (1963)
- ✱ Accident Analysis and Biomechanics Laboratory Renault/PSA – LAB (1969)
- ● First 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 (COP 21) 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 COP 22 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

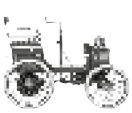
2019

- ▲ 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
- ● Validation of the Group's CO_2 emission reduction targets for 2030 by the Science-Based Targets initiative

2020

Health crisis (Covid-19)

- ✱ €2.3m allocated by the Renault Foundation for associative sponsorship and employee commitment projects
- ✱ New mission for the Renault Foundation focused on integration through employment
- ● 2050 carbon neutrality target in Europe announced at eWays, an event dedicated to electric mobility of both today and tomorrow (Oct. 2020)
- ● Flins RE-FACTORY: the first European circular economy plant dedicated to mobility



▲ 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.

2.1.2 CSR governance

Each area of CSR is overseen by a member of the Executive Committee (GEC) or a member of the Group Management Committee and coordinated by three operating entities that design and implement policies and associated objectives, identify and manage risks and opportunities, enter into dialog with stakeholders and lastly, handle reporting and communication:

- the Corporate Social Responsibility (CSR) department is responsible for an interdisciplinary and partnership approach to CSR throughout the value chain, societal actions and innovations. This department reports to the Commitment and Dialog department, whose director is a member of the Groupe Renault 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 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 section 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 four times in 2020.

2.1.3 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 (see below);
- 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;
- Groupe Renault reports under the SASB Transportation (Sustainability Accounting Standards Board) standard for the first time: see 2.6.4.

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.

Today, we reaffirm our commitment to respect and promote the universal values of the Global Compact and to contribute to the achievement of the Sustainable Development Goals.

We are determined to contribute to building a sustainable future by deploying a bold and responsible growth strategy that creates shared value with all of our stakeholders while respecting our planet.

Luca de Meo, Chief Executive Officer of Groupe Renault

The 10 principles of the Global Compact

Launched by Kofi Annan, the Secretary-General of the United Nations, in July 2000, the Global Compact is a voluntary commitment framework by which companies, associations and non-governmental organizations are invited to respect 10 universally accepted principles affecting human rights, international labor standards, the environment and the fight against corruption. Each year, members must attest to the effective implementation of these principles in a “progress communication” report, which is posted on the Global Compact’s website.

Twenty years later, the United Nations Global Compact is the world’s largest voluntary corporate sustainability initiative, bringing together more than 13,000 participants in 170 countries. Nearly 70 local networks around the world ensure a close relationship with members and national mobilization.

The Global Compact is also the starting point for any organization seeking to support the 17 Sustainable Development Goals (SDGs), adopted in September 2015 by the UN. These goals provide a universal agenda to be achieved by the year 2030 for a more sustainable and inclusive world.

These 10 principles are inspired by:

- the Universal Declaration of Human Rights;
- the Declaration on Fundamental Principles and Rights at Work;
- International Labor Organization;
- the Rio Declaration on Environment and Development;
- the United Nations Convention against Corruption.

Our contribution to the United Nations Sustainable Development Goals (SDG)

The 2030 Agenda for Sustainable Development, adopted in September 2015 by the Member States of the United Nations, is an action plan designed to eradicate poverty, protect the planet and ensure that all human beings live in peace and prosperity. It is structured around 17 Sustainable Development Goals and 169 targets that take into account the three aspects of sustainable development: the economy, social aspects and the environment. The latter are aimed at all stakeholders: States, local authorities, civil society, and economic and financial actors.

Through its geographical footprint, the diversity of its businesses and its commitment to CSR, Groupe Renault contributes – to a greater or lesser extent – to the 17 Sustainable Development Goals identified by the United Nations. Its contribution is highlighted in the table below, which lists the targets to which Groupe Renault is committed together with examples of initiatives, and highlights the SDGs to which the Group contributes directly: SDGs 3, 5, 8, 11, 12, 13 and 16.

SDG	Targets to which Groupe Renault contributes	Examples of initiatives implemented
SDG 1 **End poverty in all its forms everywhere in the world**	1.3: Establish social protection systems and measures for all, adapted to national context, including social protection floors, and ensure that, by 2030, a significant proportion of the poor and vulnerable benefit 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance 1.5: By 2030, build resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters 1.b: Create sound policy frameworks at national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	• Group policy promoting gender equality (Diversity and Inclusion Scorecard and internal charters) • Initiatives by the Group's Foundations, *e.g.* support for French associations "Elles Bougent" and "Objectif pour l'Emploi" • Support for vulnerable people through Renault Garages Solidaire
SDG 2 **End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**	2.1: By 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round	• Partnership with Restos du Cœur • 170,158 employees in the Group (direct jobs)
SDG 3 **Ensure healthy lives and promote well-being for all at all ages**	3.5: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol 3.6: By 2020, 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 healthcare 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	• Increase the number of automatic safety systems in series production vehicles • Road4US website • Fireman access on the Group's electric vehicles • Doctors on sites • Reduce VOC emissions by 32% per vehicle between 2013 and 2023 to preserve air quality • Zero carbon emissions by 2050
SDG 4 **Quality education: ensure inclusive and equitable quality education and promote lifelong learning opportunities 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	• Women@Renault (HR action plan but also affinity network in place since 2010) • 2025-2030 recruitment targets • Masters funding by the Foundations • Internal training and e-learning • Talent@Renault: tool for managing appraisals, compensation and development reviews of Groupe Renault employees • Apprenticeships, internships, training
SDG 5 **Achieve gender equality and empower all women and girls**	5.1: End all forms of discrimination against all females everywhere 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	• Support for UN Women France and the UN HeforShe movement • Women@Renault (HR action plan + affinity network in place since 2010) • Diversity & Inclusion internal charter • HR action plan for a higher proportion of women in leadership and management positions • Creation of a Stakeholder Committee

SDG	Targets to which Groupe Renault contributes	Examples of initiatives implemented
SDG 6 **Ensure access to water and sanitation for all and sustainable management of water resources**	6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	• Committed to Act4Nature • Reduce the discharge of heavy metals (nickel and zinc) in plant wastewater by 35% to preserve the quality of water resources • Installation of automatic valves on sites, especially in plants • Fireman access to vehicles, allowing for water savings when extinguishing vehicle fires
SDG 7 **Ensure access to affordable, reliable, sustainable and modern energy**	7.1: By 2030, ensure universal access to affordable, reliable and modern energy services 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix 7.3: By 2030, double the global rate of improvement in energy efficiency 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	• The 86 ha of solar panels installed on Renault sites (France, Spain, South Korea) generated 94 MWh of fully renewable electrical energy in 2020, avoiding the release of nearly 30,000 metric tons of CO_2 • Smart Fossil Free Island project: an intelligent ecosystem that combines the electric ZOE and KANGOO, two-way smart charging and second-life batteries to store energy from wind and solar power and help make the island of Porto Santo self-sufficient in terms of energy • Mobilize meets the new needs of users and promotes sustainable energy ecosystems
SDG 8 **Promote inclusive and sustainable economic growth, employment and decent work for all**	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors 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 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead 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 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms 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	• Mobilize-Azadi eco-responsible product range including ZOE accessories and bags • Partnership in Brazil with association Borda Vida to produce Mobilize-Azadi bags • Implementation of sustainable purchasing • Renault-Nissan Supplier Guidelines • 2 global framework agreements (2013 and 2019)
SDG 9 **Build resilient infrastructure, promote sustainable industrialization and foster innovation**	9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and fair access for all 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: By 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	• ISO 14001 certification of 100% of Groupe Renault manufacturing sites • Funding for innovation chairs such as the Tangiers sustainable infrastructure and technologies plant • Experimentation with loans of Renault ZOE vehicles on the island of Porto Santo in Portugal and in Appy, a village in France

SDG	Targets to which Groupe Renault contributes	Examples of initiatives implemented
SDG 10 **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 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	• Signing of the United Nations Free and Equal standards to combat discrimination against LGBT+ people • Signing of the Charter of Commitment of L'Autre Cercle in France • Signing of the Manifesto for the Inclusion of People with Disabilities in Economic Life in France • Renault Way's 5 principles: HR plan
SDG 11 **Make cities and human settlements inclusive, safe, resilient and sustainable**	11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and the elderly 11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning 11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster risk reduction 2015–2030, holistic disaster risk management at all levels 11.6: By 2030, reduce the adverse *per capita* environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	• Experimentation with loans of Renault ZOE vehicles on the island of Porto Santo in Portugal and in Appy, a village in France • Renault EVs and smart cities • Garage Renault Solidaires • Institute for Sustainable Mobility (IMD)
SDG 12 **Ensure sustainable consumption and production patterns**	12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, 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 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• Recycling of 85% to 100% of metallic waste from industrial processes • The Flins Re-Factory, the first European circular economy plant dedicated to mobility
SDG 13 **Take urgent action to combat climate change and its impacts**	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	• Management and CO_2 emissions reduction targets: 25% reduction in CO_2 emissions between 2010 and 2022 • Carbon neutrality target for 2050 in Europe
SDG 14 **Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	• Reduce external water supply and industrial water discharges • Systematic implementation of closed-loop recycling of industrial water in plants located in water-stressed areas (Morocco, India, Iran, *etc.*) • Committed to Act4Nature
SDG 15 **Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	• Committed to Act4Nature • Engaged in the Global Platform for Sustainable Natural Rubber • Planting of trees during the redevelopment of sites (example in Tangiers with the planting of 5,000 trees in 2015)

SDG		Targets to which Groupe Renault contributes	Examples of initiatives implemented
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	SDG 16 **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**	16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children 16.5: Substantially reduce corruption and bribery in all their forms 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels 16.b: Promote and enforce non-discriminatory laws and policies for sustainable development	• Implementation of a Groupe Renault Ethics Charter • Ethics and the fight against counterfeiting, especially in spare parts • Anti-corruption • Renault-Nissan Supplier Guidelines • 2 global framework agreements (2013 and 2019)
17 PARTNERSHIPS FOR THE GOALS	SDG 17 **Strengthen the means of implementation and revitalize the global partnership for sustainable development**	17.7: Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed 17.15: Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries 17.17: Encourage effective partnerships: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	• Partnership with CEA to combat COVID-19 • Partnership with the Adventure Lab and the IMD • Partnership with the UN Global Compact • Partner of WWF France and France Ville Durable • Development of open-source respirators during the COVID-19 crisis

2.1.4 Permanent dialog with our stakeholders EFPD14c

Because dialog with our stakeholders enables us to better grasp environmental, social or economic challenges and risks, and makes us more agile in meeting their expectations, we have set up appropriate channels of exchange with each of them, at the global, regional or local level: customers, employees, suppliers, shareholders, investors, local communities, associations, students, *etc.*

Dialog with stakeholders also helped to develop the materiality matrix of ESG challenges below.

Stakeholders	Key ESG stakes (materiality matrix)	Main players by degree of closeness	Modes of dialog and communication	Highlights of 2020
Fleet customers/ retail customers	• Giving everyone access to mobility solutions • Contributing to the transformation of urban mobility • Increasing passenger and road user safety	• Retail and business customers • Sales network and importers • Road users/general public • Consumer groups within the framework of social business • Welfare or employment providers	• Services and direct dialog in the sales network • Customer Relations department (including requirements studies) • Training/awareness-raising initiatives • Certification, product ratings (EuroNCap) • Media • Internet site • Responses to calls for tender • Commercial events • Performance reviews • Questionnaires	• Whenever a new Renault or Dacia vehicle is launched, decision support forms are sent to fire services internationally following verification by a reference group of French fire service personnel • The design of new electric and hybrid vehicles ensures the safety of occupants and first responders by the inclusion of a system for disconnecting the electrics and direct Fireman access to the traction battery (see 2.3.2.1 "Rescue")
Employees	• Ensuring employee fulfillment and development • Ensuring the inclusion of everyone in the company • Ensuring respect for human rights and labor law throughout the supply chain	• Employees • Employee representative bodies	• Local management (including annual performance review) • Policies/guides (environment, health/safety, *etc.*) • Social dialog: establishment, country, Groupe Renault Works Council • Training • Internal communications	• Development of online training for local Managers (Onboarding Managers program) • Creation of the Diversity & Inclusion scorecard • Reinforcement of social dialog during the Group's reorganization operations • Support for internal and external affinity groups • Digitization of training programs in the Functional Academies and promotion of our online training courses in all countries • Creation of guides for the prevention of health risks following the COVID-19 crisis • Improved communication on the professional whistle-blowing system and in the event of discrimination
Suppliers	• All issues in the matrix	• Diversified suppliers • Industry bodies (CCFA, FIEV) • French automotive industry platform (PFA) • Fonds d'avenir automobile (former Modernization Fund for Automotive Suppliers)	• Circulation of CSR guidelines: Renault-Nissan CSR Purchasing Guidelines, Renault Green Purchasing Guidelines • Assessment or direct support to CSR performance • Supplier Information Meetings (SIM), conventions • Presentations by suppliers to Renault operational staff • PFA CSR Charter • PFA CSR Committee	• 3 technical exhibitions on supplier co-innovation • Prizes awarded to 15 suppliers (including 3 awarded for results obtained in CSR-related areas)
Investors/ stakeholders	• All issues in the materiality matrix	• Shareholders, employee shareholders, financial institutions • Rating agencies/analysts	• Seminars, road shows • Individual meetings • Investor Relations department • Internet site and other dedicated publications • Responses to rating requests • Group Universal registration document • Toll-free number with voice server • Planetshares website enabling direct management of registered Renault shares • Dedicated e-mail address • Shareholder Consultative Committee since 1996 • Shareholders' Club since 1995	• A high subscription rate to the Renault Mobilize Solidaire mutual savings fund (FCPE) (4,045 employees as of December 31, 2020) • Planetshares website enabling direct management of registered Renault shares • Over 250 shareholders have benefited from the various activities (visits, conferences, breakfasts, *etc.*) offered by the Shareholders' Club. • 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)

Stakeholders	Key ESG stakes (materiality matrix)	Main players by degree of closeness	Modes of dialog and communication	Highlights of 2020
Local communities	• Reducing the total carbon footprint • Reducing the impact of vehicle use on air quality • Increasing passenger and road user safety • Contributing to the transformation of urban mobility • Limiting the impact on resources, especially through the circular economy • Promoting the development of the regions in which the company operates • Reducing the impact on biodiversity (over the entire life cycle of the vehicle)	• Local residents • Elected officials and local authorities • Local associations	• Partnership/local sponsorship contracts • Regional development Charters and agreements • Dialog with public authorities and local economic actors • Direct dialog and plant tours • Procedures for handling complaints from local residents • Site environmental leaflets, local media relations	• At the end of 2020, almost 10,000 electric vehicles had been made available by Renault to users of car-sharing services in most European capitals • At the end of 2020, within the Renault network there were nearly 313 Garages Renault Solidaires across France. • To facilitate the response of the emergency services, 640 nearly-new vehicles were donated to fire crews in 2020 for road rescue training • Organization of an annual seminar for 350 firefighters from 10 countries to keep them informed of the technological advances of our vehicles
Public authorities	• All issues in the materiality matrix, and in particular • Guaranteeing robust corporate governance • Proactively ensuring corporate compliance • Embodying ethical values • Communicating about the impacts of public policies on the company	• Governments • National, European and international legislators	• Working groups • Interviews • Meetings	• Completion of annual national and European reporting on the transparency of interest representation activities
Institutions and associations	• All issues in the materiality matrix	• Industry bodies (PFA, CCFA, Acea, Anfac, *etc.*) • Employers' associations (MEDEF, AFEP, Business Europe, *etc.*) • Independent authorities (CNIL)	• Involvement in working groups created by professional federations • Responses to public consultations • Informal discussions • Sector stakeholder dialog	• Partnership with Positive Planet to help start businesses in disadvantaged neighborhoods • 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
Extra-financial rating organizations	• All issues in the materiality matrix	• Extra-financial rating agencies • Rating organizations • Investors	• Responses to agencies • Performance reviews	
NGOs/ Think tanks	• All issues in the materiality matrix	• NGOs • Associations • Think tanks	• Studies • Partnerships • Sponsorship • Interviews • Meetings	
Students, future employees	• All issues in the materiality	• Interns, apprentices and future employees • Pupils and students • Researchers • Young public	• Company induction • Talks in schools/at Renault sites • Research and education programs • Awareness-raising programs • External events (conferences, seminars, forums, *etc.*)	• 72 students of many different nationalities trained by the Renault Foundation • Chair in Intercultural Management, in partnership with the ESCP Europe Business School • 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)
Academics, universities & researchers	• All issues in the materiality matrix		• Theses • Partnership contracts (research institutes) • Training	• IMD • IDDRI
Media	• All issues in the materiality matrix	• Journalists from the general and specialized press, print and online • Influencers/bloggers	• Direct dialog • Press conferences • Press tests • Interviews • Press releases and press kits • Group media site • Social networks	• Press conference for the publication of the annual financial results (February 14, 2020) • Press conference for the presentation of the transformation plan (May 29, 2020) • Deployment of a new Media portal, hosted on the Group's corporate website (February 2020) • Introduction of certification of press information using blockchain technology (February 2020) • 1st edition of Renault E-Ways: an event organized by Groupe Renault to explore the future of mobility, cities and technologies, alongside experts, partners and members of the public (October 2020)

Groupe Renault materiality matrix: identification of material issues and ESG risks

At the end of 2019 and the beginning of 2020, Groupe Renault conducted a materiality analysis to identify and prioritize the environmental societal and governance issues it will face over the next five years.

This analysis consists of crossing an internal vision of the importance of ESG (environment, social, societal and governance) topics with the vision of external stakeholders in order to identify the so-called "material" topics, those on which the Company must focus its efforts because they have a major impact on its ecosystem and its performance over the next five years.

This new materiality matrix updates the 2015 matrix and enables Groupe Renault to focus its strategy and environmental, social, societal and governance 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.

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 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.

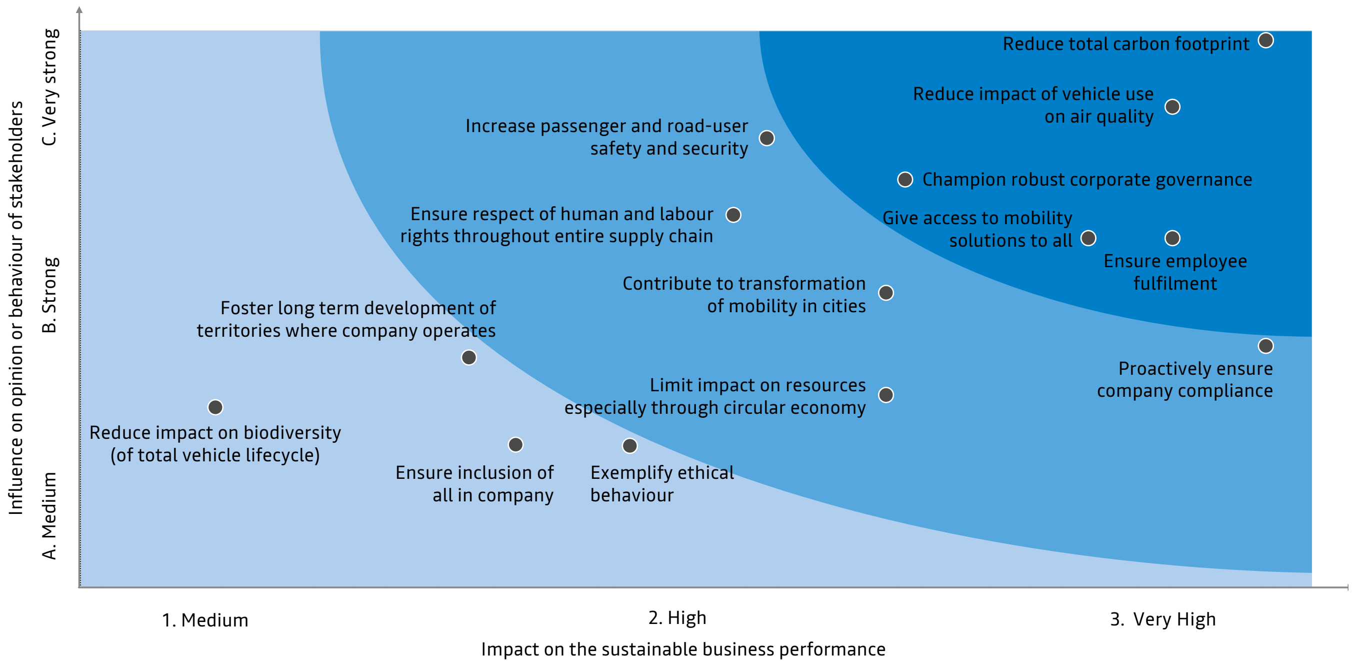
Similarly, *Improving passenger and road user safety and Limiting the impact on resources particularly through the circular economy* remain two major stakeholder expectations, as well as being important issues to guarantee the Company's performance.

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.



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 Foster clear long-term company strategy definition and proper execution Foster company transparency Foster reasonable executive remuneration
Ensure employee fulfilment	Ensure employee long-term employability through skills development Empower employees and implement responsible management practices Strengthen social ties between employees Adapt company and train employees to new ways of working 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 Improve vehicle user experience to reduce safety risks (e.g. reduce stress) Improve passenger and road-user security against external attacks (esp. vehicle hacking) 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) Ensure security and safety of employees in all sites Ensure respect of labour rights throughout entire supply chain (e.g. freedom of association)
Contribute to transformation of mobility in cities	Reduce urban congestion Reduce vehicle noise 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 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) 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 Foster ethical behaviour of vehicles (esp. autonomous vehicles) Foster ethical exemplarity at all levels within company

2.1.5 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 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 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 Sections 2.2.2.E, 2.4.1.4.A and 2.4.2.2	DV2b Section 2.5.2.4
3) Actions to mitigate risks and prevent serious infringements	DV3a Sections 2.2.2.E, 2.4.1.4.A and 2.4.2.3	DV3b 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 See section 2.1.6 below	DV4 Section 2.5.2.6
5) System for monitoring the measures implemented and evaluating their effectiveness	DV5a Sections 2.2.2.E, 2.4.1.4.A and 2.4.2.4	DV5b 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 Global 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 2.2.2.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 global whistle-blowing system rolled out in 2018 is available in 14 languages and is operational in almost all countries. It is managed by an external service provider and can be accessed at any time, any day of the week, on a professional or personal computer, tablet or smartphone, via the internet at the following address: https://renault.whistleb.com. For certain countries, a telephone line managed by the service provider is also available. It guarantees confidentiality of communication and enables the whistle-blower to remain anonymous subject to local law. During 2020, new awareness-raising initiatives were carried out, notably on the Group's intranet, to remind people how the system works.

The system enables suppliers and subcontractors 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.

They were informed of this possibility by mail in 2018; a reminder is planned for 2021.

Each alert is studied, depending on the case or the country, by the Deputy Director for Professional Alerts or by the local ethics and compliance correspondent or the local whistle-blowing officer.

The Alert Processing Committee, composed of seven members and three experts, collectively handles professional alerts received by the Deputy Director for Professional Alerts for France.

The Country Ethics and Compliance Committee, chaired by the country director and steered by the country ethics and compliance officer, handles professional alerts received by the local ethics and compliance or alert 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 worldwide.

2.1.6 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 section 1.6 this Universal registration document.

2.1.6.1 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 2.1.4)).

Process of identification of the main extra-financial risks

Identification and summary of the principal risks with regard to the expectations of the Extra-financial Performance Declaration (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 Board of Directors' Ethics and CSR Committee (CERSE).

Reporting principles

This work enabled identification of a list of 31 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 31 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 2.1.6.2 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 the 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. 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 carried out 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.

2.1.6.2 Risk Mapping EFPD-B

Environmental data

THEME	Principal risks	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 COP 21 agreement and applied to the automotive sector 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) 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 • Contributing to the transformation of urban mobility	• Line-up electrification plan • Environmental Mid-Term Plan (2017-2022) • Renault Green Purchasing Guidelines • HSE 10 Mandatory Rules • Environment 8 Mandatory Rules	• Electric vehicle line-up and associated ecosystem (including smart charging and second-life battery use) • Reduction of fuel consumption and electrification of internal combustion engines • Energy efficiency plan for industrial processes and logistics • New mobility services offer	• Carbon footprint in CO_2eq/veh. (target: 25% reduction in 2010-2022) • Carbon and energy intensity of vehicle production (target: 24% reduction in 2013-2022) • Share of renewable energy on production sites (target: 20% in 2020) • CO_2 emissions related to logistics per veh.km (target: 6% reduction in 2016-2022) • Tank-to-wheel CO_2 emissions for passenger cars and utility vehicles in gCO_2/km (target: 25% reduction in 2010-2022)	2.2.2.D 2.2.3.A
IMPACTS ON HEALTH	04) Impacts on health due to chemicals, emissions or discharges 05) Inadequate match between scientific and technical developments available to reduce the health impacts and the Group's activities 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 • Reducing the impact of vehicle use on air quality • Increasing passenger and road user safety		• Upstream expertise: anticipation and active monitoring (science, technologies, public policy scenarios, regulation, taxation, traffic limitation/facilitation policies) • Design: roll-out of Renault and Alliance standards on substances • Industrial processes: volatile organic compound (VOC) reduction plan • Use phase: reduction of emissions through the electrification of vehicles, new mobility offers and the emissions reduction plan for internal combustion engines • Initiatives carried out on air quality in the passenger compartment	• Leader in terms of EV market share in Europe • Number of hazardous chemicals on the Group's sites (target: 20% reduction in 2016-2022) • VOC emissions in g/m^2 painted assembled body (target: 25% reduction in 2013-2022)	2.2.3.A 2.2.3.B 2.2.3.C
RESOURCE 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.*) 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 • Environmental Mid-Term Plan (2017-2022) • Renault Green Purchasing Guidelines • HSE 10 Mandatory Rules • Eight Environment Mandatory Rules • Flins Re-Factory	• 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 • Development of circular economy projects (new technologies, new channels) • Extension of the reused and remanufactured parts offer • Second-life battery use and recycling of EV batteries • Materials closed loop recycling • 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) • Use of recycled plastic (tonnage) (target: 50% increase in 2013-2022) • Non-recycled waste in kg/vehicle (target: 25% reduction in 2013-2020) • External water supply in water/vehicle (target: 20% reduction in 2013-2020)	2.2.3.B 2.2.3.D
PROTECTION OF ECOSYSTEMS	09) Environmental impacts (air, water, soil, waste) related to the operation of industrial sites 10) Environmental damage related to accidental pollution (air, water, soil, waste) and extreme natural phenomena 11) Damage to biodiversity	• Limiting the impact on resources, especially through the circular economy • 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. • Continuous improvement through ISO 14001 and the environmental management system (including emissions of air pollutants, waste, water consumption and quality, prevention of soil pollution) • Prevention and management of industrial risks (fire, explosion), natural hazards (extreme weather events, earthquakes, *etc.*) and associated environmental damage (accidental pollution). • Participation in the GPSNR (Platform for Sustainable Natural Rubber)	• ISO 14001 certification of manufacturing sites (target: 100%) • Toxic metals in liquid effluents per veh. (target: 30% reduction in 2016-2020) • Life cycle analysis (LCA): reduced impacts from generation to generation (LCAs published)	2.2.2.A 2.2.2.B

Corporate social data

THEME	Principal risks	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
EMPLOYEE HEALTH AND SAFETY	12) Occupational accidents (frequency and seriousness) 13) Occupational diseases 14) Health crisis/non-occupational risk affecting work	• Ensuring respect for human rights and labor law throughout the supply chain • 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 • Risk assessments including psycho-social risks • Mandatory and key requirements based on the roadmap and with structured follow-up • Creation, development and application of HSE standards	• FR1r rate (with annual objective) • FR2r rate • G1 • Occupational diseases • Absenteeism (days lost)	2.4.2.4 2.4.2.5
COMPETENCES	15) Limited talent retention due to lower attractiveness on the labor market or a high departure rate	• Ensuring employee fulfillment and development • Ensuring the inclusion of everyone in the company	• Employer Brand and Value Proposition • Employee Experience	• Promote Renault as a leading employer • Develop the Employer Brand and Value Proposition • Measures taken to promote the employment and integration of people with disabilities • Anti-discrimination policy • Promotion of inclusion • Initiatives to promote diversity (*e.g.* WoMen@Renault) and affinity groups	• Workforce by gender/age • Rate of women in key positions • Rate of disabled people in the total workforce • Number of recruitments (Group) • A high level of employee commitment (in high performers)	2.4.1.1 2.4.1.2
	16) Insufficiency of skills required to achieve Group objectives, 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: • Creation and development of business skills reference guides • Use of a cross-functional skills reference guide • Roll-out of training courses thanks to our functional academies (upgrading of technical skills and professional development paths) • Roll-out of Learning@Alliance and training programs in the different countries	• Training access rate • Average number of training hours per employee • Number of training hours including digital training (Group)	2.4.1.3
WORK ENVIRONMENT	17) Failure to respect social bodies	• Ensuring employee fulfillment and development • Ensuring respect for human rights and labor law throughout the supply chain • Ensuring the inclusion of everyone in the company	• 2013 Global Framework Agreement • 2019 Global Framework Agreement	• Exchange of information and close contact with local HR • Regular meetings with the Groupe Renault Works Committee • Local learning sessions • Memorandum with stakeholders	• Number of meetings with the Groupe Renault Works Committee, including information and consultation (European body)	2.4.1.4
	18) 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 • Local social dialog	• Number of meetings related to Global Framework Agreements at local level (in 2020)	
HUMAN RIGHTS	19) Discrimination in employment and occupation (ILO 111) 20) Equal remuneration (ILO 100)	• Ensuring respect for human rights and labor law throughout the supply chain • Ensuring the inclusion of everyone in the company	• 2013 Global Framework Agreement (GFA) • 2019 Global Framework Agreement • Discussions with the ILO for the roll-out of training on fundamental social rights • Study of proven risks within countries where the Group operates, in partnership with the ILO • Groupe Renault policy on the supply of cobalt and minerals from conflict or high-risk zones	• As above	• Number of incidents reported by signatory parties to global framework agreements resulting in the implementation of the measures provided for in the 2018 memorandum	2.4.1.2 2.4.1.4

Societal information

THEME	Principal risks	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
LOCAL DEVELOPMENT	21) Insufficient adaptation of products and services to the challenges of the "sustainable territories"	• Increasing passenger and road user safety • Contributing to the transformation of urban mobility	• Roadmaps for the solutions portfolio: • EV and ecosystem (energy storage, *etc.*) • Car-sharing (internal combustion engines and EV): Renault Mobility, city car-sharing (Movin' Paris, Zity) • Mobility on demand (electric taxis along the lines of Marcel)	• Create personalized business offers • Conclude specific partnership contracts • Invest in appropriate start-ups (including Alliance Venture)	• Total number of EVs (including TWIZY) sold worldwide (since 2010) • EV market share in Europe • Number of EV in car sharing	2.3.1.2 2.3.3 2.4.4
	22) Insufficient contribution of the Group to the development of the areas where it operates	• Giving everyone access to mobility solutions • 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 • Support the installation of partners when none are available • Support the integration of Renault processes via new local partners	• Local integration rate per country where Renault has industrial sites	2.1.5 2.3.1.2 2.4.4
ROAD USER SAFETY	23) Inappropriate use of vehicles or equipment by the customer 24) Appearance of a new typology of accidents with new technologies	• Increasing passenger and road user safety	• Renault's road safety policy: • Raise awareness • Prevent • Correct • Protect • Rescue	• Create video tutorials to explain the proper use of driving aids • Conceptualize methods of familiarization with autonomous systems • Creation of AD Scène (a joint venture whose aim is to offer design and validation services for automated vehicles)	• Number of ADAS tutorial videos (to be rolled out internationally in 2020)	2.3.2
DATA PROTECTION	25) Breach of the Group's data, or those of its staff, customers or stakeholders	• Proactively ensuring corporate compliance • Increasing passenger and road user safety	• Information control policy (ICP) • Information systems security policy (ISSP) • IT charter • Code of conduct for IT	• Organization dedicated to security • Operational procedures and standards derived from the ICP and the ISSP • Implementation of actions derived from the framework IT security plan • Security and GDPR annexes inserted into contracts with third parties • Report to the Risks and Internal Control Committee	• Number of critical incidents per year (SOC record)	2.5.4

Governance information

THEME	Principal risk	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
ANTI-CORRUPTION	26) Risks related to the Group's international exposure 27) Risks related to transactions with third parties (suppliers, intermediaries and clients) 28) Risks related to transactions with public agents	• Embodying ethical values • Guaranteeing robust corporate governance	• Adaptation of measures to prevent all forms of corruption • Strengthening of the anti-corruption program with the following eight measures: 1. Guide for preventing corruption and influence peddling 2. Whistle-blowing system 3. Anti-corruption risk mapping 4. Evaluation of clients, suppliers and intermediaries 5. Accounting controls 6. Training 7. Disciplinary measures 8. Internal monitoring and evaluation of the measures	• Involvement of the General Management, regular review of the system within the Board of Directors, CARE (Audit, Risks and Ethics Committee) and the CERSE (Ethics and Corporate Social Responsibility Committee); a Director of Ethics and Compliance in charge of the anticorruption mechanism • Implementation of the corruption prevention program in France and internationally • Third-party evaluation through the Third-Party Integrity Management procedure (TIM) and inclusion of anticorruption clauses in contracts • Strengthening of the Ethics and Compliance Network (Ethics and Compliance officers in countries and central functions) • 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 • Rate of Third parties at risk having been subject to a TIM analysis • Number of Ethics and Compliance officers • Number of people trained as part of the anti-corruption program	2.5.1
RELATIONSHIP WITH SUPPLIERS & SUPPLIES	29) Non-compliance by suppliers to comply with the Group's responsible purchasing policies 30) Use of sensitive supply chains (for social, societal and/or environmental reasons)	• Ensuring respect for human rights and labor law throughout the supply chain • Embodying ethical values • Promoting the development of the regions in which the company operates	• Renault-Nissan Guidelines on "Corporate Social Responsibility (CSR)" at suppliers • Groupe Renault Global Framework Agreement • Renault Green Purchasing Guidelines (updated in 2018) • Renault-Nissan Purchasing Way (updated in 2018) • Groupe Renault policy on the supply of cobalt and minerals from conflict or high-risk zones	• Acceptance of the Renault-Nissan Supplier Social and Environmental Responsibility Guidelines and Global Framework Agreement by our suppliers • Online third-party CSR self-assessment questionnaire • Third-party field audits, including in sensitive supply chains • Active participation in cobalt supply chain initiatives (RMI) and fight against child labor (CLP) • Participation in the GPSNR (Global Platform for Sustainable Natural Rubber)	• Percentage of purchasing amount with CSR assessment • Percentage of purchasing amount with CSR assessment at expected level • Number of on-site audits	2.5.2 3.4
FIGHT AGAINST TAX EVASION	31) Uncertainties in the interpretation of the regulations or the execution of the company's tax obligations	• Embodying ethical values • Guaranteeing robust corporate governance	• Group tax governance	• Dedicated persons implementing the Group tax policy worldwide • Under permanent tax audits in France and worldwide		2.5.3

2.1.6.3 EFPD cross-reference tables

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	Section	Compliant or explanation
The Company's business model	EFPD-A	Introduction	
Principal CSR risks related to the Company's activity	EFPD-B	2.1.6.2	
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	2.4.2.5	
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 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 2.4.1.4.A	
Measures taken to promote the employment and integration of people with disabilities	EFPD6b	2.4.1.2.A.e 2.4.1.4.A	
Anti-discrimination policy	EFPD6c	2.4.1.2.A 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 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	2.2.2	
Resources dedicated to preventing environmental risks and pollution	EFPD7b	2.2.2.B 2.2.2.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	2.2.3.C 2.2.3.D 2.2.3.E	
Mitigation of all forms of pollution specific to an activity, in particular noise and light	EFPD8b	2.2.3.C	
c) The circular economy	**EFPD9**	2.2.3.B	Compliant
d) Waste prevention and management	**EFPD10**	2.2.3.B	
Waste prevention, recycling, reuse and other forms of recovery and elimination	EFPD10	2.2.3.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	Section	Compliant or explanation
e) Sustainable use of resources	**EFPD11**		
Water consumption and water supply depending on local constraints	EFPD11a	2.2.3.D	Compliant
Raw material consumption and measures taken to improve efficiency in their use	EFPD11b	2.2.3.B	
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	EFPD11c	2.2.3.A	
Land use	EFPD11d	2.2.3.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	2.2.3.A	Compliant
Measures taken to adapt to the consequences of climate change	EFPD12b	2.2.3.A	
Medium and long-term reduction targets set voluntarily to reduce greenhouse gas emissions and resources put in place for this	EFPD12c	2.2.3.A	
g) Protection of biodiversity	**EFPD13**		
Measures taken to preserve or restore biodiversity	EFPD13	2.2.3.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	2.3.1.2 2.5.2.9	Compliant
	EFPD14c	2.4.4	
Impact of the Company's activity on residents and local populations	EFPD14b	2.4.4.1.A	
Relations with stakeholders and terms and conditions of dialog with them	EFPD14c	2.1.5 2.4.3.1	
Partnerships and sponsorship initiatives	EFPD14d	2.4.4	
b) Subcontractors and suppliers	**EFPD15**		
Inclusion of social and environmental issues in the purchasing policy	EFPD15a	2.5.2	
Ensuring that relations with suppliers and subcontractors include their social and environmental responsibility	EFPD15b	2.5.2	
c) Fair practices	**EFPD16**		
Measures taken in favor of consumer health and safety	EFPD16a	2.2.3.C 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		2.3.1.2	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 2.5.2.4	
Effective abolition of child labor	EFPD17d	2.4.1.4.A 2.5.2.4	
b) Other actions implemented to promote human rights	**EFPD18**	2.4.1.4.A 2.5.2	

2.1.7 Our action in response to the COVID-19 crisis

Heavily committed since the outset of the crisis, Groupe Renault has taken exceptional measures and rolled out a major solidarity plan, considering that it has a responsibility to act with all of its stakeholders, and first and foremost with its employees, customers and partners.

2.1.7.1 Top priority: ensuring the health and safety of our employees, customers and partners

From mid-March, the Group adapted its organization, in accordance with the instructions of the public authorities, implementing the appropriate health measures and suspending its commercial and industrial activities in most countries. Measures restricting access to Group sites and suspending business travel were adopted everywhere. For tertiary functions, telework was generalized and widely developed during this unprecedented period.

In the sales network, employees – strictly applying the protocol of the reinforced measures set up by the Group – mobilized to provide service and after-sales activities to fix, maintain and repair medical, firefighting and police vehicles, as well as those needed to maintain the continuity of public services.

Significant internal communication dedicated to the unfolding health situation has been provided on a permanent basis since the beginning of the crisis, notably via the Group's intranet portal, but also by e-mail, managerial information kits, notifications on the "Inside R" smartphone app, and posters. Information on COVID-19 safety precautions was widely communicated to employees throughout the Group.

In France, all sites have been structured locally since March to manage the health plan, and health committees bringing together all the players (HR, general services, safety, medical, communication, *etc.*) have been set up on each one.

At the beginning of April, after a presentation to the Group Works Council, the Company implemented a **global health reference framework** drawn up by the occupational physicians and health services, and the HSE (Health, Safety and Environment) department. It lays down 11 conditions for the gradual return of employees to their site and four prerequisites before any employee can return to the workplace. The reference framework has been applied nationally and adapted in line with local conditions. Health measures include the provision of masks for work and for commutes, the provision of hand sanitizer and the redesign of certain work areas.

In addition, **the Group has set up a mask production line, certified to current standards, to meet its needs and guarantee the health and safety of its employees at all sites and throughout the sales network in Europe** (industrial and tertiary sites, the Renault dealership network and the private network). This production unit, located at the Renault plant in Flins (France) since May, launched production in July. **It enables the production of up to 1.5 million surgical masks per week** in compliance with the Group's safety standards.

2.1.7.2 Gradual and secure resumption of activity in April

From mid-April, production and commercial activities gradually resumed, with the systematic implementation of health measures adapted to the development of the epidemic and local laws, and priority going to employee health and safety.

The upturn in activity initially took place with a very limited workforce and a very gradual increase in production rates in plants. In the network, digital showrooms have been developed (with a live chat between customers and salespeople in the United Kingdom and Italy, for example).

This gradual and adapted recovery has made it possible to train employees in the new health measures put in place and to give them time to understand their new work environment so that they can resume work with confidence.

In France, the "Solidarity and Future Contract" agreement signed on April 2, 2020 has enabled the Group to adapt its operations to the economic situation through quality social dialogue, in a spirit of solidarity, and again with the aim of protecting the Company and its employees. In particular, it provides for a guarantee of 100% of employees' net pay in the event of recourse to furlough schemes, in return for the deduction of two days' leave to be paid into **the solidarity fund** and one day's leave for each week off work. The central solidarity fund was created under a former company agreement to provide a permanent, centralized reserve of days from which sites using the furlough scheme, for whatever reason, can draw to top up the wages of the employees concerned.

During the **second phase of lockdown**, industrial activity continued, in accordance with the government recommendation that economic activity should be maintained as much as possible. In the Île-de-France region, full telework was re-introduced for all eligible workers and continued into early 2021.

2.1.7.3 Groupe Renault employees united and committed in the face of the crisis

In the face of the COVID-19 crisis, a vast outpouring of solidarity quickly took shape within Groupe Renault. Throughout the world, the men and women of the Company mobilized to meet the exceptional needs generated by the health crisis, particularly those of healthcare personnel and hospitals.

From Spain to Morocco and Romania to France, the company as a whole has taken action in the form of practical initiatives involving donations or loans of vehicles, but also through the launch of projects for the manufacture of essential equipment to slow the spread of the virus or help the sick.

Initiatives for caregivers

Numerous loans of vehicles were arranged to make it as easy as possible for front-line health workers to fight the epidemic. In **France**, Groupe Renault made nearly **1,300 vehicles** available to such employees at the end of March, including 300 Renault ZOE vehicles from the ZITY car-sharing service in Paris.

In **Switzerland**, the dealer network made around 100 Renault ZOE vehicles available to several emergency organizations (Red Cross, Spitex and Pro-Senectute).

In **Romania**, around 100 Dacia or Renault vehicles were entrusted to the Ministry of Health for hospital staff.

In **Morocco**, 50 LODGY, TRAFIC and MASTER vehicles were specially converted into ambulances to transport patients. In addition, the **Renault Morocco Foundation** donated 100 laptops to the Melloussa for Local Development association to support the schooling of young people in disadvantaged areas.

Renault Algérie also lent vehicles to hospitals in Oran and Boufarik and to the health departments in Algiers and Bilda, while the Oran plant manufactured respirator valves and oxygen fittings for the city hospital.

In **Mexico**, a joint initiative between Renault, Nissan and Mitsubishi involved the loan of 25 vehicles to international NGO Doctors Without Borders.

In **Colombia**, Groupe Renault joined forces with local associations to transport food products using the KANGOO Z.E. to underprivileged families and health workers.

In other countries, the Group's partner car-sharing services offered their fleets to the medical profession: this was the case in **Denmark,** with the loan of 400 electric vehicles from the Green Mobility service.

In March, several industrial sites in France, but also in Spain, Portugal and Slovenia, donated around **120,000 masks** (from plant stocks originally intended for maintenance operations) to **health workers**.

Meanwhile, in Russia, AVTOVAZ **donated 6,800 protective suits** to hospitals in Togliatti. And in France, the Flins site offered **300 suits** usually used for painting to the teams at the Mignot Hospital in Versailles, the main intensive care facility in western Paris.

Remarkable solidarity initiatives launched, notably in engineering

In **Spain**, 120 Groupe Renault employees created the **Renault al Rescate** (Renault to the rescue) movement, which formed a genuine chain of solidarity that began making masks using 3D printers. In just four days, more than 4,000 of them were distributed to hospitals and retirement homes in Valladolid, Palencia, Malaga and Jerez.

A similar initiative was also launched by **Renault teams in Brazil.**

In Turkey, Oyak Renault produced protective equipment for health workers at the Bursa plant in collaboration with the provincial health department, including intubation equipment, fever measurement units and mobile sampling and testing booths. A large number of individual employees undertook to make items including visors, masks, hand sanitizer dispensers, overshirts and door pullers, or to staff telephone hotlines or provide other services.

In **France**, many centers and plants (Douai, Sovab, CRP, Cléon, Flins, Le Mans, Villeurbanne, Dieppe, MCA) decided to manufacture visors from injection molds developed at the Technocentre, producing **several thousand units** per week. This experience was shared through dedicated task forces with Renault teams in Romania, Brazil and the Africa – Middle-East – India region so that such initiatives could be swiftly replicated locally. Thanks to its employees, Groupe Renault manufactured **30,000 visors in the first week**.

In France, Groupe Renault joined forces with other companies in **"Makers for Life",** an initiative led by the CEA and supported by the French Government Defense procurement and technology agency and the Ministry of Defense's Defense Innovation Agency, **to design a low-cost, emergency respirator for series production.**

In this context, **a team of Renault and Renault Sport Racing engineers** designed several parts specifically for the project, in particular the **blower**, an engine component that supplies the respirator with compressed air. These engineers also developed a virtual digital lung model that allows the physical and software design of the ventilator to evolve rapidly by simulating a range of clinical cases. The Group's exceptional network of many skills – notably mechanical, electrical and electronic engineering, product-process design, manufacturing and logistics, Renault medical experts, quality, purchasing, industrial property and management control – was a determining factor in optimizing the design of the ventilator and making it compatible with large-scale production. **Some 15 artificial respirator prototypes were manufactured at the Prototype production center at the Technocentre in Guyancourt.**

The developments of the MAKAIR RE20 ventilator specific to Renault (including the 11 patents filed) were made available under a free open-source license, via the Github open-source platform, to enable players in crisis situations to manufacture this model of artificial respirator cheaply. Similar projects also emerged in Spain and Romania. Most often collective, they demonstrate the importance of complementary know-how and the value of open-source data sharing.

The health crisis has also led to a shortage of **syringe pumps** that can continuously administer an average of four medications per patient. To help fill the gap in intensive care units, a team hailing mainly from the engineering and design departments and working at the Guyancourt, Aubevoye and Nice sites worked with the hospitals of Bichat-Claude Bernard, La Pitié-Salpêtrière and the Paris public hospital system (AP-HP) to produce a prototype electric syringe pump and studies for the series production, validation and approval of the product by the medical authorities. It was a feat achieved in record time and hailed by the AP-HP's General agency for health equipment and products (AGEPS). Here too, all plans and software were made available free of charge to the scientific community via the Github open-source platform.

Meanwhile, **the Renault Foundation** was not inactive. It provided financial support to the **Fondation des Hôpitaux de France-Hôpitaux de Paris** to help the families of people severely affected by the virus. It also opened an "All mobilized against COVID-19" page on its website in order to relay solidarity initiatives from associations or NGOs and to inform readers about the ways they can get involved in the fight against COVID-19.

2.2 OUR ENVIRONMENTAL COMMITMENT

2.2.1 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 economic 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, the Group's environmental strategy is based on three levers 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 and shared mobility services, which are designed to be integrated into urban travel plans, providing benefits by reducing congestion, improving air quality and the efficient use of resources.

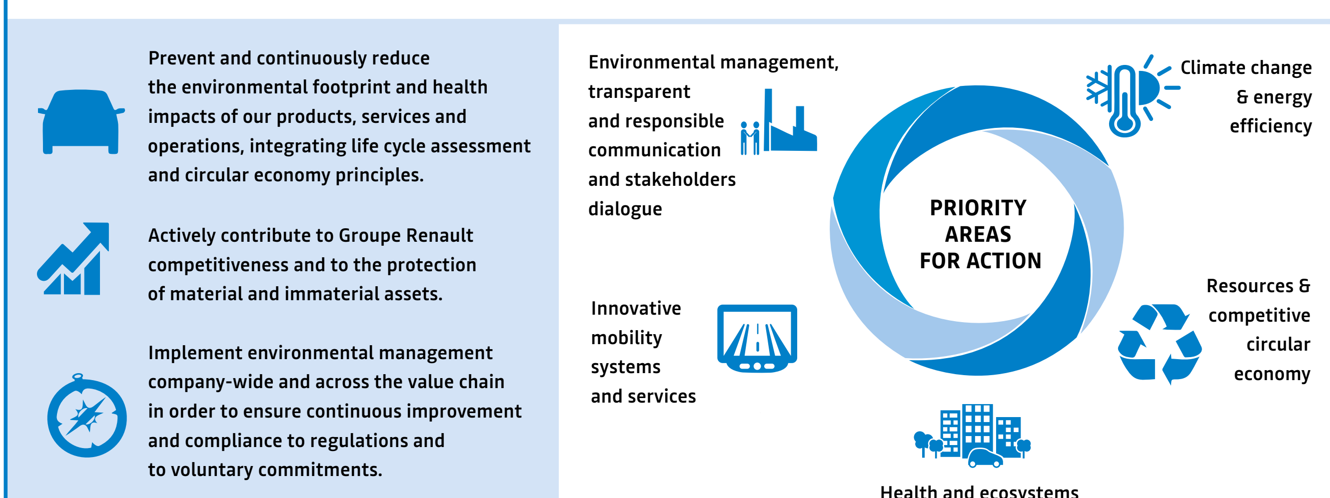
These areas are fully in line with the new Renault strategic plan presented in January 2021, which provides for the launch of 10 new electric vehicles by 2025, and the transformation of the Flins site into a Re-factory, the first European circular economy plant dedicated to mobility, and the creation of the Mobilize business unit, which aims to develop mobility and energy services.

Groupe Renault has undertaken to achieve carbon neutrality in Europe by 2050, and has therefore 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.

In the shorter term, the Group aims to reduce the carbon footprint of its vehicles by 25% by 2022 compared with the 2010 level (see 2.2.3.A), and is committed to reducing the environmental impacts of its products throughout their life cycle from generation to generation (see 2.2.2.A).

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.

ENVIRONMENTAL POLICY OF GROUPE RENAULT



2.2.2 Company-wide environmental management EFPD7a

Environmental objectives		Objective set	Deadline	Status as of year-end 2019	New environmental objectives
Product	Reduce the impact on the basis of the life-cycle analysis from generation to generation	2005	Continuous	New ZOE compared to CLIO (see 2.2.2.A).	
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%	Target maintained, with integration of AVTOVAZ into the scope. Certification of the Izhevsk site by 2023.

(1) Sites in the scope of consolidation, excluding AVTOVAZ, 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 strategic midterm 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:

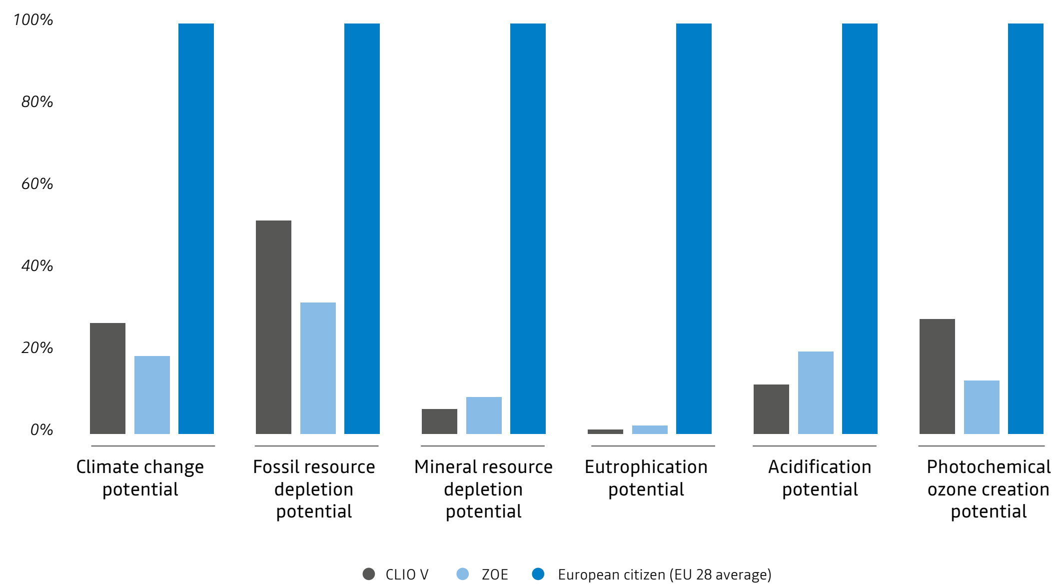
- prior to the vehicle design process, to analyze the potential environmental impact and benefits of technological innovations;
- after the design process, to confirm and measure the reduction of environmental impacts from one generation of vehicle to another.

At end-2020, 28 models representing nearly 80% 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 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 chart below presents the results of the comparative life-cycle assessment of New ZOE (2019) and CLIO V (2019), in the form of a comparison by normalization. Normalization consists in measuring the relative weight of the vehicle studied in relation to the environmental impact of an "average" European citizen over a reference year. The results of the LCA illustrate the pertinence of electric vehicles in the fight against global warming: over the entire life cycle, the reduction in greenhouse gas emissions stands at 28% for ZOE compared with CLIO V, based on an average European electricity mix for battery recharging. With the electricity mix in France, the reduction was 64%. The influence of the electricity mix used for recharging on the final result is also notable for the acidification potential indicator, with a reduction of 41% for a ZOE recharged with the French electricity mix, compared with a ZOE recharged with the average European mix. Indicators whose relative weight in the normalization is lower are nonetheless useful for identifying and prioritizing the actions to be taken to reduce environmental impacts. Thus, the indicator of potential depletion of mineral resources shows a negative impact related to the manufacture of the electric vehicle traction battery. To meet this challenge, the Group is leveraging various options: maximizing battery use (smart charging, bidirectional charging, second-life uses such as stationary energy storage), and participating in the development of new recycling solutions for active battery materials, thereby helping reduce the need for virgin materials.

LCA COMPARISON BETWEEN CLIO (2019) AND ZOE (2019)



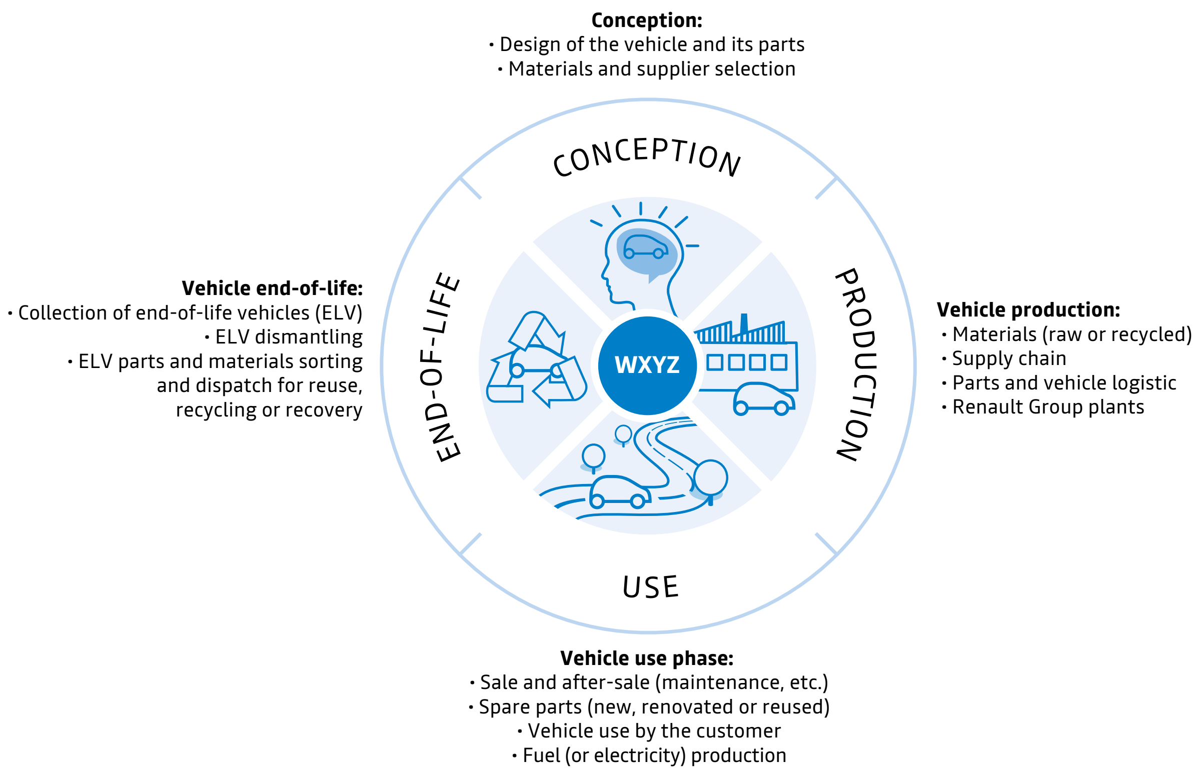
B. Action at all stages of the life-cycle EFPD7b

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.

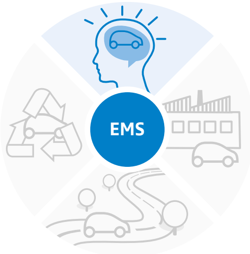
In order to make them easier to understand and to read, these stages have been divided into four main phases:

- design;
- manufacture;
- use; and
- end of life.

Symbols such as the one below will be used in this section and up to 2.2.3.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.



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 2.2.3.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 approximately 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. Action plans covering all environmental issues were prepared based on diagnostics performed in 2017 and 2018 by third parties (Deloitte and EY). 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. These initiatives continued in 2020, despite the health situation, which reduced the possibilities for experts to travel to the sites. Following the publication in 2019 of a first batch of indicators in line with the Groupe Renault environmental reporting protocol, the scope of coverage has been extended and additional indicators are published for the 2020 financial year (see methodology and summary table in Appendix 2.6.1.2). The Group aims to report 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 eight 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

Industrial standards covering all areas related to the environment define the minimum requirements that apply to the Group's sites (See "Eco-design of industrial processes" below). These ensure that practices are standardized and reflect and adhere to the Company's policies and objectives in terms of 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:

- an expert system called Écorisques, available worldwide in the main languages used within the Group. The system determines and 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 2.2.3.C.b);
- a process to monitor and track compliance with national and EU environmental legislation;
- a documentary database of Environmental standards and best practices, accessible from any Group site.

The Group also adopted a new framework, finalized in 2020: the eight environmental golden rules, associated with 50 key points, which will begin to be rolled out in 2021 (see Section 2.4.2.4 *Environment*).

3. Eco-design of industrial processes

Each industrial project is monitored by a trio of project managers who ensure that the applicable regulatory requirements and the Group's technical policies in terms of environmental protection and industrial hygiene, energy optimization and the prevention of fire and explosion risks are taken into account at every step. At any time during the project, it is thus possible to check and validate the proper consideration of HSE expectations and to sound the alert in the event of deviation in order to define appropriate action plans.

These technical business policies are based on the state of the art as well as the most stringent international regulatory or normative frameworks (French legislation on installations classified for environmental protection, the European industrial emissions directive (IED) and REACH regulation, the ATEX directive, America's NFPA fire protection standards, *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 built in emerging countries in recent years, 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 2.2.3.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 86,000 metric tons of CO_2 was avoided in 2020.

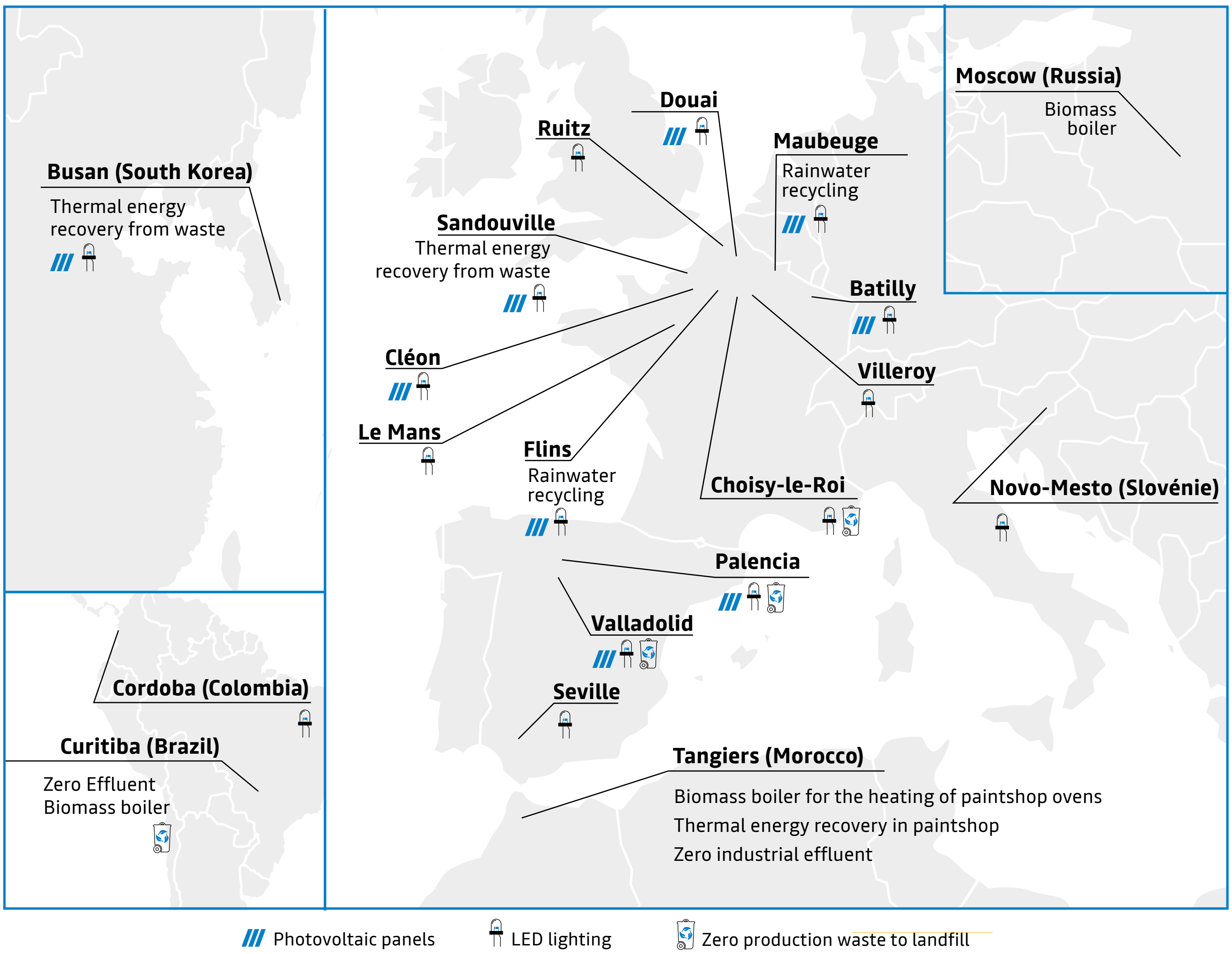
In addition to new plants, applying eco-design to manufacturing processes can also benefit existing facilities. Since 2015, Groupe Renault has therefore been conducting the widespread deployment of LED lighting to replace industrial lighting on a number of its sites (see map below).

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-2020, this equates to electricity savings of nearly 100,000 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. Environmental Management System 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 especially the compliance with its own internal standards for the protection of the environment. 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-2020, the network had 55 internal environmental auditors who were specifically trained and qualified in accordance with ISO 14001 and knowledge of the various environmental topics. Each new auditor embarks on a progressive skills development path until eventually becoming an audit manager.

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 2.2.3.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 2.2.3.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 2.2.2.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 2.2.3.A "Energy and climate change" and 2.2.3.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 59% of the Group's global sales in 2020.

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.

More information on these activities is provided in the section "Collect, Sort, Dismantle, Direct" in section 2.2.3.B" Resources and the circular economy."

C. Organization and resources EFPD7b

The focuses of Renault's environmental policy are debated and approved by the Board of Management (formerly the Group Executive Committee) 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."

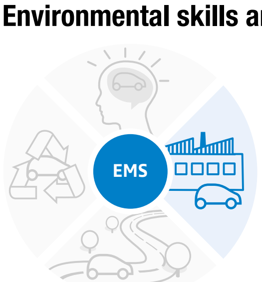
Resources

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 continuously 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. In 2020, the health crisis severely constrained these investments (closure of sites, impossibility for employees to travel), which totaled around €18 million.

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.

In 2020, 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 2.2.3.A, "Energy and Climate Change") secured savings of approximately €10.3 million on the Group's yearly energy bill.

In addition, the Group sorted and resold recyclable waste (largely metals), generating revenue of more than €113 million in 2020. 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 2.2.3.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 2.2.3.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 2.2.3.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.

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 strategic 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 means that it is able to offer one of the passenger car ranges with the lowest emissions in Europe (see section 2.2.3.A), which gives 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 2.2.3.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, as demonstrated by the Re-Factory project announced at the end of 2020 (see box below).

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 2020, these three activities of Renault Environnement (described in greater detail in 2.2.3.B "Resources and the circular economy") generated revenues of €454 million. Each of these activities had a net positive result in 2020, despite the challenges related to the health crisis..

Furthermore, standard exchange parts (described in 2.2.3.B) generated revenues of €106 million in 2020.

RE-FACTORY, the first European circular economy plant dedicated to mobility

In November 2020, Groupe Renault announced the creation of the **RE-FACTORY** on its site in Flins. This project is part of the Group's transformation strategy, and builds on its pioneering commitment to the circular economy. It aims to develop a competitive industrial model for sustainable mobility, based on the value-creation potential generated by a vehicle throughout its life.

Rolled out between 2021 and 2024, the **RE-FACTORY** will draw on a large network of multi-sector partners (start-ups, academics, major groups, local authorities, *etc.*) and will be structured around four areas of activity, whose expertise will support the vehicle throughout its life.

RE-TROFIT: this division will combine all the activities making it possible to extend the life of vehicles and their uses, in coordination with the Re-Cycle division, to ensure efficient management of the flow of used parts and materials within the company on a single site. It will include a used vehicle factory for the reconditioning of used vehicles, a retrofit activity for the conversion of internal combustion engine vehicles to other less carbon-intensive energies, repair services for vehicle fleets and new mobility solutions, as well as a manufacturing service for scarce parts using 3D printers. It will also rely on a vehicle and material sustainability testing and prototyping center to enrich the design of future vehicles and propose improvements during use.

RE-ENERGY: the purpose of this division is to scale up the potential of applications arising from the electric vehicle battery and new energies (optimization of the first life of batteries, development of second-life applications such as the stationary storage of energy, battery end-of-life management, and the development of technical and supply solutions for new energies such as hydrogen).

RE-CYCLE: this division, integrating the Choisy-le-Roi activities, will combine all of the Group's activities contributing to the efficient management of resources and their flows to promote the supply of parts and materials in short loops and integrate a growing share of recycled or re-used materials (installation of a dismantling line for end-of-life vehicles, extension of remanufacturing, material reuse and recycling activities).

RE-START: to promote and develop industrial know-how, but also to accelerate research and innovation in the circular economy, this division is intended to house an incubator and a university and training center.

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). 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).

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 2.2.3 D);
- pollutant discharges into water and the natural environment (see section 2.23.D);
- the generation of waste and its management in ad hoc infrastructures, in particular hazardous waste (see section 2.2.3.B);
- the pollution of soil and groundwater (see section 2.2.3.E);
- air pollution linked to the use of chemicals or processes that generate atmospheric pollutants (see section 2.2.3.C.a);
- climate change (see 2.2.3.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 third party validates the effectiveness, pertinence and adequacy of 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 2.2.3.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 internal Environmental Management System audits by teams of two to four Renault auditors from other sites. These audits cover the requirements of ISO 14001 on various environmental topics (soil, water, air, waste, energy, chemicals, legionella risk, noise and risk prevention). 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 the Group Board of Management level (position with regard to CAFx regulations).

Action plans, results and associated indicators are shown in sections 2.2.3 "Environmental impact: actions and indicators" (sub-sections A, B, D, C.a, E) and 2.2.2 (environmental objectives table: internal audits and ISO 14001 certifications).

2.2.3 Environmental impacts: actions and indicators

Impact of the COVID-19 pandemic

Due to the health crisis and its consequences on the Group's activities, the results for some of the environmental performance indicators are difficult to compare with those of previous years. Some indicators relating to the industrial scope are particularly concerned, whether the indicator is expressed in absolute terms or in relation to the number of vehicles produced. For example, energy and water consumption at production facilities is not strictly proportional to manufacturing volumes (the "heel" effect), and in 2020 that resulted in a clear deterioration in performance per vehicle produced (see 2.2.3.A *Energy and climate change* and 2.2.3.D *Water consumption and quality*). Similarly, the decrease in the number of vehicles produced has a direct impact on the indicator measuring the total quantity of recycled plastic incorporated in new vehicles, and also reduces the quantity of recoverable metallic waste, thereby affecting the "Technical and economic value of parts and materials preserved in the automotive sector through circular economy activities" indicator (see 2.2.3.B *Resources and the circular economy for both indicators*).

A. Energy and climate change EFPD11c EFPD12a EFPD12b EFPD12c

Environmental objectives		Objective set	Deadline	Status as of year-end 2020	New environmental objectives
All segments	**Reduce the carbon footprint [1] of Groupe Renault vehicles sold worldwide by an average of 25% between 2010 and 2022**	**2017**	**2022**	**-19.6% (compared to 2010)**	**Beyond 2022, the Group will continue to monitor this indicator, with a progress trajectory at least equal to that undertaken since 2017.**
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	-20.2% (compared to 2010)	World: reduce the well-to-wheel CO_2 emissions of Group vehicles by 45% between 2010 and 2030. Europe: reduce the well-to-wheel CO_2 emissions of Group vehicles by 50% between 2010 and 2030.
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 +7.3% (compared to 2019, *i.e.*, -14.2% since 2013) Energy intensity up 15.7% (compared to 2019, *i.e.*, -0.1% since 2013)	Reduce the carbon intensity [2] of Group sites by 60% between 2012 and 2030.
Manufacturing	Achieve a renewable energy share (both direct & indirect) of 20% for sites within the Groupe Renault consolidated environmental scope [5].	2008	2020	20.3%	Bring the share of renewable in the electricity consumed on the Group's sites [7] to 38% by 2030
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	-7.3% (compared to 2016)	Reduce "well-to-wheel" CO_2 emissions related to logistics activities [6] by 30% per vehicle between 2019 and 2030.

(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, which is currently being integrated into the environmental reporting scope, 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.

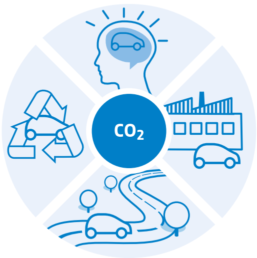
(4) Following the widening of the reporting scope in 2012 for direct and indirect greenhouse gas emissions (to include direct emissions from fixed air-conditioning units) and 2013 (indirect emissions linked to thermal energy purchased), the reference year for the emissions reduction objective was set 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 2020" 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, which is currently being integrated into the environmental reporting scope.

(7) Excluding AVTOVAZ, 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 presented in note 2.6.1.5. 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 (renamed the Board of Management in January 2021) for inclusion in the Group strategy and product plan.

In 2015, the Board of Directors and its 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 is a financial and reputational issue and therefore a priority objective for the Group.

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 more than 10 years' experience in design, manufacture, sale and after sales, with 30,000 employees trained in the specific features of electric vehicles and a total of more than 400,000 electric vehicles sold. The Group has the most comprehensive range on the market with ZOE, TWINGO Z.E., KANGOO Z.E., MASTER Z.E. and Dacia SPRING, sold in numerous countries in Europe and elsewhere;
- an offer of hybrid and plug-in hybrid technologies, with E-TECH on the CLIO, CAPTUR and MEGANE;
- a range of internal combustion engines equipped with the most recent technologies.
- additional solutions based on alternative energies: an LPG (Liquified Petroleum Gas) offering, or hydrogen fuel cells on light commercial vehicles.

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.

The strategy and organization described above enabled the Group to achieve its CAFE targets for passenger cars and light commercial vehicles in 2020 [1]. The risk, in the event of non-compliance with the European objective of a CAFE per manufacturer of 95g of CO_2/km in 2020, would have been a financial penalty of €95 per gram and per vehicle, i.e. an overall amount of some €110 million per gram of overrun (based on PC sales volumes in 2020).

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 average price in 2020 was around €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 [2]) initiative** in March 2019: Groupe Renault committed to reducing 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 Group's ongoing efforts to reduce its emissions have resulted in a revision of this "well-to-wheel" Scope 3 emissions reduction target, which is now set at 45% for 2030 compared with 2010.

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. The Group has therefore built three **alternative climate scenarios** in order to test the robustness of its strategy against a wide range of possible futures in the years to 2050, with intermediate points in 2030 and 2040. 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.

An analysis of the risks and opportunities associated with these different scenarios will be published in April 2021, in the form of a **Climate Report**.

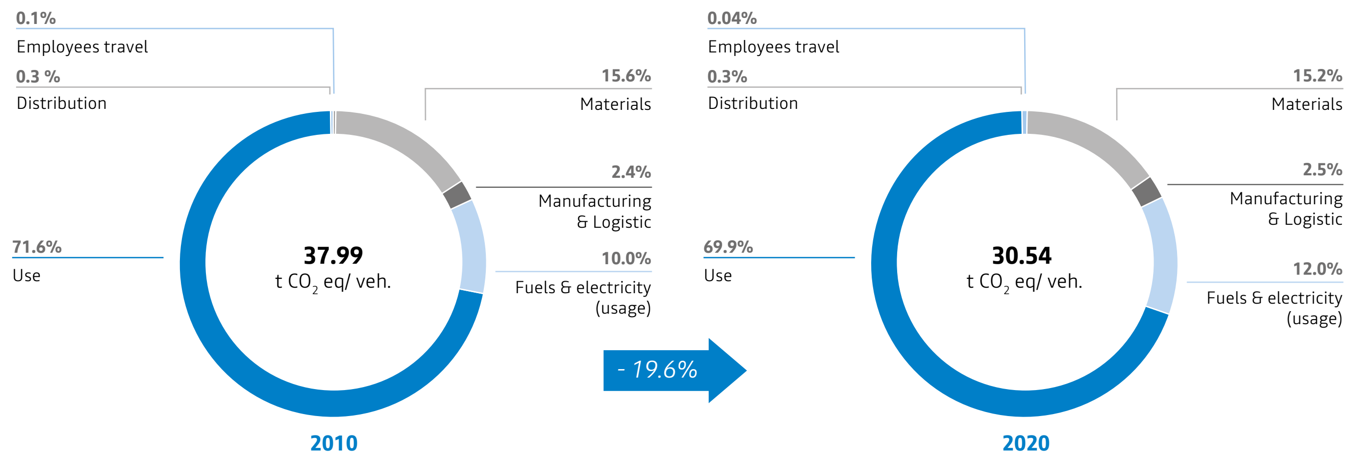
(1) These results will be consolidated and formalized by the European Commission in the coming months.
(2) The SBT initiative arose from a partnership between CDP, the United Nations Global Compact program, the WRI (World Resources Institute) and WWF (World Wildlife Foundation). The aim is to verify 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 obtain the validation of its decarbonization targets through the SBT initiative.

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.

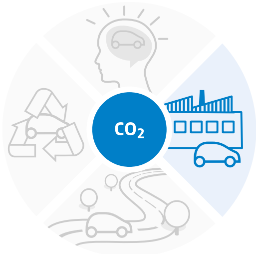
RENAULT CARBON FOOTPRINT



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 73.228 million metric tons of CO_2 equivalent in 2020, including 72.278 million metric tons of scope 3 indirect emissions.

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 41,400 trucks on the roads, representing 1.4% 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 87,200 trucks, representing 3% 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 and Morocco, which has avoided the use of more than 23,000 trucks, representing 1.7% of all downstream transport units.

All of these actions have avoided emitting nearly 168,600 metric tons of CO_2 (cumulative over the period 2017-2020).

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. 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.

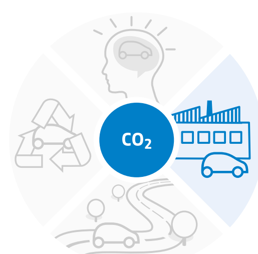
The Group has renewed this external commitment with ADEME FRET21: for the 2019-2021 period, the Group's aim is to reduce supply chain CO_2 emissions by 50,000 tonnes.

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.

In 2020 a cross-functional "responsible logistics" project was launched. It ran for 10 months and involved more than 40 employees from around ten departments within Renault. A broad scope was covered, ranging from the decarbonization of transport to the circular economy of packaging, sustainable procurement, dialogue with stakeholders, the "state of mind" of employees, not to mention CO_2 measurements. This project will support the Group's rapid decarbonation trajectory and make it more reliable via:

- a CO_2 emissions simulation tool to ensure that targets are met;
- a clear roadmap for the availability of alternative energies and associated engines for heavy goods vehicles;
- procurement decisions that factor in the CO_2 criterion;
- identification of the skills and training required for sustainable logistics;
- new recycling networks for packaging;
- dedicated internal communication and a unifying indicator called Care.

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 five components:

- the control and reduction of energy consumption thanks to the contribution of Industry 4.0 tools (see 2.3.3 The Plant in Motion). A special management system has been set up to manage periods with no energy production, with enhanced monitoring through the use of an Energy Management System deployed on industrial sites. The use of artificial intelligence for the energy optimization of processes is also one of the avenues under study;

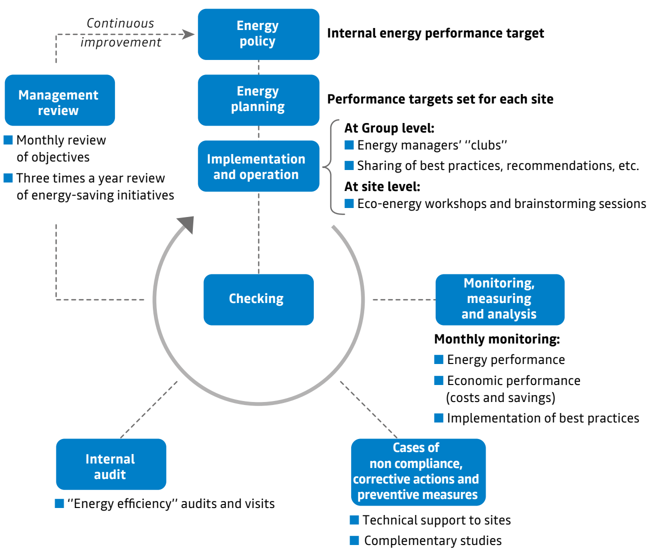
- convergence toward the best organizational and technical practices identified. Ventilation and operating conditions (temperature and humidity) have been optimized in paint shops, the most energy-hungry areas in vehicle body assembly plants. Equipment downtime and restart has also been optimized to 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;
- optimizing the compactness of sites, a project launched in 2020 that will reduce energy consumption for heating and lighting in buildings;
- develop renewable energies and substitutes for fossil energies, such as the introduction of biomass boilers in Tangiers (Morocco), Curitiba (Brazil) et Moscow (Russia), the use of electricity from renewable sources on the Curitiba (100% of supplies in 2020) and Tangiers sites (see "Eco-design of industrial processes" under section 2.2.2.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

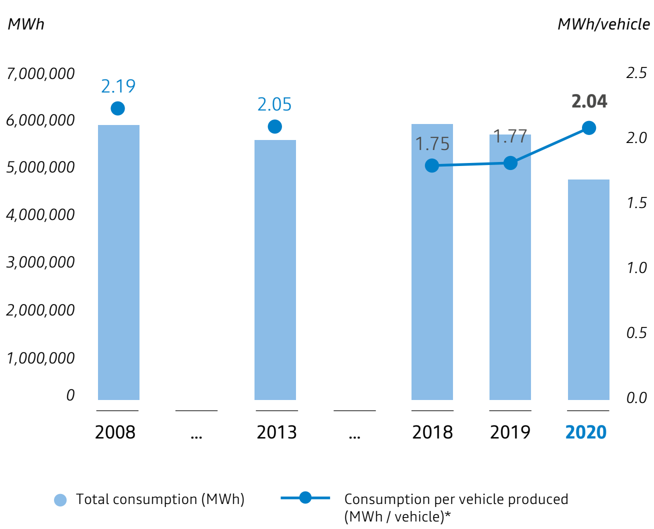
The solar panels installed on Renault sites throughout the world (in France, Spain and South Korea) cover a total surface area of 86ha, or the equivalent of nearly 120 soccer fields. In 2020, the 94 MW of fully renewable electricity that they generate enabled the prevention of nearly 30,000 metric tons 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.*

(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.*

DISTRIBUTION OF ENERGY CONSUMPTION BY TYPE OF ENERGY

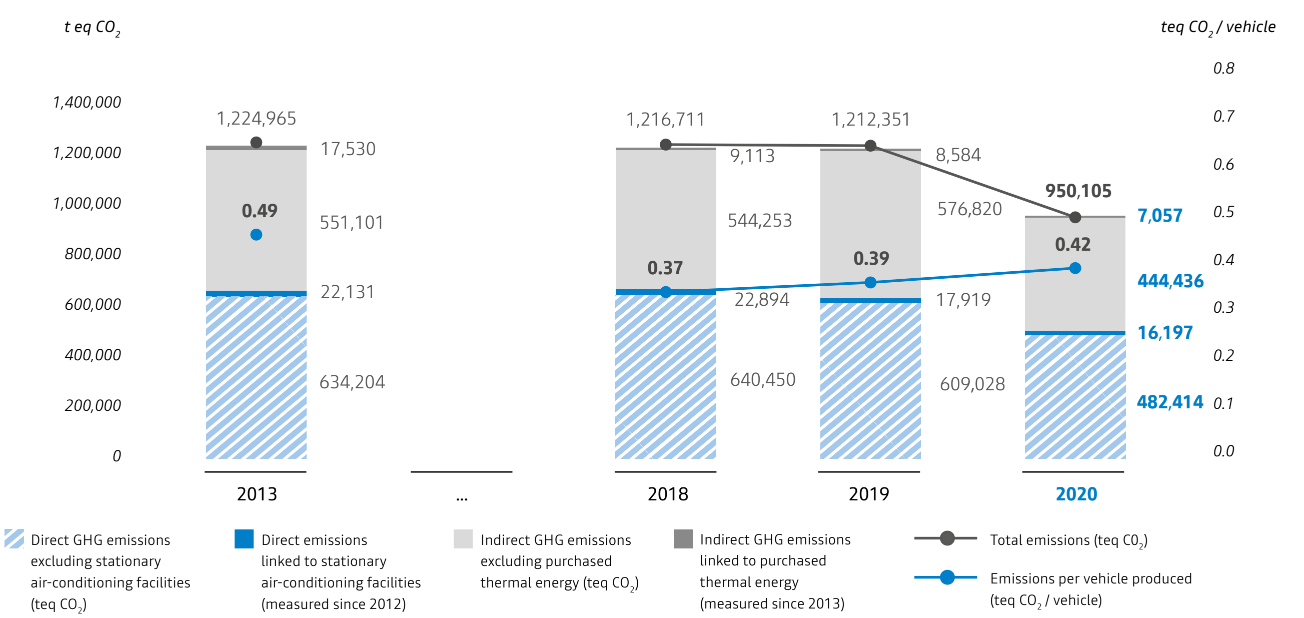
	Total consumption	
	%	MWh
Electricity	51.4%	2,394,170
Of which from renewable sources	18.6%	866,608
Natural gas	44.2%	2,059,431
Thermal energy	3.1%	146,153
Of which thermal energy generated from biomass at the Tangiers site	1.4%	66,641
LPG	0.9%	41,582
Biomass	0.3%	13,017
Heavy fuel oil and domestic fuel oil	0.05%	2,289
TOTAL	**100%**	**4,656,642** (√)
OF WHICH ENERGY THAT IS RENEWABLE OR PRODUCED FROM RENEWABLE SOURCES	**20.3%**	

(√) Indicator audited by the independent third party at a reasonable level of assurance for financial year 2020.

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 cause in the medium and long term, through efforts to reduce the energy consumption of the sites (see above) and rigorous forward-looking management. 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 2020, for a total cost of around €3 million. This strategy has enabled the Group to retain a quota reserve, with the aim of mitigating the expected upward trend of this financial expense over the 2021-2030 period.

South Korea has also implemented an emissions trading system since 2015, to which the Busan manufacturing site is subject. Thanks to the emission-reduction measures undertaken before the entry into force of these regulations, the Group did not need to acquire additional allowances over the 2018-2020 period.

GREENHOUSE GAS EMISSIONS (√) (1)



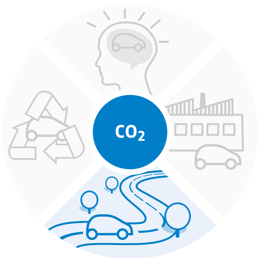
(√) Indicators audited by the independent third party at a reasonable level of assurance: total (scope 1 & 2) greenhouse gas emissions for financial year 2020.

(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.

DISTRIBUTION OF GREENHOUSE GAS EMISSIONS BY TYPE OF SOURCE

	2020	2019	Measured since
DIRECT EMISSIONS (SCOPE 1)	**52%**	**52%**	
Stationary combustion installations	47%	45%	2003
Filling of air conditioning systems with refrigerants on produced vehicles	1%	1%	2003
Testing of gear boxes, engines and vehicles on endurance test tracks or roads	1%	1%	2003
Company cars	2%	3%	2009
Filling of stationary air conditioning systems for premises and processes	2%	1%	2012
INDIRECT EMISSIONS (SCOPE 2)	**48%**	**48%**	
Electricity	47%	48%	2009
Thermal energy	1%	1%	2013

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

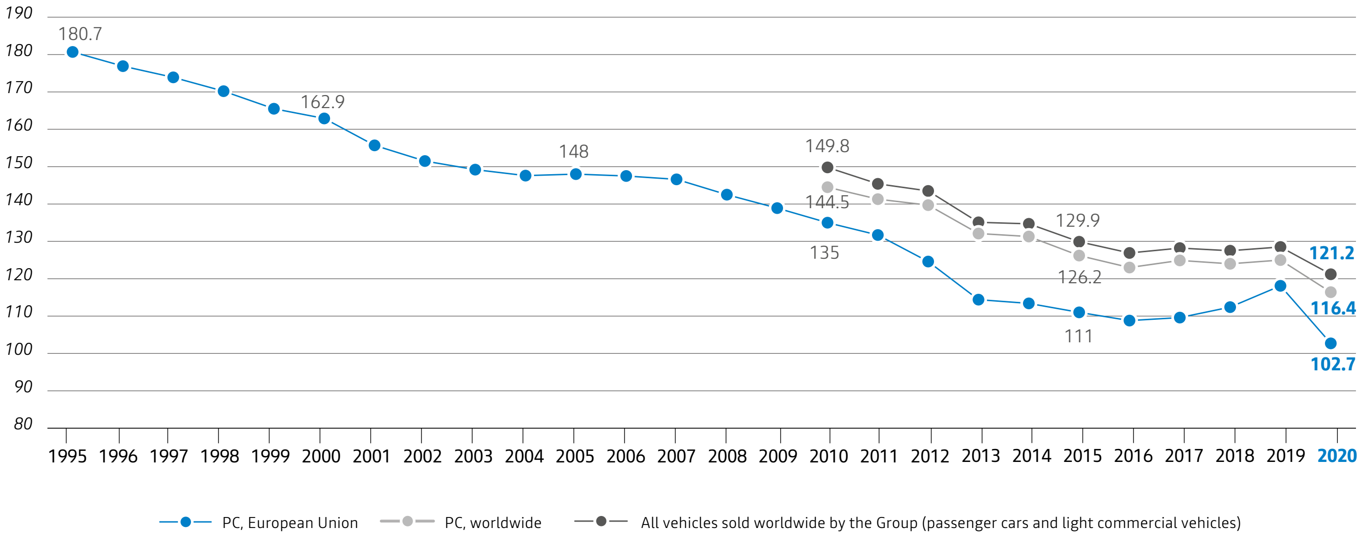
In order to continue the reduction in CO_2 emissions of its internal combustion engine vehicles to meet its carbon footprint commitments, to comply with the regulatory requirements in each of the Group's markets (the European Union, but also China, South Korea, Brazil, India, Turkey, Mexico, Japan, *etc.*) 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. Since 2020, the Group has accordingly been selling hybrid versions of the CLIO, and plug-in hybrid versions of the CAPTUR and MEGANE, based on E-TECH technology.

In 2020, based on the data available at the date of publication, average CO_2 emissions from Groupe Renault passenger cars in Europe were assessed at 102.7 g CO_2/km. The Group has achieved its CAFE regulatory targets [1].

(1) These results will be consolidated and formalized by the European Commission in the coming months.

AVERAGE CO_2 EMISSIONS OF VEHICLES SOLD BY GROUPE RENAULT (GCO_2/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. For vehicles homologated with the new WLTP procedure, CO_2 emissions are converted into NEDC equivalent with the methodology developed by the European Commission ("NEDC back-translation", or NEDC-BT). From 2017 to 2019, the calculation was based on both NEDC and NEDC-BT data, depending on the type of approval of the vehicle concerned.

1995-2017 data: EU, data from the AAA (Association Auxiliaire de l'Automobile) or the European Environment Agency.

2018 data: EU28 and Iceland (which joined CAFE in 2018).

Provisional 2019 and 2020 data: EU27, United Kingdom, 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 2.2.3.C.a). They can also significantly reduce the greenhouse gas emissions associated with transportation.

The ZOE (52 kWh) carbon footprint throughout its life-cycle is 28% 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.

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. That is why Renault took part in the European ELSA project aimed at developing a stationary electricity storage system using second-life batteries supplied by Renault and Nissan.

(1) Neither CO_2 nor any other pollutant emissions during use, excluding consumable parts

Groupe Renault has initiated two major projects in Europe using second-life battery technologies, namely the Advanced Battery Storage projects in France and SmartHubs in the United Kingdom. These two projects are part of the Group's strategy to develop a smart electricity ecosystem for the energy transition. In 2020, the first Advanced Battery Storage facility was commissioned at the Douai site. This project is based on batteries of electric cars stored in containers, and targets installed capacity of nearly 50 MWh at several sites in France. For the SmartHubs project launched with Connected Energy at the end of 2020, second-life batteries from Renault vehicles will be used alongside other technologies as part of a local energy system to provide cleaner and less expensive energy for social housing, transport, infrastructure, private homes and local businesses.

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/.

Porto Santo: putting a smart electricity ecosystem into practice

On the Portuguese island of Porto Santo, 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 strengthening the island's energy independence and reduce its carbon footprint.

Groupe Renault has assessed the impact of this system in collaboration with WWF. The conclusion is that the carbon footprint over the entire life cycle of an electric vehicle in Porto Santo is 11% and 34% lower than for diesel and gasoline equivalents respectively. These findings are especially significant in that the island's electricity mix is currently based largely on fossil fuels. 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.

In 2020, the Group recorded a new 94% increase in its worldwide sales of electric vehicles, to 121,470 units (excluding TWIZY). The Group confirmed its leading position in Europe, with 115,888 electric vehicles sold, double the figure of the previous year. ZOE is the best-selling electric car, with sales of more than 100,000 units. KANGOO Z.E. remains the best-selling electric light commercial vehicle, as it has been every year since it was introduced.

The Group offers a full range with Renault TWIZY, TWINGO Z.E., ZOE, KANGOO Z.E., MASTER Z.E. and Dacia SPRING, 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 K-ZE, an 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.

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.

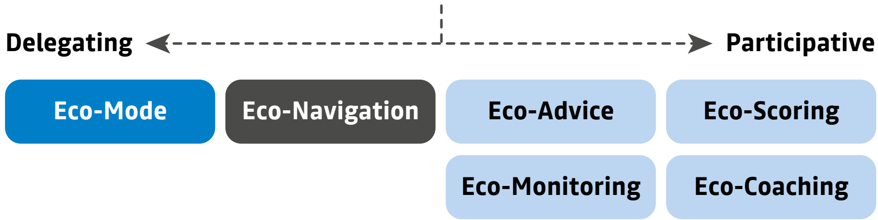
Surveys, conducted both internally and externally to better understand customers' expectations of embedded eco-driving aids, led to the identification of four driver profiles (see graph below):

- "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.

DRIVING ECO² ATTITUDE



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-2020
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 Dacia range: SANDERO, LOGAN, DUSTER, DUSTER II, LODGY AND DOKKER 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 Dacia range: SANDERO, LOGAN, DUSTER, DUSTER II, LODGY AND DOKKER 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 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

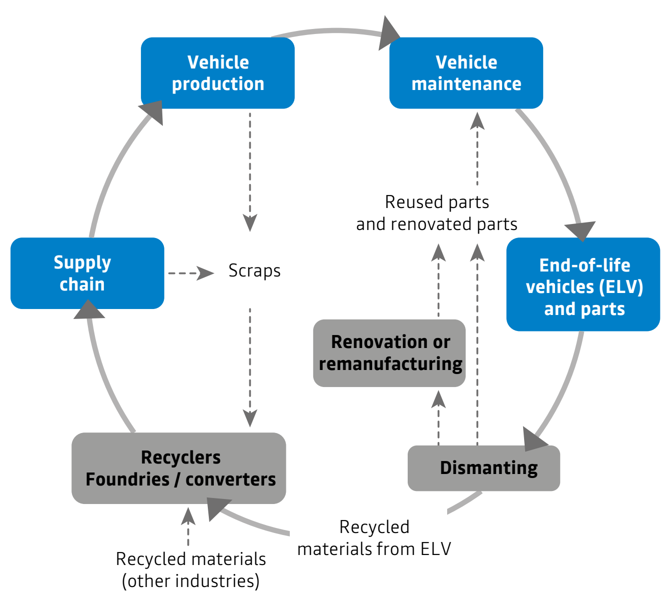
Environmental objectives		Objective set	Deadline	Status as of year-end 2020	New environmental objectives
Product	**Increase the technical and economic value of parts and materials preserved in the automotive sector through the circular economy activities of the Group and its Renault Environment subsidiary between 2016 and 2022, by €100 million, in particular:** • repair and refurbishment services and second-life use of electric vehicle batteries • use of recycled materials from end-of-life vehicles and production scraps in the production of new vehicles • use of refurbished parts to repair vehicles in the after-sales phase	**2017**	**2022**	**+€19.4M (4)**	
Product	Increase the Group's overall consumption of recycled plastic (by weight) by 50% between 2013 and 2022	2016	2022	35.7 kt in 2020, or -17.6% (compared to 2013)	Bring the share of recycled materials in the mass of new vehicles produced to 33% by 2030.
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:**	2016	2020	-29,2% (compared to 2013)	• Reduce by 30% the quantity of non-recycled waste (1) per vehicle produced on the Group's manufacturing sites (2) between 2013 and 2023, through: • for manufacturing sites, a 19% reduction in the amount of hazardous waste produced per vehicle between 2013 and 2023 • a 26% reduction in the quantity of mixed non-hazardous waste per vehicle produced between 2013 and 2023 a waste recycling rate of 87% (5)
	• a 15% reduction in the quantity of hazardous waste per vehicle produced between 2013 and 2020	2016	2020	-9.0% (compared to 2013)	
	• a 30% reduction in the quantity of mixed non-hazardous waste per vehicle produced between 2013 and 2020	2016	2020	-28.6% (compared to 2013)	
	• 50% "zero landfill" manufacturing sites (3) by 2020	2016	2020	53%	

(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, 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.
(5) Excluding metallic waste, which is already fully recycled.

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 1.5.2.2, 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").



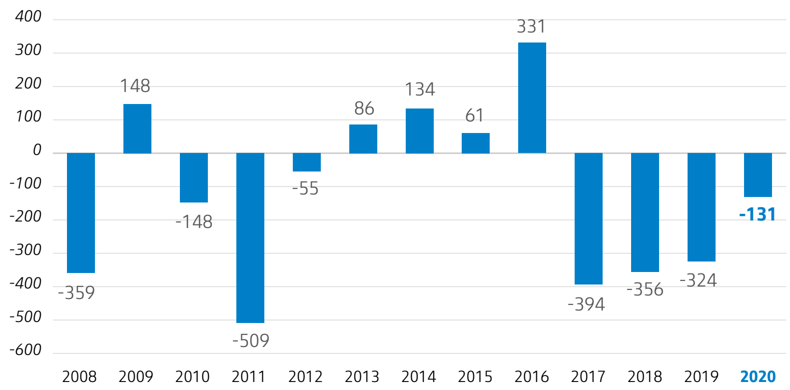
Metals and plastics make up more than 85% of the materials in automobiles. In 2020, approximately 2.8 million metric tons of steel, 275,000 metric tons of cast iron, and 295,000 metric tons of aluminum were used to manufacture vehicles in the Group's plants (1) and by its parts suppliers. These estimated 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 340,000 metric tons of plastic materials, including offcuts, in vehicle manufacturing in 2020.

(1) Excluding AVTOVAZ which is currently being consolidated into the environmental reporting scope.

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 16kg per vehicle in 2020.

ANNUAL IMPACT OF FLUCTUATIONS ON THE GROUP'S OPERATING PROFIT

€ million



Renault is a partner of the Ellen MacArthur Foundation

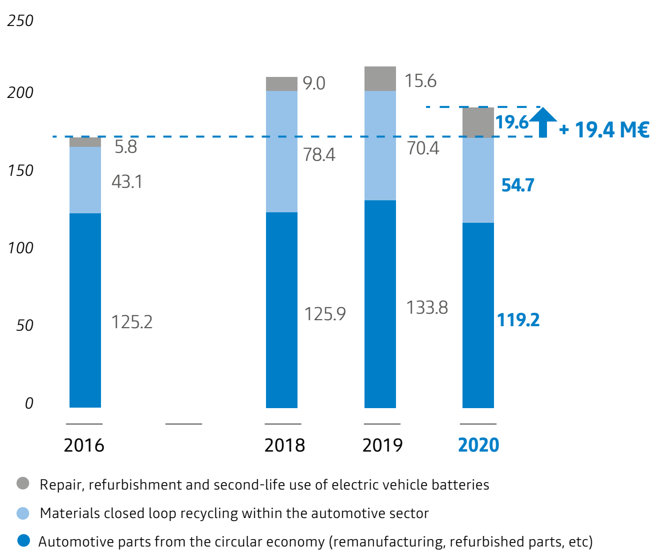
The Ellen MacArthur Foundation works with businesses, universities and decision-makers to promote circular economic models and develop the scientific and managerial knowledge required for their adoption and to advise on the potential for economic and environmental benefits.

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 made it possible to create or preserve €193.5 million in technical and economic value during 2020, a sharp decline compared to 2019. The COVID-19 pandemic weighed heavily on the result: the consequent drop in production volumes at the Group's plants resulted in a fall in the volumes of recoverable metallic waste, as well as lower demand from consuming industries. This in turn led to lower prices of materials from production (scrap metal, PGM, copper, plastic) and therefore a decline in performance on this indicator.

However, in 2020 there was an increase of €19.4 million in the technical and economic value preserved or created by the circular economy activities of Groupe Renault and its subsidiary Renault Environnement compared to 2016.

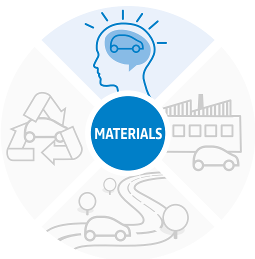
- €19.5 million in electric vehicle batteries repaired and reused in vehicles or refurbished and resold for second-life applications, or +€13.7 million vs. 2016;
- €54.6 million in closed-loop recycled materials reused for the production of new vehicles: metallic waste from automotive plants and materials extracted from end-of-life vehicles, such as precious metals (platinum, rhodium, palladium) contained in catalytic converters, polypropylene bumpers and copper from

(1) The method of calculation of the indicator is presented in Annex 2.6.1.1.C.

electric wiring, as well as textile production scraps (seatbelts and fabric), or +€11.6 million vs. 2016;

- €119.2 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 -€6 million vs. 2016.

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.

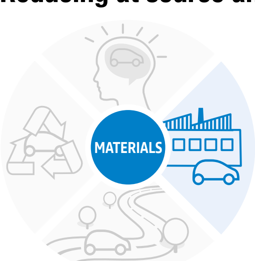
Accordingly, since the early 2000s, the design of Renault vehicles has taken dismantling and recycling requirements into account. For example, dismantling has been made easier by reducing the number of fixing points. Similarly, preference is given to recyclable materials for which recycling systems exist; 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 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 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 a third evaporator-concentrator at the Cléon plant in early 2020 will make it possible to reduce the tonnage of hazardous waste by around 10%;
- **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 1,000 metric tons in 2020) 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 600 metric tons in 2020);

- **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 (approximately 275 metric tons in 2020) 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.

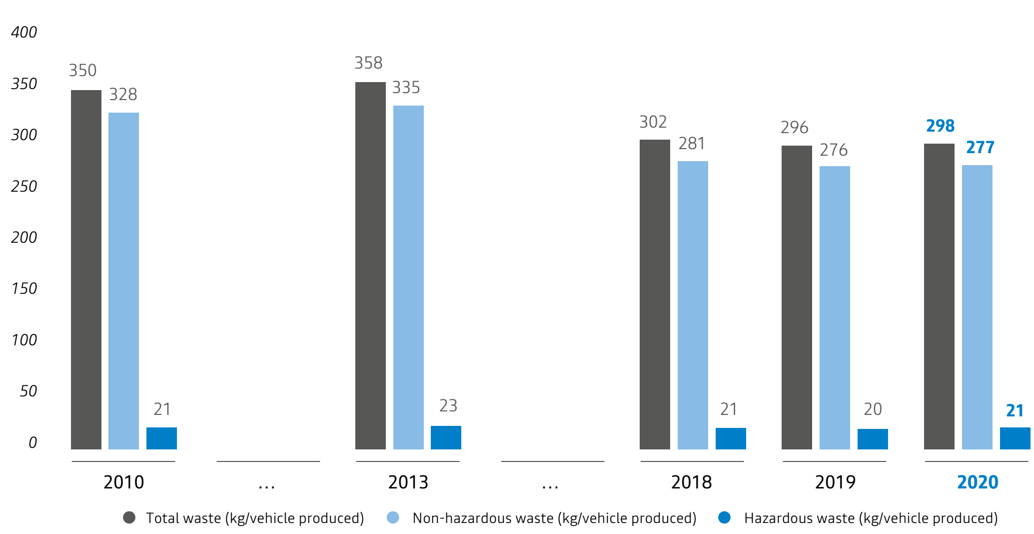
The non-achievement of the objective of reducing the quantities of hazardous waste in 2020 is mainly explained by the events linked to the implementation of projects (vehicles or capacities) and maintenance operations. As an example, one can cite the actions to improve water treatment in Bursa, which led to an overproduction of sludge, or the switch to nickel-free phosphate coating baths in Douai, which required the treatment of the old baths as waste.

WASTE PER CATEGORY AND PROCESSING MODE (METRIC TONS/YEAR) (1)

		Total	Recycled	Energy recovery	Incinerated without energy recovery	Other elimination channels
Hazardous waste	2020	48,235 (√)	18,177	14,790	6,854	8,413
	2019	61,558	22,768	18,794	8,513	11,483
	2018	67,265	22,569	24,047	7,174	13,474
Non-hazardous industrial waste (2)	2020	132,192 (√)	108,955	14,525	525	8,186
	2019	182,364	146,290	18,752	625	16,697
	2018	192,720	151,513	13,372	452	22,383
Metallic waste	2020	498,243 (√)	497,420	-	2	821
	2019	679,814	678,475	-	3	1,336
	2018	720,465	717,759	-	1	2,706
Total	**2020**	**678,669 (√)**	**624,552 (√)**	**29,315**	**7,382**	**17,420**
	2019	**923,735**	**847,533**	**37,546**	**9,141**	**29,515**
	2018	**980,449**	**891,841**	**42,420**	**7,626**	**38,562**

(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 2020.

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 2.2.2.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 (291 people were trained in 2020);
- management-distribution of end-of-life vehicles for carmakers, insurers, governments, and even individuals through its 366 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 25,000 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.*) collected 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 €5.9 million in 2020, up around 7% compared to 2019, despite the penalizing impact of the health crisis on this activity (lockdown). Nevertheless, there is significant potential for growth in this activity, linked on the one hand to the still low penetration of used parts in the repair market and on the other, to 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 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.

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 ICARRE 95, 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.

II – TREVIS (Visible Thermoplastic Recycling) Project
The purpose of this project is to pave the way for the integration of 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 2020	New environmental objectives
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	Products: launches of the TWINGO Z.E., New ZOE, MASTER Z.E., Dacia SPRING, Renault K-Z.E. Europe: Renault leader, ZOE best-selling electric vehicle in 2020 China: Renault K-Z.E. launched in 2019	Launch of at least 10 electric vehicles between 2020 and 2025
Manufacturing	Reduce by 25% between 2013 and 2020 the average VOC(1) emissions per m^2 of painted body	2016	2020	-24% (compared to 2013)	Reduce by 32% between 2013 and 2023 the average VOC(1) emissions per m^2 of painted body
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 2020 (-67% between 2010 and 2020)	

(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, which is currently being integrated into the environmental reporting scope.

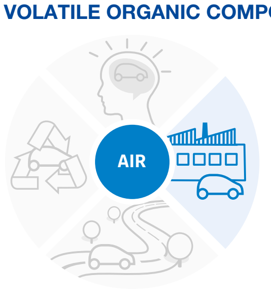
(2) Chemical products classified as "Priority 1" (PR1) by Renault for replacement. This category includes products containing category 1a/1b CMR (carcinogenic, mutagenic and reprotoxic) substances, or substances listed in Appendix XIV and XVII of the European REACH regulations, in concentrations higher than the thresholds defined by Renault standard 00-10-050 on prohibited or restricted substances (see "Substance risk management" below).

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 2.2.2.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:

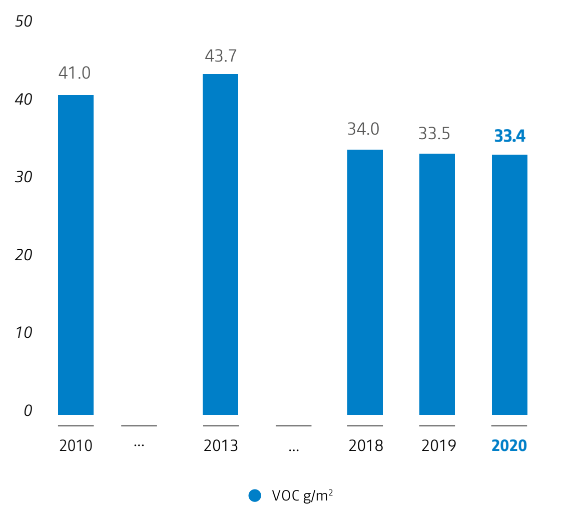
- disseminating the Group's best practices on the reduction in the consumption of solvent paint products and the associated emissions, led by the Group's Paint Engineering department;
- implementing or replacing VOC-processing incineration facilities where necessary.

In 2020, the COVID-19 pandemic has weighed on the VOC indicator, with a negative effect due to two main causes: the non-proportionality between the drop in production volumes and solvent consumption, and the successive shutdowns/restarts that require the use of solvents for cleaning and purging installations. This deterioration in production conditions leads to a 2020 result above the target, at a level similar to 2019. The actions to reduce VOC emissions in the Group's plants during 2020 included:

- the continued installation of new VOC incineration equipment on the Pitesti, Valladolid, Palencia and Douai sites, in accordance with the roadmap laid out to anticipate changes in regulatory thresholds;
- 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;
- perpetuation of actions undertaken to improve the recovery rate of used solvents at all sites (cleaning and purging solvents).

At end-2020, more than 80% 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

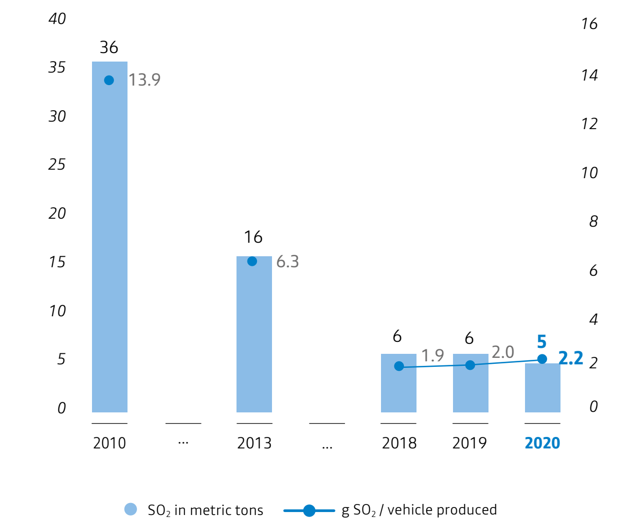


Scope: all body assembly and mixed Groupe Renault manufacturing sites (reporting scope described in section 2.6.1.2). The emissions counted are those of the vehicle body paint workshops (excluding paint for parts such as bumpers made of plastic materials and accessories).

COMBUSTION-RELATED EMISSIONS OF SO_2 AND NO_X

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.

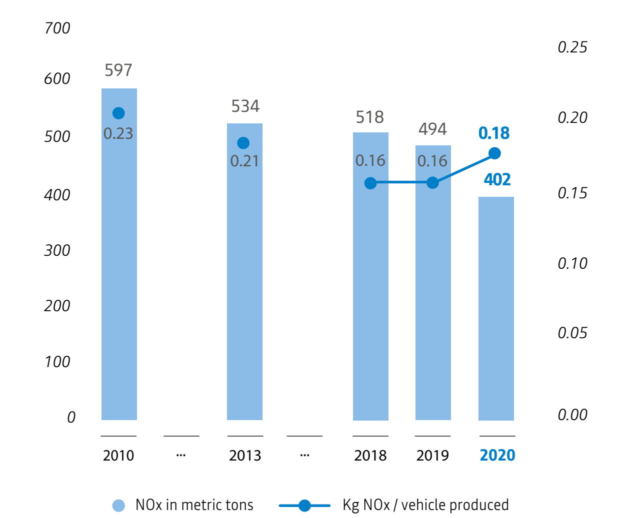
SO_2 EMISSIONS (√)



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 2020.

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 2020.

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 2020, combining vehicles directly output from the factory with these improvements and vehicles processed in the after-sales network, 89% 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	Euro 2	Euro 3	Euro 4	Euro 5	Euro 6b/6c	Euro 6d temp	Euro 6d	% reduction compared to the first limit value
	1993	1997	2001	2006	2011	2015/2018	2019	2021	
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]	-	-	-	-	6×10^{11}/-	6×10^{11}/-	6×10^{11}/1.5 [3]	6×10^{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]	-	-	-	-	-	6×10^{12} [2]/-	6×10^{11}/1.5 [3]	6×10^{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 6×10^{12} particles until 2017; from then on, they are limited to $6x10^{11}$ 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. At the end of 2020, nearly 10,000 Groupe Renault electric vehicles were thus available in car-sharing services in Europe. For more details, see section 2.3.1 "Imagining and designing tomorrow's sustainable mobility," in particular 2.3.1.2.B "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 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. Many countries around the world have subsequently followed the European Union with similar regulations, and are also in the process of legislating on other aspects related to heavy metals, persistent organic pollutants and biocides, for instance.

Renault has an organization dedicated to the management of dangerous substances, capable of taking into account regulations on substances as well as proactive anticipation policies. The three divisions devoted to this activity support the roll-out of initiatives in the company's day-to-day processes:

- 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 delivered to Renault 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 "at-risk" 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. It steers the processes and developments of tools enabling the company to meet the information and transparency obligations required by regulations (in particular REACH). It steers the search for alternative technical solutions enabling the elimination of priority risk substances by relying on relays within each branch of engineering (vehicle, mechanics, after-sales), and reinforces this approach with its counterparts both within and outside 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;
- 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.

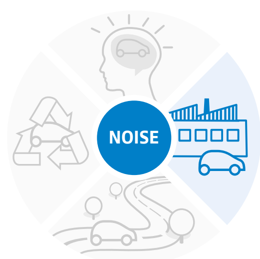
These two lists are respectively described in two separate standards: the Groupe Renault "Substances" 00-10-050 standard for industrial chemicals, and RNES 0027, jointly used by Renault and Nissan for automotive components. These standards prohibit the use of hazardous substances and substances of concern, 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.

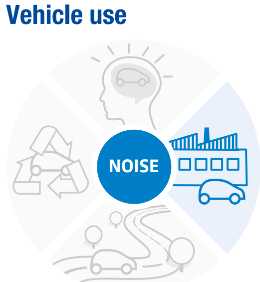
c) Noise

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 reduce 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 2020	New environmental objectives
Group	Reduce by 20% between 2013 and 2020 the Group's external water supply per vehicle produced (1)	2016	2020	+4% (compared to 2013)	Reduce by 15% between 2013 and 2023 the Group's external water supply per vehicle produced(1)
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	-33% (compared to 2016)	Reduce by 35% between 2013 and 2023 the quantity of toxic metals (nickel and zinc) in the liquid effluents of the Group's plants(2) per vehicle produced

(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, 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.

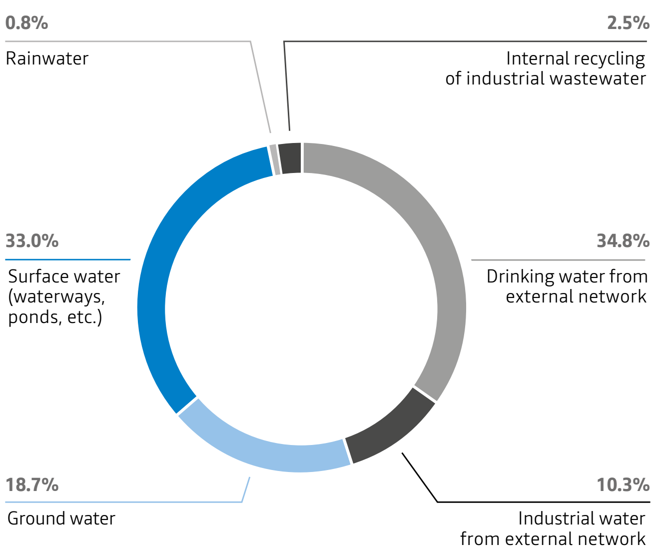
In **the powertrain** plants, the recycling of industrial effluents consists in separating the distillate (treated water) that can then be reintroduced into the process, from the concentrate (oily residue from evaporation) that will be directed to the appropriate waste treatment channel.

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 280,000m^3 per year on average. The Tangiers site is the plant with the lowest external water abstraction ratio (at 1.4m^3 per vehicle produced in 2020) in accordance with the target assigned when it was founded.

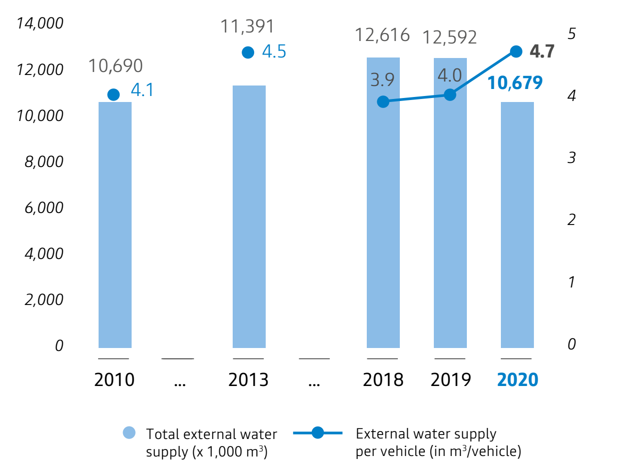
The COVID-19 pandemic has had a major impact on the indicator of water consumption per vehicle produced, firstly because of the sharp drop in volumes that it has caused (the "heel" effect manifested by water consumption that is not strictly proportional to production volumes), and secondly because of unplanned shutdowns linked to certain periods of confinement, which took place in non-optimal conditions and therefore generated overconsumption (emptying of process baths that could not be kept stopped, cleaning/disinfection operations linked to prolonged stoppages of certain equipment such as air-cooling towers or hot water circuits). These negative effects have contributed to the non achievement of the 2020 objective of reducing water consumption per vehicle produced.

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 2020.

E. Soil and water tables EFPD8a EFPD11d

TOTAL SURFACE AREA FOR SITES AND IMPERVIOUS AREAS

	2020	2019	Change over 1 year
Total surface area *(in ha)*	3,895	3,926	-0.8%
Impervious areas *(in ha)*	1,904	1,904	0%
Impervious areas *(as a% of the total surface area)*	48.9%	48,5%	+0.8%

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 2020, 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 3,895 hectares, of which 48.9% 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.

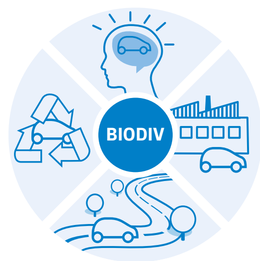
Remediation

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-2020, 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.

The Group has set itself the target of having 20 biodiversity pre-assessments carried out on its industrial sites by 2023. These analyzes will be entrusted to specialized consulting firms.

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.

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.

2.3 OUR SOCIETAL COMMITMENT

2.3.1 Imagining and designing tomorrow's sustainable mobility

Although access to mobility remains a major aspiration and a necessity for millions of people worldwide, technology and the ways in which vehicles are used are changing rapidly with the electrification of mobility 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. Groupe Renault is therefore working closely with various players who are keen to take up the subject: local authorities, municipalities, start-ups, companies from many other sectors, universities, *etc*.

In this way, Groupe Renault aims to offer solutions that meet the challenges of cities and towns and local authorities, while taking into account the public's mobility needs.

2.3.1.1 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.

Our support for 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.

	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
Inclusive and Social Business	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 Institute for Sustainable Mobility (IMD): meeting mobility challenges around the world

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).

Eleven years later, the Institute is a dynamic research community and a talent incubator supported by the teams from six prestigious French engineering schools (Mines ParisTech, École polytechnique, Télécom ParisTech, Chimie ParisTech, Arts & Métiers ParisTech and the École des ponts ParisTech) and 10 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:

- mobility ecosystems;
- 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 development 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;
- 21 completed theses (plus five 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,
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- 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 seven 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 VeDeCom, 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 (Yvelines Departmental Council, and Versailles Grand Parc and Saint-Quentin-en-Yvelines city authorities).

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 53 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 is now recognized as a key player, particularly on the fundamentals of mobility. Renault's contribution to the Institute's activities consisted of around €11.5 million in funding and the permanent secondment of four to six experts. VeDeCom will continue to play a major role in the French sustainable mobility research ecosystem, and Renault will maintain its annual investment of some €1.7 million.

2.3.1.2 Through innovative solutions EFPD14a

Groupe Renault has been committed to the development of large-scale electric mobility for more than 10 years. A pioneer in Europe, in 2009 it announced the launch of a complete range of four affordable 100% electric vehicles before 2012, and kept its promise. Since then, it has renewed its offering to provide even greater performance, adding new electric models and expanding it with electrified models, both hybrid and plug-in hybrids. By 2022, all new models will have an electric or electrified version.

Groupe Renault's objective is simple: to make electric mobility accessible to all, by meeting everyone's needs.

In parallel with the development of electric vehicles for individuals, professionals and fleets, we are also working with the regions to build mobility solutions adapted to the needs of our various customers.

A. Groupe Renault, pioneer in electric vehicles

Electric mobility is the best immediately available response to accelerate the energy transition, fight against climate change and improve air quality in cities.

Groupe Renault has been marketing a range of electric vehicles since late 2012. This has given the Group a valuable lead over new market entrants, particularly in terms of sales and after-sales issues.

Today, nearly one in five electric vehicles sold in Europe is a Renault.

In 2020, in the European electric vehicle market, the Renault brand doubled its sales and confirmed its leadership, with 115,888 electric vehicles sold. The ZOE is the best-selling electric car, with growth of 114% to 100,657 units.

In addition to its European range, the Group also markets the RSM SM3 Z.E. sedan sold in Korea and the Renault City K-ZE city car in China.

In 2020, the Group launched an electric version of the TWINGO city car, and presented the Dacia SPRING, the first Dacia-branded electric vehicle, which will be marketed from 2021. The Group also presented its vision of tomorrow's electric mobility through the MEGANE eVision show car, a prelude to the Group's future compact EV.

The MEGANE eVision is designed on the basis of the Alliance CMF-EV platform. Natively and exclusively designed for 100% electric vehicles, this new platform pushes the limits of modularity. It will allow the launch of several vehicles with different uses and sizes, thanks in particular to the ability to install batteries of different sizes and heights. Taking full advantage of the specific features of the electric powertrain, this platform will also provide each of its models with interior space worthy of a higher segment.

The production version of the MEGANE eVision will be presented in 2021.

Since 2020, Groupe Renault has had a complementary offering with hybrid and plug-in hybrid versions on its best-selling CLIO, CAPTUR and MEGANE models. The all-new Renault ARKANA hybrid was also presented, with its European launch scheduled for 2021 onwards.

For Groupe Renault, its electric vision goes well beyond the car. Thus, the Group is investing in the development of ecosystems that promote energy transition and improve electric mobility. With the **Advanced Battery Storage** projects in France and Germany, and **SmartHubs** in the United Kingdom, it is initiating two major projects in Europe that use second-life battery technologies, with the aim of managing the gap between electricity consumption and production in order to increase the share of renewable energies in the energy mix.

The Group has also formed a partnership with Compagnie Seine Alliance and the integrator GreenVision to electrify a fleet of boats on the Seine using second-life batteries of Renault electric vehicles.

Finally, in the Madeira Archipelago, Groupe Renault has joined forces with EEM (Empresa de Electricidade da Madeira) and The Mobility House to ensure that 99% of the energy on the island of Porto Santo is renewable by 2030. The project consists of two-way electric vehicles (V2G) that can interact with the electric grid according to its needs, a fleet of electric vehicles (Renault ZOE and KANGOO Z.E.), as well as second-life batteries for stationary energy storage.

B. Accelerating the development of new forms of mobility and entering into strategic partnerships

In late 2019, Groupe Renault set up a department 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 such as the car-sharing services Renault Mobility in France or Zity, and by carrying out targeted acquisitions and investments in a variety of start-ups specializing in mobility services (Karhoo, iCabbi).

In September 2020, the Group announced a project to develop its organization around four Business Units, including one dedicated to new mobility. This project aims to create a simpler and more results-oriented organization, while strengthening the cohesion and sense of belonging of the teams thus brought together.

The department's ambition is to bring the various players together around these issues, through ambitious, strategic partnerships. It is positioning itself as the favored partner for cities, local authorities, regulating authorities and transport operators. **The aim: to promote mobility for consumers and meet regional environmental, social and economic challenges.**

Groupe Renault's 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, and carpooling.

Today in Europe, several car-sharing services operated by the Group's partners use Renault electric vehicles, and **Groupe Renault is the leader in electric car-sharing in Europe**. As such, nearly 10,000 electric vehicles are available to users of car-sharing services in most European capitals. The Group adapts its offer to the context of each city, offering both free-floating and closed-loop solutions.

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 defined region. This is one of the options chosen by Groupe Renault. Thus, the Group operates a car-sharing service under the **Zity** brand, through its joint venture with the Spanish group Ferrovial, with a fleet of 725 ZOE in Madrid since 2017, and 500 ZOE in Paris since May 2020. The Zity service operates with a very strict health protocol, reassuring for customers looking for a personal mode of transport during the COVID-19 health crisis.

The Group has also developed a short-term rental service – **Renault Mobility** – which enables Group vehicles to be rented. The Renault Mobility offering uses the Renault network.

In France, Renault Mobility offers vehicle rentals directly at dealerships and also has 2,000 cars accessible 24 hours a day through a mobile application.

Furthermore, Renault Mobility also enables companies to develop employee car-sharing to optimize the utilization rate of their fleets. The Group has also forged partnerships with brands such as Ikea and Leroy Merlin in order to offer the service to their customers. Today, Renault Mobility is also available in Italy for the Renault network replacement vehicle program, and the roll-out is underway on other European markets.

Finally, the Group also offers a white-label car-sharing service, marketed under the **Glide** brand.

The car is already electric and connected: tomorrow it could also be autonomous, with the benefits of smoother, more fluid traffic and improved safety. The development of autonomous cars and shuttles will accelerate the growth of electric, autonomous and shared mobility services. They will promote complementarity between modes of transport, multimodality and make the overall system cleaner, safer, more accessible, more effective and more efficient.

From 2017 to 2020, Groupe Renault, together with public and private partners, has tested electric, autonomous and shared mobility services delivered by autonomous Renault ZOE Cab prototypes:

- **TORNADO project in Rambouillet**: testing of autonomous driving solutions, technologies and infrastructures in sparsely populated areas. Testing took place along a 13 km route illustrating the scenario of a direct link between Gazeran station and the Bel Air business park in Rambouillet, representative of the specificities of suburban and rural areas;
- **Rouen Normandy Autonomous Lab**: first testing in Europe of an autonomous, shared and on-demand mobility service on open roads, as an extension to the existing public transport service. The tests were carried out on three routes serving different stopping points throughout the district known as "Technopôle du Madrillet";
- **Paris-Saclay Autonomous Lab**: testing of services for more intelligent, electric, autonomous, shared and on-demand mobility, in addition to the modes of transport present in the Paris-Saclay area. The aim was to test a point-to-point mobility service for everyday travel on the Paris-Saclay urban campus.

Groupe Renault is continuing its research into autonomous mobility and is participating, via the **SAM (Safety and Acceptability of Driving and Autonomous Mobility)** consortium coordinated by the PFA – the French automotive platform – in the **EVRA (Autonomous Road Vehicle Testing) project** launched by ADEME (French Environment and Energy Management Agency) as part of the Investing in the Future Program (PIA), which is at the heart of the national strategy for the development of autonomous vehicles. Its objective is to contribute to the development of security validation methodologies, to improve knowledge on uses, acceptability and societal impacts. Groupe Renault's work will consist in particular of testing on-demand, electric, autonomous and shared car services, such as collective public transport and private public transport, in Rouen city center and at Paris-Saclay.

In June 2019, **Groupe Renault, Nissan Motor Co. and Waymo** entered into an exclusive agreement for a first phase of exploration covering all aspects of autonomous mobility services for the transport of people and the delivery of goods in France and Japan. This agreement brings together the strengths of the three partners and extends 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.

Since 2017, Groupe Renault has also offered a range of products designed for professional customers as part of **on-demand transport:**

- **Karhoo** brings together licensed taxi and chauffeur-driven car fleets from around the world with transport and tourism operators to create global mobility solutions. Its Mobility Exchange platform offers simple integration options (API, SDK and white-label microsites) allowing partners to quickly offer taxi ordering in their web and mobile applications;
- the Group continues to support the development of **iCabbi**, a publisher of taxi fleet management systems, which is now one of the world's largest dispatch providers (leading positions in the United States, Canada, Ireland and in the corporate segment (>500 cars) in the United Kingdom (No. 2), with notably the acquisition of Original Software (Brazil) and Mobile Knowledge (Canada). iCabbi's customers made 130 million trips over the last 12 months using the iCabbi system, used by over 80,000 taxis/chauffeur-driven cars;
- in France, in addition to its internal carpooling platform for employees, Groupe Renault has joined forces with **Klaxit**, the leading carpooling app for commuters. Since 2014, Technocentre employees have been able to share their journeys directly using the app. This makes it easy for them to find new carpoolers and save money on their daily commute. More generally, Renault is working to improve the carpooling experience by studying interface solutions between carpooling operators, its connected vehicles and digital tools;
- in addition, through its MOBILIZE Invest investment company, 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.

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.

INCIT-EV is a European test project for innovative charging solutions for electric vehicles. Its objective is to encourage the development of electric mobility by starting from understanding user expectations and developing appropriate charging technologies from there. The project, which runs from January 2020 to December 2023 (48 months), is divided into two phases: a study and preparation phase, then a so-called "demonstration" phase where seven technologies will be tested under real conditions, starting in the second half of 2022. Initiated and coordinated by Groupe Renault, the project, supported and financed by the European Union's Horizon 2020 research and innovation program, brings together 33 players and partners from a wide range of voluntarily diverse backgrounds (manufacturers, universities, institutes, cities, start-ups, SMEs), all experts in their field.

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 freely shares its expertise in this area via numerous thematic round-tables and seminars.

2.3.2 Commitment to 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 10 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.

2.3.2.1 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

SAFETY AND MOBILITY FOR ALL

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 2020-2021 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 as well as applications for telephones and digital tablets, a "serious game" for PC/MAC, and the first virtual reality format is also available.

The "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 (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. Despite the extremely restrictive health context, the 2019-2020 edition highlighted 55 very concrete initiatives, implemented by more than 1,500 students in 16 countries.

Your Ideas, Your Initiatives: an educational program on road safety and sustainable mobility for teenagers

Launched in 2011, the core of the project is an international competition promoted in schools on four continents. 578 projects were conducted in nine editions, by more than 14,000 students in 34 countries in Africa, America, Asia and Europe.

The approach, based on participation and empowerment, is structured in two stages: research and identification of a problem in the community (Your Ideas), development of a campaign to solve it and evaluation of its impact (Your Initiatives).

The 2019-2020 edition awarded prizes to three schools, in Spain, Morocco and Russia. Their respective projects dealt with the devastating effects of drinking and driving, promoting responsible driving to motorized two-wheelers, and transforming a park into a safe leisure area for local people.

The Your Ideas, Your Initiatives program received the Prince Michael International Road Safety Award in December 2019.

Global Road Safety Partnership

In 2020, 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 2020, 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 88 students (some of whom receive financial aid) to take the 18-month course of theoretical and practical instruction.

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 this year to Brazilian employees. Other languages including Arabic 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 November 2020, during road safety at work week, awareness-raising initiatives were undertaken in numerous industrial and tertiary sites.

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 can alert the driver to danger, assist with corrective maneuvers or brake when collision is imminent, in the driver's place if he or she has failed to react. 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 technological systems, mainly features in the high-end market. Nevertheless, the Group wants to make them accessible to a wider public without any reduction in performance, 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 and 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 ranges 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, with the latest generation ADAS enabling the CLIO to be voted best car in its category.

Groupe Renault makes over 10,000 educational videos (17 languages and 22 countries) presenting the functionalities and technologies of Renault, Dacia and Alpine brand vehicles, including ADAS, available to customers.

The website https://www.e-guide.renault.com/portail/ has received 3.5 million visits since 2017 and the tutorials, available in 17 languages and 22 countries, have been seen nearly 17 million 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), formalizing a relationship that had already existed for many years 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.

Groupe Renault organized a seminar for 350 firefighters from France and 10 other European countries, all of whom specialize in roadside assistance, to share with them all the latest technological advances in its vehicles that could have an impact on their work. The introduction was given by the interministerial delegate for road safety and many technical discussions with the engineering professions followed. This seminar was followed by a day specially dedicated to foreign firefighters so that they could train on a dozen new-generation vehicles from the range made available to them, on a SDIS (French Departmental Fire and Safety Service) site in Yvelines. These extrication operations were made possible by the Groupe Renault's constructive partnership with all suppliers of extrication equipment.

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 service 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 present on future electric and hybrid vehicles in the range, such as the electric TWINGO and electric SPRING, when the power of the traction battery so requires. This is the case for the rechargeable hybrid versions of the CAPTUR and MEGANE.

Fireman access is a part placed on the electric vehicle chassis. In the event of dangerous 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.** Each new model equipped with a fireman access undergoes a burn test during its development to ensure the effectiveness of this system. Thus, in 2020, several burn sessions took place with the SDIS 78 firefighters to confirm the proper functioning of the fireman access.

The **traction battery disconnection system** (HT) is positioned directly on the battery in order to guarantee complete electrical safety for all those involved, including the emergency services.

The Rescue Code provides firefighters with another tool enabling them to carry out extrication maneuvers more quickly and effectively. This 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 Groupe Renault. It includes information for each model, allowing firefighters to perform their extrication maneuvers safely for themselves and the victims.

Other actions taken in 2020:

- implementation of design studies to ensure the best position for the service plug and fireman access on future electric and hybrid vehicles in the Renault range;
- monitoring and ensuring that the Engineering department takes into account the first rules of design relating to emergency firefighter interventions on our hybrid and electric vehicles;
- systematic verification of the appropriate performance of our electric and hybrid vehicles in the event of fire;
- participation in video conferences to share our knowledge on alternative energy vehicles with the rescue community;
- active participation in the Euro NCAP's consideration of firefighter interventions following accidents in order to define the protocol for 2023;
- **donation of more than 600 latest-generation vehicles to the firefighter services of France and Europe in 2020** to help improve their road rescue training;
- publication of three technical articles in firefighter magazines.

2.3.2.2 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 have taken their place in the Renault range.

2.3.2.3 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.

2.3.3 Plants that are transforming

With 38 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.

2.3.3.1 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, *etc*. 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 employees, 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 plants.

A wide variety of digital and mobile tools are used to simplify the daily life of employees, enabling them to do their work, learn about the life of the company or carry out daily tasks under the best possible conditions:

- real-time monitoring of plants and the supply chain makes the production tool even more efficient;
- technologies are used to ensure total traceability of parts and significantly accelerate logistics flows;
- numerous innovations are implemented in production engineering, from digital design to prototyping and digital project reviews, in order to set up a flexible industrial system with controlled costs.

2.3.3.2 Men and women at the heart of Groupe Renault’s plants

The manufacturing teams include over 115,000 employees worldwide. More agile, more reactive and trained in new technologies, employees 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.

With the aim of accelerating the digitalization of Groupe Renault's industrial system and the roll-out of Industry 4.0, on July 9, 2020 Groupe Renault and Google Cloud announced a partnership to share their industrial and technological experience. Groupe Renault's know-how in automotive manufacturing, combined with Google Cloud's expertise in smart analytics, machine learning and artificial intelligence will foster the creation of new industrial solutions.

The two companies are also jointly setting up a training program aimed at developing the skills of Groupe Renault employees in the digital environment.

2.3.3.3 The Re-Factory in Flins: an industry-leading project

In November 2020, Groupe Renault announced the transformation of its site in Flins to create the Re-FACTORY, Europe's first circular economy factory dedicated to mobility, with the target of a negative CO_2 balance by 2030 (see also section 2.2.3.B "Resources and the circular economy").

This project, which is part of the Group's transformation strategy, will enable Renault to benefit from a rapidly growing source of value while reaffirming its industrial footprint in France. In line with the Group's commitments, the RE-FACTORY will host the renovation activities of Choisy-le-Roi. Groupe Renault is planning support and training schemes for the employees of Flins and Choisy-le-Roi to develop their skills and aims to **employ more than 3,000 people on the site by 2030.**

2.3.4 A global network of CSR correspondents

The CSR 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. Due to the health crisis, the annual CSR Convention, which usually brings together all CSR correspondents, could not take place. By contrast, the DRSE held nine webinars with all its CSR correspondents from April to June to share experiences and best practices, and also to act in a coordinated manner in this unprecedented context.

Mobilize Days: an annual event dedicated to CSR in the Group

For the third consecutive year, the CSR department organized Corporate Social Responsibility (CSR) Week for Groupe Renault as a whole at the beginning of July 2020. The event is called " Mobilize Days" or " Mobilize Week" depending on the country. The 2020 theme of these days highlighted employees' numerous solidarity commitment, and initiatives taken to fight COVID-19.

Contrary to previous years, no face-to-face events could be organized, so the CSR week was completely digital. E-learning was given priority, with themes such as road safety, gender equality and first aid. But above all, the 2020 CSR week was an opportunity to highlight employees, individually or in groups formed spontaneously during the crisis, who worked to provide masks, visors, hand sanitizer and other equipment to local medical teams. All the countries in which Groupe Renault has commercial and industrial operations actively participated in the solidarity drive (see 2.1.8).

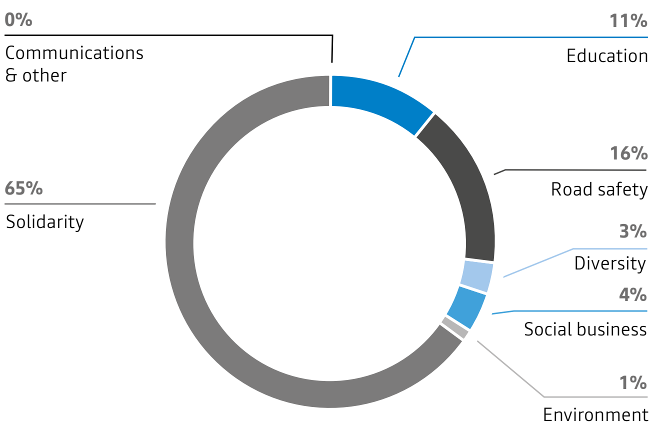
Calculating the impact of societal initiatives

In 2020, the number of CSR initiatives recorded in the Group remained close to last year's figure of 355 (compared with 395 in 2019), despite the health crisis and the closure of Group sites for several weeks.

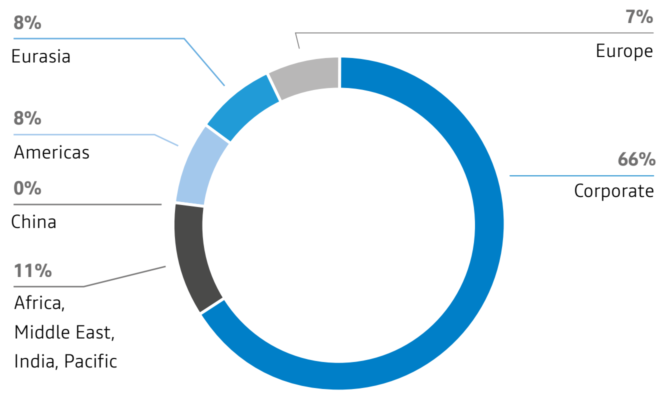
Details on the reporting scope are provided in section 2.6.3.1.

BREAKDOWN OF INVESTMENTS WITH A SOCIAL OR SOCIETAL GOAL BY INVESTMENT

BY COMMITMENT

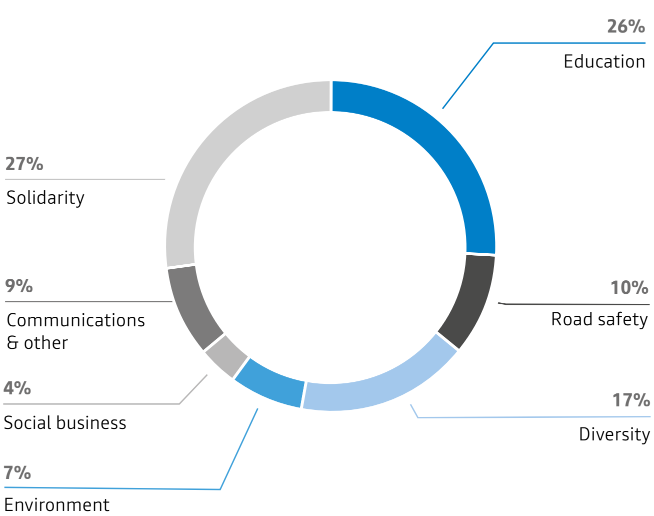


BY REGION

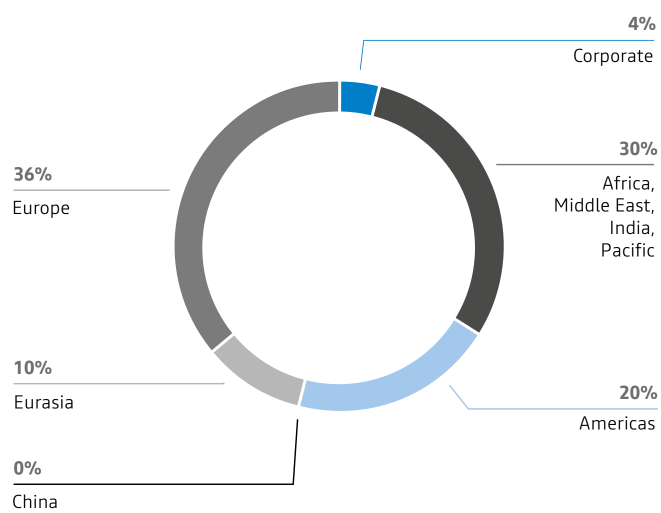


BREAKDOWN OF SOCIAL AND SOCIETAL INVESTMENTS BY NUMBER OF INITIATIVES

BY COMMITMENT



BY REGION



Renault's environmental policy is reflected in the core of its industrial strategy, its products and services (see 2.2.2). 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 actions**	**Corporate**	**AMI-Pacific**	**Americas**	**China**	**Eurasia**	**Europe**	**Total**
Total	355	4,512,800	765,061	541,873		580,271	485,560	6,885,565
Renault Foundation (1) (Corp.)		3,668,000						3,668,000
Education	93		232,495	228,359		12,000	284,322	757,176
Road user safety	33	844,800	119,338	16,595			96,512	1,077,245
Diversity	61		115,501	33,747			39,968	189,216
Social business	16			253,862				253,862
Environment	24		18,403	2,056		55,000	25,558	101,017
Communications and other	32			6,463		6,280	1,500	14,243
Solidarity (2)	96		279,324	791		506,991	37,700	824,806

(1) Amount of the Renault Corporate Foundation's annual endowment.
(2) Budget mainly dedicated to solidarity initiatives carried out in the context of the health crisis.

2.4 OUR SOCIAL COMMITMENT

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 scope, including AVTOVAZ and excluding mobility start-ups, covering 99.8% of the Group's workforce;
- fully consolidated subsidiaries (excluding mobility start-ups), covering 97.2% 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. The health and safety indicators cover 100% of the scope, with the exception of the mobility start-ups, Tandil and the subsidiaries of the AVTOVAZ group, excluding Izhevsk, and thus cover 95.9% of the Group's 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 2020, Groupe Renault's human capital comprized 170,158 women and men in the 150 entities and 39 countries in which it operates. Each and every one of them uses their commitment and skills 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 Groupe Renault as a Company is fast-moving, innovative, effective and eager to learn. This policy is based around high-quality social dialog at both local and global levels, 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 all 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. Promote Renault 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 ability to ensure sustainable mobility for all within a global, human, creative and historically rich company strengthened by a strong alliance that is unique in the industry. Groupe Renault offers a variety of career paths in an environment of empowerment and inclusion. In 2020, the Group continued to invest in a digital HR presence and social media profiles, particularly LinkedIn, the world's leading professional social network. New employee videos promoting certain key professions have been produced and made available, 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. The "Employer Strategy" team was created in 2019 within the Group Human Resources department and works in three areas: the employer brand, the employee experience, and inclusion and diversity.

B. Optimizing the allocation of resources

2020 was marked by a reduction in the Group's workforce throughout the world. This decline, which can be observed in almost all entities of the Automotive division, was mainly due to the adaptation of the production workforce to market demand, for each product and region, and to the productivity efforts made at each 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	2018	2019	2020	Percentage in 2020
GROUP* (PERMANENT + FIXED-TERM)	**183,002**	**179,565**	**170,158**	
Europe	73,094	73,087	69,344	40.8%
o/w France	48,603	*47,978*	46,250	27.2%
Eurasia	78,271	74,773	70,963	41.7%
o/w AVTOVAZ	48,590	*46,357*	44,415	26.1%
Americas	12,291	11,997	10,494	6.2%
China	8	71	941	0.6%
Africa – Middle-East – India – Pacific	19,338	19,637	18,416	10.8%
Average Group workforce without AVTOVAZ	132,993	133,810	129,476	

* Expatriates are counted in their home country.

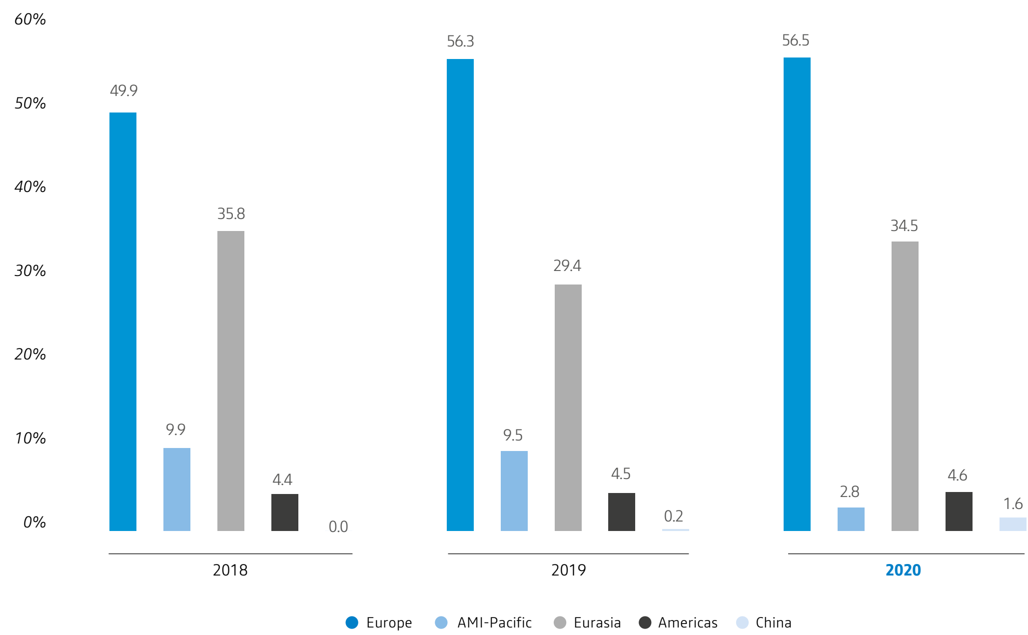
As of December 31, 2020, the Group's workforce (permanent + fixed-term contracts), including AVTOVAZ, totaled 170,158 employees, with 166,364 in the Automotive division and 3,794 in the Finance division.

The Group's employees work in 39 countries, organized into five Regions. The "11 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, Slovenia, South Korea, Spain and Turkey) account for 93.1% of total employees.

b) Breakdown of recruitment EFPD1e

The number of new hires in 2020 was down 35% on 2019 at 13,197 people. This level of recruitment has made it possible to reduce the Group's workforce and adapt it to automotive market conditions. These recruitments made it possible to bolster the skills needed to develop the mobility solutions of the future, and strengthen the capabilities of the Finance division to develop new services and adapt to changes in regulations.

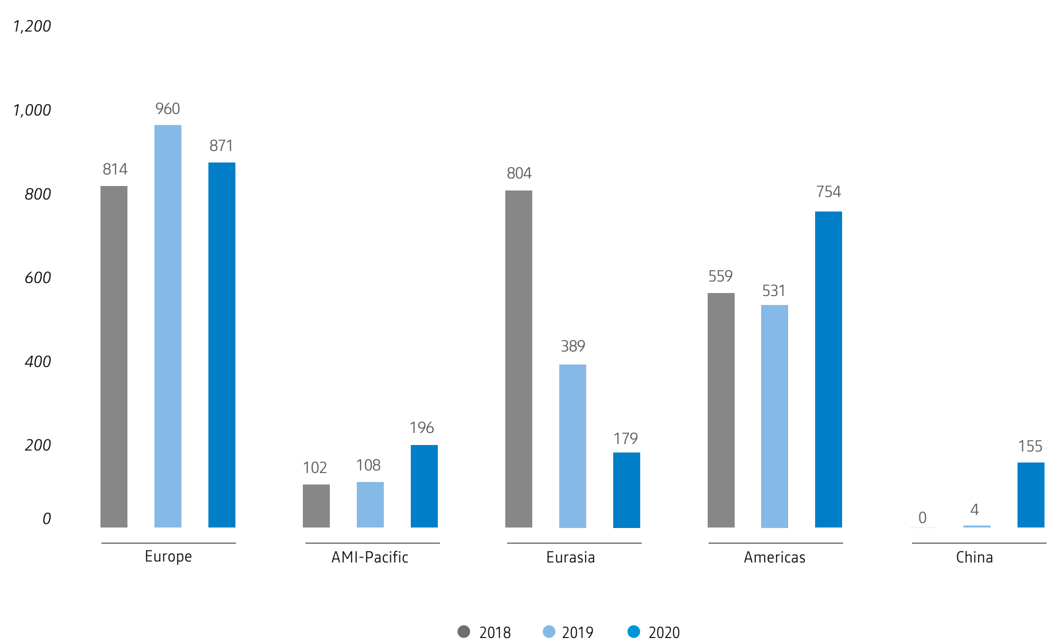
RECRUITMENT BREAKDOWN BY REGION OVER THREE YEARS



c) Breakdown of redundancies EFPD1f

At the same time, the number of redundancies stood at 2,155 people, similar to the level seen in 2019 (1,992).

BREAKDOWN OF REDUNDANCIES BY REGION

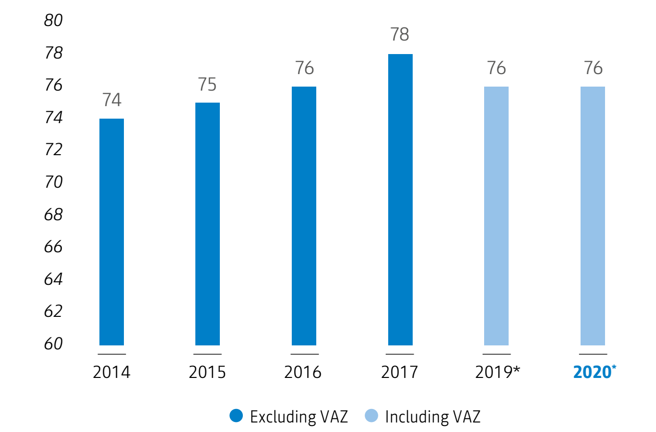


C. Employee survey

All Groupe Renault employees were invited to express their views in terms of engagement through the employee survey. This anonymous survey was conducted by an independent firm between February 24 and March 20, 2020.

This survey allows the company to ascertain its employees' perception, at a given moment, on various dimensions, and is a feedback and progress tool for managers at all levels. The participation rate (88% respondents) remains very high despite the impact of the COVID-19 situation. The results show that the level of employee commitment remains high (76%), while the "Conditions for success" indicator is up (2 points). Of all the questions submitted to employees, 16 saw improved results, 6 a stable result and 12 a deterioration.

ENGAGEMENT RESULTS



* *Results include AVTOVAZ for the years 2019 and 2020, whereas those previously reported did not include AVTOVAZ.*

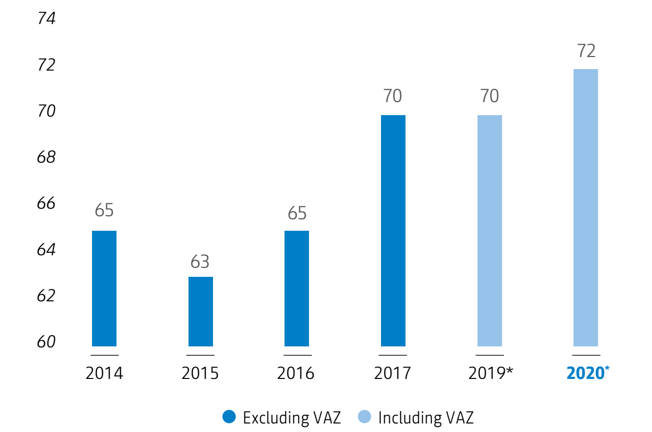
Employees as engaged as ever

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 (%), it is stable compared with 2019, and higher than the global standard[(1)] (10 points higher). South Korea stands out, with a 7-point increase compared with 2019, as does Russia (a 5-point increase). Moreover, 80% of employees say they are proud to work for the Company, and 72% that they would recommend Groupe Renault as an employer.

Conditions for success

The second indicator, Conditions for success, describes Groupe Renault's ability to create the right conditions for employees to perform their duties in the best possible way. At 72%, it was up two points compared with 2019, five points above the global standard. The increase was particularly pronounced in South Korea (+10 points), Russia (+8 points) and Argentina (+6 points).

CONDITIONS FOR SUCCESS RESULTS



* *Results include AVTOVAZ for the years 2019 and 2020, whereas those previously reported did not include AVTOVAZ.*

Notable progress and new dimensions

Among the points for improvement compared to the previous survey, are questions on the availability of resources to do a good job: 69%, *i.e.* +6 points. Progress is very significant in Russia (+14 points) and South Korea (+11 points). There was also good progress on the Working Environment item: 60% (+3 points) with particular progress in Portugal (+14 points) and South Korea (+12 points). Finally, on the dimension "work enables employees to make good use of their skills and competencies": 80% (+3 points), the most marked progress is in South Korea (+14 points) and Russia (+9 points).

The new dimensions introduced in this year's survey include the good result on the Inclusion & Diversity indicator, where the score of 75% places Groupe Renault at 1% above the global standard. This satisfactory result reflects the many initiatives developed in this area (see section 2.4.1.2).

(1) *Global standard: reference based on the average of the results of all companies in the Korn Ferry studies panel.*

2.4.1.2 Promoting diversity and supporting management quality EFPD17b

"As an employer, Groupe Renault creates the conditions for each of us to bring their passion, perform to the full and grow, whilst being themselves. We dare and care for our people. We find strength in our diversity and want to be a workplace reflective of the diverse community we serve, where everyone feels included, respected and valued."

(Extract from the internal D&I Charter, approved by the Diversity and Inclusion Committee in March 2020)

A. Better reflect society's 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)

Groupe Renault's Diversity and Inclusion strategy is managed, implemented and monitored by the Diversity and Inclusion Committee, chaired at the highest level of the Company, by Senior Management, with the support of the corporate HR and CSR functions, and our stakeholders: managers, social partners, employee volunteers, ethics correspondents, *etc.*

Guidelines are made available to our countries and local entities so that they can ensure governance and accountability for Diversity and Inclusion at local level.

The "Together in Diversity" serious game was launched in 2019, in order to increase awareness of diversity and inclusion among employees. 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 across the entire Group on the LEARNING@ALLIANCE digital training platform. Based on actual case studies, this e-learning course encourages all employees to join in various role play scenarios that raise awareness of diversity and inclusion in a professional environment. The e-learning course is available in French, English, Spanish, Arabic and Turkish. The scenarios and educational materials are adapted to French culture and regulations. The Portuguese version is currently being rolled out. Since its launch, 1,260 employees have been made aware of diversity and inclusion through this serious game.

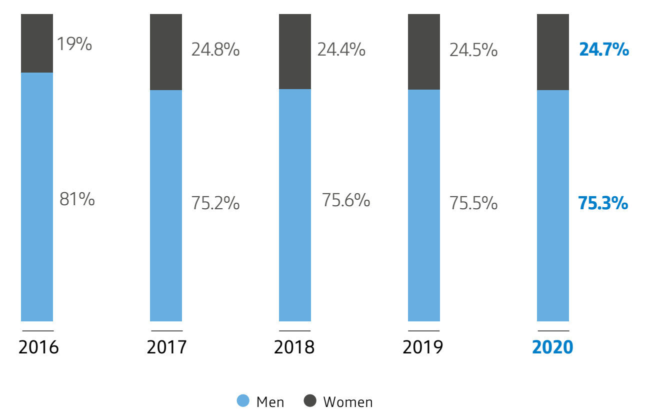
An internal community, "MobilizeDiversity", was created in October 2017 to help to change attitudes. It is open to all employees via the Yammer platform, At the end of 2020, it had around 4,800 members, who discuss and share ideas and actions on topics related to Diversity and Inclusion.

In February 2020, Groupe Renault also organized a conference on "Diversity and Performance", led by Franco-British expert Pete Stone. This conference is available for streaming in French with English subtitles for Group employees.

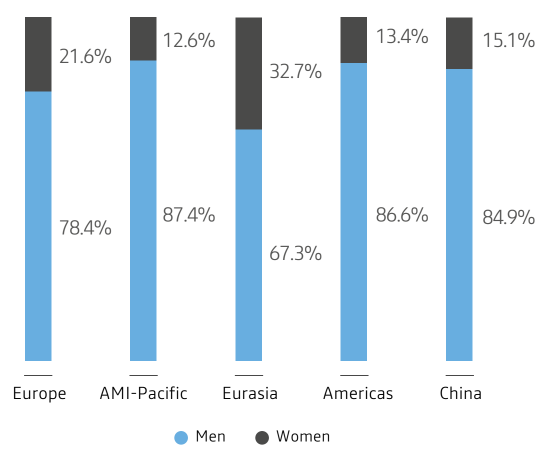
b) Gender diversity within the Company EFPD6a

Following a marked increase until 2017 owing to the proactive policy on diversity in recruitment, as of December 31, 2020, the number of women as a percentage of the Group's total employees had leveled off at 24.7%.

BREAKDOWN OF WOMEN/MEN IN THE WORKFORCE OVER FIVE YEARS EFPD1b



BREAKDOWN OF WOMEN/MEN BY REGION



The breakdown of women/men is calculated on the basis of the global scope as of December 31, 2020.

Groupe Renault's ambition is to be the best employer for women in the automotive industry. It has three objectives:

- become a benchmark employer for women;
- neutralize the gender pay gap by 2025;
- maintain our leadership in gender diversity among carmakers and increase the presence of women in key positions.

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). Groupe Renault's ambition is for women to hold 30% of positions by 2030, 35% by 2035 and 50% by 2050, including:

- the Top governing Bodies;
- Senior Management positions (top 4,000);
- Management positions (top 11,000, *i.e.* 10% of the Group's positions with the highest level of responsibility, excluding RRG and AVTOVAZ).

In order to meet these objectives, Renault has chosen to change the indicators used to manage the detection, development and promotion of women. Through the Diversity & Inclusion scorecard, shared at all levels of the HR function, the Group monitors the proportion of women holding these key positions.

The aim is to ensure that women continue to progress throughout their careers to the highest levels of responsibility.

In December 2020, 24.3% of the top 11,000 positions and 20.5% of the top 4,000 positions were held by women. In order to ensure, or even accelerate, their ability to move into these positions, all HR processes aim to ensure they are identified and trained. On this point, the Group offers women a range of tools to assist with their development (mentoring, coaching and specific training schemes), enabling them to fulfill their potential and demonstrate their leadership.

In addition to the training programs which have already been rolled out in recent years for women during their careers, in 2018 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. Thirty women have already benefited from this new program.

In 2020, two sponsors on gender diversity, members of the Executive Committee, were appointed: Véronique Sarlat-Depotte and Denis Le Vot. They hosted an internal webinar on the subject in September 2020.

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.

In mid-2020, Groupe Renault joined the inter-company Gender Diversity in Seine network, in France. It has committed to three initiatives: an individual commitment by the senior executives in favor of the association #JamaisSansElles; the organization of a round table on the place of women in the media during the health crisis; and a cross-mentoring program.

In December 2020, Groupe Renault signed the #StOpE Charter (Stop Everyday Sexism in the Workplace).

In 2020, Groupe Renault continued its partnership with the **Elles Bougent** association in France. The goal of these female mentors, which include over 100 volunteer Company employees, is to create a dialog with young female students and encourage them to consider scientific and technical careers.

In 2020, the Company continued its commitment to UN Women (France), a commitment first made in 2016. On International Women's Day on March 8, Groupe Renault continued to support the HeForShe solidarity initiative.

Finally, Groupe Renault participated in the tenth *Trophées des Femmes de l'Industrie* awards. The event rewards and highlights the exemplary career paths of women in industry. At this event, Delphine de Andria, Program Director of Groupe Renault's Africa Middle-East India Pacific Region, received the International Woman of the Year award.

At the beginning of November 2020, the Group launched a major program to train the entire HR function worldwide in Diversity and Inclusion. Eighty employees have been trained by an external expert to become internal trainers and to run training sessions for HR employees in 2021.

c) Sexual orientation and gender identity

In 2020, Groupe Renault signed the United Nations Free & Equal standards against the discrimination of LGBT+ people and, in France, the Autre Cercle Charter.

In France, Autre Cercle elected François Roger, Group HR Director, as Role Model 2020 as Allied Manager, and Valérie Hallouin, HR Transformation Program Leader, was elected Role Model Leader LGBT+.

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.

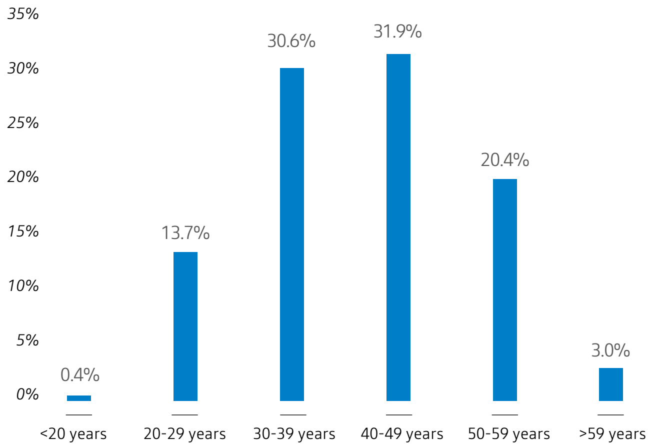
An LGBT+ affinity group, Proud@Renault, was launched in Brazil in July 2020.

In France, LGBT+ representatives have been appointed in all plants.

d) Promoting talent at all ages EFPD1c

Recruitment plans, which are more limited than in 2019, have nevertheless made it possible to limit the ageing of the workforce and maintain a balanced distribution by age group: 14.1% are less than 30 years old, 30.6% are between 30 and 39 years old, 31.9% are between 40 and 49 years old, 23.4% are more than 50 years old.

BREAKDOWN OF WORKFORCE BY AGE



The breakdown by age is calculated on the global scope as of December 31, 2020.

Renault seeks to develop its employees at all ages, notably helping young people enter the world of work through numerous initiatives (see section 2.4.3.1), while at the same time drawing on the experience of seniors.

e) Integration of people with disabilities into the workforce EFPD6b EFPD6d

The Company has embarked on the worldwide coordination of its disability policy, creating a link between all country initiatives. The purpose of this is to encourage 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, *etc.*

The employment rate for people with disabilities was 2.46% in 2020, a slight increase from the rate of 2.33% seen in 2019 at Group level. Since 2020, the Group's ambition is to ask the countries in which it operates, and where there is no legal obligation on this matter, to ensure that people with disabilities make up at least 2% of its employees.

In addition, Groupe Renault is organizing awareness-raising conferences, such as the one on autism in November 2020.

Finally, on November 5, 2020, a dozen Brazilian employees launched the Access@Renault affinity group to support employees with a disability and help Renault Brazil go even further in its actions.

B. Performance appraisal and competitive compensation policy

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 a number of aspects, including comprehensive management of employee files, performance monitoring and appraisal, 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) Individual 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. Employees are invited to make a self-evaluation in preparation for 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 level of achievement of the objectives set,** including this year at least one mandatory objective from among quality, safety and compliance.

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;
- a single model for the variable portion of compensation recognizing the performance of the employee and the Group in a spirit of solidarity.

The compensation of senior executives is discussed in section 3.2.

d) Group profit-sharing

Renault has an incentive scheme for employees in France that includes the redistribution of Groupe Renault profits as well as bonus payments for contributions to site performance.

On the Group side, Renault has for the first time introduced a non-financial criterion, namely compliance by 2020 with the European CAFE (Corporate Average Fuel Economy) regulation for reducing CO_2 emissions.

2020 FINANCIAL YEAR

The agreement of July 3, 2020, signed for 2020 and which was paid to employees in March 2021, includes, as for previous agreements, two components:

- 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**
2018	170.7
2019	176.4
2020	121.5

e) 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 2020, the total amount of incentives invested in the schemes was €63.48 million, a decrease of 24.66% since 2019.

In addition, the total payments in 2020 amounted to €74.39 million.

On July 1, 2020, Renault transformed its collective retirement savings scheme (Perco) into a company collective retirement savings scheme (Pereco), 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 (whether tax deductible or not, and with an additional contribution from Renault) 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 2020, total payments into Renault's Group retirement savings scheme amounted to €14.80 million, of which 28.38% came from the cash-out of paid leave.

The total value of Renault's company savings plans at December 31, 2020 was €888.41 million (see Appendix 2.6.2).

Since December 2015, BNP PARIBAS E&RE has managed the Company savings plan and Pereco for Renault.

f) Control of labor costs

The Group's labor costs stood at €6,157 million in 2020, of which €5,453 million was for the Automotive division. They were down compared to 2019, thanks to the Group's actions to adapt to the crisis in the automotive markets as well as productivity and streamlining efforts. The "11 major countries" (Argentina, Brazil, Slovenia, South Korea, Spain, France, India, Morocco, Romania, Russia and Turkey) represent 90.2% of the Group's payroll costs.

Labor costs by Region	**2018**	**2019**	**2020**	**Average cost 2020**
GROUP	**6,702.6**	**6,705.7**	**6,157.0**	**35.2**
Europe*	4,718.2	4,686.2	4,438.9	62.3
o/w France	*3,548.5*	*3,473.64*	3,099.0	65.8
Eurasia	1,051.8	1,103.2	933.7	12.8
o/w AVTOVAZ	*460.5*	*466.1*	403.9	8.9
Americas	399.8	374.8	273.5	24.3
China	0.4	0.4	20.8	41.1
Africa – Middle-East – India – Pacific	532.4	541.1	490.1	25.8

* *Europe including Renault-Nissan Global Management.*

2.4.1.3 Develop the teams to adapt to tomorrow's challenges

Training and skills management are the essential drivers for supporting the Group in achieving its objectives. The Company has two main objectives: on the one hand, to adapt its skills to develop its competitive advantage and still better serve its customers, and on the other, to promote development through training in new technologies, notably digital.

A. Prospective Skills Management (GPEC)

Anticipating the impact of changes related to our environment on our skills is at the core of our concerns. Groupe Renault is leading an initiative, known as Strategic Skills Management, to identify new, stable or declining skills, as well as those to be strengthened. Under the coordination of the HR teams, an analysis is produced by experts in the various jobs from the Company's corporate functions, and compared with external benchmarks. The priorities that emerge constitute working guidelines available to operational staff so that they can integrate these trends to define their areas of criticality and action plans.

In a period of turbulence, this forward-looking work, used to prioritize recruitment and build training plans, facilitates the identification of skills to be preserved or transformed.

In France:

The transformation of skills initiated several years ago accelerated in 2020 in a context of health and economic crisis.

In France, a method agreement was signed on July 24, 2020 by the CFDT, FO and CFE/CGC trade unions. This agreement defined the framework, themes and timetable for social dialog relating to the implementation in France of several projects, including changes in employment and technical and tertiary skills.

In order to deepen the joint reflection on this work, job observatories were set up for 14 corporate functions: product engineering, production engineering, logistics, sales and marketing, information technologies and systems, finance, purchasing, after-sales, product program, quality, communication, design, Human Resources and real estate and facility management. These observatories have enabled in-depth study of the changes forecast in the various jobs, as well as the possible impacts in terms of employment, skills and qualifications. The Strategic Skills Management methodology has been reused and refined. In addition to categorization by type of skills, declining, stable or needing strengthening, the availability of resources in the labor market was also considered (high, medium, scarce). Each job profile was then positioned on this mapping according to these two axes. This information was fed through each of the local establishments concerned to the employee representative bodies (IRPs), management and employees.

Following this cycle of joint discussions, an agreement on the "Transformation of skills in the corporate functions of Renaults s.a.s." was signed on November 20, 2020 by three trade unions (FO, CFE-CGC and CFDT). This agreement covers the strengthening of technical and tertiary skills as well as arrangements for voluntary redundancies. Thus, a system of termination of employment by collective agreement, with or without mobility leave, has been set up for a limited scope defined by the job profile mapping. Employees with an eligible job profile, who have a professional project or who are retiring, will be able to benefit from this scheme until September 30, 2021. In addition, a new activity exemption plan started on February 1, 2021.

New training courses will be set up to enable employees to upgrade their skills or change jobs. 400 employees will be able to benefit from a professional retraining program in 2021 and retraining opportunities will be boosted by a new internal mobility scheme. Some 250 strategic recruitments are also planned to strengthen our teams with skills that cannot be developed internally.

B. Training to support skills development EFPD5

Groupe Renault supports the skills development of its employees to meet its sustainable growth targets.

2020 will go down as a year upset by a major health crisis that has accelerated the development of digital and distance learning initiatives. Responsiveness and adaptation are the two key words of the year, with the switch in just a few weeks from mostly face-to-face training to training that is essentially distance learning, and employees who have sought to develop their skills by seizing the opportunities offered by the Group in these areas. Thus, the volume of digital training hours was up **+191% at 343,847 hours,** compared with 180,000 hours at the end of 2019.

Being a **learning organization** is not something that can be decreed, but is demonstrated through many achievements. The creation in May 2020 of the "**Learning Company**" Yammer group showcased best training practices and allowed trainees to express views on the training of actions that contribute most to their training: more than 1,200 Group employees are registered in this community. Another achievement is the development of the **"Learn" mobile application** in pilot countries (Spain, France, India, Morocco), which enables employees to take digital training courses on their smartphone.

The link between the various players in skills development has been strengthened thanks to the strong collective involvement of the Learning & Development (L&D) community in the rapid reorganization of training activities, by mobilizing academies and business Experts, training and Human Resources teams at headquarters, and in the Regions and countries where Groupe Renault operates.

In April, a global communication campaign was launched to develop e-learning and offer employees training courses that can be taken remotely during periods of lockdown (*e.g.* Renault Way, ethics and compliance, data protection, remote management & collaboration, digital transformation, emotional intelligence, diversity & inclusion, language courses, *etc.*), relayed by specific campaigns in countries as the pandemic progresses (e.g. "Learn every Thursday" in Romania).

The Group's Learning & Development department has had to adapt the methods of managing the L&D community composed of representatives of the 15 business academies, the training and development teams of the Regions and the 15 main countries. For example, the L&D community's annual seminar was a wholly remote event involving working sessions spread over three days, with discussions between sessions. The objective of this seminar was to share feedback on the evolution of our practices since September 2019, but also to create a shared vision to develop a learning corporate culture, allowing all Group employees to train regularly throughout their career at Renault.

To achieve this objective, which will involve a steady increase in the rate of access to training, the development of a qualitative learning experience is essential. Groupe Renault has therefore continued to develop its training management system (LEARNING@ALLIANCE) by making it easier to understand the offer through rapid access to targeted training on important issues (*e.g.* managing a team remotely, improving language skills, *etc.*) while allowing individualized paths with a choice of training subjects preferred by the employee in question. The digital training offer has also been strengthened, with new online training modules developed in particular by the "Digital Learning Factory". Access to training from an application available on smartphones has also been activated for Group employees located in pilot countries (France, Spain, India, Morocco, *etc.*) in order to promote e-learning, including during periods of lockdown.

The functional academies

The **functional academies** continue to revamp their training offering to adapt it to the technical skills requirements of the Group and the health context.

The **Manufacturing Academy**, which covers the 37 Renault plants, the seven Production Engineering RTx and the 10 Supply Chain DLO, created seven training catalogues (stamping, machining, safety, logistics, *etc.*) and 29 training courses (reliability, SSV maintenance, *etc.*). To develop access to the Manufacturing training offer, new training courses have been designed to be rolled out digitally. This academy has also contributed to the reinforcement of strategic Supply Chain skills.

All of the Academy's programs are offered in three languages (English, Spanish, French), and a network of local relays enables the translation of training content into the Group's seven other languages.

The **Engineering Academy** has invested in the development of the pedagogical and digital skills of trainers and educational engineers with the opening of a **"Learning Lab"**, a place of learning aimed at sharing best practices and developing new uses in training while optimizing the use of the tools made available to the teams.

A learning engineering department is creating new learning spaces such as the "Learning Engineering Days" **(LED)** (online conferences of Group experts on technological and digital transformation to make data central to the businesses), and is extending its training offer on autonomous vehicles, electric and hybrid vehicles, and regulatory standards and requirements. It is also creating new training courses directly linked to the Group's strategic levers such as electrification, hybridization, cyber security and Artificial Intelligence.

The **Alliance Purchasing Organization Academy** has reinforced the Procurement Academy program with the creation of three tailor-made e-learning modules. Major marketing work has been carried out to promote this offer online, with a weekly selection of content to follow. By applying neuroscience-based best practices for interaction and learning effectiveness, there has also been a particular focus on the quality of learning materials.

The **Quality and Customer Satisfaction Academy** has organized workshops in the **Learning Lab**, thereby continuing its digital transformation and supporting the upskilling of its people (trainers, technical mentors, the international network of training officers). This collaboration with the international Quality network & Customer Satisfaction Academy has contributed to the improvement of collaborative work based on a maturity grid and associated action plans.

The Finance Academy has accelerated the digitization of its offer with the creation of 12 new e-learning modules on the fundamentals of finance (accounting, credit management, customs, transfer pricing, *etc.*).

The Digital Academy has rolled out two e-learning training courses (Agile & Data), supplemented by six training courses on Agile, Cybersecurity and Data (created in one month), available to all Group employees. It has also designed and rolled out distance training courses on Agile, Data, Architecture and Office Automation skills (11 synchronous and remote training courses). A committee of experts and specialists from different departments has also been created to oversee the development of cross-disciplinary skills in Data and Cybersecurity.

The Sales, Marketing & Communication Academy has reinforced its blended training courses on digital marketing, customer intelligence and fleet sales, and has contributed to better product knowledge by launching a new learning chain on After-Sales skills, in conjunction with the skills assessment campaign.

Faced with the swiftness and scale of the health crisis, the training and Human Resources teams very quickly mobilized to adapt the training offer by proposing different learning methods to their employees (e-learning, video learning, webinars, virtual classrooms, blended learning, *etc.*). By addressing a wide variety of themes (technical and cross-disciplinary skills), relying in particular on the digital training offer proposed by the Group in LEARNING@ALLIANCE, the commitment of the community of internal trainers and the availability of business experts, the main objective was to avoid compromising actions already undertaken to develop talent.

The resolute involvement of training actors in the countries

The development of digital and distance learning

Argentina stood out with the Talent School program. The L&D team has created a general training program with several components:

- on-boarding, with discussions on business conduct, sustainability, health, safety and compliance;
- project management in Agile mode;
- quality control methodology;
- comprehensive vision of the automotive business;
- visits to dealers;
- how to drive your own development.

Today, this program has been adapted and is being rolled out in a fully remote format, supplemented by technical training. 141 participants have completed it, with a total of 2,534 hours of training.

In South Korea, the aim was to encourage employees to engage in their personal development by offering training courses on a variety of topics ranging from the humanities to economics, provided by external teachers and specialists. Nearly 700 people have been trained within this new digital learning framework. Employees were also encouraged to adopt the principles of the Renault Way and its 11 key competencies through the prescription of e-learning modules offered by the country's L&D team. A challenge was launched to reward the employee who had completed the most hours of online training each month.

Spain prioritized the digitization of training content for blue-collar workers with an online documentary site containing digital books and training content. The questionnaires for the exams were prepared with the Forms app. To facilitate access to these digital training courses, tablets have been purchased and made available to learners.

India organized "moments of engagement", with a series of weekly learning times (one TED Talk and two e-learning modules) on various themes such as working from home, resilience and perseverance, positivity and motivation, mindfulness and focus, adapting to change, courage, well-being and compassion, rolled out during the two months of the first period of lockdown. This initiative aimed to comfort and support employees during the crisis, with short videos and online advice to help them overcome feelings of uncertainty.

Turkey chose to set up a digital platform managed by the training institute so that employees can follow webinars and access articles, online training, videos, remote activities for body and mind, and cultural and artistic activities.

Colombia decided to take advantage of the period of lockdown to promote the personal development of its employees with the *Elige ser tu mejor version* program. Launched in June 2020, this skills development path is composed of four e-cards offering several online training initiatives twice a week, and was followed by 70% of the people connected.

In **France,** the pandemic resulted in the postponement of 65% of the training initiatives initially planned and the organization of more than 100 distance training courses to replace some of those sessions, some online inter-company training sessions having entered the framework of the program funded by the FNE.

A number of initiatives were taken within this framework:

- the **manufacturing manager training** program was adapted to switch to blended mode incorporating digital training activities, distance coaching and a face-to-face consolidation sequence;
- **language training** is provided in fully digital format and has been accessible to all employees in France since January 2020, for all required levels. Access to this platform has been greatly appreciated by employees, particularly during the period of lockdown from March to July 2020;
- **training of trainers**: a complete update of the system was carried out with a combination of virtual classes, e-learning, remote trinomial work and a day in the classroom devoted to role-playing. 100 trainers have been trained on the new system and 39 internal trainers have obtained national certification;
- the **Inclusive Manager** training course was rolled out widely in 2020 and 2021, following test sessions held at the end of 2019, which were very much appreciated by our managers.

In **Romania**, in addition to the promotion of the digital catalog, strong emphasis has been placed on the development of blended learning through:

- the organization of internal technical training on Teams (25% of total training hours, with more than 40,000 hours provided);
- the development of online training courses given by internal trainers on cross-disciplinary skills (36 sessions with 447 participants and 1,422 hours provided);
- online language training; a total of 170 talents and managers trained in English and French, with 40 hours of training per participant over eight months.

Strengthening managerial training and mentoring

In **Argentina**, the construction of a culture of personal development was based for the third consecutive year on development workshops. The activities were designed to help participants identify levers for their personal development by exploring their professional motivation factors and referring to the 70-20-10 model, the PIE model (performance, image, exposure) and work on personal branding. A total of 53 participants received 159 hours of training during these workshops.

South Korea has rolled out training on "management essentials" to ensure that middle management grasps success factors (managing change in times of crisis) and the need to integrate and adhere to the "Renaulution" priorities. A total of 233 middle managers participated in this program, with the determination to build a culture of change in a VUCA (volatile, uncertain, complex, ambiguous) environment in seven sessions of seven hours.

Romania has continued its business-to-business mentoring program offered to its talents.

Russia has trained all production team leaders in automotive assembly and components to develop their managerial skills. The training of logistics and services production team leaders continued, as did the talent development initiatives which started in 2019 (with more than 400 training sessions carried out by this population). Nearly 1,800 employees have received training as part of the *École des managers*.

The ramp-up of management training and mentorship was also a major axis of the overall training policy, with the Group "Onboarding management" program. Based on the 11 cross-functional skills associated with the Renault Way, this very successful online training program, which has been delivered to 18,000 employees, was updated in November 2020 with the integration of two new courses on "managing at a distance' and "managerial values" (ethics, diversity, inclusion).

In 2020, the total number of training hours undertaken by people employed by the Group (on a temporary or permanent basis) in 2020 stood at 2,283,403 hours (excluding AVTOVAZ) and 3,126,052 hours (including AVTOVAZ). The breakdown of training hours by Region was as follows:

BREAKDOWN OF TRAINING HOURS BY REGION

Region/training hours	2020	2019
Americas	142,938	144,100
AMI - Pacific	365,928	374,492
China	9,029	439
Eurasia including AVTOVAZ	1,371,008	2,548,425
Eurasia excluding AVTOVAZ	528,359	708,338
Europe (excluding France)	667,319	923,319
France	569,830	939,094
Total excluding AVTOVAZ	2,283,403	3,089,782
Total including AVTOVAZ	3,126,052	4,929,869

Within the 10 major countries, training hours carried out in 2020 broke down as follows:

NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES

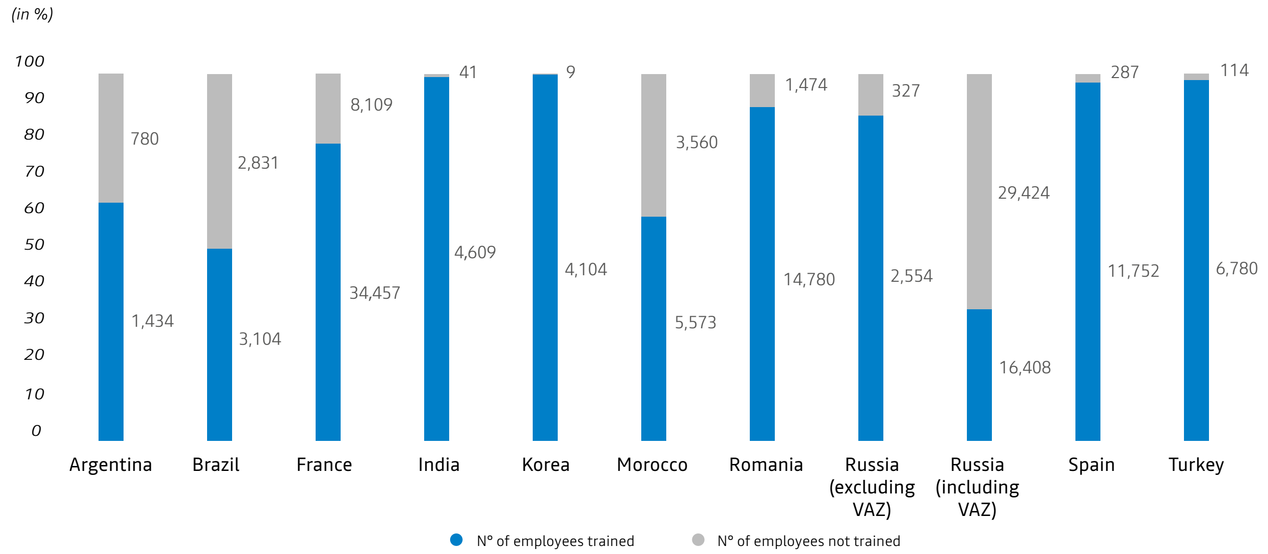
Training/country	Argentina	Brazil	Korea	Spain	France	India	Morocco	Romania	Russia (including AVTOVAZ)	Russia (excluding AVTOVAZ)	Turkey
Total hours 2016	45,400	71,538	118,164	641,874	844,738	158,277	118,621	465,297		97,998	379,383
Total hours 2017	40,459	65,271	113,246	649,328	998,064	210,494	131,912	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
Total hours 2020	36,549	66,743	67,231	509,790	569,830	192,659	99,232	203,077	904,080	61,431	263,518

The general decrease in the number of training hours is largely due to the pandemic and the impossibility of organizing a significant number of face-to-face training sessions throughout the year (punctuated by periods of lockdown). Some of the training sessions were organized remotely, also leading to a reduction in the number of training hours to adapt the content to this format. The rise in digital training was confirmed with the number of hours of digital training increasing 1.9-fold between 2019 and 2020 to reach a total of more than 343,847 hours for the Group (180,000 hours in 2019). AVTOVAZ was strongly penalized by the postponement of many face-to-face training courses, which were only able to resume at the end of 2020.

TRAINING ACCESS RATE AND AVERAGE TRAINING HOURS PER EMPLOYEE

In 2020, the overall training access rate (excluding AVTOVAZ) was 83% (69.7% including AVTOVAZ). The average training time (excluding AVTOVAZ) was 17.6 hours per employee (17.9 hours including AVTOVAZ).

Quarterly monitoring is performed within the major entities of the Group's 10 major countries representing 91.6% of Groupe Renault's registered workforce. The training access rate for these 10 major countries (excluding AVTOVAZ) was 83.6% (68.8% including AVTOVAZ):



C. Preparing tomorrow's leaders

The Human Resources function regularly adjusts the personal development policies and practices for the Company's men and women to enable them to adapt to the new challenges faced by Groupe Renault and to support the implementation of Group strategy.

More generally, in order to ensure that the process of identifying and developing talent is robust, Renault has rolled out specific, proactive guidelines for each country:

- spot talent as early as possible, take risks and strengthen development actions;
- increase managers' involvement and empowerment in talent development;
- maintain efforts to promote diversity of profiles.

These guidelines, shared across all jobs worldwide, aim to identify three levels of potential pools for filling different levels of positions of responsibility, with the objective of promoting equal opportunities and taking diversity into account to prepare the Group's future.

Groupe Renault is thus committed to widening its cultural diversity. To manage this initiative, the HR function has set itself the objective that 30% of key position holders should be non-French, compared with 26.5% in 2019. This indicator is also monitored in the Diversity & Inclusion scorecard redefined in 2020.

In addition, the HR function and management are working together to build a development plan for the potential of these future leaders to ensure their advancement.

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 results are used to assist the Career Committees responsible for approving decisions regarding Renault's talent by providing objective and fair information to be used in assessing potential candidates.

Moreover, these results enable employees' strengths and areas for progress to be identified. 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, such as:

- 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.

The RLA tool has been used for more than 2,892 people since its launch in 2012.

The RLA can also support the recruitment process for experienced managers as well as collective analyses that allow us to adjust our development axes and tools.

2.4.1.4 Social dialog

Year after year, Groupe Renault confirms its determination to use **social dialog** to **build a world of work** in a constantly shifting environment, be it at the global or local level.

This determination is reflected in particular in the signature of **global framework agreements** that make it possible to reconcile the interests of both the Group and its employees.

The Group's first global framework agreement "**Committing together for sustainable growth and development**" dates from July 2, 2013. Concluded between the members of the Group Works Council and IndustriALL Global Union, this agreement sets out the social, societal and environmental responsibility of the Group. The signatories have committed themselves to five major lines of action:

- respect for fundamental social rights;
- social responsibility towards employees;
- corporate social responsibility in the areas where Groupe Renault operates;
- purchasing and relationships with suppliers and subcontractors;
- preservation of the planet through the reduction of the environmental footprint.

The Group's second global framework agreement "**Building the world of work together within Groupe Renault**" was signed on July 9, 2019 between Groupe Renault Management, IndustriALL Global Union, the French trade union federations and the other trade union federations or unions represented on the Group Works Council. This agreement, of which the Group Works Council is a stakeholder, and which in October 2019 received the **first prize for the most innovative collective agreement** awarded by the Assises du Droit Social (ADS), aims to better prepare for and cope with permanent changes in the automotive industry, which have a major impact on the labor market.

These two global framework agreements constitute structuring social dialog themes.

A. Increasingly heightened and broadened vigilance on respect for fundamental social rights EFPD4a EFPD6a EFPD6b EFPD6c EFPD6d EFPD17a EFPD17c EFPD17d EFPD18

A historical commitment

In October 2004, Groupe Renault published a "Declaration of Employees' Fundamental Rights".

The two global framework agreements renew, strengthen and complement these commitments, in particular with regard to the effective abolition of child labor, the elimination of all forms of forced or compulsory labor, the elimination of discrimination in respect of employment and occupation, freedom of association and the effective recognition of the right to collective bargaining.

The 2013 agreement thus refers to International Labor Organization Conventions Nos. **87, 135 and 98** on freedom of association, protection of the right to organize, workers' representatives, and the right to collective bargaining. It also incorporates Conventions Nos. **29 and 105** on the abolition of forced labor and Nos. **138 and 182** on the effective abolition of child labor and the minimum age. Finally, it includes Conventions No. **111** on the prevention of discrimination, No. **100** on equal compensation and No. **158** on termination of employment.

The 2019 agreement incorporates, in the same year that it was adopted by the ILO, **Convention No. 190**, disavowing any manifestation of workplace violence, harassment in all its forms, particularly sexual or moral harassment, or discrimination against employees.

A vigilance plan in terms of human rights and fundamental freedoms in consultation with internal and external social actors DV1a

As part of the implementation of French Law No. 2017-399 of March 27, 2017 on the duty of vigilance, a mechanism has been implemented for the monitoring of human rights and fundamental freedoms.

The aim is, in light of our industrial and commercial activities and the diversity of the countries in which Renault operates, to identify the risks incurred and to draw up a **map, based in particular on reports published by the ILO**, which may go beyond the fundamental social rights identified within the global framework agreements. It is on this basis that Groupe Renault has decided to pay particular attention to the implementation of ILO Convention No. 100 (Equal Compensation) and ILO Convention No. 111 (Discrimination, Employment and Occupation).

This monitoring system is supplemented by feedback from the Group's various departments, and more specifically, from the Ethics and Compliance department (section 2.5.1.3) and the Purchasing department, from European and international social partners, as well as from the **professional whistle-blowing system**, which is accessible to Group employees, external or occasional employees and suppliers. Any alerts are addressed in a specific item during the plenary sessions of the Worldwide Group Works Council.

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.

Risk mitigation actions DV3a

88.45% of the Group's employees are covered by a collective bargaining agreement at branch and/or company level.

The Audit department now includes knowledge of and compliance with global framework agreements in its local audits of Human Resources practices. In the event of any difficulty in applying these agreements, the memorandum concluded in January 2018 with the signatories of the 2013 framework agreement provides practical guidance for both parties to deal with them jointly. In addition, training opportunities and raising awareness among local Ethics Committees are being studied. They should enable, through examination of risks at the level closest to the operations, better identification of at-risk situations in matters of human rights and appropriate solutions to be applied.

In this context, in February 2020, the International Labor Relations department, in partnership with the ILO, organized a **three-day**

training course at the ILO Training Centre in Turin for the members of the Group Works Council Restricted Committee. Training focused in particular on industrial relations systems in Europe, trade union and collective bargaining freedoms, and the application of fundamental social rights in supply chains.

Effectiveness of measures DV5a

The effectiveness of initiatives in place is measured notably by the number of incidents reported by signatory parties to global framework agreements resulting in the implementation of the measures provided for in the 2018 memorandum. No incidents were measured under the memorandum in 2020.

A decisive criterion when choosing suppliers and subcontractors

Groupe Renault has committed, through its 2013 Global Framework Agreement, to ensuring that respect for fundamental rights is a decisive criterion in the selection of suppliers and subcontractors. If necessary, corrective action plans are implemented with the support of the Group. Any failure not corrected after observation results in measures that may extend to the termination of relations with the company in question (section 2.5.2 and policy accessible on the Renault Responsible Purchasing website).

Respect for people

Groupe Renault counts respect for privacy and the protection of its employees' personal data as fundamental human rights. In 2020, the roll-out of the information and training plan continued throughout the Group.

B. The Worldwide Group Works Council, a forum for responsible social dialog EFPD4a

The Worldwide Group Works Council has 40 members:

- 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).

It is the **essential forum for social dialog at the international level**: its members regularly discuss major changes in the Group and its strategic orientations with the Group's General Management and operational departments. When an exceptional proposed decision has transnational consequences likely to significantly affect the interests of employees, the Group Works Council meets as a European Works Council.

2020 was marked by the difficulties encountered by Groupe Renault (a proposed €2 billion savings plan resulting in the loss of 15,000 jobs worldwide) and the COVID-19 crisis, which led to the closure of many industrial and commercial sites in March, with furlough measures for those jobs that could not continue on site and the use of telework wherever possible.

In this very particular context, **maintaining permanent social dialog was essential** to provide employees with appropriate support. Although the annual plenary session could not be held, given the health measures and travel restrictions around the world, the Group Works Council Restricted Committee met remotely no fewer than 35 times this year, with major concerns being the health measures to be implemented on site and the monitoring of the implementation of those measures, as well as the monitoring of the Group's commercial, financial and social situation. Discussions were also held on the feedback of employees surveyed on their experience of telework during the first period of lockdown.

More specifically, the proposed plan to save €2 billion by 2022 was the subject of discussions with certain business lines concerned and a dual consultation-information process. The first consultation-information meeting, on June 26, concerned the terms of international social dialog on the implementation of the plan (the Group Works Council Restricted Committee, meeting as a European Works Council, issued a favorable opinion). The second consultation-information meeting, on October 21, focused on the implementation of this plan in the Engineering, Manufacturing & Supply Chain, Finance and Marketing and After-Sales functions. The European Works Council issued an unfavorable opinion on November 10, after a break in the meeting allowing it to consult all of its members.

Finally, the Group Works Council was able to discuss, very early on, the General Management's Renaulution project and the Group's new organization, which is now focused on four brands (Renault, Dacia, Alpine and New Mobilities), and the gradual implementation of these organizations.

"In 2020, all members of the Group Works Council participated fully in building Groupe Renault's resilience, notably through practical initiatives such as presentations of health protocols at Group level and the sharing of best practices between countries on their application. The Group Works Council also played its full role in social dialog at Group level, with a very strong and unprecedented dynamic: a record number of meetings, remote meetings, whether restricted, extraordinary European or global, with all the members of the Committee, from Argentina to South Korea".

Éric Vidal, Secretary of the Worldwide Group Works Council.

C. Ongoing local social dialog EFPD4b EFPD4c

In France, the agreement signed by the CFDT, CFE-CGC and FO on January 13, 2017 relating to the years 2017, 2018 and 2019, called the "Renault France - CAP 2020 - Agreement for the sustainable performance of Renault in France" ended with positive results. It focused on three areas: customer satisfaction, sustainable performance and motivation of the Company's women and men and incorporated business and performance commitments.

Social dialog at Renault in France in 2020 was structured around two main topics:

- the follow-up to CAP 2020 and the savings plan;
- management of the health crisis.

The follow-up to CAP 2020 and the savings plan

After a phase of joint reflection on the challenges of the post-CAP 2020 period, the social partners agreed to start negotiating a **2020 Method and Transition Agreement**. This agreement was signed on March 6, 2020 by the CFDT, CFE-CGC and FO. It sets out themes for future negotiations. For 2020, it maintains the previous GPEC system with activity exemptions, continued recruitment and training efforts within Renault s.a.s. and the subsidiaries concerned.

Following the announcement of the savings plan on May 29, 2020, an amendment to the **2020 Method and Transition Agreement** was signed on July 24, 2020 by the CFDT, CFE-CGC, CGT and FO. The amendment defined, for each of the projects linked to the savings plan in France, a joint work schedule and the social dialog structures to support it.

As part of the implementation of this amendment, business line observatories were organized for corporate functions. Their work led to the negotiation of an agreement on the **Transformation of Skills in Global Functions**, signed on November 20, 2020 by the CFDT, CFE-CGC and FO. This agreement concerns the strengthening of skills, the adaptation of the workforce and the organization of local social dialog within the business lines.

Local method agreements were also concluded for the other projects related to the savings plan.

Management of the health crisis

The COVID-19 pandemic and its impact on the health situation and the company's activity led to the signature, on April 2, 2020, of a **Solidarity and Future Contract**. With this agreement, Renault sets the terms and conditions for managing furlough measures and access to training during this period, and undertakes to guarantee 100% of its employees' net pay.

Moreover, on July 10, 2020, an agreement was signed on the **Organizational Procedures for the Election of Directors Representing Employees on the Board of Directors**.

On November 19, 2020, the agreement in **favor of people with disabilities** was renewed for a period of three years.

Internationally, exchanges with local unions were intensified, following the COVID-19 pandemic, to guarantee the working conditions of all employees around the world, by agreeing to:

- health measures to be implemented for those businesses whose activities continued on site;
- measures to generalize teleworking for employees whose activities allowed it;
- conditions for supporting furlough schemes, in line with local laws.

Several countries and subsidiaries (RCI, Argentina, Brazil, Colombia, South Korea, Romania) have renewed agreements governing local employment conditions. In Argentina and Brazil, agreements were reached on employment measures in the event of a decline in industrial activity, and in Spain, the first meetings on the renewal of the *convenio* were held.

D. Long-term convergence between Group performance and employee quality of life in the workplace

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.

The use of mass telework in 2020 during periods of lockdown brought to light new expectations among employees in terms of professional workspaces. Thus, the priority is to find on site the means to develop collaborative work and conviviality, all in the greatest possible comfort. To put these expectations into practice, various pilot schemes were put in place in 2020 and will continue over 2021; they include the Real Estate department pilots on the Le Plessis-Robinson and Guyancourt sites. In the same vein, the Technocentre renovation program, known as Re-TCR, will also include trials with new workspaces.

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 Group intends to eventually roll out LED lighting to all plants.

The use of digital technology is developing everywhere. In the industrial sector, 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. To provide the best possible support to employees in the context of the health crisis, a support system has been put in place. In France, this relies on occupational health services, facilitators and coaches within the company, and aims to help employees and managers live and organize work as efficiently as possible in this new context. In addition, as part of the support provided for the implementation of the skills transformation agreement, a monitoring and support system for the prevention of psychosocial risks has also been implemented. It includes communication and awareness-raising measures on psychosocial risks, training courses and reinforced support, both on an individual and a collective level.

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 or 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, telework in countries where this is possible. The global framework agreement signed in 2019 strengthened this aim.

In France, telework has been part of our agreements for 13 years. The last agreement, signed on February 7, 2019, will make it easier and simpler to access telework by responding to changes in working modes and new employee expectations. In particular, it facilitates access for eligible employees to two days of telework each week, after registration in the new dedicated workflow, with the option to have regular sessions or use them in a variable manner. The emergence of the COVID-19 crisis and the lockdown measures imposed on the entire French population on March 16, 2020 resulted in full telework for all employees whose work could be performed remotely. To protect the health of its employees, the company maintained this work organization until the start of the new school year in September 2020. This was followed by a period where telework was set at a minimum of three days per week, with the requirement to have only 60% of usual workers present on the Île-de-France sites in order to guarantee everyone's health safety. The second period of lockdown starting on October 30, 2020 reactivated the switch to full telework until the end of 2020. As early as mid-2020, the company sought to draw lessons from this unprecedented period. Through surveys and working groups, the company noted the enthusiasm of its employees for the perpetuation of hybrid working methods, combining on-site and telework. Thus, it is planned to begin discussions with the social partners in early 2021 to initiate thinking on a new organization of work incorporating the new expectations expressed by employees.

2.4.2 Health, safety, ergonomy and the environment (HSEE) EFPD3

Duty of Vigilance

As part of its duty of vigilance(1), Groupe Renault has established and implements a vigilance plan.

Groupe Renault, together with its stakeholders, defined measures for reasonable vigilance covering health and safety of persons in its global framework agreement of July 2, 2013 (2). This is based nine general principles of risk prevention(3).

Creation of a Health, Safety, Ergonomy and the Environment Department (DHSEE)

As part of the Groupe Renault commitment to health and safety, a dedicated department reporting directly to the Executive Committee was set up in September 2016.

Health & Safety Vision

Groupe Renault's Vision "Everyone impacted by our activities goes home safe and well".

ISO 45001 Occupational Health and Safety Standard

Groupe Renault is preparing for ISO 45001 accreditation.

ISO 45001 is an ISO standard for management systems of occupational health and safety management systems, published in March 2018. The goal of ISO 45001 is the reduction of occupational injuries and diseases, including promoting and protecting physical and mental health.

Fourteen (14) HSEE professionals have been trained by the Association française de normalization (Afnor), the French national organization for standardization and the accreditation plan is now underway. There is a dedicated Manager leading the accreditation plan.

(1) Law No. 2017-399 of March 27, 2017.
(2) Commit to sustainable growth and development. "Global Framework Agreement for social, societal and environmental responsibility between Groupe Renault, the Groupe Renault Works Council and IndustriALL Global Union."
(3) 1: Avoid risks / 2: Evaluate risks that cannot be avoided / 3: Fight risk upstream, as close to the root as possible / 4: Adapt work to the worker / 5: Take into account the evolution of techniques / 6: Replace what is dangerous by what is not, or is less, dangerous / 7: Plan prevention / 8: Take collective prevention measures / 9: Give appropriate instructions to workers.

2.4.2.1 Risk mapping EFPD3a DV1a

DHSEE engaged in an intense worldwide risk evaluation activity by visiting sites and performing wall to wall inspections with the aim of identifying key areas of risk.

On the back of this activity DHSEE developed and launched 10 Mandatory Safety Rules (10 MR) with 74 supporting Key Requirements. The rules capture a wide range of topics including: 5S (focusing on establishing and sustaining order, tidiness and cleanliness), work on installations (Lock Out Tag Out), managing access to dangerous parts of machinery, traffic management (safe site, safe vehicle, safe driver), storage and handling of heavy loads, chemical management, working at height, management of subcontractors, fire prevention, ergonomics and many other topics.

To date, the DHSEE performed 308 10MR site audits, which equates to approximately 1,170 departments simultaneously engaging with thousands of employees. League tables showing the level of progress by percentage compliance and ranking for audited sites in respective business domains are now established.

Manufacturing sites have developed in house 10MR Dojos as part of their information, instruction and training induction programs.

In 2019, the DHSEE developed Mandatory Rules and Key Requirements to support health, environment, ergonomics, fire and projects. These rules were to be tested on various sites throughout 2020. This was only partially achieved, due to the pandemic (COVID-19) taking priority and the intense involvement of the DHSEE in supporting the COVID-19 exposure control measures and business continuity.

Simultaneously the number of physical safety 10MR/74KR audits and coaching carried out during 2020 by DHSEE was severely impacted by the constraints linked to the pandemic.

Nevertheless, capabilities to conduct remote audits and coaching were also carried out successfully using live communication tools. At the same time, the sites were trained so that they will be able to carry out self-assessments.

Furthermore, and in order to apply the hierarchy of control upstream, DHSEE project team accompany the projects through their milestones to promote inherent safe design of the installations which will enter in the sites and their conformity to all Mandatory Rules.

2.4.2.2 Procedures for regular assessments ECD3a DV2a

A. Field assessments

The DHSEE performs follow-up audits based on established 10MR compliance roadmap guidelines. However, there is flexibility to accommodate other factors such as a special request made by a site, an incident, performance, launch of a new project, introduction of new technology, etc. The need as to where, when and why analyzed with the DHSEE and discussed with the sites.

The number of audits carried out by DHSEE during 2020 has been greatly reduced due to the constraints linked to the pandemic (lockdowns, teleworking, travel restrictions) and the priority given to protect personnel from exposure to the coronavirus.

Overall, in 2020, there were 13 official audits of which three were in the manufacturing scope.

Nevertheless, DHSEE continually helps the sites to develop self-assessment capabilities and as such sites continue to self-check with remote support from DHSEE (however we continue to physically engage in the field when the conditions permit).

B. Statistical assessment to complement field assessment

HSEE statisticians have performed an intense pareto analysis of historical incidents stemming 10 years which includes no fewer than 6,000 incidents. This helps us pinpoint the effect of the Mandatory Rules on areas of risk and incident causation and allows us to adapt our strategy in relation to incident prevention.

This is further epitomized with a dedicated team inside the DHSEE, tasked with working upstream on projects whose primary objective is to integrate prevention in design. In parallel, this team works closely with the field experts to identify areas in serial life that through redesign could have eliminated residual hazards.

2.4.2.3 Appropriate risk mitigation actions DV3a

A brief overview of some of the key areas we are working on is presented below.

A. Project Management

Three dedicated DHSEE correspondents are assigned to support HSEE matters upstream in projects:

- From the earliest stage of the project to ensure HSEE deliverables are compliant at each milestone, in particular: inherent safe design.
- By applying risk assessments and hazard characterization.
- In deployment of training courses for project management, thus enhancing awareness of HSEE requirements (legal and specific to Renault).
- By provision of tools for managing HSEE compliance in projects and the publication of an HSEE information gazette for all players involved.
- In managing effective two-way feedback between projects and HSEE.

The correspondents work in collaboration with other DHSEE experts and with Engineering to produce standards, guides and norms to be applied. To this end, during 2020, the DHSEE project management team created Five Project Mandatory Rules to be tested during 2021.

B. AVTOVAZ

The DHSEE appointed a dedicated manager to support AVTOVAZ. In 2018 seven (7) members of the DHSEE team visited AVTOVAZ to work in collaboration with the local team and establish a baseline reference point from which improvement initiatives were defined and a dynamic PDCA created. Since then, DHSEE and other specialists have undertaken 14 weeks of Gemba visits to conduct coaching and audits.

Among the topics are:

- reporting and analysis of accidents;
- 10 mandatory rules and 74 criteria deployment;
- safety DOJO implementation;
- machinery improvements (LOTO, guards, RFID switches, *etc.*);
- fire risk assessment (plastic injection plant);
- forklift upgrade and floor marking;
- integration of HSE in projects.

Thanks to a new efficient team on site and strong support of Management, the results are visible on the Gemba and safety performances are improving.

C. Fire safety

DHSEE defined nine (9) specific fire safety mandatory rules, which will be tested in several sites during 2021. The purpose is to build on the back of the success of the 10 Safety Mandatory Rules using identical compliance roadmaps inclusive of ranking according to tried and tested criteria. These in-house rules are a good practice reference point and generate a focus on this key area of risk management.

DHSEE is also working in collaboration with the Risk Prevention Division to enhance the Hot Work Permit. The enhanced permit has been tested in the field on several sites, feedback has been taken into consideration and adaptations are being made accordingly. In parallel we are working jointly with the Risk Prevention Division to establish Risk Assessment models as well as reviewing documents and procedures covering all aspects of fire safety.

D. Contractor management

Renault appointed established safety software solutions experts who cover this essential area of risk management. The aim is to build a single unified Contractor Safety Management platform which will enable us to manage the entire contractor safety lifecycle which covers five key elements.

1. Streamline and standardize the pre-qualification processes to ensure contractors are properly vetted for EHS risks.
2. Ensure contractors have been properly trained, competent and onboarded before they arrive on site.
3. Conduct pre-job Task and Risk Assessments and establish task-hazard controls to minimize and mitigate risks.
4. Monitor and supervise work, flag EHS issues that need to be corrected, and evaluate contractors, EHS performance to identify high-risk contractors when future contract work is needed.
5. Establish a complete overview of all ongoing works by means of a site map, allowing a better view of co-activities.

The contractor management platform is in the first phase of testing in several sites.

E. Machinery and Equipment

All Manufacturing sites have recorded interventions by providing videos demonstrating how Lock Out Tag Out procedures are performed. The sharing of visual evidence has enabled coaching and feedback to the sites for best practice for ensuring how the safe isolation of machinery is achieved.

Considering machinery safety, tools and procedures have been developed to mitigate machinery related risks which, just to mention a few, essential safety requirements for suppliers, inspection check-sheets and risk assessment.

The procedure for approval new installations is an evolution of the CCS (*Constat Conformité Sécurité*) document, which has been updated to current European and international standards and directives. Included in this update is the aspects relevant to machinery safety, rules number 2 and 3 of the 10 Mandatory Rules for site safety.

During this year's activities, safety inspections for machinery in serial life has also been considered with the development of an inspection tool that can be applied to all types of machinery to identify potential safety hazards. This allows the relevant teams to pro-actively identify hazards and discuss suitable control measures to be put into place.

To enable an open discussion platform, the Machinery Safety Club was created in 2020. The new installation process tool and the safety inspection procedure has been communicated through this club which, to date has seen over 90 people attend. Training on these new tools has been provided to over 170 people.

F. Electric and hybrid vehicles

Electric and hybrid vehicles are one of the major projects for the company.

Safety is integrated upstream in the design of the product. Standard solutions are implemented in all electric and hybrid vehicles (ex: BJA – Hybrid CLIO in 2019, BCB in 2020).

In order to eliminate or reduce access to hazardous energies:

- there is a lockout and tagout procedure for each EV in order to isolate and lock out energies before intervention on electric components;
- the design of the high voltage batteries strongly reduces access to live parts during assembly operations, as well as during repair and maintenance activities inside batteries.

Safety is integrated in the process engineering in all assembly activities and in vehicle repair activities.

Safety training program have been reviewed during 2020 with support of French certified organization APAVE (Association des Propriétaires d'Appareils à Vapeur et Electriques). The theorical part of the new training program was supplemented by several practical exercises. It now includes a specific Dojo on the characterization of hazards and the implementation of safety rules.

Standard workstation induction (SWI) has been included as a part of the new training program.

The implementation of the new training program is underway in the Douai plant.

The HSEE dimension has been strengthened in electric and hybrid vehicle projects from the product and process design stage in order to make the work of plant operators and after-sales technicians safer. All the players involved in these projects have been trained.

In the scope of transportation and concerning the EV battery, guidelines and training sessions on regulatory requirements for suitable packaging, test of battery before transportation, were implemented by the internal Dangerous Goods Safety Advisor.

G. Traffic Management

DHSEE in collaboration with impacted functions developed three complementary risk mitigation tools:

A) traffic memorandum (Reference Guide),

B) risk assessment method (Safe Site, Safe Vehicle, Safe Driver),

C) procedure for the safe reception of flows and automated guided vehicles (AGV's).

Standards have been produced on topics such as:

- safe forklift truck (FLT): verification prior to use, and pedestrian-FLT proximity detector and speed reduction;
- safe material handling vehicles (MHV): equipment to be seen and heard;
- safe truck: loading and unloading of trailers uncoupled from the cab;
- safe storage: rack regulations.

H. Renault working with the ECG

ECG is the Association of European Vehicle Logistics and provides a platform for the finished vehicle logistics sector in Europe. In October 2017 during the biannual Industry Meeting between the ECG board and senior logistics managers of the OEMs a passionate call for the establishment of a cross-industry working group to reduce accidents in vehicle logistics was made. Renault was very quick to support this initiative and the ECG Health & Safety Working Group was born.

The first meeting of this working group identified road transport and 'falls from height' as the priorities since these generally account for the most serious accidents. Regrettably, fatalities are not unknown.

Since then several sub-groups have been formed, all of which have been very active. A number of documents have been produced in many languages including 'Safe Loading Process' and 'Safe Yards'. Training courses have been run across Europe to support 'safe loading' and an industry website has been produced to encourage truck operators to upload details of incidents to enable analysis and promotion of the results to allow everyone to learn from them.

ECG is grateful to all those who have participated in, and supported, this working group for their efforts in helping to make our industry a safer place for our employees. No-one should ever be injured delivering a car - and this is the goal we all aim for.

I. Ergonomics EFPD3a

During 2020, the Ergonomics department supported 11 vehicle projects with a focus on inherent ergonomics design.

In parallel a new risk assessment process was introduced which consists of three main elements and covers all business scopes. Ergonomics memorandum, Workstation evaluation methodology & Ergonomic Mandatory rules all of which were finalized in 2020. All elements will be utilized upstream in projects to eliminate the introduction of ergonomic constraints whilst simultaneously applied in serial life to identify opportunities to enhance working conditions.

1. Ergonomics memorandum

The memorandum is a reference guide which encompasses standard ergonomic principles, adapted to all fields of activity. It has been widely distributed within the company in booklet and digital form, and is available in three languages.

2. Ergonomics evaluation method

The workstation ergonomics assessment methodology was improved in consultation with the Global Ergonomics Network and other key partners.

3. Ergonomics Mandatory Rules

The key criteria's and experience gathered from all previous works has been consolidated into 6 Mandatory Rules.

A deployment roadmap has been established which consists of training supervisors who will be shadowed by ergonomic specialists. The aim is to perform intense risk assessments with a view to identifying new opportunities to improve working conditions as part of the departments' continuous improvement approach.

J. Training

NEBOSH International General Certificate

The NEBOSH International General Certificate (IGC) in Occupational Health & Safety is an internationally recognized health and safety qualification from an established independent examination board with over 25 years' experience in providing up-to-date and relevant examinations.

It provides an underpinning knowledge of health and safety, as well as a sound basis for evaluating (and managing) potential hazards and risks.

During 2020, 22 Groupe Renault HSEE correspondents obtained the NEBOSH International General Certificate (IGC) in Occupational Health and Safety. More correspondents will be trained in the coming years.

CMSE® - Certified Machinery Safety Expert (CMSE)

CMSE® is a globally recognized qualification enabling a 360° approach to machinery safety. It was born of a partnership between two international leaders in their respective fields, Pilz and TUV NORD.

Pilz as the Expert in Machinery Safety.

TUV NORD as the International Certifier.

The training covers Introduction to Safety, Machinery Safety Legislation, Risk Assessment, Mechanical Guarding, Safety Components and Technologies, Electrical Safety, Functional Safety of Control Systems & Functional Safety of Pressurized Fluid Systems.

To date, eighteen (18) Groupe Renault employees have obtained CMSE certification.

ISO 45001 occupational health and safety standard

ISO 45001 is an ISO standard for management systems of occupational health and safety, published in March 2018. The goal of ISO 45001 is the reduction of occupational injuries and diseases, including promoting and protecting physical and mental health.

During 2020 Fourteen (14) HSEE correspondents have been trained by Association Française de Normalization (AFNOR) the French national organization for standardization.

Specific workstation induction

The Specific HSEE workstation induction is a formal and structured process by which all Operators (including temporary Operators) are informed about hazards & control measures associated with their specific workstation. This is a process developed to enhance operator awareness, to encourage proactivity, to promote good behaviors with the ultimate objective of preventing accidents and incidents.

The Specific workstation induction (SWI) standard process implemented in 2017 as a pilot project in all the sites of Iberia Region (Portugal & Spain) was extended in 2020 through specific workshop in Cléon (France) to be adapted for global roll-out. In the Iberia region, 81% of supervisors and 74% of operators have been trained according to this methodology.

HSEOS & good practices

HSE Operational standards (HSEOS) are deployed worldwide with a view to sharing important requirements about a given topic. During 2020, 70 HSEOS were shared.

In addition, good practices compiled in a common format are circulated globally to exchange knowledge and ideas. During 2020, 62 good practices were shared.

Both HSEOS and good practices are shared via HSE club métiers.

Accidents simulations & transversal memos

Video simulations have been created based on pre-selected accident scenarios and then shared worldwide for awareness raising. Since 2019, 12 simulations have been created and viewed by more than 8,200 individual viewers from inside the company. Feedback about this type of communication is very positive, as the simulations show the basic sequence of events leading to the accident. To share these communications with a wider audience, they are now translated into English, French, Spanish, Portuguese, and Russian.

During the accident analysis, as soon as the appropriate risk control measures have been identified, they are summarized and shared via a dedicated Transversal Memo which is also shared worldwide.

Virtual reality hazard hunt

New technologies, including virtual reality, have been used to create and deploy digital hazard hunts in different environments: namely industrial, logistics & dealerships. Trainees can experience the virtual environment thanks to oculus VR headsets. The visual hazard hunts can also be adapted on PCs and large TVs using joysticks, as they would for any regular game. This new digital training, available in 9 languages, enhances awareness with positive feedback coming from the users. New modules are under preparation to enhance machine safety awareness as well as operating cranes.

2.4.2.4 Device for monitoring the measures and their effectiveness EFPD3a EFPD3b DV5a

Digitalization

The HSEE department has improved its tailor-made digital tool for reporting, alerting about and monitoring occupational accidents and illnesses. This digital tool covers the entire Groupe Renault business scope.

Statistical data are compiled each month and shared with all Group Renault entities with information by Groupe Renault, regions and activities.

The system is designed with an integrated alert system where-by sites alert top management and other key correspondents within 24 hours of an incident.

Another module developed in the digital application is a root cause analysis tool which helps identify the systemic causes of the incidents and monitor subsequent corrective actions. One of the outputs of the system is the manual creation of transversal memos which cover the particulars of the incidents in question and these are shared through Club Métiers which are delivered in 3 languages.

Another output of the digital tool is the ability to establish the immediate cause of the incidents and quickly generate incident simulations which are shared with key personnel in the company, including the highest hierarchy right up to the CEO.

To date, the simulations delivered have acquired 8,400 hits, which equates to more than 500 hours, viewing with the viewing audience being much larger than the 8,400 hits.

This is a dynamic tool and regular adaptations are made according to feedback coming from users in the field as part of our continuous improvement approach.

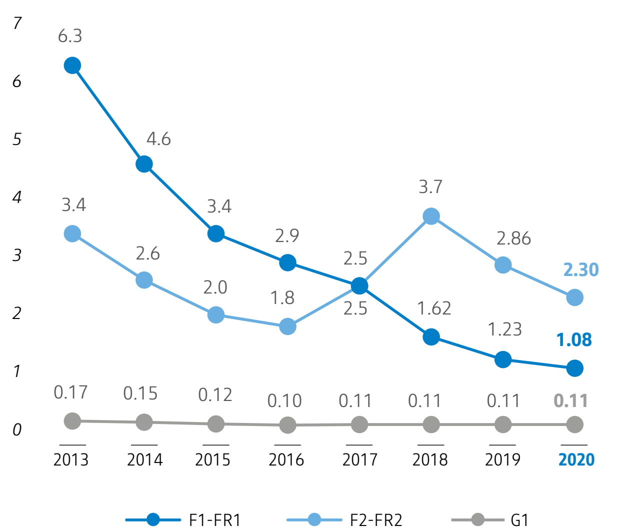
Workplace accidents EFPD3b

FR1 is the Group's main workplace accident indicator. It defines a list of injuries that exceed a certain severity level of which the Group wants to focus in order to prevent the recurrence of such accidents. The Group is also promoting 1st aid acts accidents and continues to improve the declaration process, even in countries where such accidents are not legally requested to be declared.

Since 2017, the FR1 ratio has continuously decreased from 2,5 in 2017 to 1,8 in 2020 this in despite of the FR1 definition becoming more and more stringent every year. The main evolutions being the integration of temporary workers in 2018, the extension of the injury list to include sprains and strains in 2020 and the incorporation of the AVTOVAZ entity. To give some idea of size in business teams, AVTOVAZ is similar in size to all of Europe's manufacturing. AVTOVAZ is several years behind in deploying the Group HSEE tools but deployment is well underway and making good progress.

After careful consideration and on the back of the success of the FR1 reduction we have decided to switch from FR1 to FR2 indicator as the main workplace accident indicator for 2021. Several pre initiatives allow us to set a baseline which will allow us to drive the FR2 indicator down below the FR1 indicator over time whilst keeping the FR1 stable.

TRENDS



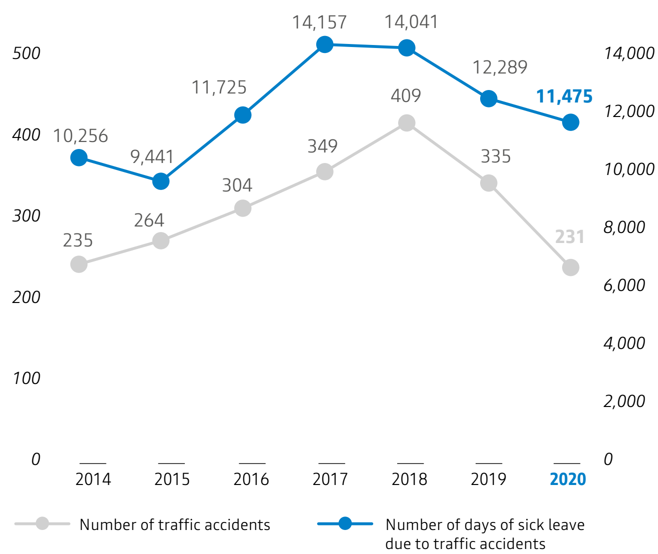
Accidents on public roads EFPD3b

The DHSEE is heavily involved in road safety, supporting colleagues in the field of social responsibility. Commuting accidents covers any accident occurring on the public highway *e.g.* between the workplace and home, between the workplace and a supplier's site, between home and a supplier's site, *etc.*

Traffic accidents that occur within the geographical coverage of Renault sites are monitored as part of the workplace accident frequency rate.

In countries where information about traffic accidents is available to employers, the company can use this data to consolidate the figures and draw up robust action plans.

Information on Groupe Renault's actions to reduce road accidents is provided in the CSR section of the URD (see section 2.3.2).



Health

The Industrial health department consists of 11 dedicated experts with access to laboratory facilities. They manage a wide range of health-related topics including, among others, the control of workers' exposure to hazardous substances and chemical compliance covering the CLP/GHS/REACH regulations.

Our primary objective is to reduce the number of the most hazardous chemical substances on Groupe Renault sites. The most hazardous chemicals, classified as "priority 1" (PR1) by Renault for replacement, include products containing, among others, category 1A/1B CMR (Cancerogenic, Mutagenic and Reprotoxic) and endocrine disruptors substances. Since 2010 to 2019, we have eliminated or avoided the use of around 400 PR1 chemicals. During 2020 we managed to eliminate more than 60 PR1 chemicals.

One of the main initiatives during 2020 was the launch of eight Health & industrial hygiene mandatory rules, which are supported by 65 explanatory key requirements.

The rules have been developed with the involvement of the global health and medical networks. The rules cover chemical, physical and psychosocial risks. Key requirements are established to assess and mitigate risks using the hierarchy of control, promote risk awareness and develop worker training.

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The launch was impacted heavily by the pandemic, which forced us to focus on measures to mitigate the risk of contracting the disease. Our primary focus was to ensure supply of efficient hand sanitization products and surface disinfectant. To meet the needs of all sites around the world, more than 150 products were examined and 130 validated for their effectiveness against COVID-19 and compliance with our HSE requirements.

The psychosocial field is a key area. Preventing psychosocial risk requires cross-cutting and multidisciplinary work. In 2020, a psychosocial prevention specialist joined the DHSEE to structure the management of psychosocial risks. The first action was the drafting of a specific Mandatory Rule with 11 supporting key requirements. Preventive actions are also carried in partnership with other prevention stakeholders (HR and the medical team), for example:

- provision of guidelines to help managers give the best possible support to employees throughout the COVID crisis;
- participation in working groups to analyze impacts of new ways of working (teleworking);
- contribution to the monitoring of psychosocial risks in the context of the transformation of technical and tertiary skills.

Environment

The Environment department includes 20 experts in various fields of environmental engineering such as soil remediation, air emissions, waste management, water treatment, regulation, and environmental management.

The activities, achievements and targets of this department are extensively described in the "Environment" section of this report.

In addition environmental risk mapping will be greatly enhanced with the roll-out of the eight Environmental Mandatory Rules/50 Key Requirements. This new tool, built on the example and on the back of the success of Safety Mandatory Rules, captures all relevant topics as far as the environment is concerned: Soils, Air, Wastes, Water Supply, Waste water, Legionella, Noise and Compliance. The tool was designed in 2019 and 2020 and was to be tested on various sites throughout 2020. The Covid-19 pandemic forced us to adapt the test phase and carry out audits and coaching sessions remotely. The roll-out phase will begin in 2021; over a 3-year timeframe, it will cover all manufacturing, sales, after-sales and logistics sites. A self-assessment phase will be carried out initially, with the remote support of the DHSEE. This phase will include Gemba validation.

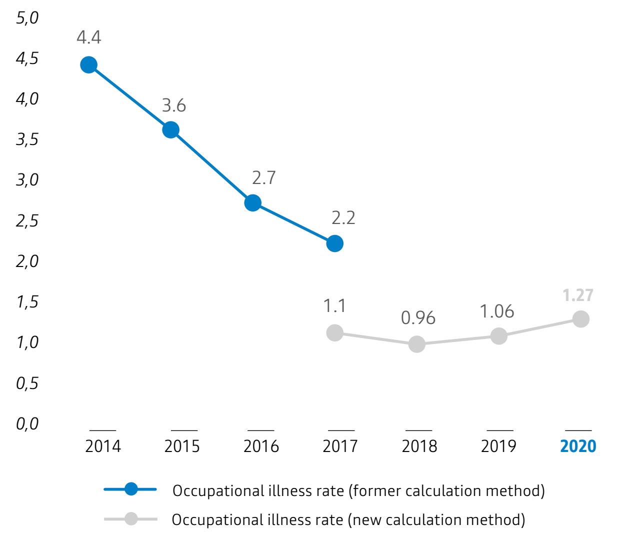
2.4.2.5 Occupational illnesses EFPD3a

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 steady downward trend in the occupational illness rate came to a halt in 2020. The process for declaring occupational illnesses in Romania, simplified at the end of 2019 and therefore in place throughout the whole of 2020, explains this change.

4/5 occupational illnesses are musculoskeletal conditions. This demonstrates even more the importance of the Ergonomics Mandatory Rules implemented in new projects.

More generally, improved project integration since mid-2018 will contribute to future progress.



Group absenteeism EFPD2b

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 rates changed very differently in 2020 compared to 2019, depending on the impact of the health crisis in the different countries. Overall, the increase remains limited, with a rate of 3.61% in 2020 compared to 3.28% in 2019.

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 Appendix 2.6.2.

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 Bringing schools into the corporate world

Groupe Renault is committed to developing talent throughout life, especially among young people, by helping them find their place in the world of work. Groupe Renault develops programs and initiatives 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.

A. In France...

2020 was a complex year in terms of school relations due to the health crisis in France, marked by the closure of a number of schools for certain periods, new operating methods (distance learning courses, virtual school forums, etc.) and the cancellation of courses during the first period of lockdown.

Despite this context, Groupe Renault was able to maintain its links with schools and young people in particular:

- at the end of December, 1,814 young people were on work-study programs in Groupe Renault in France (including 1,636 apprenticeship contracts and 84 CIFRE training through research contracts). While many companies have reduced their recruitment of apprentices, Groupe Renault has chosen to maintain its recruitment and support young people. Thus, of the 1,636 apprentices present, 1,020 were recruited in 2020;
- by welcoming 520 young people in internships, of which just over 100 had been cancelled during the first lock-down (338 internships were cancelled when the partial activity work mode was introduced in March 2020);
- for the fourth consecutive year, an internal forum for work-study students and interns at the end of their contracts was organized, this time virtually via Teams (usually held in person at the Technocentre) with CV, cover letter and social network coaching workshops led by the Group's recruiters;
- some 20 events such as conferences, talks, school forums, coaching sessions and round tables took place in virtual format this year, led by Renault recruitment officers or ambassadors;
- the "TWIZY Contest" innovation challenge devoted to new mobility solutions in the context of the 2020 Olympics was maintained, with a French final on September 28 (10 French teams participating) and an international final where teams from seven countries will compete in December;
- by providing financial support to 129 educational institutions and approved organizations through the apprenticeship tax. As a result of the reform of apprenticeship and its funding, the share of the tax distributed by employers has fallen (13% instead of 23% previously), leading to a drop in the number of organizations supported this year.

B. ... but also in other countries where the Group operates EFPD14d

Many employees spend some of their work time teaching classes at different schools/universities. These activities are organized either through official partnerships or at schools and universities in countries where Renault operates.

For example, in partnership with the local university, **Renault Argentina** is developing workshops run by company employees and aimed at the local community to enhance skills and employability in areas including IT, job search assistance and preparing for job interviews. In 2020, more than 300 people participated in these workshops, held remotely due to the health crisis:

- **the Renault Argentina Foundation** is particularly active in this area:
  - for example, it grants scholarships to students attending the Technical Institute located near the plant. In recent years, more than 800 scholarships have been awarded,
  - in partnership with Fundación Sí, a nationwide NGO working for the inclusion of vulnerable populations, it supports the University residence program, which grants four scholarships to underprivileged students to enable them to attend university,
  - in partnership with TED, it supports the TED-Ed Clubs Program, aimed at high school students to teach them how to select themes they are passionate about and how to express them effectively in the TED format. Since 2018, more than 40,500 students and 6,200 teachers from 1,900 schools have been involved in this program,
  - in partnership with the Education department of the city of Buenos Aires and with the support of Renault Academy, it participates in the Professional Practices program and organizes workshops and training for students and teachers on car repair, electric cars and garage management. By 2020, 35 technical education institutions had participated in this program;
- the **Renault Foundation Colombia** continues to provide support to underprivileged engineering students through its *Renault German Camilo Calle* program;
- in **Romania**, Groupe Renault has partnerships with 15 universities. The Group also supports vocational training and has been involved in the development of future generations of automotive specialists since 2014. Since then, 261 students (from two technological high schools in Mioveni and Pitesti) have participated in internships in Mioveni.

Groupe Renault, well aware that knowledge is acquired by the practical application of academic knowledge, **made numerous gifts of vehicles and tools to schools for educational purposes:**

- in **France**, many plants make such donations for educational purposes to high school students in their area;
- in **Argentina**, Renault donates test vehicles to technical institutions to be used for student training. Since the beginning of the program, more than 100 vehicles have been donated to institutions in the provinces of Buenos Aires and Cordoba. This action has a three-fold economic, environmental and social impact: the destruction of test vehicles is avoided, final disposal of waste is avoided and it contributes to the training of future automotive industry employees;
- in **Morocco**, Groupe Renault regularly donates its used and upgraded IT equipment to schools and training and integration centers. In 2020, several training centers for underprivileged young people benefited from the provision of IT tools that allowed the continuation of courses during lockdown.

Teacher training and leadership development, to give them the means to transform their institutions, inspire and bring about change among young people, are further challenges for the company as great as that of training students:

- the **Renault Argentina Foundation**, in partnership with NGO Fundación Cordoba Mejora and the Renault Technology America (RTA) department, is supporting the Leaders in Education program for secondary school principals in the province of Cordoba. It aims to improve the quality of education, reduce the number of school dropouts and promote equal opportunities for young people through leadership development strategies;
- the **Renault Colombia Foundation** continued its collaboration with the Empresarios por la Educacion Foundation in 2019 to train 20 school principals 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

Groupe Renault conducts a large number of CSR initiatives designed to promote inclusion, access to education and fight against student drop-out:

- as such, the **Douai plant** (France) 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.

  In addition, the **Douai plant** (France) welcomed high school students from the Denain high school (Nord), in partnership with the Elles Bougent association, to enable them to meet women working in industry who can talk about their careers;
- meanwhile, in 2020, **Renault Argentina**, supported the NGO Mujeres 2000 through a program developed on a voluntary basis. For example, 15 employees from the marketing department, with the help of a communication agency, participated in the creation and development of digital workshops on business management for vulnerable women supported by the NGO. In Argentina, in partnership with NGO Las Omas, Renault is supporting a community program for a vulnerable population living in the vicinity of the plant. In particular, Las Omas has set up a sewing workshop to train women and encourage them to set up their own businesses;
- in **Brazil**, the Renault Experience innovation and entrepreneurship program, organized by the Renault Institute, continued into its twelfth 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: http://institutorenault.com.br.

  Future Generation is another important vocational training program targeting young people in socially vulnerable situations in **Brazil**. This free six-month training course, intended for young people aged 15 to 24 who are still enrolled in secondary school or who have completed their schooling, is designed to prepare them for entry into the labor market. It includes courses in computer science, management, citizenship, behavior and civics. In 2020, courses were held at a distance due to the health crisis. A total of 21 young people graduated from this second class. Of the 40 students in the first class, who graduated in 2019, 18 have found jobs or are doing internships at Renault do Brasil or other companies in the region, despite unfavorable health and economic conditions;
- in **Morocco**, Renault contributes to improving school conditions in the province of Fahs Anjra. It encourages the schooling of children, in particular girls, and is fighting to reduce school drop-out rates in rural areas through the supply of school buses, and initiatives such as educational workshops. A total of 1,900 pupils benefited from the school transport service every day in 2020 thanks to the **Renault Morocco Foundation**. In addition, the Foundation has enabled the opening of four pre-school classes in the province of Fahs Anjra, which since 2018 has been welcoming more than 90 children from the region each year.

  The educational approach was reinforced with two new initiatives in 2020:

  - the adaptation of the Bibliobus project, launched in 2019, to effectively support school children in the current health context. Initially designed to bring culture closer to young people in rural and peri-urban areas, the 2020 edition integrated teacher training through distance learning, as well as a pedagogical approach to tutoring for all primary school levels,
  - the scholarship program for deserving baccalaureate students in the town of Melloussa, from which four young people have benefited for this first year of launch.

  The Renault Maroc Foundation is also very involved in the prevention of road risks. With the Tkayes school initiative, more than 8,000 children and their families benefited from the road safety education program in 2020.

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 39 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 by the ACEA, the association of European automotive manufacturers, 14.6 million people – representing 6.7% of the active population – work in the European automotive sector (direct and indirect jobs).

The number of direct jobs totaled 2.7 million (2018 data). This 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.

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 its CSR policy. In responding to such requests, the whole Group follows the sponsorship procedure defined in 2019.

The corporate sponsorship activities of the Groupe Renault Foundation

Until June 2020, the Sponsorship Committee determined the allocation of donations to charities on the basis of calls for projects.

In this context, the Foundation launched a call for external projects in 2020. It supported the associations Les Z'enfants de l'Auto and the Massé-Trévidy Foundation in the amounts of €15,000 and €20,000 respectively, as part of the *Roulez Jeunesse* scheme for obtaining a driving license. Since June 2020, donations have been decided on directly by the Board of Directors.

The art collection

Groupe Renault's art collection is now managed by the Renault Foundation, whose purpose is to promote the Group's modern art collection, which includes more than 300 works by some 30 major artists such as Arman, Doisneau, Dubuffet, Tinguely and Vasarely, and make it accessible to as many people as possible.

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 articles of association, 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.

Every month since October 2020, the Renault Foundation has been meeting with local Foundations in order to share best practices or advise them in their approach. A strategic amalgamation of all foundations around the new Corporate Foundation's new purpose will take place from 2021.

Country	Name	Year of creation	Principal activities	Scope of action	Annual budget
Argentina	Fundación Renault Argentina www.fundacionrenault.org.ar/	1960	Education Environment Road user safety Health Local development	Local and regional	€177K
Brazil	Instituto Renault do Brasil www.renault.com.br/mais_renault/instituto-renault/	2010	Education Environment Road user safety Diversity Local development	Local and regional	€220K
Colombia	Fundación Renault Colombia	2014	Education Diversity Environment Road user safety	National	€166K
Spain	Foundation for inclusion and sustainable mobility (FRIMS) www.fundacionrenaultmovilidadsostenible.com/	2012	Education Diversity Environment Road user safety Local development	National	€210K
France	Renault Corporate Foundation www.fondation.renault.com/	2001	Inclusion Education	International	€3.7M
Morocco	Renault Morocco Foundation	2018	Education Road user safety	National	€364K
Portugal	Renault Portugal Foundation	2018	Environment Sustainable mobility	National	€30K
Romania	Renault Romania Foundation	2018	Inclusion Sustainable mobility	National	€0K

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 columns, *etc.* 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 pays particular attention to 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 more than 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.

For almost 20 years, Renault has had a 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 A committed socially responsible player

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 that aims to favor the mobility of the most vulnerable.

Initiated in 2011 and officially launched in France in July 2012, this program is drawn up in cooperation with players in the social and cooperative economy, the academic world and the public sector. Innovative partnerships have been forged in this framework to promote entrepreneurship and encourage inclusive mobility projects to emerge with Pôle Emploi (the French government employment service), Restos du Cœur or ADIE. We are aiming for this to be extended 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

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. Since 2019, customers whose cars are at the garage for work can receive a free-of-charge replacement vehicle from Identicar (for a maximum of three days). Only garages providing a Renault Rent rental service qualify for this offer. In this way, 1,500 people were directed to this program in 2020, and nearly 10,000 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 €80 including tax per month) and light commercial vehicles (Renault KANGOO from €210 including tax per month). These services are exclusively aimed at individuals who are not eligible for conventional loans. Diac (Groupe Renault's finance company for the Renault and Dacia brands) is a stakeholder in the scheme, which was offered to nearly 4,500 potential beneficiaries in 2020.

Results obtained in 2020 show that the program is actually reaching its target: 74% of recipients of the LOA offer have household incomes below €1,000 net/month. These results also highlight a target market that encompasses more women, with 54%* of recipients over the entire offer being female.

At the end of 2020, within the Renault network there were nearly 320 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/. The application has evolved considerably during the year, to cope with a forecast increase in people seeking help from the program. This is expected to be generated by a forthcoming communication to the general public, with a corresponding significant increase in the social impact of the program;

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 Solid'air**. In 2020, the latter changed its investment to strengthen the environmental impact while maintaining its commitment to solidarity. This fund grew by 5.02% in 2020.

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 nine result and activity indicators, put together with HEC, was deployed in 2018. All companies are participating in the scheme in this way:

- **Nino Robotics** is a startup that meets the mobility needs of those who walk little, with difficulty or not at all, with a modern electric sit-on transportation machine or an electric wheel to power a manual wheelchair. Groupe Renault's support, which will be implemented in December 2019, extends from product design to distribution;
- **ADIE** is an association that offers microcredit to people who do not have access to bank loans. ADIE set up the first French social impact contract in 2016 to pilot the distribution of microcredit in rural areas. In 2019, 206 people benefited from microcredit thanks to this contract, including 44% to finance mobility (purchase/repair of a car);
- **Salvum** offers digital training in first aid. In September 2019, Salvum launched a specific module for road rescue, which has been offered to more than 1,200 people since then. In 2020, Salvum developed several modules to raise awareness of viruses, including coronavirus.

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.

Training in inclusive business

In late 2018 and in 2020, training sessions were organized to enable around 20 employees per session to familiarize themselves with societal challenges, identify corporate responsibility and the tools available to them to take concrete action in favor of a more sustainable world. As these training courses are increasingly in demand by many employees, the format will be extended and offered to international employees.

The HEC Paris Inclusive and Social Business Chair

- Groupe Renault has sponsored this Chair (www.hec.fr/espace-entreprises/chaires-et-centres/social-business) since 2011 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 (AP-HP)) 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 with the aim of ramping up the project.

Collectif des entreprises engagées: a prescription banking platform

In February 2019, Groupe Renault joined the coalition of companies: the ***Collectif des entreprises engagées*** (Collective of committed companies), created at the end of 2018 at the initiative of Emmanuel Faber, CEO of Danone.

Faced with the social protest embodied in the *gilets jaunes* movement in 2018, 34 major French companies, including Groupe Renault, have come together in the Collectif des Entreprises Engagées to join forces in three priority areas: **training and apprenticeships, access to inclusive goods and services, and responsible purchasing**.

These actions, developed in three working groups, each led by two CEOs including Renault's, have made it possible to achieve ambitious objectives in a short period of time.

BNP Paribas launched a platform facilitating access to goods for its most vulnerable customers, including access to MOBILIZE offers, and notably the offer of Lease with Option to Purchase a new car. The initiative is based on an economic model which makes leasing a new vehicle less expensive than buying a very old used vehicle. The latter is often the only affordable option for those on low incomes, 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 CO_2 emissions.

With this facilitation of access to goods, Groupe Renault in France is targeting 10,000 Mobilize LOAs (Leases with Option to Purchase) per year from 2023.

A pilot in shared mobility scheme in Africa

For the past two years, the CSR and Innovation departments have been working on a pilot scheme to be launched in 2021, that will allow us to test the relevance of an electric and shared mobility offer based on mini solar plants in African villages. The aim is to demonstrate that this inclusive mobility solution can be an accelerator for the economic and social development of rural areas in Africa.

2.4.6 Renault Corporate Foundation

Launched in 2001, the Renault Foundation initially focused on supporting associations and academic programs of excellence directly linked to inclusion and sustainable mobility. Aware of today's economic and social concerns, the Renault Foundation adopted a new mission in the second half of 2020, focused on integration through employment, with the aim of supporting and helping people excluded from employment to find their place in society.

Promoting Renault as a socially responsible player in social integration

To help the most vulnerable people find their place in the labor market, the Renault Foundation supports initiatives by associations in favor of professional integration, with a focus on proximity to the Group's employment areas in France. The projects it supports are designed to restore equal opportunities in terms of professional integration, to create bridges between the educational and employment environments, and to advise and support vulnerable people in their efforts to find or return to employment.

In addition to supporting these associations, the Renault Foundation aims to engage employees on a unifying theme, thereby meeting the need for a sense of purpose that is increasingly prevalent in their expectations. That is why, during the COVID-19 health crisis, the Foundation set up a platform to help employees get in touch with associations looking for volunteers or seeking financial donations.

In December 2020, the Renault Foundation reiterated this initiative by organizing a Christmas fundraising drive to support the Restos du Coeur.

Finally, with the end of its support for academic programs in September 2020, the Foundation is supporting its last students (72 people) until they obtain their diplomas so that they can begin their professional lives.

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;
- 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;
- the nine dedicated codes of conduct. They describe the rules of good conduct to be applied in jobs 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 Director of audit, risks, ethics and compliance Groupe Renault, a member of the Renault Management Committee in charge of the ethics and compliance system, meets regularly with the Chief Executive Officer to inform him of the roll-out of the Group's ethics and compliance policy. He reports on actions undertaken in the areas of ethics and compliance to the following Board of Directors' committees :

- the Audit, Risks and Compliance Committee (CARC);
- the Ethics and CSR Committee (CERSE).

His 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);
- 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 his duties, the Group Ethics and Compliance Director relies on :

- a team of 16 employees;
- 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 policy 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.

He can also count on the support of the following bodies:

- the Group Ethics and Compliance Committee. The CECG is composed of 11 members and is assisted by contributions from function and region officers. It is responsible for defining and adapting the ethics and compliance policy;
- the Alert Processing Committee. It includes seven members and three experts. It treats in a collegial way professional whistle-blowing received;
- 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 2020

Renault has been audited by the French Anti-Corruption Agency (AFA) under Article 17 of the *Sapin II* law of December 9, 2016. At the time of writing, Renault had not received the AFA report.

The procedure for declaring and dealing with conflicts of interest and the related training have been rolled out. A communication campaign on the declaration of interests of senior executives has been conducted and will be repeated annually.

The Group has also set up a procedure for managing gifts and invitations applicable to all of its entities.

The Group Ethics and Compliance department is now split into four divisions: ethics, professional alerts, compliance and the deployment division created in 2020.

An “Inspiring Ethics” seminar was held in December 2020. It is part of an initiative to raise awareness of ethics and compliance for all employees within Groupe Renault. The Chief Executive Officer was thus able to develop and share his convictions on ethics and compliance. Three external speakers followed one another in order to nurture the thinking of all attendees on subjects as varied as “meaning and leadership”, “normality and singularity at work” and finally “ethical questions concerning neuroscience”. Lastly, the Chairman of the Board of Directors concluded the seminar by stressing the Group’s responsibility and interest in having an "ethical backbone" enabling it to develop sustainably.

Five information sessions on the Group’s ethics and compliance policy were given to the business management committees in the plants and at a country headquarters.

Reinforcement of the ethics and compliance network

The network of ethics and compliance officers is now composed of 86 people. In order to improve the effectiveness and impact of the actions of the Group Ethics and Compliance department, the network of officers has now been extended to new countries and subsidiaries. A total of 37 officers cover all countries where the Group operates. These officers are supported by five regional officers and 14 function officers. They are assisted by 30 implementation leaders.

The Group Ethics and Compliance Department leads the network via e-conferences, newsletters and an annual seminar. Despite the context of telework, health crisis and travel restrictions, contact was maintained and reinforced through individualized exchanges with each member of the network.

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 policy, in particular in the following areas:

1. a renewed and increased commitment by governing bodies to the prevention of corruption;
2. the corruption risk mapping approved by the Executive Committee allows risks to be identified, assessed and prioritized. It includes in particular those risks inherent to its international activities or links with third parties. The various risks mapped are then taken into consideration when adjusting the Group’s ethics and compliance policy;
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 has now been rolled out in the Group's main subsidiaries. In 2020, the TIM process was integrated into the Delegation of Authority (DoA) for decisions requiring an opinion on the integrity of the third parties involved. In total, the level of coverage of third parties at risk was above 90% at the end of the year despite an increase in the scope of consolidation;
5. employees and managers have access to online training on the prevention of corruption and influence peddling, as well as the detailed presentation of the Group’s prevention plan. In 2020, more than 3,000 employees attended this training. This represents a cumulative total of 39,600 employees, *i.e.*, 94% of the population registered according to the position held in the company. An online training module, "Ethics within Groupe Renault", was delivered to 25,800 employees;
6. a communication campaign launched at the end of 2019 reminded everyone of the operation of the worldwide whistle-blowing tool implemented in 2018. Available in 14 languages, the tool is operational in almost all countries and is supported by the local ethics and compliance officers. 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 and Compliance 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 confidentially at any time, on an external site, from a computer, tablet or smartphone, both professional and personal. During 2020, new initiatives were conducted to raise awareness, in particular using the Group intranet;
7. in 2020, the Group Ethics and Compliance Department carried out a self-assessment on the roll-out of the corruption prevention system in the Group’s entities and subsidiaries. This CCQ (Compliance Control Questionnaire) received input from 33 subsidiaries this year. Compliance tests were conducted on 11 entities to verify the quality of the responses and thus confirm the overall results. Eight audit assignments including a review of local implementation of the corruption prevention policy were carried out in 2020.

Compliance with laws, regulations and corporate rules

Compliance with laws and regulations is a major objective of the Group. The Group’s Ethics and Compliance Committee (CECG) is responsible for monitoring these systems.

The Group Ethics and Compliance department is 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, section 1.5.2.4).

The system as a whole is managed by the internal monitoring procedure for regulatory compliance.

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 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" assessment 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 law. 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 relies on documents 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 commit in writing 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 plans 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 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

To regularly evaluate its suppliers and subcontractors, Groupe Renault uses:

- **purchasing processes** which incorporate CSR criteria into selecting suppliers and subcontractors to enter its panel but also for 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.

For all subjects 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.

Thus, the management of suppliers' CSR risk is integrated into overall risk analysis, just as financial risk or strategic risk is integrated into overall risk analysis.

In 2020, the analysis and management of suppliers' CSR risks has been deepened on the panel of the Top 500 Parts (BOP) and the Top 200 Services (NBOP) suppliers, covering 88% of global purchasing amount.

2.5.2.5 Actions to mitigate risks and prevent serious infringements DV3b

In the context of mitigating risks and prevent serious infrigements, Groupe Renault has commissionned 82 social, environmental and ethics audits of supplier sites since 2018, performed by external companies in six countries, including Algeria, China, India, Romania, Russia and Turkey.

Specific emphasis was given to the monitoring of corrective action plans put in place by the suppliers with the lowest scores, with mandatory re-auditing for these suppliers.

In 2020, Groupe Renault continued to monitor the progress of corrective actions taken by suppliers who obtained insufficient results in audits. In Turkey, several suppliers were successfully re-audited, although for one of them a special monitoring plan was put in place because the level achieved was insufficient. However, the coronavirus pandemic has had many consequences on follow-up activities, including the cancellation of a new audit campaign.

2.5.2.6. Professional whistle-blowing DV4

See section 2.1.5, “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:

- percentage of direct purchase volume of parts, services & equipments covered by a CSR assessment;
- percentage of total purchase volume of parts, services & equipments covered by a high or very high grade CSR assessment.

In 2020, with the refocusing of efforts on the Top 500 parts suppliers and the Top 200 service providers, two new indicators were created to expand the number of suppliers assessed:

- the number of parts, services and equipment suppliers subject to a CSR assessment;
- the number of parts, services and equipment suppliers whose CSR score reflects high or very high performance.

In 2020, the CSR performance (Group level) of Groupe Renault's Top 500 parts and Top 200 services suppliers (representing approximately 88% of the total purchasing) was as follows:

	Parts (Top 500)	Services (Top 200)	Total 2019	Total 2020
Percentage of direct purchase volume covered by a CSR assessment [1]	93.7%	89.2%	84.1%	93.1%
Percentage of total purchase volume covered by a high or very high grade CSR assessment (3 years)	85.9%	87.0%	74.8%	86.0%
Number of direct Group suppliers covered by a CSR assessment [1]	378/500	151/200	405/700	529/700
High or very high CSR performance rate (less than 3 years)	303/500	144/200	338/700	447/700

(1) CSR assessment: carried out by an independent third party within the last three years.

Moreover, in 2020, the average performance of the supplier groups assessed in the Top 500 parts suppliers on the:

- "Environment" was 57.6/100;
- "Social & Human Rights" was 52.3/100;
- "Ethics" was 49.0/100;
- "Responsible Purchasing" (among our suppliers) was 45.0/100.

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 to 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, Groupe Renault works in priority since 2017 with the cobalt sector, as this mineral is used in electric batteries.

The Group selected a specialist audit firm in this sector to fully map its supply chain and perform on-site audits for the identified 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. In 2020, the monitoring of action plans by cathode suppliers and certain refiners continued.

Renault has been a member of the Responsible Mineral Initiative (RMI) since 2017. The RMI’s objective is to strive to implement a responsible supply chain for minerals and materials originating from Conflict Affected and High-Risk Areas (CAHRAs). RMI brings together the major players of the electronics and automotive industries. It meets monthly and the minutes of these meetings are sent to all of its members. In 2020, cobalt has been once again our main priority throughout this initiative.

In 2020, Groupe Renault also joined the Child Labour Platform (CLP) of the ILO (International Labour Organization). The Child Labour Platform aims to identify obstacles to the implementation of ILO Conventions in production lines and in neighboring communities, to develop practical ways to overcome these obstacles and to coordinate collective action with its members and other partners.

2.5.2.9 Purchasing contribution to the reduction of CO_2 emissions in the supply chain

Through the scope of its activities, the purchasing department (APO) is a major player in helping reduce greenhouse gas emissions in Groupe Renault's supply chain.

APO is involved in each of the stages, whether for the purchase of parts and raw materials, transport services for parts or vehicles and energy.

In 2020, Groupe Renault defined the terms of a program to strengthen the integration of climate change challenges into purchasing decisions.

2.5.2.10 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 on a year-to-year basis.

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 1.5.2 – 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 Manufacturers' 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.

2.5.5 Lobbying activities

To roll out its strategy and for the smooth running of its activities in the countries in which it operates, Groupe Renault maintains an ongoing dialog with stakeholders: civil society, NGOs and public sector players.

The arguments developed by the Group in this context are based on impact studies of draft regulations or legislation. They concern public decisions on various subjects: social, tax, road safety, the environment (including the fight against climate change).

The Group's positions are presented to public decision-makers to answer their questions or propose adjustments, making it possible to reconcile the interests of the Group, its customers, shareholders and employees, and the search for the public interest, defined according to the UN's Sustainable Development Goals.

The approach is guided by:

- the Code of Ethics dedicated to interest representation activities;
- European regulations (transparency register);
- national regulations; in the case of France, Renault declares its interest representatives and its actions to the High Authority for Transparency in Public Life (HATVP).

The Group is a member of a number of professional federations, in France and internationally, including:

- national associations of automotive manufacturers: FEBIAC, in Belgium, ANFAC in Spain, VDIK in Germany, *etc.*;
- in France: CCFA, PFA, AFEP, AVERE France;
- in Europe: ACEA.

In 2020, the Group's influence actions were mainly related to the impacts of the COVID-19 crisis on the markets and industrial, commercial and tertiary activities. As it has done for the past 10 years, the Group has continued to call for increased support measures for electric vehicles.

Despite the health crisis and its impact on the markets, the reduction in the CO_2 emissions of new vehicles (CAFE) remained a priority for the company, which did not request a postponement of this regulation in 2020. The strategy and organization implemented by the Group since 2018 have enabled it to achieve its objectives in this area (see 2.2.3.A).

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. In 2020, vehicle air conditioning maintenance was taken into account, with a recalculation of the 2010 reference value. The conversion factors between certification cycles were also updated.

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 Industrial, tertiary and logistics sites under the consolidated environmental scope (see Appendix: "Environmental indicators for the sites") 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 Industrial, tertiary and logistics sites under the consolidated environmental scope (see Appendix: "Environmental indicators for the sites") 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 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) Primary: Renault design database (vehicle composition, recycled materials), sales overview by country
	Vehicles	Worldwide 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 Emissions from road, sea and rail transport for parts and materials	Primary: reporting on logistics activities
Business travel	Travel	Worldwide Emissions from employee business travel (train, plane)	Primary: reporting from travel agent
Daily transport for employees	Travel	France Emissions from vehicles and public transport for employee commuting Emissions prevented through homeworking are deducted	Primary: information provided by employees
Logistics and distribution (downstream)	Logistics	Worldwide 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 Secondary: extrapolation for vehicles sold outside the RRG network
Use of products sold	Use	Worldwide All vehicles sold (passenger and light commercial) under Groupe Renault brands "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 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 Emissions linked to the end of vehicle life The Recycling of materials from vehicles enables to avoid the use of virgin material and associated emissions 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. 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 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 are not counted (even if they 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 recovery
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 2020"

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 covers 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. AVTOVAZ's reporting is currently under construction and in 2020 covers:

- for the Izhevsk site, all indicators except recycled waste;
- for the Togliatti site, all indicators except those related to wastewater discharges, recycled waste and VOC emissions excluding the main paint line.

The scope covered by the priority indicators represents between 85% and 89% of the vehicles produced by the Group in 2020.

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 2020" 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 37% of manufacturing sites (one of which is covered in a partial statement) and 69% of engineering, logistics and support sites.

The Moscow, Santa Isabel de Cordoba, Curitiba, Casablanca (SOMACA) 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.

SO_2 and NO_x 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 (EPE).

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 teq CO_2.

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 2020 reporting are:

- for electricity, those published by the IEA (International Energy Agency) in its CO_2 Emissions from Fuel Combustion 2020 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 March 2020) 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, electricity and solar thermal energy 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 the Group's manufacturing processes.

The lower heating values (LHV) are consistent with CITEPA's OMINEA National Inventory report (updated in March 2020) 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 1990-2018, 2020 edition). The LHVs are consistent with the emissions reported in the EU Emissions Trading Scheme.

2.6.1.3 Site environmental indicators in 2020 (1)

			Liquid discharges				Air emissions							Waste, excluding waste from construction sites						Energy
Site name	**Vehicle production**	**External water supply** *in thousands of m³*	**Treatment plant**	**Suspended solids** *in metric tons*	**COD** *in metric tons*	**Toxic metals** *in metric tons*	**Total GHG** *in teq CO_2*	**o/w direct GHG**	**o/w indirect GHG**	**VOC** *in g/m²*	**VOC** *in metric tons*	**SO_2** *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*	**Proportion of waste recycled** *(excluding construction sites and foundry)*	**Energy consumption** *in MWh LHV*
MANUFACTURING SITES																				
BODY ASSEMBLY PLANTS																				
Batilly (SOVAB)[2, 15]	129,002	263.0	PB	1.5	11.3	0.1	32,983	29,412	3571	36.1	760	0.3	28.0	3,162	2,797	365	1,566	NC	71.5%	202,898
Casablanca (SOMACA)[13]	67,705	120.2	PU	8.8	46.5	0.4	19,993	6,085	13,908	64.7	414	0.2	5.4	4,116	3,681	434	552	NC	80.0%	46,878
Cordoba Santa Isabel[11]	32,710	125.0	PB	2.0	4.1	0.1	18,926	10,764	8,163	62.3	223	0.1	9.8	7,413	5,226	2,187	404	NC	89.3%	70,639
Dieppe	1,279	14.8	U	NC	NC	NC	2,652	2,382	270	81.6	12	0.0	1.4	250	244	5	119	NC	61.5%	15,711
Douai[6, 15]	49,051	413.3	PB	6.5	19.8	0.3	27,866	23,786	4,080	23.6	133	0.2	17.8	21,757	1,962	1,979	1,602	NC	90.9%	182,455
Flins[7, 15]	128,625	545.5	PB	9.9	41.1	0.9	47,706	42,825	4,881	30.1	372	0.4	27.8	40,861	5,763	35,098	2,077	NC	94.1%	256,459
Maubeuge[15]	100,104	183.9	PB	0.6	1.9	0.1	25,663	22,061	3,602	31.4	343	0.2	20.8	22,211	2,198	20,013	1,453	NC	93.9%	167,327
Envigado (Sofasa)	38,588	127.4	PU	9.2	44.9	0.1	5,738	3,667	2,072	57.8	218	0.0	1.8	4,298	4,188	110	154	NC	94.8%	24,058
Moscow	75,531	299.8	PU	25.9	78.5	0.6	35,028	14,749	20,278	59.9	491	0.4	19.7	6,962	4,761	2,201	1,076	NC	81.4%	138,644
Novo Mesto[15]	141,544	231.0	PU	0.9	51.7	0.0	29,655	14,452	15,203	23.7	281	0.1	12.2	24,649	3,103	21,546	1,774	NC	88.5%	126,191
Palencia[8, 15]	148,802	324.1	PB	0.5	12.5	0.2	35,012	18,477	16,535	23.4	379	0.2	18.6	31,357	3,235	28,122	1,268	NC	99.7%	150,054
Sandouville[10, 16]	106,389	306.6	PB	2.1	10.9	0.1	27,340	22,726	4,614	32.4	508	0.2	21.1	28,364	2,617	25,746	2,531	NC	91.1%	205,444
Valladolid Carrosserie[15]	0	108.4	PU	1.7	13.2	0.2	17,542	7,499	10,044	NC	NC	0.1	7.5	39,604	1,518	38.086	664	NC	99.6%	73,506
Valladolid Montage[15]	193,742	527.9	PU	3.2	51.3	0.6	49,091	29,787	19,304	24.7	488	0.3	30.9	5,888	5,221	667	2,007	NC	96.2%	216,404
Tangiers	209,769	297.4	PBRU	NC	NC	NC	4,522	4,522	0	21.2	467	0.1	3.4	50,567	10,139	40,428	2,885	NC	91.6%	197,108
POWERTRAIN PLANTS																				
Cacia		72.0	PBU	9.3	32.6	0.0	20,303	2,767	17,535	NC	NC	0.0	1.5	6,358	611	5,747	886	NC	89.6%	69,320
Choisy-le-Roi[5]		5.7	U	NC	NC	NC	796	642	155	NC	NC	0.0	0.6	3,600	323	3,278	219	NC	93.9%	5,666
Cléon[15]		1,534.2	PU	7.6	129.0	0.2	27,118	13,732	13,385	NC	NC	0.1	11.3	29,829	3,253	26,576	5,795	6,513	83.7%	297,025
Le Mans[15]		1,965.5	P	23.5	40.6	0.2	23,233	15,727	7,506	NC	NC	0.2	10.2	28,288	14,817	13,471	1,068	1,494	93.8%	205,424
Los Andes		50.2	U	NC	NC	NC	5,348	863	4,485	NC	NC	0.0	0.8	1,351	275	1,076	737	NC	60.3%	14,814
Ruitz (STA)		21.8	U	2.2	4.0	0.0	4,139	2,786	1,353	NC	NC	0.0	2.9	1,835	521	1,314	705	NC	83.9%	37,903
Villeurbanne		16.6	U	NC	NC	NC	1,959	1,633	327	NC	NC	0.0	1.7	363	120	243	56	NC	90.8%	13,812
Seville		69.9	PU	0.6	29.7	0.0	16,877	4,021	12,856	NC	NC	0.0	3.8	5,231	318	4,913	763	NC	92.9%	67,229
Valladolid Motores[15]		160.9	PU	1.0	18.2	0.2	51,866	15,666	36,200	NC	NC	0.1	14.7	15,426	2,477	12,949	2,146	374	93.6%	208,045
MIXED PLANTS																				
Bursa[3]	308,568	602.1	PBU	28.2	53.7	1.4	99,585	32,777	66,809	34.1	999	0.3	29.6	62,029	11,212	50,817	2,544	NC	94.2%	296,714
Busan (RSM)[4,16]	112,181	353.5	PBU	0.7	4.9	0.5	63,731	18,112	45,619	30.6	377	0.2	16.6	21,189	5,711	15,478	923	598	96.9%	171,622
Curitiba Complexe Ayrton Senna	175,920	348.8	PU	36.0	187.2	0.4	19,683	19,683	0	46.4	766	0.3	20.9	34,450	11,010	23,441	3,050	1,055	96.4%	202,553
Dacia Automobile[9, 15]	258,606	1,069.1	PBU	57.9	302.1	0.2	139,993	57,242	82,751	32.1	866	0.5	38.8	103,771	9,619	94,153	5,857	855	94.0%	488,658
FOUNDRIES																				
Cordoba Fonderie Aluminium		4.4	-	NC	NC	NC	2,193	1,276	917	NC	NC	0.0	1.3	166	21	145	1,189	136	0.7%	8,966
Fonderie de Bretagne		46.8	PU	0.1	0.3	0.0	4,927	3,293	1,634	NC	NC	0.0	3.3	5,969	2,421	3,548	132	3,405	92.0%	45,282
TOTAL	**2,278,116**	**10,209.7**		**240.0**	**1,189.8**	**6.8**	**861,469**	**443,413**	**418,056**	**33.4**	**8,095**	**4.6**	**384.1**	**611,313**	**119,362**	**491,952**	**46,202**	**27,880**	**92.8%**	**4,206,809**

			Liquid discharges				Air emissions							Waste, excluding waste from construction sites						Energy
Site name	Vehicle production	External water supply *in thousands of m³*	Treatment plant	Suspended solids *in metric tons*	COD *in metric tons*	Toxic metals *in metric tons*	Total GHG *in teq CO_2*	o/w direct GHG	o/w indirect GHG	VOC *in g/m²*	VOC *in metric tons*	SO_2 *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*	Proportion of waste recycled *(excluding construction sites and foundry)*	Energy consumption *in MWh LHV*
ENGINEERING, LOGISTICS AND SUPPORT SITES																				
Aubevoye		28.5	U	NC	NC	NC	5,622	4,651	972	NC	NC	0.0	1.3	3,131	360	2,771	168	NC	92.6%	31,294
Boulogne (Head office andother entities)		33.4	U	NC	NC	NC	3,458	2,677	780	NC	NC	0.0	1.7	294	284	10	25	NC	23.8%	22,293
Cergy-Pontoise		5.2	U	NC	NC	NC	3,647	78	3,570	NC	NC	0.0	0.0	2,425	2,278	148	27	NC	87.7%	18,546
Dacia centre logistique CKD		4.1	U	NC	NC	NC	2,127	1,633	494	NC	NC	0.0	0.6	889	773	116	1	NC	90.6%	7,385
Flins CDPA		0.0	B	NC	NC	NC	297	42	255	NC	NC	-	-	3,591	2,620	971	26	NC	88.6%	30,052
Giheung (RSM)		47.7	U	NC	NC	NC	14,327	5,058	9,269	NC	NC	0.0	0.7	659	215	444	722	NC	47.1%	24,628
Guyancourt		131.7	U	NC	NC	NC	16,389	12,779	3,610	NC	NC	0.1	4.8	1,337	1,065	272	199	NC	76.2%	113,862
Lardy		107.6	U	19.5	26.0	0.1	16,952	13,390	3,563	NC	NC	0.1	4.2	386	283	103	305	NC	51.0%	107,819
Saint-André-de-l'Eure		5.7	U	NC	NC	NC	1,249	1,132	117	NC	NC	0.0	0.5	1,992	1,941	51	42	NC	88.5%	6,962
Titu		61.7	U	NC	NC	NC	12,579	6,185	6,393	NC	NC	0.0	1.0	1,369	232	1,137	79	NC	90.0%	29,993
Valladolid Services Centraux		30.4	U	0.4	1.7	0.0	7,478	4,552	2,926	NC	NC	0.1	1.6	416	408	9	318	NC	89.1%	18,468
Villeroy (DLPA)		5.9	U	NC	NC	NC	1,478	1,277	201	NC	NC	0.0	0.6	2,343	2,197	145	64	NC	58.9%	9,785
Villiers-Saint-Frédéric		4.7	U	NC	NC	NC	2,166	1,678	489	NC	NC	0.0	0.5	284	170	114	56	NC	71.7%	14,155
Voisins-le-Bretonneux		2.7	U	NC	NC	NC	867	67	800	NC	NC	0.0	0.0	5	5	-	1	NC	100.0%	14,592
TOTAL		**469.2**		**19.8**	**27.7**	**0.1**	**88,636**	**55,199**	**33,437**	**NC**	**NC**	**0.40**	**17.5**	**19,122**	**12,830**	**6,291**	**2,032**	**0.00**	**79.9%**	**449,834**
GROUP TOTAL 2020[17][√]	**2,278,116**	**10,679**		**260**	**1,217**	**6.9**	**950,105**	**498,612**	**451,493**	**33.4**	**8,095**	**5.0**	**402**	**630,435**	**132,192**	**498,243**	**48,234**	**27,880**	**92.4%**	**4,656,643**
GROUP TOTAL 2019[12]	**3,120,008**	**12,592**		**351**	**1,722**	**13**	**1,212,351**	**626,947**	**585,404**	**33.5**	**11,164**	**6.1**	**494**	**862,177**	**182,364**	**679,813**	**61,558**	**34,788**	**92.4 %**	**5,648,333**
AVTOVAZ																				
Togliatti [14]	300,440	34,013.8	PU	nd	nd	nd	889,642	95,766	793,877	57.8	880	0.7	79.3	170,851	76,889	93,962	18,889	70.068	nd	3,406,204
Izhevsk	107,503	707.8	PU	18.5	118.5	0.5	99,473	19,707	79,766	71.2	801	0.2	20.1	25,193	4,062	21,132	1,246	nc	nd	416,532
SITES OUTSIDE THE SCOPE OF CERTIFICATION, FOR INFORMATION PURPOSES ONLY:																				
Dacia Drinking water production site		228.2	U	3.6	0.3	0.0	360	62	297	NC	NC	0.00	0.03	NC	NC	NC	NC	NC	NC	1,194
Dacia Davidesti waste storage facility		0.1	PB	0.05	0.1	0.0	10	0	10	NC	NC	0.00	0.00	NC	NC	NC	NC	NC	NC	29
Meyzieu		0.4	U	NC	NC	NC	35	34	1	NC	NC	0.00	0.04	3	3	0	0	0	nd	187
Grets-Armainvilliers		0.8	U	NC	NC	NC	326	290	35	NC	NC	0.00	0.24	71	41	29	13	0	64%	1,761

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.
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 Parts and Accessories Distribution Center (CDPA). 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) For Togliatti, in 2020 only VOC emissions from the main paint line are included.
(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, 22 sites are officially classified for environmental protection purposes under French ICPE regulations. Of these, 17 require permits, three must be declared and two 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.
(√) Indicators audited by the independent third party KPMG at a reasonable level of assurance for 2020 (excluding VOC in g/m² 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 facilities[3]	47	37	A new site in Slovakia (Bratislava). In France, 6 facilities and 1 site were sold on December 1, 2020.
Reporting coverage rate	100%	100%	All establishments report according to the protocol. Note: the COVID-19 pandemic led to the closure of sites for up to 2 months and therefore a reduction in activity and impacts.
Waste *(metric tons)*	9,758	4,449[2]	A new contract was set up in France with 3 accredited service providers. The mixed common waste collected by the municipalities was assessed on the basis of a ratio of kg France/hours billed France. For the quantities of missing wood or scrap metal, a ratio was established per site concerned on the basis of the quantities from previous years, taking into account the shutdowns related to COVID-19.
o/w hazardous	*2,824*	*1,711*[2]	
o/w non-hazardous	*6,934*[2]	*2,738*[2]	
Energy consumption *(MWh LHVs)*	91,122	53,111	RRG works with Alertéo for better energy consumption management: 40 sites monitored, tracking consumption and anomalies in France. Consumption tracking via invoices for Europe excluding France.
Greenhouse gas emissions *(teqCO_2)*	13,139	13,335	Energy consumption management plan
o/w from combustion	*11,048*	*5,874*	
o/w from electricity consumption	*2,046*	*7,461*	
o/w from gas coolants	45	*Unavailable*	
VOC emissions *(kg)*	53,002	Unavailable	The reliability of the calculation method has been improved
Water consumption *(m^3)*	140,691	122,933	Tracking of consumption and anomalies with Alertéo for France. Consumption tracking via invoices for Europe excluding France.
Soil and water tables			Extraction or neutralization of buried single-wall tanks Preventive Equipment (spillage retention trays, double-wall tanks or above-ground tanks) 29 sites decontaminated at the end of 2020.

(1) A site comprises one or more dealerships and vehicle maintenance facilities.
(2) Figures showing estimates based on activity for some sites
(3) 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 TCFD cross-reference table

The Task Force on Climate-related Financial Disclosures (TCFD) published its recommendations on information regarding climate change to be published by companies in June 2017.

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.	DEU: 1.5.1, 2.1.6, 2.2.3.A CDP: C1, W6
		b/ Describe management's role in assessing and managing climate-related risks and opportunities.	DEU: 1.5.1, 2.1.6, 2.2.3.A 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: 2.2.3.A CDP: C2, C3, W4
		b/ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	DEU: 2.2.3.A 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.	DEU: 2.2.3.A 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.	DEU: 1.5.2, 2.1.6, 2.2.3.A CDP: C2, W3
		b/ Describe the organization's processes for managing climate-related risks.	DEU: 1.5.2, 2.1.6, 2.2.3.A CDP: C2, W3
		c/ Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	DEU: 1.5.2, 2.1.6, 2.2.3.A 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.	DEU 2018: 2.2.3.A CDP: C4, W8
		b/ Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	DEU 2018: 2.2.3.A CDP: C6, C7, W8
		c/ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	DEU: 2.2.3.A CDP: C4, W8

2.6.2 Appendices concerning social commitment

Data collection

Several methods are used to collect employee data:

- in 2020, the People@Renault HR information system is deployed in 39 countries; 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 31 of the previous year + Group workforce at December 31 of the current year)/2.

Region average workforce = (Region workforce at December 31 of the previous year + Region workforce at December 31 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.

Top governing bodies: positions comprising members of the BoM (Board of Management), CMC (Corporate Management Committee) and BMC (Brand Management Committee).

Senior Management Positions: positions reaching a certain level of responsibility according to the Korn Ferry job evaluation methodology. This represents 4,000 positions, within the scope deployed in the People@Renault tool (excluding AVTOVAZ and RRG).

Management Positions: Positions of responsibility: positions reaching a certain level of responsibility according to the Korn Ferry job evaluation methodology. This represents 10% of the Group's positions in the scope defined in the People@Renault tool (excluding AVTOVAZ and RRG), i.e. 11,000 positions.

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 31. 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:

$$\text{FR0} = \frac{\text{Number of incidents requiring first aid}}{\text{Number of hours worked}} \times 1{,}000{,}000$$

Accidents of temporary workers are included in the FR1 and FR2 indicators from 2018.

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).

F2 rate: frequency rate of workplace accidents with lost time = (number of accidents with lost time on first payment/hours worked) x 1,000,000

First payment: means that this resulted in compensation in the form of a first payment of a daily allowance or a first payment of capital or an annuity.

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 accidents that were contested or where a dispute was won] 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 SAVINGS PLAN (PERCO/PERECO)

Composition		Number of subscribers at December 31, 2020	Assets *(€ million)*	Perf. 2020 *(in %)*
ACTIONS RENAULT MUTUAL FUNDS (GROUP SAVINGS PLANS (PEG)				
Renault France Fund[(1)(3)]	Almost 100% Renault shares	37,283	222.6	-15.30%
Renault International Fund[(2)]	Almost 100% Renault shares	8,756	5.23	-15.22%
Renault Shares Fund[(2)]	Almost 100% Renault shares	6,061	35.90	-15.22%
DIVERSIFIED MUTUAL FUNDS (GROUP SAVINGS PLAN AND COLLECTIVE RETIREMENT SAVINGS PLANS (PEG + PERCO/PERECO)				
Multipar Actions Soc Resp	100% euro zone shares	9,172	65.89	-1.09%
CMC CIC Perspective conviction Monde	0 to 40% cash or bonds 60 to 100% shares	6,263	35.04	7.16%
CMC CIC Perspective certitude	0 to 40% cash or bonds 0 to 100% OECD shares	6,694	21.48	-3.97%
Multipar Equilibre Soc Resp	50% shares 50% bonds	14,573	197.08	0.88%
Renault Mobilize Solidaire[(3)]	30% diversified shares 30% bonds 30% monetary 10% solidarity	7,045	28.15	5.02%
Multipar Equilibre Soc Resp	90/95% monetary and bonds 5/10% solidarity securities	12,596	92.30	0.44%
Multipar Monétaire Soc.Responsable	100% monetary	24,454	139.9	-0.46%
BNP PARIBAS PERSPECTIVES (PERCO/PERECO)[(3)(4)]				
BNP PARIBAS Perspectives Short Term	Diversified	1,179	13.58	-0.77%
2024	Diversified	908	10.96	-1.33%
2027	Diversified	626	6.05	-4.20%
2030	Diversified	577	4.87	-8.64%
2033	Diversified	525	3.29	-8.09%
2036	Diversified	415	2.26	-10.11%
2039	Diversified	320	1.39	-10.48%
BNP PARIBAS Perspectives Long Term	International shares	822	1.99	-10.36%

(1) FCPE Actions Renault merged with the FCPE Renault France in 2020. Renault France 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 seven strategic priorities: education, road safety, diversity, social business environment, road safety, “communication and other” (including CSR communication, humanitarian aid, culture, sport, health, *etc.*) plus, in 2020, solidarity (budget dedicated primarily to solidarity initiatives carried out in the context of the health crisis);
- 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 640 vehicles donated by the CSR department to firefighters in France in 2020, which are valued at €844,800.

2.6.3.2 Organizations having benefited from sponsorship in 2020

Theme	Name
Sustainable mobility	Association Prévention Routière
	EHOP (2019)
	Fédération Nationale Des Sapeurs-Pompiers (FNSP)
	Fondation Massé Trevidy - Ride for youth
	Fondation Nicolas Hulot FNH
	GRSP (Global Road Safety Project)
	Les Z'enfants de l'Auto
	Mobilité 07/26 (2019)
	WWF
Inclusion	Action Tank Entreprise et Pauvreté
	HEC Foundation Chair
	Production schools
	Elles Bougent
	Emmaüs France
	Fédération Française Handisport (FFH)
	Femmes pour le Dire Femmes pour Agir (FDFA)
	Fondation Georges Besse
	Fondation Raoul Follereau
	Universciences endowment fund
	Initiative France
	Led By Her
	Objectif Pour l'Emploi
	ONU Femmes
	Restos du Cœur
	Secours Populaire
	Solidarité Nouvelle face au Chômage
	Unis-Cités

2.6.4 Sustainability Accounting Standards Board (SASB) Index

Groupe Renault has decided to adopt the SASB standard from the 2020 financial year.

The SASB was launched in 2011 as an independent standard-setting body that defines sustainable development reporting standards, by industry segment, and that are material for investors (*i.e.* issues that are reasonably likely to have a material impact on financial performance).

The SASB has developed a comprehensive set of 77 industry manufacturing standards that were published in November 2018. They identify a minimum set of sustainable development themes and associated indicators that a company characteristic of an industry segment should publish because of their materiality.

The SASB has defined five themes and their associated KPIs for the automotive industry.

TOPIC	ACCOUNTING MEASURE	CATEGORY	UNIT OF MEASURE	CODE
Activity metric	Number of vehicles manufactured	Quantitative	2,825,414	TR-AU-000.A
	Number of vehicles sold	Quantitative	2,951,971	TR-AU-000.B

TOPIC	ACCOUNTING MEASURE	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE	
Product safety	Number of safety-related defect complaints, percentage investigated[1]	Quantitative	Year, Number[2], Percentage (%)	TR-AU-250a.2	2018 / 2019 / 2020 4,204 / 4,795 / 3,609 100% / 100% / 100%	
	Number of vehicles recalled[3]	Quantitative	Year, Voluntary recalls Mandatory recalls	TR-AU-250a.3	2018 / 2019 / 2020 618,199 / 362,369 / 217,615 0 / 0 / 0	
Labor practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	TR-AU-310a.1	88.45%	
	Number of work stoppages and total days idle	Quantitative	Number, Days idle	TR-AU-310a.2	1 work stoppage, 14 days idle, Brazil	Stoppage due to organizational resizing (blue collars) and competitiveness agreement (CLA 2020 – 2024)
Fuel economy & use-phase emissions	Sales-weighted average passenger fleet fuel economy	Quantitative	Mpg, l/km, gCO_2/km, km/l	TR-AU-410a.1	Europe, passenger cars: 102.7g/km World, passenger cars: 116.4g/km	2.2.3.A, section "Vehicle use"
	Number of zero-emission vehicles (ZEV), hybrid vehicles, and plug-in hybrid vehicles sold	Quantitative	Vehicle units sold	TR-AU-410a.2	Electric[4]: 121,470 Hybrids: 12,480 Plug-in hybrids: 17,541	
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Discussion and analysis	n/a	TR-AU-410a.3	Description supplied	2.2.3.A, section "Addressing climate change challenges"
Materials sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TR-AU-440a.1	Description supplied	1.5.2.2, section "Risk of supply chain failure", paragraph "Failure in supply of raw materials"
Material efficiency & recycling	Total amount of waste from manufacturing, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TR-AU-440b.1	678,669 t[5] 92.4%	2.6.1, table "Site environmental indicators"
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TR-AU-440b.2	78,000 t[6] 86.9%[7]	2.2.2.B, section "Vehicle end-of-life" 2.2.3.B, section "Collect, sort, dismantle"
	Average recyclability of vehicles sold, by mass	Quantitative	Percentage (%) by sales-weighted mass (Mt)	TR-AU-440b.3	> 95%	2.2.3.B, section "Designing vehicles that are recyclable and material-efficient"

(1) Number of complaints addressed to the Customer Relations department and "classified" by an internal "potentially safety" codification, etc.
(2) Excluding Lada & RSM.
(3) Excluding Lada.
(4) Worldwide PC+LCV sales, excluding the Twizy.
(5) For the environmental reporting scope, see definition in 2.6.1.3.
(6) France scope.
(7) France scope, data published by the French authorities (ADEME). The most recent data available are for 2018.

2.6.5 Extra-financial ratings and indexes

The development of Socially Responsible Investment (SRI) gives 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. These agencies generally reserve access to the results of their assessments for their own clients.

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).

2020 results: having submitted its responses to the CDP Climate Change questionnaire, Groupe Renault obtained an A-rating, which keeps it in the “Leadership” category. With regard to the CDP Water Security questionnaire, the Group obtained a B-rating. These scores are available at www.cdp.net.

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 2020 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 agency offers extra-financial rating services and advice to institutional investors and asset managers. It was acquired by American group Morningstar in July 2020.

Latest results – January 2021 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 – December 2020 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 – December 2020 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 – August 2020 Groupe Renault obtained an overall score of 68/100. For more information see: www.ecovadis.com

Inclusion in socially responsible indexes

Renault is part of the following indexes:

Euronext Climate Europe, Euronext Core Europe 100 ESG EW, Euronext France ESG Leaders 40 EW, EN Fra Energy Transition Lead 40 EW and EN Water and Ocean Europe 40 EW.

The MSCI Global Sustainability Indexes, which include the ACWI ESG Universal, the MSCI World ex Tobacco, the P/Europe mid cap ESG, the Europe/cons Disc ESG screened 20/35 and the Fance Country ESG leaders.

Indices of the STOXX family. Renault is included in the STOXX Global Reported Low Carbon index, the Euro STOXX Climate Transition Benchlark, the Euro STOXX Paris Alligned Benchmark and the Euro iSTOXX Ambition Climat PAB.

2.6.6 Report by one of the statutory auditors, appointed as independent third party, on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2020

To the Annual General Meeting,

In our capacity as statutory auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049(1), we hereby report to you on the consolidated Extra-Financial Performance Declaration for the year ended December 31, 2020 (hereinafter the "Declaration"), included in the entity's Management Report pursuant to the requirements 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

The Management Board's is responsible for preparing the Statement, including a presentation of the business model, a description of the principal extra-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the statutory auditors appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

(1) Cofrac Inspection accreditation, No. 3-1049, scope available on the website www.cofrac.fr.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des Commissaires aux comptes or CNCC) applicable to such engagements, and with ISAE 3000[(1)]:

- we obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation set out in article L. 22-10-36, paragraph 2;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risk[(2)], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[(3)];
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 24% and 88% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(1) *ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.*
(2) *Health crisis/non-professional risk impacting work; Non-respect of social dialogue bodies; Dissatisfaction related to certain aspects of life at work: professional relations, 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 officials; Discrimination (employment and profession); Unequal pay; Uncertainties regarding the interpretation of regulations or the execution of the company's tax obligations; Insufficient adaptation of products and services to the challenges of "sustainable territories"; Insufficient contribution of the Group to the development of the territories in which it operates; Inadequate use of vehicles or equipment by the client; Violation of the protection of the Group's data, those of its staff, customers or stakeholders; Non-compliance with the Group's responsible purchasing policies by suppliers; Use of sensitive supply channels (for social, societal and/or environmental reasons); Uncertainties as to the interpretation of regulations or the fulfillment of the company's tax obligations.*
(3) *Environmental indicators: Brazil (Curitiba), Colombia (Sofasa); South Korea (Busan); Spain (Valladolid Carrosserie et Montage, Valladolid Motores, Palencia); France (Batilly, Cléon, Flins, Sandouville, Lardy); Morocco (Tangiers, Casablanca); Russia (Togliatti, Izhevsk); Renault Retail Group (Bordeaux Platform, UK Platform).*
Social indicators: France (Renault SAS); Morocco (Tangiers).
Health and safety indicators: France (Batilly, Sandouville); Morocco (Tangiers, Casablanca); Russia (Togliatti).

Means and resources

Our work was carried out by a team of eight people between October 2020 and February 2021 and took a total of thirty weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement, representing in particular the social relations, ethics and compliance, human resources, health and safety, environment and purchasing departments.

Conclusion

Key performance indicators on themes identified as the main risks, i.e. the quantities of toxic metals in liquid effluents and non-recycled waste, are communicated respectively on the Group perimeter including AVTOVAZ (excluding the Togliatti plant), representing 89% of the vehicles produced by the Group, and on the Group perimeter excluding AVTOVAZ, representing 85% of the vehicles produced by the Group.

Based on the procedures performed, except for the effect of the matter described above, nothing has come to our attention that causes us to believe that the Extra-Financial Performance Declaration is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comment

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comment:

- volatile organic compound (VOC) emissions are reported on a perimeter that increased compared to the previous year, which corresponds to the Group including AVTOVAZ (except for two production lines at the Togliatti plant), representing 94% of the vehicles produced by the Group.

Reasonable assurance report on a selection of non-financial information

Nature and scope of our work

With regard to the information selected by the entity presented in Appendix and identified with the symbol √ in chapter “Groupe Renault: A company that acts responsibly”, we conducted the same procedures as those described in the paragraph “Nature and scope of our work” (for the most important extra-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 50% and 88% 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 “Groupe Renault: A company that acts responsibly” has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, on February 24, 2021

KPMG S.A.

Anne Garans	Bertrand Pruvost
Partner Sustainability Services	Partner

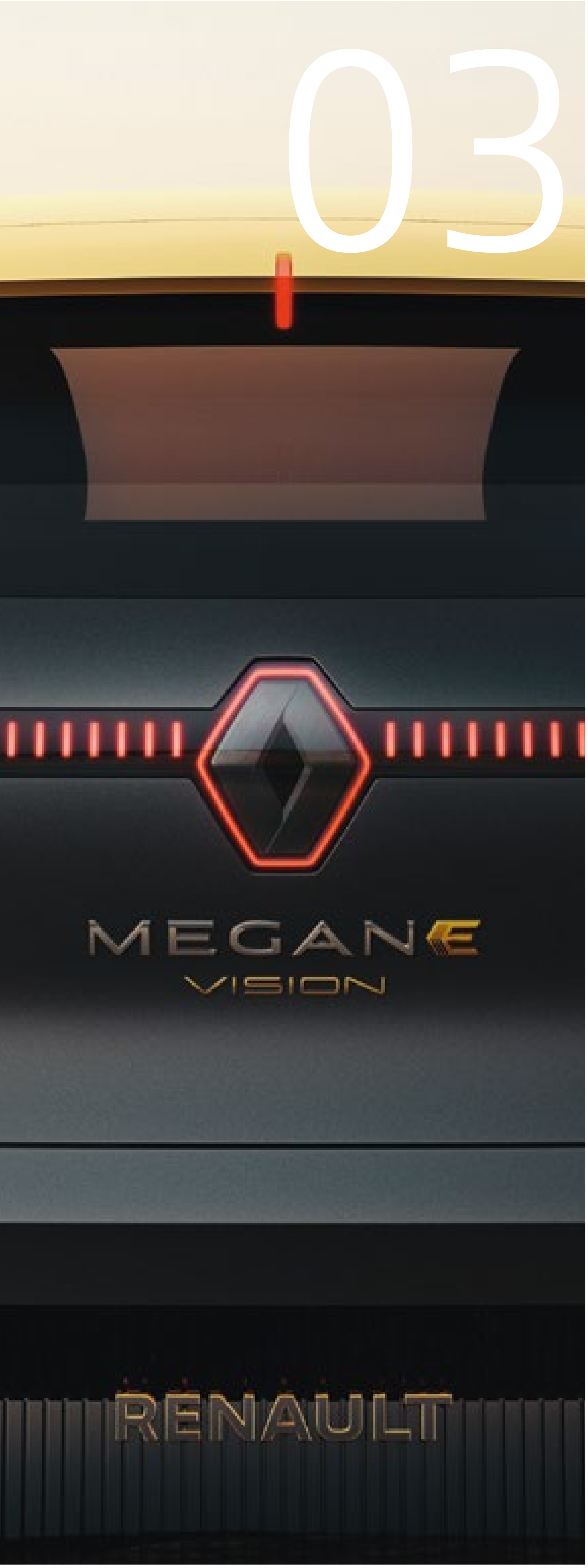
Appendix

Qualitative information (actions and results) considered most important

- Plans for managing the skills and development of employees
- Policies and actions implemented to promote diversity
- Social dialog organization
- Measures taken to adapt the Group's activity during the health crisis and ensure employee protection
- Health and safety measures taken for employees
- Policy and plans implemented for protection of personal data and to combat cybercrime
- Measures to reduce the environmental impact of the operation of industrial sites
- Actions deployed for the transition to a low-carbon economy
- Actions deployed to reduce the impact of waste on the environment
- Measures for waste production management and intelligent use of resources
- Actions deployed to reduce the health impacts of chemical substances, emissions or discharges
- Measures to ensure that the Group's product/service offering matches the expectations of customers, users or territories
- Actions for the protection of biodiversity
- Measures to reduce energy consumption
- Measures to reduce water consumption
- Measures put in place to quantify the impact of climate change on the activity
- Ethics and anti-corruption policy and systems implemented
- Policy and plans implemented in the fight against tax evasion
- Measures taken in favor of human rights
- Actions taken in social business matters
- Measures put in place to adapt products and services to the challenges of "sustainable territories"
- Actions taken to promote road safety awareness
- Measures implemented in terms of responsible purchasing and evaluation of suppliers and subcontractors

Key performance indicators and other quantitative results considered most important	Level of assurance
Headcount and distribution (age, gender)	Limited
Number of recruitments	
Number of redundancies	
Absenteeism rate	
Total number of training hours delivered to the employees at the end of the year	
Total number of cumulative training hours	
Training access rate	
Disabled people rate on total headcount	
Frequency rate of workplace accident requiring more significant medical intervention than first aid (FR1) and with sick leave (FR2) for Renault and temporary employees	
Frequency rate of workplace accidents requiring more significant medical intervention than first aid (FR1r) and with sick leave (FR2r) for Renault employees only	
Severity rate (G1) for Renault employees only	
Rate of reported occupational illnesses	
Water consumption	Reasonable
Total energy consumption	
Total greenhouse gas emissions (scopes 1 & 2)	
Weight of waste in metric tons (excluding construction waste)	
Share of recycled waste (excluding foundry and construction waste)	
Discharges of volatile organic compounds (VOC)	
Discharges in water: suspended solids (SS), 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 18, 2021.

Pursuant to the provisions of Article L. 22-10-10 4° 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 on the Company's website.

3.1 COMPOSITION, PREPARATION AND ORGANIZATION 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 [1] pursuant to the provisions of Article L. 225-17 par. 3 of the French Commercial Code. On this occasion, the office of Chief Executive Officer had been entrusted to Mr. Thierry Bolloré.

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.

In addition, the Board of Directors delivered a favorable opinion on the appointment of Ms. Clotilde Delbos as Deputy Chief Executive Officer of Renault S.A. from July 1, 2020.

(1) This appointment was ratified by the Annual General Meeting held on June 12, 2019.

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.

Other duties of the Chairman:

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:

Director of Renault s.a.s (France)

Other legal entities:

Chairman of the Fondation d'entreprise Groupe Renault (France)

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 member of the 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
Chairman of Renault s.a.s (France)	2020
Chief Executive Officer and General Partner of Michelin (France)	2019
Managing Partner of Compagnie Financière Michelin SCmA (France)	2017


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.

LUCA DE MEO

Chief Executive Officer

Birth date: 06/13/1967

Nationality: Italian

Date of first appointment: July 2020

Number of registered shares held: 5,000

Main areas of expertise and experience: see biography hereafter

Biographie – expérience professionnelle

Born in Italy in Milan in 1967, Luca de Meo graduated in business administration at the Luigi Bocconi Commercial University in Milan.

Luca de Meo began his career at Renault before joining Toyota Europe, then the Fiat Group where he managed the Lancia, Fiat and Alfa Romeo brands. He has more than 20 years of experience in the automotive sector.

Luca de Meo joined the Volkswagen Group in 2009 as Marketing Director, both for passenger cars of the Volkswagen brand and for the Volkswagen Group. He then held the position of member of the Board of Directors in charge of Sales and Marketing at AUDI AG in 2012.

He was Chairman of the Executive Committee of SEAT from November 1, 2015 until January 2020 and member of the Supervisory Boards of Ducati and Lamborghini, and Chairman of the Board of Directors of the Volkswagen Group in Italy.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Chief Executive Officer of Renault SA (France)

Non-listed companies:

Chairman of Renault s.a.s. (France)

Member of the Supervisory Board of Alliance Ventures B.V. (Netherlands)

Chairman of the Management Board of Renault-Nissan B.V. (Netherlands)

Other legal entities:

None

Offices and functions in in companies outside of Groupe Renault:

Listed companies:

None

Listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expiry
Chairman of the Executive Committee of SEAT (Spain)	2020
Member of the Supervisory Board of Ducati (Italy)	2020
Member of the Supervisory Board of Lamborghini (Italy)	2020
Chairman of the Board of Directors of Volkswagen Italy (Italy)	2020

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.

Chief Executive Officer's obligation to hold shares

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board of Directors decided at its meeting on July 29, 2020, to set the minimum number of registered shares to be held by the Chief Executive Officer until the end of his term of office at 5,000 shares.

This minimum holding obligation complements the obligation for the Chief Executive Officer to retain until the end of his term of office 25% of the shares resulting from the free allocation of shares (for more details on the retention obligation, see chapter 3.2.4.2 of the Universal registration document).

The minimum holding requirement ensures that a Chief Executive Officer who does not yet own shares resulting from free allocations of shares is aligned with the interests of shareholders upon taking office.

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.

Procedure for appointing directors

Pursuant to the Company's articles of association and the legal and regulatory provisions applicable to it, the Board of Directors is composed of:

- 3 to 14 directors appointed by the Annual General Meeting
  - **Appointment of independent directors**

    In case of a vacancy of one or more offices of the independent directors or when the Board has expressed its desire to expand or change its membership, the Governance and Compensation Committee defines the profile sought with regard to its diversity policy and the required skills that have been identified, in particular during the annual evaluation of the operation of the Board and its committees. The Governance and Compensation Committee appoints a recruitment firm to assist it with the process of selecting future independent directors.

    The Governance and Compensation Committee selects the candidates with the help of the appointed recruitment firm on the basis of criteria relating to their professional experience, skills, independence and ethics, while maintaining a gender balance between men and women and diversity in recruitment in accordance with the international dimension of the Group.

The Governance and Compensation Committee then presents the selected candidate(s) to the Board of Directors and recommends that the Board co-opt or, as the case may be, propose to the Annual General Meeting that the candidates be appointed.

The Board of Directors co-opts or, as the case may be, proposes that the Annual General Meeting appoint the selected candidate(s) as independent director(s).

- **Appointment of directors proposed by Nissan**

  In accordance with the provisions of the Restated Alliance Master Agreement ("RAMA"), which governs the ownership relationship between Renault and Nissan and regulates the governance of the Alliance, two of the members of the Board of Directors of the Company are directors proposed by Nissan.

  The Governance and Compensation Committee, on the proposal of Nissan, recommends that the Board of Directors co-opt or, as the case may be, propose the appointment of the directors representing Nissan to the Annual General Meeting.

  The Board of Directors of the Company co-opts or, as the case may be, proposes that the Annual General Meeting appoint the director(s) proposed by Nissan.

- **Appointment of the director proposed by the French State**

  Pursuant to the provisions of French Order 2014-948 of August 20, 2014, on the governance and capital transactions of companies with public shareholding, as amended, one of the members of the Board of Directors of the Company is a director nominated by the French State.

  The Governance and Compensation Committee, on the proposal of the French State, recommends that the Board of Directors co-opt or, as the case may be, propose the appointment of said director representing the French State to the Annual General Meeting.

  The Board of Directors of the Company co-opts or, as the case may be, proposes that the Annual General Meeting appoint the director proposed by the French State.

- One director appointed by the French State

  Pursuant to the provisions of French Order No. 2014-948 of August 20, 2014, on the governance and capital transactions of companies with public shareholding, as amended, the French State may appoint a representative to the board of directors of companies in which it alone directly holds more than 10% of the share capital. This director is appointed by the Minister for the Economy.

- 3 directors elected by the employees

  Pursuant to the Company's articles of association, three directors are elected directly by the employees of the French subsidiaries, divided into different electorates. One seat is allocated to the "Engineers – Executives and Similar" electorate and two seats to the "Other Employees" electorate.

  The candidates or candidate lists may be presented either by one or more representative organizations as defined by the applicable regulations, or by 100 voters.

  To be considered eligible, candidates must have an employment contract with, and be actively employed by, the Company or one of its direct or indirect subsidiaries whose registered office is located in France for at least two years prior to the effective date of the term of office of the position for which the election is being held.

  The number, place and composition of the polling stations are determined by the Company's establishments and subsidiaries concerned thereby, in accordance with current practices for the election of employee representatives.

- One director representing employee shareholders

  Pursuant to the Company's articles of association, a member representing employee shareholders, and an alternate, are elected by the Ordinary General Meeting from among two full candidates and two alternate candidates nominated by employee shareholders.

  Each full candidate is designated, respectively, along with his or 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; and
  - 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 French Order 2014-948 of August 20, 2014, on the governance and capital transactions 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.

Diversity policy applied to the Board of Directors

Pursuant to Article L. 22-10-10 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 notably taking into account the international dimension 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;
- the Board of Directors, while complying at least with legal requirements and the recommendations of the AFEP-MEDEF Code in terms of gender balance, considers that it benefits from being diverse in its composition (gender, nationality, culture);
- 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 2020:

- the number of members of the Board of Directors was reduced to 16 Directors. This number remains higher than the average for CAC 40 companies, but is explained by the level of representation of the employees and of the reference shareholders in accordance with the law, the articles of association or agreements entered into with Nissan, and the desire to ensure the presence of a majority of Independent Directors. As such, the independence rate of the Board of Directors as of December 31, 2020 was 66.7%(1), up from the rate of 64.3% as of December 31, 2019;
- the number of women on the Board of Directors at the close of the 2020 Annual General Meeting stands at six, i.e. a feminization rate of 50.0%(1), stable compared to the previous year. Moreover, three of the Board of Directors' four committees are chaired by women;
- the Strategy Committee's expertise in the automotive industry and in executive management especially, was reinforced by the appointment of Ms Annette Winkler, former Vice-Chairman of Daimler AG and former Chief Executive Officer of Smart, as Chairwoman of this Committee in February 2020;
- the Board of Directors contains four 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. These four Directors 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 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 deployment of the Group's diversity policy by Senior Management. In light of this, the Board of Directors and the Ethics and CSR Committee annually review the Group's diversity and inclusion policy, and more specifically the policy on the balanced representation of women and men on the governing bodies.

As of December 31, 2020, there were two women on the Board of Management, including the Deputy Chief Executive Officer.

At its meeting on February 18, 2021, the Board of Directors, on the proposal of the Senior Management, defined the following objectives for gender diversity within its governing bodies including the Board of Management, the Corporate Management Committee, and the Brand Management Committees. The percentage of women on the governing bodies should reach 30% before or in 2030, 35% before or in 2035 and 50% before or in 2050.

For further information on these objectives and the diversity policy applied within the Group, see chapter 2.4.1.2 of the Universal registration document.

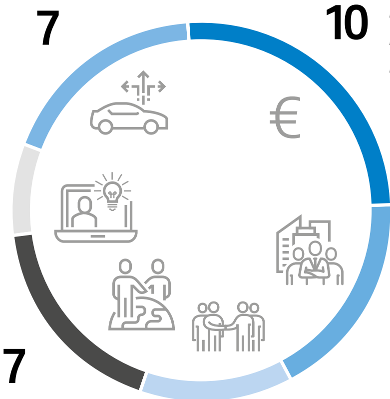
(1) Excluding the directors representing employees and the director representing employee shareholders.

SKILLS MAPPING OF THE MEMBERS OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2020

AUTO INDUSTRY 7
Ms. Winkler, Messrs. Barrat, Gentil, Ostertag, Personne, Senard, Tagawa

FINANCE 10
Ms. Sourisse, Ms. Winkler, Messrs. Courbe, Fleuriot, Ostertag, Personne, Senard, Tagawa, Thomas, Vial

DIGITAL AND INNOVATION 3
Ms. Barba, Ms. Sourisse, Mr. Senard



SENIOR EXECUTIVE EXPERIENCE 7
Ms. Bensalah-Chaqroun, Ms. Sourisse, Ms. Serizawa, Ms. Winkler, Messrs. Fleuriot, Senard, Thomas

INTERNATIONAL EXPERIENCE 7
Ms. Barba, Ms. Bensalah-Chaqroun, Ms. Serizawa, Ms. Sourisse, Ms. Winkler, Messrs. Senard, Tagawa

6 **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**
Ms. Bensalah-Chaqroun, Ms. Darmaillac, Ms. Serizawa, Messrs. Ostertag, Senard, Tagawa

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 2020 FINANCIAL YEAR

Director	Event	Replaced by	Date
Thierry Derez	Term expiry	-	June 19, 2020
Olivia Qiu	Term expiry	-	June 19, 2020
Joji Tagawa	Appointment	-	April 29, 2020 (ratification by the Annual General Meeting of June 19, 2020)
Yasuhiro Yamauchi	Resignation	Joji Tagawa	April 23, 2020

OVERVIEW OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2020

	Personal information					Position on the Board			Participation in Board Committees			
Director	Gender	Age	Nationality	Number of shares	Independence	Initial date of appointment	Term of office expires	Length of service on the Board	CARC	GCC	ECSRC	SC
Jean-Dominique Senard	M	67	French	4,940	c	January 2019	2023 AGM	2 years				
Catherine Barba	F	47	French	100	ID	June 2017	2022 AGM	3 years and 7 months			m	m
Frédéric Barrat	M	48	French	206.48 units in an FCPE	DRE	November 2016	November 2024	4 years and 2 months			m	
Miriem Bensalah-Chaqroun	F	58	Moroccan	250	ID	June 2017	2021 AGM	3 years and 7 months				m
Thomas Courbe	M	48	French	N/A	FSR	October 2018	2021 AGM	2 years and 3 months				m
Marie-Annick Darmaillac	F	66	French	100	ID	June 2017	2021 AGM	3 years and 7 months		m	c	
Pierre Fleuriot	M	66	French	100	ID	June 2018	2022 AGM	2 years and 7 months	m	m		
Richard Gentil	M	52	French	1	DRE	November 2012	November 2024	8 years and 2 months				m
Benoît Ostertag	M	55	French	161.32 units in an FCPE	DRES	May 2011	2021 AGM	9 years and 8 months	m			m
Éric Personne	M	58	French	100 shares and 151.98 units in an FCPE	DRE	November 2012	November 2024	8 years and 2 months		m	m	
Yu Serizawa	F	62	Japanese	100	NR	December 2016	2021 AGM	4 years and 1 month			m	
Pascale Sourisse	F	58	French	1,000	ID	April 2010	2022 AGM	10 years and 9 months	c			
Joji Tagawa	M	60	Japanese	0	NR	April 2020	2022 AGM	8 months	m			
Patrick Thomas	M	73	French	100	ID	April 2014	2022 AGM	6 years and 9 months	m	c		
Martin Vial	M	66	French	N/A	FSR	September 2015	N/A	5 years and 4 months	m	m		
Annette Winkler	M	61	German	1,000	ID	June 2019	2023 AGM	1 year and 7 months				c

CARC: Audit, Risks and Compliance Committee
GCC: Governance and Compensation Committee
ECSRC: Ethics and CSR Committee
SC: 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, 2020

16
DIRECTORS

58.5 AVERAGE AGE

4.3 YEARS SENIORITY

66.7%(1) INDEPENDENT DIRECTORS

4 NATIONALITIES

6 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 2020

Directors as of December 31, 2020	Board of Directors (12 meetings)	Audit, Risks and Compliance Committee (5 meetings)	Governance and Compensation Committee (5 meetings)	Ethics and CSR Committee (4 meetings)	Strategy Committee (4 meetings)
Jean-Dominique Senard	100%	-	-	-	-
Catherine Barba	100%	-	-	100%	100%
Frédéric Barrat	100%	-	-	100%	-
Miriem Bensalah-Chaqroun	91.67%	-	-	-	50%
Thomas Courbe	75%	-	-	-	75%
Marie-Annick Darmaillac	100%	-	100%	100%	-
Pierre Fleuriot	100%	100%	-	-	-
Richard Gentil	91.67%	-	-	-	100%
Benoît Ostertag	100%	100%	-	-	75%
Éric Personne	100%	-	100%	100%	-
Yu Serizawa	100%	-	-	100%	-
Pascale Sourisse	100%	100%	-	-	-
Joji Tagawa	100%	100%			
Patrick Thomas	100%	100%	100%	-	-
Martin Vial	83.33%	100%	100%	-	-
Annette Winkler	100%	-	-	-	100%

The Board of Directors examined the attendance rates below 100%. On this occasion, the Board ensured that the directors who were unable to participate in all the meetings of the Board or of the Committees of which they are members have taken note of the topics dealt with and of the discussions with Senior Management and, where applicable, presented their comments and proposals.

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
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
	Joji Tagawa	Director elected by the Annual General Meeting proposed by Nissan	April 2020
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
2024 November	Frédéric Barrat	Director elected by employees	November 2016
	Richard Gentil	Director elected by employees	November 2012
	Éric Personne	Director elected by employees	November 2012
N/A	Martin Vial	Director designated by the French State	September 2015

* *Independent Director.*

3.1.3 List of offices and functions exercised by the directors

Directors as at December 31, 2020

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

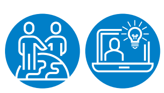
Start date of current term of office: June 2018

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 lived in New York from 2015 to 2020, 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 (France)

Member of the Supervisory Board of Etam (France)

Director of Euveka (France)

Director of Popshop Live (United States)

Director of Reech (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of RelevanC (France)	2020
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 2020

Current term expires: November 2024

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:

Vice-President and Chief Executive Officer of Les Eaux Minérales d'Oulmès (Morocco)

Director 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)

Director of Al Akhawayn University (Morocco)

Chairman of the Centre Euro-Méditerranéen d'Arbitrage (Morocco)

Director of Equanim SAS Société de Médiation Internationale (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Member of the Board and Chairman of the Audit Committee of Bank Al Maghrib (Central Bank of Morocco, Morocco)	2020
Chairman of the Confédération Générale des Entreprises du Maroc (Morocco)	2018
Director of Eutelsat (France)	2017

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:

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
Censor of Orano SA (France)	2020
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) and Compliance Director until October 2020.

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
Permanent Representative of Financière V on the Board of Bolloré (France)	2020
Permanent Representative of Financière V on the Board of Financière de l'Odet (France)	2020
Permanent Representative of Socfrance on the Board of Société Industrielle et Financière de l'Artois (France)	2020
Permanent Representative of the Société des Chemins de Fer & Tramways du Var et du Gard on the Board of Financière Moncey (France)	2020
President of the Société Immobilière Mount Vernon (France)	2020

PIERRE FLEURIOT

Independent Director

Birth date: 01/31/1954

Nationality: French

Date of first appointment: June 2018

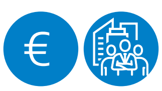
Start date of current term of office: June 2018

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
Member of the Governance and Compensation 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:

Director and member of the Audit Committee of Nissan Motor Co., Ltd. (Japan)

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 2020

Current term expires: November 2024

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

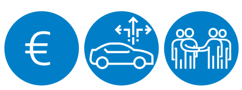
Start date of current term of office: June 2017

Current term expires: 2021 AGM

Number of registered shares held: 161.32 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 and until October 2020, he was 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

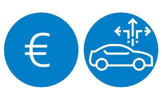
Start date of current term of office: November 2020

Current term expires: November 2024

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.

In 2007, Éric Personne became responsible for commercial and quality reporting for Renault Retail Group. On April 1, 2020, he joined the Real Estate and General Services Department as project manager. 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	

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: 2017 AGM

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, where she currently serves as Director General for International Affairs. She is also serving as Specially Appointed Professor at Kyoto University since April 2020.

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 Sourrisse 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 Senior Executive Vice President 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)

Member of the Executive Committee and Senior Executive Vice President International Development of Thales (France)

Non-listed companies:

Chairwoman and Director of Thales International s.a.s (France)

Chairwoman of Thales Europe s.a.s (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)

Director of the Thales Solidarity Endowment Fund (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Member of the Committee of Appointments and Governance of Vinci (France)	2019
President 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
Director of the Agence Nationale de la Recherche (France)	2016

JOJI TAGAWA

Director appointed upon proposal of Nissan

Birth date: 12/07/1960

Nationality: Japanese

Date of first appointment: April 2020

Start date of current term of office: April 2020

Current term expires: 2022 AGM

Number of registered shares held: 0

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the Audit, Risks and Compliance Committee

Biography – professional experience

Joji Tagawa holds a degree in economics from Keio University in Japan. He joined Nissan Motor Co., Ltd. in 1983. He held various management positions in the Finance division, Global Public Relations and Investor Relations division.

In April 2006, Joji Tagawa was appointed Operating Officer, as Global Treasurer and investor relations. From April 2014, he was Corporate Vice President of Nissan Motor Co., Ltd., responsible for investor relations and Mergers & Acquisitions Support Department.

Joji Tagawa was appointed as Chief Sustainable Officer and Senior Vice-President since December 2019, in responsible for Environment/Sustainability, External government affairs, Investor relations, IP promotion and Corporate service.

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:

Senior Vice-President of Nissan Motor Co., Ltd. (Japan)

Director of Mitsubishi Motor Corporation (Japan)

Non-listed companies:

Board member of Nissan Finance Company (Japan)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expiry
None	

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:

Chairman of Verdi Consulting (France)

Member of the Supervisory Board of Leica Camera AG (Germany)

Chairman of the Supervisory Committee, Compensation Committee and Investments Committee of Ardian Holding (France)

Chairman of the Supervisory Committee of Ardian France (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
Member of the Supervisory Board of Château Palmer (France)	2020

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
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:

Chairwoman 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, Chairwoman of the Environment and Society Committee and Member 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
Member of the Concil for Foreign Economic Affairs of the German Ministry for Economics (Germany)	2020
Member of the Supervisory Board of Mercedes-Benz South Africa (South Africa)	2019
Vice-President of Daimler AG (Germany)	2018
Chief Executive Officer of Smart (Germany)	2018

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 2021

At its meeting on February 18, 2021, the Board of Directors, on the recommendation of the Governance and Compensation Committee, decided to submit the following resolutions on the composition of the Board to the Annual General Meeting of April 23, 2021:

- renewal of Ms. Miriem Bensalah-Chaqroun’s term of office as independent director. The Board of Directors, on the recommendation of the Governance and Compensation Committee, noted, among other things, her excellent understanding of the Group’s challenges and strategy, her contribution to the discussions of the Board of Directors and the Strategy Committee, of which she is a member, her international experience, her senior executive experience, her independence and lack of any conflict of interest;
- renewal of Ms. Marie-Annick Darmaillac’s term of office as independent director. The Board of Directors, on the recommendation of the Governance and Compensation Committee, noted, among other things, Ms. Marie-Annick Darmaillac’s involvement in the work of the Board of Directors and the Governance and Compensation Committee, of which she is a member, her major role in the creation and operations of the Ethics and CSR Committee, which she chairs, her experience with and extensive knowledge of Groupe Renault's specific environmental, social and strategic governance challenges, her independence and lack of any conflict of interest;
- renewal of Mr. Thomas Courbe's term of office as director appointed upon proposal of the French State. The Board of Directors, on the recommendation of the Governance and Compensation Committee, welcomed the French State's proposal to renew Mr. Thomas Courbe's term of office, given his excellent understanding of the Group's challenges and strategy and his contribution to the discussions of the Board of Directors and the Strategy Committee, of which he is a member;
- renewal of Ms. Yu Serizawa's s term of office as director appointed upon proposal of Nissan. The Board of Directors, on the recommendation of the Governance and Compensation Committee, welcomed Nissan's proposal to renew Ms. Yu Serizawa's term of office, given her experience, her extensive knowledge of the Japanese and French cultures, and her involvement in the work of the Board of Directors and the Ethics and CSR Committee, which she joined upon its creation;
- appointment of Mr. Bernard Delpit as independent director. The Board of Directors, on the recommendation of the Governance and Compensation Committee, sought to include among the independent directors a person with solid experience at the head of financial departments, while having a good knowledge of the automotive sector;
- appointment of Mr. Frédéric Mazzella as independent director. The Board of Directors, on the recommendation of the Governance and Compensation Committee, sought to strengthen the Board's expertise in digital, innovation, and mobility matters, in light of the current challenges in the automotive sector, and to assist Senior Management with the new strategic plan;

In addition, following the elections held within Groupe Renault from October 5 to 8, 2020, pursuant to the provisions of the articles of association, a single candidate was nominated for the position of director representing employee shareholders. The appointment of Mr. Noël Desgrippes (with Ms. Christine Giry as an alternate candidate) will be proposed to the Annual General Meeting of April 23, 2021, for the office of director representing employee shareholders, replacing Mr. Benoît Ostertag.

Finally, Mr. Patrick Thomas announced his decision to make his position available to the Board as of the 2021 Annual General Meeting in order to support the evolution of the Board, which was accepted by the Board of Directors.

Following the Annual General Meeting on April 23, 2021, and subject to the approval of the resolutions submitted to a vote, the Board of Directors will be composed of 17 members and will have the following features:

	Composition following the 2020 General Meeting	Composition following the 2021 General Meeting
Independence rate	66.7%	69.2%
Feminization rate	50.0%	46.2%
Rate of non-French directors	33.3%	30.8%

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 AFEP-MEDEF Code and legal provisions, the directors representing the employees and the directors representing employee shareholders are not taken into account when calculating the independence rate and the feminization rate.

For the sake of coherence, directors representing the employees and the director representing employee shareholders are not taken into account when calculating the percentage of non-French 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 compensation received, except for directors who do not personally receive compensation. In this respect, the directors representing the employees and employee shareholders do not personally receive compensation (which is 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.

For the retention obligation applicable to the Chief Executive Officer, see chapter 3.2 of the Universal registration document.

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

	2020		2019
NUMBER OF MEMBERS	16	vs	18
NUMBER OF MEETINGS	12	vs	14
PERCENTAGE OF INDEPENDENT DIRECTORS	66.7%	vs	64.3%
ATTENDANCE RATE	94.6%	vs	89.1%

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, 2020 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)	CEO [(1)] variable compensation (Criterion 7)	Ties with shareholders (Criterion 8)	Status assigned
Jean-Dominique SENARD	Yes	No	No	No	No	No	No	No	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
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)]
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
Joji TAGAWA	No	No	No	No	No	No	N/A	Yes	Non independent
Annette WINKLER	No	No	No	No	No	No	N/A	No	Independent

(1) CEO means "Chief Executive Officer".

(2) The Director representing employee shareholders and the Directors representing employees are not taken into account for the calculation of the independence rate in accordance with the recommendations of the AFEP-MEDEF Code.

At its meeting of February 18, 2021, the Board of Directors examined the situation of Mr. Jean-Dominique Senard with regard to criterion no. 1 of the AFEP-MEDEF Code, given his capacity as director of Nissan and Chairman of Renault s.a.s. for the period from October 11, 2019, to June 30, 2020.

The AFEP-MEDEF Code states that one of the criteria that the Board of Directors must assess to possibly exclude someone from the status of independent director is that of "*not being or not having been, during the past five years, an employee, executive offer, or director of a company that the company consolidates*." According to the AFEP-MEDEF Code implementation guide, this recommendation also applies when a director holds "*an office in a company in which the first company holds a non-controlling but significant stake, or in a sister company*".

It is recalled that Nissan is not a company fully consolidated by Renault. Renault has significant influence over Nissan and therefore accounts for its interest in Nissan using the equity method (for more details on Renault's shareholding in Nissan, see note 12 in 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 the appointment of the Chairman of the Board of Directors of Renault to the Board of Directors of Nissan, 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. Jean-Dominique Senard's freedom of judgement and independence with respect to Renault.

Furthermore, should such a situation give rise to any conflict of interest, the provisions of the Board Charter requiring the director in question to abstain from participating in the deliberations and votes of the Board of Directors would apply.

In addition, the Board of Directors, on the recommendation of the Governance and Committee Committee, considered that the performance by Mr. Jean-Dominique Senard of the duties of Chairman of Renault s.a.s. from October 11, 2019, to June 30, 2020, was of an exceptional and purely temporary nature, during the time required for the Board of Directors to conduct the succession process for the Chief Executive Officer and until the arrival of Mr. Luca de Meo on July 1, 2020. The Board of Directors therefore considered that this exceptional situation was not such as to call into question the independence of Mr. Jean-Dominique Senard at the end of this temporary term of office.

At its meeting of February 18, 2021, the Board of Directors also reviewed Mr. Pierre Fleuriot's situation with regard to criterion no. 1 of the AFEP-MEDEF Code in view of his appointment as director of Nissan.

The Board of Directors, on the recommendation of the Governance and Compensation Committee, held that the appointment of the Lead Independent Director of Renault to the Board of Directors of Nissan, 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, should such a situation give rise to any conflict of interest, the provisions of the Board Charter requiring the director in question to abstain from participating in the deliberations and votes of the Board of Directors would apply.

Following an analysis of the independence of the Directors, on February 18, 2021, 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, 2020: Catherine Barba, Miriem Bensalah-Chaqroun, Marie-Annick Darmaillac, Pascale Sourisse, Annette Winkler, Pierre Fleuriot, Jean-Dominique Senard and Patrick Thomas.

Thus, as of December 31, 2020, the Company's Board of Directors was composed of 16 members, 8 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 66.7%.

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 2020

During the financial year 2020, Mr. Pierre Fleuriot attended all meetings of the Board of Directors, of the Audit, Risks and Ethics Committee and of the Governance and Compliance 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. Pierre Fleuriot was closely involved in the work of the Governance and Compensation Committee, particularly during the process of selecting a new Chief Executive Officer following the dismissal of Mr. Thierry Bolloré, and in determining the compensation of executive officers.

Board of Directors' meetings

The Lead Independent Director was actively involved in preparing the Board of Directors' meetings by giving his opinion on meeting agendas and by ensuring the quality of the information given to members of the Board of Directors and its committees.

In 2020, Mr. Pierre Fleuriot asked, among other things, that a number of specific topics be examined by the Board of Directors in light of current events in the Group and the automotive industry.

He had regular discussions with all directors, in particular the various committee chairmen.

Discussions with the Senior Management and Independent Directors

In the context of the COVID-19 epidemic, Mr. Pierre Fleuriot each had regular discussions with:

- the Independent Directors, to ensure that the conditions were 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.

He also kept himelf informed of the latest news of the Group and its competitors.

Relations with shareholders

As part of his office as Lead Independent Director, Mr. Pierre Fleuriot also met with institutional shareholders during the second half of 2020 as part of a governance roadshow, where he presented the different changes in the Board of Director's operation and noted the shareholders' main concerns and expectations. He reported these concerns and expectations to the Board of Directors.

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 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 2020

In 2020, in a context marked by the COVID-19 epidemic, the Board of Directors met 12 times. The average length of the meetings of the Board of Directos was four hours, it being specified that one meeting, dedicated to the Group's strategy, lasted a full day.

In addition, as every year, the independent directors participated in two meetings held by the Chairman of the Board of Directors, without the members of Senior Management being present ("executive sessions").

Moreover, the members of the Board of Directors held two lunch meetings with the members of Senior Management.

Finally, the directors representing employees and the director representing employee shareholders participated in four meetings held with members of Senior Management.

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 2020, the attendance rate was 94.6% (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:

Group strategy

The Board of Directors examined the following main strategic topics:

- the new Renaulution strategic plan;
- the Group's situation concerning, among other things, sales and markets, manufacturing, human resources and finances during the COVID-19 crisis;
- the "2o22 plan" for reducing fixed costs;
- the bank loan secured by the French State and entered into on May 20, 2020;
- profitability in Europe;
- the launch of the E-TECH range.

As every year, the Board of Directors held its annual strategic seminar to discuss topics of importance to Groupe Renault. During this seminar, the directors learned about and tested the vehicles from Groupe Renault's E-TECH range. The Chief Executive Officer and operational managers gave them an in-depth presentation on the macroeconomic environment of the automotive market and Groupe Renault's strategy and business outlook.

Group's social and environmental challenges

As every year, the Board of Directors identified social and environmental issues as some of its key concerns. The Board reviewed the following topics in 2020:

- the process of defining Renault's *raison d'être*;
- 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 applicable within the Group, pursuant to Article 1.7 of the AFEP-MEDEF Code and French Law No. 2018-771 of September 5, 2018, on the freedom to choose one's professional future;
- the circular economy;
- Group compliance with CAFE standards;
- Group hygiene, safety, and environmental policies.

Governance of the Group

In 2020, the Board of Directors notably:

- decided to appoint Mr. Luca de Meo as Chief Executive Officer of the Company with effect from July 1, 2020;
- delivered a favorable opinion on the appointment of Ms. Clotilde Delbos as Deputy Chief Executive Officer of Renault S.A. from July 1, 2020;
- took note of the expiry of the directorships of Ms. Olivia Qiu and Mr. Thierry Derez at the end of the 2020 Annual General Meeting and their desire not to seek a renewal of their term of office. The Board of Directors, on the recommendation of the Governance and Compensation Committee, 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;
- approved the list of independent directors, on the recommendation of the Governance and Compensation Committee;
- discussed the composition of its specialized committees;
- co-opted Mr. Joji Tagawa as a director nominated by Nissan to replace Mr. Yasuhiro Yamauchi for the remainder of the latter's term of office until the 2022 Annual General Meeting;
- approved the amendment of the procedures for appointing the director representing employee shareholders and submitted, as a consequence, the modification of Article 11 of the articles of association of Renault S.A. to the Annual General Meeting on April 24, 2020. For details on the procedures for appointing the director representing employee shareholders, see chapter 3.1.1 of the Universal Registration Document;
- took note of the renewal of the terms of office of Mr. Frédéric Barrat, Mr. Richard Gentil, and Mr. Eric Personne as directors representing the employees, following the Group elections held from October 5 to 8, 2020;
- convened the Annual General Meeting initially scheduled on April 24, 2020, in particular by setting its agenda. Because of the public health emergency caused by the COVID-19 pandemic, the Board of Directors decided to postpone the Annual General Meeting to June 19, 2020. At that time, the Board decided, pursuant to French Order No. 2020-321 of March 25, 2020, to hold the Annual General Meeting without the physical presence of the shareholders and other persons entitled to attend;
- reviewed the summary reports submitted by the Chairperson of each specialized committee;
- instructed an external consulting firm to evaluate the Board's operation and the individual contributions of its members;
- approved the compensation of the Chairman of the Board of Directors, the Chief Executive Officer, and the Interim Chief Executive Officer for the 2019 financial year ; and set their compensation policies for the 2020 financial year;
- reviewed the budgetary envelope and the policy for allocating directors' compensation;
- set the terms of the performance share plan for 2020;

- adopted the management report of the Board of Directors and the Corporate Governance Report for financial year 2019, pursuant to Articles L. 225-100 and L. 225-37 of the French Commercial Code;
- analyzed and approved the responses to written questions submitted by shareholders of the Company prior to the Annual General Meeting.

Accounts and budget

In 2020, the Board of Directors notably:

- approved the consolidated financial statements of Groupe Renault and the financial statements of the Company and Renault s.a.s. for the 2019 financial year;
- established the allocation of 2019 earnings proposed to the Annual General Meeting of shareholders. It is noted that in the context of the global COVID-19 pandemic, and in the interest of responsibility towards all Group stakeholders, who have made considerable efforts or suffered the effects of an unprecedented crisis, the Board of Directors of Renault decided to no longer propose the distribution of a dividend at the 2020 Annual General Meeting. This decision has been approved by the Annual General Meeting;
- examined the consolidated financial statements for the first quarter of 2020;
- examined the 2021 budget; and
- examined the Group's liquidity situation and credit rating.

Related-party agreements

During its meeting held on February 13, 2020, the Board of Directors:

- confirmed that, with the exception of the non-compete undertaking and a pension commitment concerning the post-office benefits of Mr. Thierry Bolloré, which were terminated at the time of his departure, no regulated agreements were entered into during the 2019 financial year; and
- re-examined the related-party agreements entered into and authorized during previous financial years, the performance of which continued during the 2019 financial year.

During its meeting held on February 13, 2020, the Board of Directors, on the recommendation of the Governance and Compensation Committee, also adopted an internal procedure on the classification of agreements entered into by the Company and allowing to assess agreements on current operations and entered into under normal conditions, pursuant to Article L.225-39 of the French Commercial Code resulting from French Law No. 2019-486 of May 22, 2019 (for details on this procedure, see chapter 3.1.9 of the Universal registration document).

For further details on the related-party agreements and undertakings of Renault S.A., see chapter 4.3.2 of the Universal registration document.

Finally, with regard to Renault s.a.s., no regulated agreement or undertaking was entered into during the 2020 financial year.

3.1.6 Activity of the specialized committees of the Board of Directors in 2020

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.

03

3.1.6.1 Audit, Risks and Compliance Committee (CARC)

NUMBER OF MEMBERS			NUMBER OF MEETINGS		
6	vs	6	5	vs	11
2020		*2019*	*2020*		*2019*
PERCENTAGE OF INDEPENDENT DIRECTORS**			**ATTENDANCE RATE**		
60%	vs	80%	100%	vs	92.3%
2020		*2019*	*2020*		*2019*

MEMBERS AS OF DECEMBER 31, 2020

- Ms. Sourisse* (Chairwoman)
- Mr. Fleuriot*
- Mr. Ostertag**
- Mr. Tagawa
- Mr. Thomas*
- Mr. Vial

* *Independent Director.*

** *The Director representing employee shareholders is not taken into account for the calculation of the independence rate in accordance with the recommendations of the AFEP-MEDEF Code.*

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. 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. Joji Tagawa, director appointed on the proposal of Nissan, joined the CARC thanks to of his financial skills acquired since 1983 within Nissan's finance department.

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 10 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 five times in 2020, with an attendance rate of 100% (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 2019, the Group's consolidated financial statements for the first half of 2020, 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 2020 performance with respect to the budget;
- the preparation of the 2021 budget;
- reviewing the draft financial resolutions proposed to the Annual General Meeting of June 19, 2020;
- reviewing the guarantees granted in 2020;
- monitoring the 2020 internal audit plan and presentation of the 2021 internal audit plan;
- monitoring the red-rated audits and the related action plans;
- the audit of the risk management system;
- the external audit plan presented by the statutory auditors as part of their statutory auditing mission;
- the independence of the statutory auditors;
- the statutory auditors' fees and the non-audit services provided by them;
- the statutory auditors' renewal process;
- the "2o22 plan" for reducing fixed costs;
- the Group's liquidity situation and credit rating;
- 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;
- the control carried out by the French Anti-Corruption Agency (AFA);
- RCI's governance and risk control scheme;
- RCI's audit plan for 2020;
- monitoring of financial risks;
- monitoring of risks and of the risk management system concerning cybercriminality;
- internal control and risk control (mapping of the Group's major risks);
- 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).

The following points may 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 twice, 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	vs	5	**4**	vs	1
2020		*2019*	*2020*		*2019*
PERCENTAGE OF INDEPENDENT DIRECTORS**			**TAUX DE PARTICIPATION**		
66.7%	vs	66.7%	**100%**	vs	80%
2020		*2019*	*2020*		*2019*

MEMBERS AS OF DECEMBER 31, 2020

- Ms. Darmaillac* (Chairwoman)
- Ms. Barba*
- Mr. Barrat**
- Mr. Personne**
- Ms. Serizawa

* *Independent Director.*
** *The Directors representing employees are not taken into account for the calculation of the independence rate in accordance with the recommendations of the AFEP-MEDEF Code.*

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 four times in 2020. The attendance rate was 100% (for details of attendance rate for each individual director, see chapter 3.1.2 of the Universal registration document).

The Committee notably examined the following topics:

- investors' expectations with regard to Groupe Renault's environmental, social, and governance (ESG) challenges;
- the process of defining the Group's *raison d'être*;
- the Group's materiality matrix and the CSR indicators being monitored;
- the draft climate report;
- the plans to create a specific circular-economy factory (the ReFactory) in Flins;
- the creation of a stakeholders committee;
- the new roadmap for the Groupe Renault Corporate Foundation;
- the Ethics measures rolled out in 2020;
- the Group's Ethics and Compliance network;
- the status of the roll-out of the professional alert system;
- the "Inspiring Ethics" seminar organized within the Group;
- the preparation and organization of the audit by the French Anticorruption Agency;
- the organizational structure and role of the Human Resources Department;
- the Group's inclusion and diversity policy;
- the Group hygiene, safety, and environmental indicators;
- social dialogue in the context of the "2o22 plan" for reducing fixed costs.

3.1.6.3 Governance and Compensation Committee

NUMBER OF MEMBERS			NUMBER OF MEETINGS		
5	vs	5	**5**	vs	13
2020		*2019*	*2020*		*2019*

PERCENTAGE OF INDEPENDENT DIRECTORS**			ATTENDANCE RATE		
75%	vs	75%	**100%**	vs	93.1%
2020		*2019*	*2020*		*2019*

MEMBERS AS OF DECEMBER 31, 2020

- Mr. Thomas* (Chairman)
- Ms. Darmaillac*
- Mr. Fleuriot*
- Mr. Personne**
- Mr. Vial

* *Independent Director.*

** *The Director representing employee shareholders is not taken into account for the calculation of the independence rate in accordance with the recommendations of the AFEP-MEDEF Code.*

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 five times in 2020. The attendance rate was 100% (for details of attendance rate for each individual director, see chapter 3.1.2 of the Universal registration document).

Its activity included the following:

- management of the selection process for a new Chief Executive Officer and the appointment of Mr. Luca de Meo Chief Executive Officer effective on July 1, 2020;
- determination of the components of the compensation of the Chairman of the Board of Directors, the Chief Executive Officer, the Interim Chief Executive Officer and the Directors for the 2019 financial year;
- determination of the compensation policies for the Chairman of the Board of Directors, the Chief Executive Officer, the Interim Chief Executive Officer and the directors for the 2020 financial year;
- 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 2019 financial year and the process of having the Board of Directors evaluated by an external consultant for the 2020 financial year;
- the report on corporate governance published in the 2019 Universal registration document;
- the evolution of the composition of the Board of Directors and of its committees;
- the changes in the procedure for appointing the director representing employee shareholders. For details on the procedures for appointing the director representing employee shareholders, see chapter 3.1.1 of the Universal registration document;
- performance share allocation plans for the 2020 financial year; and
- the internal procedure on the classification of agreements entered into by the Company and allowing to assess agreements on current operations and entered into under normal conditions, pursuant to Article L.225-39 of the French Commercial Code resulting from French Law No. 2019-486 of May 22, 2019 (for details on this procedure, see chapter 3.1.9 of the Universal registration document).

3.1.6.4 Strategy Committee

	2020		2019
NUMBER OF MEMBERS	**6**	vs	8
NUMBER OF MEETINGS	**4**	vs	3
PERCENTAGE OF INDEPENDENT DIRECTORS**	**75%**	vs	66.7%
ATTENDACE RATE	**77.1%**	vs	79.2%

MEMBERS AS OF DECEMBER 31, 2020

- Ms. Winkler* (Chairwoman)
- Ms. Barba*
- Ms. Bensalah-Chaqroun*
- Mr. Courbe
- Mr. Gentil**
- Mr. Ostertag**

* *Independent Director.*
** *The Director representing employee shareholders and the Director representing employees are not taken into account for the calculation of the independence rate in accordance with the recommendations of the AFEP-MEDEF Code.*

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;
- the Group's geographical expansion strategy; and
- and to make recommendations to the Board of Directors in this respect.

Committee activity

The committee met four times in 2020. 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 77.1% (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 overall Renault strategy (including carbon neutrality);
- the Group strategy for China;
- the outlook for the automotive industry and strategic considerations for 2019-2030;
- the Group's strategic initiatives;
- brand vision and image;
- the Group's situation in the context of the COVID-19 crisis;
- the "2o22 plan" for reducing fixed costs.

The Strategy Committee devoted several meetings to the new strategic plan, Renaulution. The Committee carefully examined topics related to income management, fixed and variable costs, the industrial project in northern France, the Group's international strategy, platform strategy and mobility.

3.1.7 Evaluation of the Board of Directors

Each year, the Board of Directors carries out an evaluation of its composition, organization and 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, on the recommendation of the Governance and Compensation Committee, decided to once again call upon external consultants to carry out a formal evaluation of the work of the Board and its committees in 2020.

All Board members answered a questionnaire and spoke with the external consultants. The conclusions of the evaluation were presented at the Governance and Compensation Committee meeting on February 15, 2021, and then at the Board of Directors meeting on February 18, 2021.

The purpose of the questionnaire and of the interviews with the members of the Board was to evaluate the following themes:

- the composition, role, structure, missions 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; and
- follow-up on the points for improvement identified in the previous evaluation.

The evaluation provided an opportunity to learn from the experience of recent events, in particular since the last external evaluation in 2017, and to reassess the ways in which the Board of Directors and its committees operate.

It highlighted the main changes that have occurred since 2017, i.e.:

- the new governance dynamic implemented in 2019, when the offices of Chairman and Chief Executive Officer were separated and the position of Lead Independent Director was maintained;
- the new collective dynamic created by the Chairman;
- the changes in the composition of the Board, with a reduced number of members and new skills;
- more in-depth and transparent discussions with Senior Management; and
- the Board's better consideration of CSR issues with the creation of the Ethics and CSR Committee.

This evaluation identified recommendations and areas for improvement, such as:

- developing the skills of the Board of Directors in order to enable it to better address future topics (such as mobility, data, energy, new forms of propulsion, etc.) and to better understand strategic choices to be done by the Company (such as product strategy, electric / hydrogen / connected car, mobility technologies, *etc.*);
- strengthening the skills of the Board of Directors in financial matters in order to establish a culture of profitability, optimal cash management, value creation for employees and shareholders;
- better understanding, at the level of the Board of Directors, and not only of the committees, the subjects related to succession plans, talents and diversity, and including these topics on the Board's agenda more regularly;
- continuing and intensifying the appropriation of ESG topics by the Board of Directors in addition to the work carried out by the Ethics and CSR Committee;
- developing cross-functional approaches (i) between the Ethics and CSR Committee and the Audit, Risks and Compliance Committee on extra-financial performance issues and (ii) between the Ethics and CSR Committee and the Strategy Committee on the Group's ESG strategy;
- understanding the strategy at the level of the Strategy Committee in a global manner, not only through individual topics.

3.1.8 Implementation of the "comply or explain" rule

Pursuant to the provisions of Article L. 22-10-10 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. 22-10-10 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 of February 18, 2021, the Board of Directors examined the situation of Mr. Jean-Dominique Senard with regard to criterion no. 1 of the AFEP-MEDEF Code, given his capacity as director of Nissan and Chairman of Renault s.a.s. for the period from October 11, 2019, to June 30, 2020. The AFEP-MEDEF Code states that one of the criteria that the Board of Directors must assess to possibly exclude someone from the status of independent director is that of "*not being or not having been, during the past five years, an employee, executive offer, or director of a company that the company consolidates.*" According to the AFEP-MEDEF Code implementation guide, this recommendation also applies when a director holds "*an office in a company in which the first company holds a non-controlling but significant stake, or in a sister company*". It is recalled that Nissan is not a company fully consolidated by Renault. Renault has significant influence over Nissan and therefore accounts for its interest in Nissan using the equity method (for more details on Renault's shareholding in Nissan, see note 12 in 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 the appointment of the Chairman of the Board of Directors of Renault to the Board of Directors of Nissan, 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. Jean-Dominique Senard's freedom of judgement and independence with respect to Renault. Furthermore, should such a situation give rise to any conflict of interest, the provisions of the Board Charter requiring the director in question to abstain from participating in the deliberations and votes of the Board of Directors would apply. In addition, the Board of Directors, on the recommendation of the Governance and Committee Committee, considered that the performance by Mr. Jean-Dominique Senard of the duties of Chairman of Renault s.a.s. from October 11, 2019, to June 30, 2020, was of an exceptional and purely temporary nature, during the time required for the Board of Directors to conduct the succession process for the Chief Executive Officer and until the arrival of Mr. Luca de Meo on July 1, 2020. The Board of Directors therefore considered that this exceptional situation was not such as to call into question the independence of Mr. Jean-Dominique Senard at the end of this temporary term of office. At its meeting of February 18, 2021, the Board of Directors also reviewed Mr. Pierre Fleuriot's situation with regard to criterion no. 1 of the AFEP-MEDEF Code in view of his appointment as director of Nissan. The Board of Directors, on the recommendation of the Governance and Compensation Committee, held that the appointment of the Lead Independent Director of Renault to the Board of Directors of Nissan, 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, should such a situation give rise to any conflict of interest, the provisions of the Board Charter requiring the director in question to abstain from participating in the deliberations and votes of the Board of Directors 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. 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. This temporary situation ended upon 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.
Proportion of independent directors on the Audit Committee (Article 16.1)	The AFEP-MEDEF Code provides that "*at least two thirds of the members of the Audit Committee must be independent directors and the Committee must not include any executive officers*". As at December 31, 2020, the Audit, Risks and Compliance Committee had six members, including three independent directors, one director representing the French State, one director representing Nissan and one director representing employee shareholders, meaning that 60% of members were independent directors, which is lower than the rate of two thirds required by the AFEP-MEDEF Code. The Board of Directors considers this composition to be balanced, given the decision to maintain a limited number of members with the presence of representatives of the reference shareholders and employees, while still supporting effective Committee work, which requires a level of financial and accounting expertise. Furthermore, the Board of Directors, meeting on February 18, 2021, on the recommendation of the Governance and Compensation Committee, decided to propose to the Annual General Meeting of Shareholders of April 23, 2021, that Mr. Bernard Delpit be appointed as independent director. Given his long and extensive experience in financial matters, Mr. Delpit is expected to join the Audit, Risks, and Compliance Committee shortly.

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.

At its meeting of February 18, 2021, the Board of Directors examined the internal procedure for evaluating current agreements concluded under arm's length terms and, on the recommendation of the Governance and Compensation Committee, concluded that this procedure was in accordance with legal provisions and that no modification was necessary.

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. 22-10-11 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 DIRECTORS AND CORPORATE OFFICERS

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 corporate 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 consistent with market practice and ensures the interests of the executive officer are aligned with the Company's performance. • No variable compensation is granted in the event of under-performance.
3 Focus on long-term performance	• A significant 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. • 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 to which the Company refers pursuant to the provisions of Article L. 22-10-10 of the French Commercial Code.

More generally, the Governance and Compensation Committee regularly ensures that corporate officers' compensation complies with all applicable laws and recommendations in terms of corporate governance.

In addition, the committee takes into account market best practices regarding the compensation of executive corporate 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 • 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 • Clear mention of a cap for all variable elements • Set demanding performance conditions • Include CSR criteria that are significant for the Company's performance and aligned with the corporate strategy • Have a long-term performance criterion linked to shareholder return • Subject long-term compensation plans to minimum three-year vesting conditions • Implement post-mandate vesting policy for long-term incentives • Engage and meet regularly with our shareholders • 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 • Place a disproportionate weight on short-term variable compensation versus long-term variable compensation • Overly weight qualitative criteria in the annual variable compensation • Reward excessive or inappropriate risk-taking • Have extraordinary severance payments in addition to the two-year non-compete indemnity • 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 corporate 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 (Stellantis, General Motors, Ford, Honda, 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 corporate 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 corporate 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 corporate 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 corporate 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 directors and corporate officers in 2020

3.2.2.1 Compensation of Mr. Jean-Dominique Senard as Chairman of the Board of Directors in 2020

On the recommendation of the Governance and Compensation Committee, the compensation policy of the Chairman of the Board of Directors for the 2020 financial year was set by the Board of Directors on February 13, 2020, then approved by the Annual General Meeting on June 19, 2020 (thirteenth 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 2020 financial year, see chapter 3.2.4.1 of the 2019 Universal registration document.

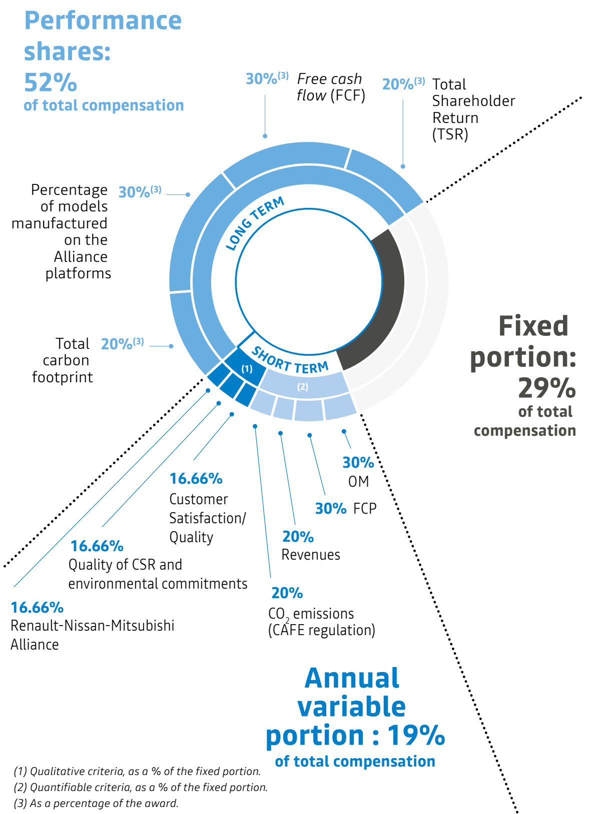
The compensation components of Mr. Jean-Dominique Senard for the 2020 financial year presented in this chapter 3.2.2.1 are part of the information indicated in Article L.22-10-9 I of the French Commercial Code notably including the total compensation and benefits of any kind paid in respect of their corporate office during the 2020 financial year or awarded in respect of the same financial year to all directors and corporate officers. This information will be submitted to a general vote in application of **I** of Article L.22-10-34 of the French Commercial Code during the Annual General Meeting of April 23, 2021.

Moreover, in application of **II** of Article L.22-10-34 of the French Commercial Code, the Annual General Meeting of April 23, 2021 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2020 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 2020	€365,625	€450,000	The Chairman of the Board of Directors receives annual fixed compensation of €450,000 payable in 12 monthly instalments (pro-rated from January 24, 2019). In a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of the coronavirus crisis around the world, Jean-Dominique Senard has decided, in agreement with the Board of Directors, to reduce his remuneration by 25% from the second quarter of 2020 until the end of the 2020 financial year.
Annual variable compensation	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	€8,361	€8,361	The Chairman benefited from one company and one car with driver. He benefits from the same life insurance and supplementary healthcare schemes as for employees working in France.
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.

3.2.2.2 Compensation of Mr. Luca de Meo as Chief Executive Officer in 2020



(1) Qualitative criteria, as a % of the fixed portion.
(2) Quantifiable criteria, as a % of the fixed portion.
(3) As a percentage of the award.

On the recommendation of the Governance and Compensation Committee, the compensation policy of the Chief Executive Officer for the 2020 financial year was set by the Board of Directors on February 13, 2020, then approved by the Annual General Meeting on June 19, 2020 (fourteenth resolution).

For more details on the compensation policy of the Chief Executive Officer for the 2020 financial year, see chapter 3.2.4.2 of the 2019 Universal registration document.

The compensation components of Mr. Luca de Meo for the 2020 financial year presented below are part of the information indicated in Article L. 22-10-9 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 2020 financial year or awarded in respect of the same financial year to all directors and corporate officers. This information will be submitted to a general vote in application of **I** of Article L. 22-10-34 of the French Commercial Code during the Annual General Meeting of April 23, 2021.

Moreover, in application of **II** of Article L. 22-10-34 of the French Commercial Code, the Annual General Meeting of April 23, 2021 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2020 financial year or awarded in respect of the same financial year to Mr. Luca de Meo 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 2020 financial year is subject to the approval by the Annual General Meeting of April 23, 2021 of the components of the overall compensation and of benefits of any kind paid or allocated to the Chief Executive Officer for the 2020 financial year.

The total compensation of the Chief Executive Officer for the 2020 financial year corresponds to the strict implementation of his compensation policy, which has not been adjusted despite the major disruptions caused by the Covid-19 crisis.

The table below presents the information for the specific vote on Mr. Luca de Meo'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 2020	**€650,000** (from July 1 to December 31, 2020)	**€650,000** (from July 1 to December 31, 2020)	The Chief Executive Officer receives an annual fixed compensation of €1,300,000, payable in twelve monthly instalments (prorated from July 1, 2020).
Annual variable compensation	**€0**	**€418,773** (amount awarded in respect of the 2020 financial year and payable in 2021)	The Chief Executive Officer's annual variable portion fully payable in cash corresponds to a percentage of the fixed portion that may reach 150% if all performance objectives are fully achieved. In a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of the coronavirus crisis around the world, Luca de Meo decided, in agreement with the Board of Directors, on May 7, 2020, to waive the benefit of the minimum variable compensation which had initially been set, as part of the compensation policy for the Chief Executive Officer for the year 2020, at 100% of the fixed compensation to be paid in 2020. On February 18, 2021, 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 2020 financial year.

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

Achievement rate of the criteria of the annual variable compensation for the 2020 financial year (expressed as a percentage of the annual fixed compensation):

	Maximum %	Awarded %
Quantifiable criteria	**100%**	**20%**
Group operating margin (Group OM)	*30%*	*0%*
Free cash-flow (FCF)	*30%*	*0%*
Group Revenues	*20%*	*0%*
CO_2 emissions	*20%*	*20%*
Qualitative criteria	**50%**	**44.43%**
Renault-Nissan-Mitsubishi Alliance	*16.66%*	16.66%
Quality of CSR commitments	*16.66%*	16.66%
Customer satisfaction / Quality	*16.66%*	11.11%
TOTAL	**150%**	**64.43%**

Assessment of the achievement of the performance criteria

1. **Quantifiable criteria** related to financial performance

20% (out of a maximum of 100%) of the quantifiable criteria were met, according to the following breakdown:

- 0% (out of a maximum of 30%) for the Group operating margin criterion.
  Group operating margin was 3.7% in the 2020 budget and the actual Group operating margin for 2020 was -0.8%;
- 0% (out of a maximum of 30%) for the free cash flow (FCF) criterion.
  FCF (before restructuring costs) was €150 million in the 2020 budget and amounted to €-4,212 million as at December 31, 2020;
- 0% (out of a maximum of 20%) for the Group revenues criterion.
  Revenues were €55,5 billion in the 2020 budget and amounted to €43,5 billion for 2020;
- 20% (out of a maximum of 20%) for the CO_2 emissions criterion (CAFE regulation).
  The Group's CAFE performance in 2020 was 102.72g, (these results should be consolidated and formalized by the European Commission in the coming months), below the regulatory ceiling of 103.46g.

2. **Qualitative criteria**

The achievement rates of the qualitative criteria should be assessed in the context of the Covid-19 pandemic, which rendered this exercise very complicated.

44.43% (out of a maximum of 50%) of the qualitative criteria were met, according to the following breakdown:

a) **Renault-Nissan-Mitsubishi Alliance:** 16.66% (out of a maximum of 16.66%)

All indicators related to this criterion have been met or exceeded:

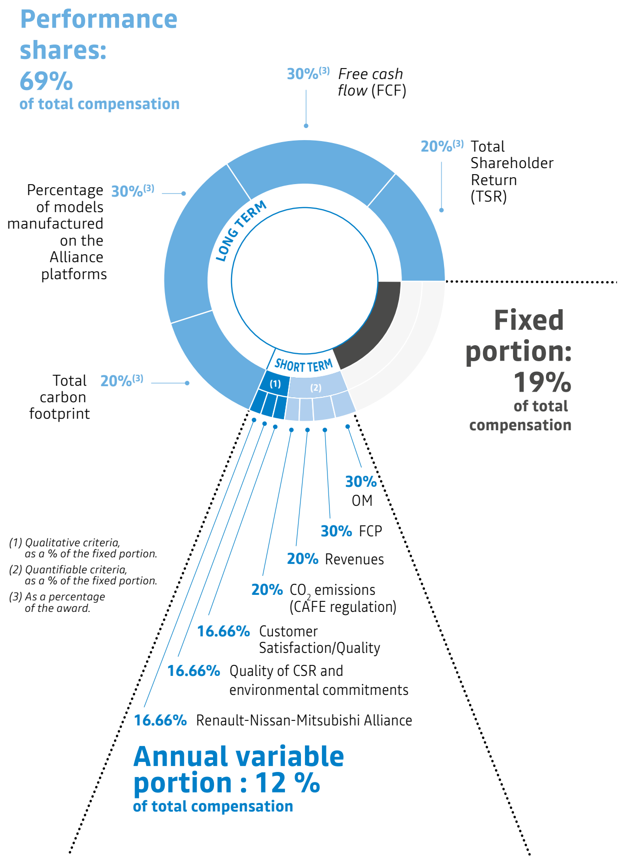
- *Meetings of the Alliance Operating Board:* despite an environment severely disrupted by the pandemic and the priority given by each company of the Alliance to optimise its own cost structure as quickly as possible, work meetings of the Alliance Operating Board have been maintained in order to make further progress on ongoing joint projects. The number of meetings scheduled has therefore been reached. Due to health restrictions, these meetings were held by videoconference, but they kept the momentum of the projects under consideration. In particular, the Board valued the presentation of the Alliance's new cooperation model by the management teams of the 3 companies to journalists and analysts on May 27, 2020 in Paris, Yokohama and Tokyo.
  On the recommendation of the Governance and Compensation Committee, the Board has considered that this indicator has been achieved;
- *Implementation of leader/follower projects:* the leader/follower concept, which leads to a rationalisation of the financial efforts allocated to developments, was announced in January 2020. The portfolio of joint projects was presented in May 2020 and since then this model has continued to be deployed. A certain number of technical developments (platforms, components, electronic architectures, *etc.*) have been reviewed in order to integrate them into this approach.
  On the recommendation of the Governance and Compensation Committee, the Board considered that the number of projects reviewed met the expectations and considered that this indicator had been achieved;
- *Formalization of the regional optimization plans:* the formalization of a geographical optimisation plan was carried out. The members of the Alliance explored the rationalisation of regional structures in order to assess their potential advantages and disadvantages and determine which ones would be the most meaningful.
  On the recommendation of the Governance and Compensation Committee, the Board considered that the formalization process was consistent with the commitments;

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
			• *Number of new partnership projects*: the Alliance is constantly looking for opportunities for cooperation and partnerships in order to optimise the use of available resources. An agreement has been reached with Daimler to continue cooperation on the new generation of compact light commercial vehicles to be launched in 2021. Other projects are being studied with various partners. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had been achieved. b) **Quality of CSR and environmental commitments**: 16.66% (out of a maximum of 16.66%) All indicators related to this criterion have been met or exceeded: • *Health and safety (accident frequency rate)*: workplace safety objectives are measured in particular by the FR1 rate (frequency rate of accidents at work for Renault employees requiring outside care); the FR1 rate decreased in 2020 and stands at 1.33%, i.e. beyond the target which was set at 1.5%. There was also a notable drop in the most serious accidents; • *Gender pay-gap ratio:* specific actions in each country led to a reduction in the average wage gap between men and women. The target of an average gap of 4.1% has been exceeded to reach a rate of 2.8% by the end of 2020; • *Car recycling rate*: the car recycling rate target has been achieved; • *Maintaining good employee-employer relations worldwide and particularly in France (measured by the rate of commitment in the employee satisfaction survey)*: despite a very difficult context linked to the Covid-19 crisis, the rate of 76% was reached in 2020 (the same as in 2019). c) **Customer satisfaction / Quality***:* 11.11% (out of a maximum of 16.66%) Out of three indicators related to this criterion, two have been achieved: • *Incident rate*: this indicator, called GMF 3MIS WORLD, is a measurement of the number of incidents on vehicles after three months on the road. The reduction of this rate has been achieved with, at the end of September 2020, a 16% reduction compared to the previous year for an annual reduction target of 15%. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had been achieved; • *Number of complaints per vehicle:* this indicator was not available because the survey was stopped in the course of the year due to the Covid-19 crisis. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had not been achieved; • *Customer satisfaction level*: this level is measured through satisfaction surveys conducted among customers who visited Groupe Renault's sales and after-sales dealerships. Each customer gives a score and the final result is the dealer's Net Promotor Score (NPS). This NPS is then consolidated by country by summing up all the dealers' NPS in the country. This KPI aims to significantly improve the NPS in at least 80% of Renault's 16 largest markets (France, Germany, Italy, Spain, United Kingdom, Poland, Belgium, Romania, Russia (excluding Lada in 2020), Turkey, Morocco, India, Argentina, Brazil, Colombia, South Korea). The result obtained on this scope was 81%, exceeding the target set. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had been achieved. Having noted that the overall achievement rate of the performance criteria was 64.43% for the 2020 financial year and recalling that Mr. Luca de Meo's gross annual fixed compensation was €650,000 for his term of office during the 2020 financial year (gross annual amount of €1,300,000 prorated over the period from July 1, to December 31, 2020), the Board of Directors decided to set Mr. Luca de Meo's gross variable compensation in respect of the 2020 financial year at €418,773.
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.*)		75,000 performance shares = €1,165,827 (book value in respect of the 2020 financial year)	The Board of Directors of July 29, 2020 awarded 75,000 performance shares in respect of the 2020 financial year to the Chief Executive Officer, in accordance with the compensation policy approved by the General Meeting of June 19, 2020. This allocation of performance shares to the Chief Executive Officer represented 0.0254% of Renault SA's share capital. Out of these 75,000 performance shares, the number of shares definitively vested will depend on achievement of the following performance criteria: • total shareholder return (TSR), for 20% maximum; • free cash flow (FCF), for 30% maximum; • percentage of models manufactured on the Alliance platforms, for 30% maximum; and • global carbon footprint, for 20% maximum. These performance criteria will be measured over a cumulative three-year period (2020, 2021 and 2022).
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	€4,959	€4,959 (book value; pro-rated)	The Chief Executive Officer benefited from two company cars and one company car with driver. He also benefited from an international healthcare coverage, as well as the same life insurance and supplementary healthcare schemes as for employees working in France. In 2020, the Chief Executive Officer benefited from a relocation assistance service similar to the assistance provided for Groupe Renault's employees recruited abroad (tax and administrative procedures, removal costs, assistance in looking for accommodation, temporary housing, *etc.*).
Termination benefit	€0	€0	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 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 during 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.

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
Non-compete indemnity	€0	€0	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 protects 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 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 Japan, as well as European and Japanese vehicle 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	€0	€0	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 arranged for the members of the Group Executive Committee (the so-called "Article 83" and "Article 82" plans). **a) Mandatory defined-contribution pension scheme (Article 83)** The contributions represent: • 3.5% of the gross annual compensation between four and eight times the French 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 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. For the 2020 financial year, the Company's contribution amounted to €8,484. **b) Optional defined-contribution pension scheme (Article 82)** The Chief Executive Officer benefits from the new defined-contribution pension scheme (Article 82) which was set up from July 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. For the 2020 financial year, the Company's contribution to the insurer amounted to €81,250 for the benefit of the Chief Executive Officer. The contributions paid in this way do not benefit from any preferential tax or social security regime. For this reason, the Chief Executive Officer receives a lump-sum indemnity equal to the amount of the contribution paid on his behalf to the insurer. Payment of this indemnity to the Chief Executive Officer is concomitant to the payment of the contribution to the insurer and amounted to €81,250 for the 2020 financial year. 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.

3.2.2.3 Compensation of Ms Clotilde Delbos as interim Chief Executive Officer in 2020



At its meeting of October 11, 2019, the Board of Directors decided to appoint, with immediate effect, Ms Clotilde Delbos as Chief Executive Officer of Renault SA, replacing Mr. Thierry Bolloré, for an interim period and 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.

Ms Clotilde Delbos served as interim Chief Executive Officer until June 30, 2020.

Compensation components of Ms Clotilde Delbos as interim Chief Executive Officer

On the recommendation of the Governance and Compensation Committee, the compensation policy of the interim Chief Executive Officer for the 2020 financial year was set by the Board of Directors on February 13, 2020, then approved by the Annual General Meeting on June 19, 2020 (fifteenth resolution).

For more details on the compensation policy of the interim Chief Executive Officer for the 2020 financial year, see chapter 3.2.4.3 of the 2019 Universal registration document.

The compensation components of Ms Clotilde Delbos for the 2020 financial year presented below are part of the information indicated in Article L. 22-10-9 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 2020 financial year or awarded in respect of the same financial year to all directors and corporate officers. This information will be submitted to a general vote in application of **I** of Article L. 22-10-34 of the French Commercial Code during the Annual General Meeting of April 23, 2021.

Moreover, in application of **II** of Article L. 22-10-34 of the French Commercial Code, the Annual General Meeting of April 23, 2021 will be asked to approve a specific draft resolution on the total compensation and benefits of any kind paid during the 2020 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.

It is recalled that the payment of the variable compensation to the interim Chief Executive Officer for the 2020 financial year is subject to the approval by the Annual General Meeting of April 23, 2021 of the components of the overall compensation and of benefits of any kind paid or allocated to the interim Chief Executive Officer for the 2020 financial year.

The total compensation of the interim Chief Executive Officer for the 2020 financial year corresponds to the strict implementation of her compensation policy, which has not been adjusted despite the major disruptions caused by the Covid-19 crisis.

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 2020	**€162,456** (from January 1 to June 30, 2020)	**€185,665** (from January 1 to June 30, 2020)	The annual fixed compensation of Ms Clotilde Delbos in respect of her office as interim Chief Executive Officer for 2020 was set at a gross amount of €371,329, payable in twelve monthly instalments (this amount was paid pro-rated from January 1, 2020 until the end of the corporate office on June 30, 2020). In a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of the coronavirus crisis around the world, Ms Clotilde Delbos has decided, in agreement with the Board of Directors, to reduce her compensation by 25% for the second quarter of 2020. 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 January 1, 2020 until the end of the corporate office on June 30, 2020).
Annual variable compensation	**€42,153** (amount awarded in respect of the 2019 financial year and paid in 2020)	**€104,665** (amount awarded in respect of the 2020 financial year and payable in 2021)	The interim Chief Executive Officer's annual variable portion fully payable in cash corresponds to a percentage of the fixed portion that may reach 150% if all performance objectives are fully achieved. On February 18, 2021, 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 interim Chief Executive Officer in respect of the 2020 financial year. **Achievement rate of the criteria of the annual variable compensation for the 2020 financial year (expressed as a percentage of the annual fixed compensation):**

	Maximum %	Awarded %
Quantifiable criteria	**100%**	**20%**
Group operating margin (Group OM)	*30%*	*0%*
Free cash-flow (FCF)	*30%*	*0%*
Group Revenues	*20%*	*0%*
CO_2 emissions	*20%*	*20%*
Qualitative criteria	**50%**	**44.43%**
Renault-Nissan-Mitsubishi Alliance	*16.66%*	16.66%
Quality of CSR commitments	*16.66%*	16.66%
Customer satisfaction / Quality	*16.66%*	11.11%
TOTAL	**150%**	**64.43%**

Assessment of the achievement of the performance criteria

1. **Quantifiable criteria** related to financial performance

The achievement rates of the qualitative criteria should be assessed in the context of the Covid-19 pandemic, which rendered this exercise very complicated.

20% (out of a maximum of 100%) of the quantifiable criteria were met, according to the following breakdown:

- 0% (out of a maximum of 30%) for the Group operating margin criterion.
  Group operating margin was 3.7% in the 2020 budget and the actual Group operating margin for 2020 was -0.8%;
- 0% (out of a maximum of 30%) for the free cash flow (FCF) criterion.
  FCF (before restructuring costs) was €150 million in the 2020 budget and amounted to €-4,212 million at December 31, 2020;
- 0% (out of a maximum of 20%) for the Group revenues criterion.
  Revenues were €55,5 billion in the 2020 budget and amounted to €43,5 billion for 2020;
- 20% (out of a maximum of 20%) for the CO2 emissions criterion (CAFE regulation).
  The Group's CAFE performance in 2020 was 102.72g, (these results should be consolidated and formalized by the European Commission in the coming months), below the regulatory ceiling of 103.46g.

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
			2. Qualitative criteria 44.43% (out of a maximum of 50%) of the qualitative criteria were met, according to the following breakdown: **a) Renault-Nissan-Mitsubishi Alliance:** 16.66% (out of a maximum of 16.66%) All indicators related to this criterion have been met or exceeded: • *Meetings of the Alliance Operating Board*: despite an environment severely disrupted by the pandemic and the priority given by each company of the Alliance to optimise its own cost structure as quickly as possible, work meetings of the Alliance Operating Board have been maintained in order to make further progress on ongoing joint projects. The number of meetings scheduled has therefore been reached. Due to health restrictions, these meetings were held by videoconference, but they kept the momentum of the projects under consideration. In particular, the Board valued the presentation of the Alliance's new cooperation model by the management teams of the 3 companies to journalists and analysts on May 27, 2020 in Paris, Yokohama and Tokyo. On the recommendation of the Governance and Compensation Committee, the Board has considered that this indicator has been achieved; • *Implementation of leader/follower projects*: the leader/follower concept, which leads to a rationalisation of the financial efforts allocated to developments, was announced in January 2020. The portfolio of joint projects was presented in May 2020 and since then this model has continued to be deployed. A certain number of technical developments (platforms, components, electronic architectures, *etc.*) have been reviewed in order to integrate them into this approach. On the recommendation of the Governance and Compensation Committee, the Board considered that the number of projects reviewed met the expectations and considered that this indicator had been achieved; • *Formalization of the regional optimization plans*: the formalization of a geographical optimisation plan was carried out. The members of the Alliance explored the rationalisation of regional structures in order to assess their potential advantages and disadvantages and determine which ones would be the most meaningful. On the recommendation of the Governance and Compensation Committee, the Board considered that the formalization process was consistent with the commitments. • *Number of new partnership projects*: the Alliance is constantly looking for opportunities for cooperation and partnerships in order to optimise the use of available resources. An agreement has been reached with Daimler to continue cooperation on the new generation of compact light commercial vehicles to be launched in 2021. Other projects are being studied with various partners. On the recommendation of the Governance and Compensation Committee, the Board considered that this iindicator had been achieved. **b) Quality of CSR and environmental commitments**: 16.66% (out of a maximum of 16.66%) All indicators related to this criterion have been met or exceeded: • *Health and safety (accident frequency rate)*: workplace safety objectives are measured in particular by the FR1 rate (frequency rate of accidents at work for Renault employees requiring outside care); the FR1 rate decreased in 2020 and stands at 1.33%, i.e. beyond the target which was set at 1.5%. There was also a notable drop in the most serious accidents; • *Gender pay-gap ratio*: specific actions in each country led to a reduction in the average wage gap between men and women. The target of an average gap of 4.1% has been exceeded to reach a rate of 2.8% by the end of 2020; • *Car recycling rate*: the car recycling rate had been achieved; • *Maintaining good employee-employer relations worldwide and particularly in France (measured by the rate of commitment in the employee satisfaction survey)*: despite a very difficult context linked to the Covid-19 crisis, the rate of 76% was reached in 2020 (the same as in 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
			c) Customer satisfaction / Quality: 11.11% (out of a maximum of 16.66%) Out of three indicators related to this criterion, two have been achieved: • *Incident rate:* this indicator, called GMF 3MIS WORLD, is a measurement of the number of incidents on vehicles after three months on the road. The reduction of this rate has been achieved with, at the end of September 2020, a 16% reduction compared to the previous year for an annual reduction target of 15%. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had been achieved; • *Number of complaints per vehicle:* this indicator was not available because the survey was stopped in the course of the year due to the Covid-19 crisis. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had not been achieved; • *Customer satisfaction level:* this level is measured through satisfaction surveys conducted among customers who visited Groupe Renault's sales and after-sales dealerships. Each customer gives a score and the final result is the dealer's Net Promotor Score (NPS). This NPS is then consolidated by country by summing up all the dealers' NPS in the country. This KPI aims to significantly improve the NPS in at least 80% of Renault's 16 largest markets (France, Germany, Italy, Spain, United Kingdom, Poland, Belgium, Romania, Russia (excluding Lada in 2020), Turkey, Morocco, India, Argentina, Brazil, Colombia, South Korea). The result obtained on this scope was 81%, exceeding the target set. On the recommendation of the Governance and Compensation Committee, the Board considered that this indicator had been achieved. Having noted that the overall rate of achievement of the performance criteria was 64.43% for the 2020 financial year and recalling that Ms Clotilde Delbos' gross annual fixed compensation was €162,456 for her term of office during the 2020 financial year (the gross annual amount of €371,329 prorated over the period from January 1 to June 30, 2020, and reduced by 25% for the second quarter of 2020 in a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of the Covid-19 crisis), the Board of Directors decided to set Ms Clotilde Delbos' gross variable compensation in respect of the 2020 financial year at €104,665. 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 salary 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).
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.
Stock options, performance shares or any other long-term benefit (stock warrants, *etc.*)		27,500 performance shares = €582,374 (book value in respect of the 2020 financial year)	The Board of Directors of February 13, 2020 awarded 27,500 performance shares in respect of the 2020 financial year to the interim Chief Executive Officer. This allocation of performance shares to the interim Chief Executive Officer represented 0.0092% of Renault SA's share capital. Out of these 27,500 performance shares, the number of shares definitively vested will depend on achievement of the following performance criteria: • total shareholder return (TSR), for 20% maximum; • free cash flow (FCF), for 30% maximum; • percentage of models manufactured on the Alliance platforms, for 30% maximum; and • global carbon footprint, for 20% maximum. These performance criteria will be measured over a cumulative three-year period (2020, 2021 and 2022). Ms Clotilde Delbos was also granted 20,000 performance shares under her employment contract for the 2020 financial year (see paragraph "Elements 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	N/A	The interim Chief Executive Officer does not receive benefits of any kind in respect of her corporate office. It should be noted that Ms Clotilde Delbos benefits from certain benefits in kind under her employment contract with Renault s.a.s (see paragraph "Elements of Ms Clotilde Delbos' compensation under her employment contract with Renault s.a.s" below).

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
Termination benefit	N/A	N/A	The interim Chief Executive Officer does not benefit from any termination benefit.
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. 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 a top-up pension scheme identical to that arranged for the members of the Group Executive Committee (the so-called "Article 83" and "Article 82" plans). a) **Mandatory defined-contribution pension scheme (Article 83)** The contributions represent: • 3.5% of the gross annual compensation between four and eight times the French Social Security cap (Band C), paid 2.5% by the Company and 1% by the interim Chief Executive Officer; • then 8% of the gross annual compensation between eight and sixteen times the French Social Security cap (Band D), paid 5% by the Company and 3% by the interim 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. For the 2020 financial year, the contribution ceiling having been reached as a result of the amounts contributed under Ms Clotilde Delbos' employment contract with Renault s.a.s, the Company's contribution for her corporate office as interim Chief Executive Officer amounted to €0. b) **Optional defined-contribution pension scheme (Article 82)** The interim Chief Executive Officer benefits from the new defined-contribution pension scheme (Article 82) which was set up from July 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. For the 2020 financial year, these contributions to the insurer amounted to €20,307 for the benefit of the interim Chief Executive Officer. The contributions paid in this way do not benefit from any preferential tax or social security regime. For this reason, the interim Chief Executive Officer receives a lump-sum indemnity equal to the amount of the contribution paid on her behalf to the insurer. Payment of this indemnity to the interim Chief Executive Officer is concomitant to the payment of the contribution to the insurer and amounted to €20,307 for the 2020 financial year. 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.

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 2020 financial year are as follows:

- annual fixed compensation in respect of the 2020 financial year of €556,293 paid in twelve monthly instalments;
- variable compensation of €476,232 allocated in respect of the 2019 financial year and paid in 2020; variable compensation in respect of the 2020 financial year will be determined, as for all Renault s.a.s employees, in April 2021, after taking into account the assessment of individual objectives;
- long-term compensation allocated in respect of the 2020 financial year in the form of 20,000 performance shares;
- a profit-sharing payment of €30,393 in respect of the 2019 financial year paid in 2020;
- other benefits (two company cars) valued at €8,637 in respect of the 2020 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 mandatory defined-contribution scheme (Article 83) and an optional defined-contribution scheme (Article 82).

These compensation components related to the employment contract and not the corporate office are not submitted for shareholders' appproval at the Annual General Meeting on April 23, 2021.

3.2.2.4 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 CORPORATE OFFICERS

(TABLE NO. 1 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

(in euros)	2020	2019	2018
Luca de Meo – Chief Executive Officer (from July 1st, 2020)			
Compensation allocated for the financial year (details provided in table 2)	1,073,732	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)	1,165,827	N/A	N/A
Valuation of other long-term compensation plans	None	N/A	N/A
TOTAL	**2,239,559**	**-**	**-**
Clotilde Delbos – Interim Chief Executive Officer (until June 30th, 2020)			
Compensation allocated for the financial year (details provided in table 2)	267,121	125,460	N/A
Valuation of options allocated during the financial year (details provided in table 4)	None	None	N/A
Valuation of performance shares allocated during the financial year (details provided in table 6)	582,374	None	N/A
Valuation of other long-term compensation plans	None	None	N/A
TOTAL	**849,495**	**125,460**	**-**

TABLE 2 – SUMMARY OF THE EXECUTIVE CORPORATE OFFICERS' COMPENSATION

(TABLE NO. 2 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

	2020 amounts		2019 amounts		2018 amounts	
(in euros)	Allocated	Paid	Allocated	Paid	Allocated	Paid
Luca de Meo – Chief Executive Officer (from July 1st, 2020)						
Fixed compensation	650,000	650,000	N/A	N/A	N/A	N/A
Annual variable compensation	418,773	0	N/A	N/A	N/A	N/A
Exceptional compensation	0	0	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 any kind	4,959	4,959	N/A	N/A	N/A	N/A
TOTAL	**1,073,732**	**654,959**	**-**	**-**	**-**	**-**
Clotilde Delbos – Interim Chief Executive Officer (until June 30th, 2020)						
Fixed compensation	162,456	162,456	83,307	83,307	N/A	N/A
Annual variable compensation	104,665	42,153	42,153	0	N/A	N/A
Exceptional compensation	0	0	0	0	N/A	N/A
Compensation allocated for directorship	N/A	N/A	N/A	N/A	N/A	N/A
Benefits of any kind	0	0	0	0	N/A	N/A
TOTAL	**267,121**	**204,609**	**125,460**	**83,307**	**-**	**-**

TABLE 3 – SUMMARY OF BENEFITS FOR EXECUTIVE CORPORATE OFFICERS

(TABLE NO. 11 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

Executive corporate officers	Employment contract	Top-up pension scheme	Payments and benefits due or liable to be due following cessation/change of office	Payments arising from anon-compete agreement	Othercompensation
Luca de Meo Chief Executive Officer Start of term: July 2020 End of term: current	No	Yes	Yes	Yes	No
Clotilde Delbos Interim Chief Executive Officer Start of term: October 2019 End of term: June 2020	Yes	Yes	No*	No*	No

* *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 ClotildeDelbos 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 CORPORATE OFFICER

(TABLE NO. 4 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

No stock options were allocated to the executive corporate officers during the financial year.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE CORPORATE OFFICER

(TABLE NO. 5 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

Mr. Luca de Meo does not hold any stock options.

Ms Clotilde Delbos does not hold any stock options.

TABLE 6 – PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE 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	Acquisition date	Availability date	Performance conditions
Luca de Meo	N° 27 2020/07/29	75,000	€1,165,827	2023/07/29	2023/07/29	Yes
Clotilde Delbos	N° 27 2020/02/13	27,500	€582,374	2023/02/13	2023/02/13	Yes

TABLE 7 – PERFORMANCE SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE OFFICER WHICH BECAME AVAILABLE 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
Luca de Meo	N/A	N/A	N/A
Clotilde Delbos*	N° 24 2016/04/29	20,000	Performance conditions and presence condition

* *The 20,000 performance shares delivered to Ms Clotilde Delbos on June 12, 2019 under the 2016 plan were granted to her under her employment contract with Renault s.a.s as she was not a corporate officer at the date of the grant. They became available on June 12, 2020.*

3.2.2.5 Compensation of directors in 2020

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.

The policy for allocating directors' compensation adopted by the Board of Directors on October 18, 2019 sets 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;
- a variable portion which depends on the effective attendance of members at Board of Directors and/or committee meetings.

The variable portion relating to effective attendance at Board of Directors and committee meetings is predominant compared to the fixed portion, in compliance with the recommendation 21.1 of the AFEP-MEDEF Code Committee

This compensation policy for directors was approved by the General Meeting of June 19, 2020 (sixteenth resolution).

The table below sets out the rules for calculating directors' compensation in 2020:

	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	€15,000	€10,000	-

It is reminded that the Chairman of the Board of Directors does not receive any compensation for his directorship.

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.

Pursuant to the rules of the compensation policy approved by the General Meeting of June 19, 2020, the theoretical total gross amount of compensation attributable to directors for the 2020 financial year amounts to €1,265,861.

However, given the coronavirus pandemic in the world, and in a spirit of responsibility towards all of the Group's stakeholders who have made efforts or experienced the effects of this unprecedented crisis, the directors unanimously decided on April 9, 2020, to reduce their compensation by 25% for the 2020 financial year. Consequently, the total gross compensation allocated to directors for the 2020 financial year amounts to €949,396.

The individual amounts of directors' compensation, accordingly reduced by 25%, are shown in the table below and will be paid in one lump sum in 2021.

Directors currently in office did not receive any compensation or benefit of any kind from Renault SA or the companies it controls in 2021 other than what is indicated in the table below.

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 and approved by the General Meeting of June 19, 2020.

	2020 financial year		2019 financial year	
Directors	**Amounts allocated for the 2020 financial year **** *(in euros)*	**Amounts paid during the 2020 financial year *** *(in euros)*	**Amounts allocated for the 2019 financial year *** *(in euros)*	**Amounts paid during the 2019 financial year** *(in euros)*
Mr. Senard	0	0	0	-
Ms Barba	62,250	77,514	77,514	77,499
Mr. Barrat (1)	51,000	62,980	62,980	58,374
Ms Bensalah-Chaqroun	45 063	59,105	59,105	48,396
Ms Blair (2)	-	45,055	45,055	66,708
Mr. Courbe (3)	42,563	53,130	53,130	4,500
Ms Darmaillac	69,750	96,893	96,893	75,600
Mr. Desmarest (4)	-	-	-	11,550
Mr. Derez (5)	49,667	84,781	84,781	41,213
Mr. Faure (3) (6)	-	-	-	32,625
Mr. Fleuriot	69,750	104,806	104,806	28,613
Mr. Gentil (1)	48,813	68,794	68,794	58,374
Mr. Ghosn (2)	-	0	0	48,000
Mr. Ladreit de Lacharrière (7)	-	-	-	24,150
Mr. Lagayette (2)	-	119,278	119,278	76,650
Mr. Ostertag (1)	64,125	94,955	94,955	74,520
Mr. Personne (1)	62,250	102,706	102,706	77,004
Ms Qiu (5)	34,667	78,968	78,968	72,594
Ms Serizawa	51,000	68,309	68,309	47,088
Ms Sourisse	69,750	88,657	88,657	49,350
Mr. Tagawa (8)	0	-	-	-
Mr. Thomas	73,500	91,079	91,079	86,975
Mr. Vial (3)	61,625	102,706	102,706	105,000
Ms Winkler (9)	57,875	29,552	29,552	-
Mr. Yamauchi (10)	35,750	70,732	70,732	56,244

* *The amounts of compensation allocated to Directors for the 2019 financial year and paid in 2020 have been reduced compared with the strict application of the rules for allocating the overall budget approved by the General Meeting of June 15, 2018. Indeed, the total gross amount of directors' compensation (€2,294,750) being greater than the overall budget of €1,500,000, a reduction coefficient of approximately 35.4% was applied to the individual compensation of each Director.*

** *The amounts disclosed in the table correspond to the actual amounts allocated to Directors after taking into account the 25% reduction decided by the Board of Directors.*

(1) *The compensation payable to the Directors representing the employees and the Director representing the employee shareholders for their corporate office is paid to their respective trade unions.*

(2) *Director whose term of office ended on June 12, 2019.*

(3) *Director representing the French State. The compensation allocated to Mr. Courbe and Mr. Vial is paid to the State budget pursuant to Order no. 2014-948 of August 20, 2014.*

(4) *Director whose term of office ended on February 15, 2018.*

(5) *Director whose term of office ended on June 19, 2020.*

(6) *Director whose term of office ended on October 5, 2018.*

(7) *Director whose term of office ended on June 15, 2018.*

(8) *Director co-opted on April 29, 2020. This cooptation was ratified by the General Meeting of June 19, 2020. In accordance with Nissan's internal policy, which provides that its employees serving on Renault's Board of Directors shall waive all compensation for such office, Mr. Joji Tagawa will not receive any compensation for his office as a Director of Renault.*

(9) *Director whose term of office ended on June 12, 2019.*

(10) *Director whose term of office ended on April 23, 2020.*

3.2.3 Comparison of compensation levels between corporate officers and employees

In accordance with the provisions of Article L. 22-10-9 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.

These elements are part of the information mentioned in Article L. 22-10-9 I. of the French Commercial Code and will be subject to a general vote pursuant to Article L.22-10-34 of the French Commercial Code at the Shareholders' Meeting of April 23, 2021.

Methodology for calculating the ratios

Under the terms of Article L. 22-10-9, 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, Société de Transmissions Automatiques (STA) and Sofrastock, all wholly-owned subsidiaries of Renault SA, i.e. 31,600 people who were employed in 2020. The scope of these three companies represents 84% of the employees of the Groupe Renault's French automotive subsidiaries as at December 31, 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, Société de Transmissions Automatiques and Sofrastock 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 up to January 24, 2019.

The compensation presented is related to the function and not to the person, so that a change in executive corporate officer for a same function does not impact the presentation of the information over the five-year period. For the 2020 financial year, the Chief Executive Officer's compensation was thus annualized on the basis of the compensation paid to Ms Clotilde Delbos in respect of her office for the period from January 1 to June 30, 2020 and the compensation paid to Mr. Luca de Meo for the period from July 1 to December 31, 2020.

PRESENTATION OF THE RATIOS

		2020	2019	2018	2017	2016
CHAIRMAN AND CHIEF EXECUTIVE OFFICER	Annual compensation	-	-	€5,521,258	€7,292,183	€7,380,125
	Variation (N/N-1) in %			*-24%*	*-1%*	*2%*
	Ratio / average compensation of employees			*92*	*121*	*125*
	Variation (N/N-1) in %			-25%	-3%	-1%
	Ratio / median compensation of employees			115	152	158
	Variation (N/N-1) in %			*-24%*	*-4%*	*0%*
CHAIRMAN OF THE BOARD OF DIRECTORS	Annual compensation	€378,975	€453,499	-	-	-
	Variation (N/N-1) in %	*-16%*				
	Ratio / average compensation of employees	*7*	*7*	-	-	-
	Variation (N/N-1) in %	*-8%*				
	Ratio / median compensation of employees	8	9	-	-	-
	Variation (N/N-1) in %	*-9%*				
CHIEF EXECUTIVE OFFICER	Annual compensation	€2,606,926	€3,401,812	-	-	-
	Variation (N/N-1) in %	*-23%*				
	Ratio / average compensation of employees	*47*	*56*	-	-	-
	Variation (N/N-1) in %	*-15%*				
	Ratio / median compensation of employees	58	70	-	-	-
	(Évolution / N-1)	*-17%*				
EMPLOYEES	Average compensation	€55,124	€60,823	€60,324	€60,107	€58,843
	Variation (N/N-1) in %	*-9%*	*1%*	*0%*	*2%*	*3%*
	Median compensation	*€44,851*	*€48,824*	*€48,018*	*€47,969*	*€46,591*
	Variation (N/N-1) in %	*-8%*	*2%*	*0%*	*3%*	*2%*
GROUP PERFORMANCE	Group operating margin, in %	-0,8%	4.8%	6.3%	6.4%	6.4%
	Variation (N/N-1) in %	*-113%*	*-24%*	*-2%*	*0%*	*23%*

The decrease in the Chief Executive Officer's compensation in 2020 is mainly explained by the absence of variable compensation payments to Mr. Luca de Meo in 2020 (given his arrival on July 1, 2020) and by a lower valuation of the performance share plan (given the decline in the share price).

The decrease in average and median compensation of employees in 2020 is mainly explained by the decrease in variable compensation (bonuses and profit-sharing) and by the impact of partial activity (which reduces the gross compensation taken into account for this ratio, even though net compensation of employees has been maintained pursuant to the agreements implemented to protect employees against the consequences of the health crisis).

3.2.4 Compensation policies for the directors and corporate officers for the 2021 financial year

At its meeting on February 18, 2021, 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 directors (chapter 3.2.4.3 below) for the 2021 financial year.

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the compensation policies for directors and corporate officers for the 2021 financial year will be submitted for approval to the Company's Annual General Meeting to be held on April 23, 2021.

It should be noted that payment of potential variable compensation component for the 2021 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 2021 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 23, 2021 pursuant to Article L. 22-10-8 of the French Commercial Code

Seventeenth resolution – Approval of the compensation policy for the Chairman of the Board of Directors for the 2021 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. 22-10-8 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 2020 Universal registration document.

Annual fixed compensation

The fixed annual compensation of the Chairman of the Board of Directors reflects the responsibilities and duties assumed and attached to this corporate office, as well as the level of skills, experience and career path of the person holding this position.

The annual fixed compensation for 2021 remains at a gross amount of €450,000 payable in twelve monthly instalments.

In line with his non-executive role and in accordance with best market practice in France, the Chairman of the Board of Directors does not receive any short-term or long-term variable compensation in cash or in the form of performance shares.

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 respect of the 2021 financial year.

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. He also benefits from the same life insurance and supplementary healthcare schemes as employees working in France.

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 18, 2021, the Board of Directors, on the recommendation of the Governance and Compensation Committee, set the compensation policy for the Chief Executive Officer for the 2021 financial year.

Draft resolution submitted to the Annual General Meeting of April 23, 2021 pursuant to Article L. 22-10-8 of the French Commercial Code

Eighteenth resolution – Approval of the compensation policy for the Chief Executive Officer for the 2021 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. 22-10-8 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 2020 Universal registration document.

The compensation of the Chief Executive Officer takes into account the responsibilities and duties assumed and that are inherent to this corporate office, as well as the level of skills, experience, and the career path of the person holding this position.

It is based on an analysis done by the Governance and Compensation Committee on the levels of fixed compensation for Chief Executive Officers within CAC 40 companies and international automotive groups (Stellantis, General Motors, Ford, Honda, Daimler, BMW, Volkswagen, Volvo, and Toyota).

Pursuant to the principles of the compensation policy, the Chief Executive Officer's compensation for 2021 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 corporate 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 corporate 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 corporate 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.

Annual fixed compensation

The annual fixed compensation of the Chief Executive Officer remains unchanged compared to that of 2020 and is set at a gross amount of €1,300,000, payable in twelve monthly instalments.

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 2021 financial year, the performance criteria set by the Board of Directors include five quantifiable criteria and three qualitative criteria. The Board of Directors has deemed these to be key indicators of Groupe Renault's performance and in particular in the implementation of the new "Renaulution" strategic plan.

Quantifiable criteria for the 2021 financial year (0% to 100% of fixed compensation)

The new strategic plan "Renaulution" was presented in January 2021, aiming to shift Groupe Renault's strategy from the search for volumes to value creation. The first phase of this "Renaulution" strategic plan will run until 2023 and will focus on improving margins and cash generation. In order to ensure a close link between the Group's strategy and the compensation policy, it is therefore proposed, as compared to the compensation policy for 2020, to remove one criterion and to add two new criteria:

- the "Return on Capital Employed (ROCE)" criterion replaces the "Turnover" criterion in order to give priority to profitability objectives based on capital employed, in line with the new value creation strategy; and;
- the "Fixed Costs (FC)" criterion has been added since the reduction of fixed costs is key for the first phase "Resurrection" of the strategic plan in order to ensure the success of the second phase "Renovation" of the plan.

In addition, the other criteria of the 2020 compensation policy are maintained because of their importance for the Group. These criteria are:

- Group operating margin (Group OM);
- Cash generation - Free cash flow (FCF); and
- CO_2 emissions (CAFE regulation).

An equal weighting of 20% has been assigned to each of them.

	Group operating margin (Group OM)	Free cash flow (FCF)*	Return on capital employed (ROCE)	CO_2 emissions - CAFE regulation **	Fixed costs (FC)
Targets	• 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.	• ROCE measures the profitability of capital invested. It reflects value creation.	• This criterion, which is a major stake for carmakers, measures the average emissions of passenger cars registered in Europe, based on CAFE regulations (see section 2.2.3 of the Universal registration document).	• This criterion measures the reduction of the Group's fixed costs. It ensures that the Group's "break-even" point is reduced.
Weighting *(as a percentage of fixed compensation)*	• 20% maximum.	• 20% maximum.	• 20% maximum.	• 20% if on target and maximum.	• 20% maximum.
Payout rate	• 0% if the operating margin is strictly lower than the budget. • 16% if the operating margin is equal to the budget. • 20% if the operating margin is equal to or higher than budget +0.2 points. • 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. • 24% if free cash flow is equal to the budget. • 30% if free cash flow is equal to or higher than budget +50%. • Linear interpolation if free cash flow is between budget and budget +50%.	• 0% if ROCE is strictly lower than the budget. • 16% if ROCE is equal to the budget. • 20% if ROCE is equal to or higher than the budget +2,5%. • Linear interpolation if ROCE is between budget and budget +2,5%.	• 0% if the level of CO_2 emissions is strictly above the regulatory target. • 20% if the level of CO_2 emissions is equal to or lower than the regulatory target.	• 0% if the amount of fixed costs is strictly higher than the budget • 16% if the amount of fixed costs is equal to the budget. • 20% if the amount of fixed costs is equal to or lower than the budget -3%. • Linear interpolation if the amount of fixed costs is brtween budget -3% and budget.

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.

* *The FCF in the 2021 budget includes €1 billion dividend from RCI Banque.*

** *Based on the CAFE regulation for passenger vehicles registered in Europe. CAFE = Corporate Average Fuel Economy.*

Qualitative criteria for the 2021 financial year (0% to 50% of fixed compensation)

The qualitative criteria are evolving compared to the 2020 compensation policy in order to take into account the stakes of the new strategic plan "Renaulution" which was presented in January 2021. The criterion of CSR commitments and that of customer satisfaction/quality are maintained. Achievement of these three qualitative criteria contributes directly to the Group's performance

	"Renaulution" new strategic plan	Quality of CSR commitments	Customer Satisfaction / Quality
Target	• The success of the new strategic plan is a priority for the Group's sustainability.	• This criterion is confirmed. It 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)*	• **20%** if on target and maximum	• **15%** if on target and maximum	• **15%** if on target and maximum
Indicators	• Implementation of the new organization by Brand • Development of the 8 key models of the "Renaulution" plan • Level of invoicing within the Alliance between Renault, Nissan and Mitsubishi	• Health and safety (accident frequency rate) • Gender pay-gap ratio • Defining the Climate plan (strategy, timetable and indicators)	• Reduction of incident rate • Customer satisfaction level

It should be noted that pursuant to Article L. 22-10-34 of the French Commercial Code, payment of the annual variable compensation to the Chief Executive Officer for the 2021 financial year is subject to its approval by the Annual General Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

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 2021.

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 corporate officer.

On the recommendation of the Governance and Compensation Committee, the Board of Directors of February 18, 2021 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 2021 financial year. This allocation would represent 0.0253% of Renault SA's share capital.

Performance criteria will be measured over a cumulative three-year period (2021, 2022 and 2023).

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:

03

LONG-TERM PERFORMANCE CRITERIA

	Total shareholder return (TSR)	Free cash flow (FCF)*	Annual increase in the net revenue per vehicle	CO_2 emissions - 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. • 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 a key indicator of the Group's ability to improve its profitability.	• This criterion corresponds to the target of reducing the average carbon footprint of passenger cars and light commercial vehicles registered worldwide. • 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 2.2.3 of the Universal registration document).
Weighting *(as a percentage of allocation)*	• **25%**	• **25%**	• **25%**	• **25%**
Payout rate	• 0% if the TSR is strictly lower than the benchmark. • 11.25% if the TSR is equal to the benchmark. • 25% if the TSR is equal to or higher than the benchmark +10% • Linear interpolation if TSR is between the benchmark and the benchmark +10%.	• 0% if FCF is strictly lower than the budget. • 17.5% if FCF is equal to the budget • 25% if FCF is higher than or equal to the budget +20%. • Linear interpolation if FCF is between the budget and the budget +20%	• 0% if the annual increase percentage is strictly lower than 3% • 17.5% if the annual increase percentage is equal to 3% • 25% if the annual increase percentage is equal to or higher than 4% • Linear interpolation if the annual increase percentage is between 3% and 4%.	• 0% if the average carbon footprint emissions is strictly higher than the target • 17.5% if the average carbon footprint emissions is equal to the target • 25% if the average carbon footprint emissions is equal to or the Group target -2.5 points. • 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 2023 carbon footprint reduction target is aligned with the 2017-2022 trajectory and the Group's greenhouse gas reduction targets for 2030: i.e. -27% in 2023 compared with 2010.

* *The FCF in the 2021 budget includes €1 billion dividend from RCI Banque.*

** *Objective by 2023 to reduce the carbon footprint (CO_2 emissions) of Groupe Renault's passenger and commercial vehicles registered worldwide, excluding AVTOVAZ (the integration of AVTOVAZ into the Group's objectives is planned from 2024).*

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 corporate 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. 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 any kind

The Chief Executive Officer benefits from two company cars and one company car with driver. He also benefits from an international healthcare cover and from the same life insurance and supplementary healthcare schemes as for the employees working in France.

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 protects 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 CEO'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 benefits from the new optional defined-contribution pension scheme (Article 82) set up as 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 directors for the 2021 financial year

At its meeting held on February 18, 2021, the Board of Directors, on the recommendation of the Governance and Compensation Committee, set the compensation policy for directors for the 2021 financial year.

Draft resolution submitted to the Annual General Meeting of April 23, 2021 pursuant to Article L. 22-10-8 of the French Commercial Code

Nineteenth resolution – Approval of the compensation policy for directors for the 2021 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 L.22-10-8 of the French Commercial Code, the compensation policy for directors, as set out in chapter 3.2.4.3 of the Company's 2020 Universal registration document.

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 (seventeenth resolution).

Allocation policy

The new policy for allocating directors' compensation adopted by the Board of Directors for the 2021 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	€15,000	€10,000	-

It is reminded that the Chairman of the Board of Directors does not receive 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 2021 financial year.

Directors' compensation for the 2021 financial year will be paid in one instalment in 2022.

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.

The beneficiary of performance shares must be an employee or corporate officer within Groupe Renault at the vesting date of the shares. In case of departure from Groupe Renault before the vesting date, the beneficiary loses his/her entitlement to the performance shares granted to him/her, except in the case of compulsory or voluntary early retirement.

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 the eighteenth resolution 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 Allocation policy for the performance share plans

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 centres 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, 1,322 under the 2019 plan et 1,421 under the 2020 plan.

3.2.5.3 Summary tables

Past allocations of stock options and performance shares

Plan no. 20 is performance share allocation.

Plans nos. 22 to nos. 27 are performance share allocation plans in which some of the shares were allocated to the 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, 2020 corresponds to 1.49% 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 the exercise period	Expiry date	Purchase Price [1]	Number of options exercised as of 12/31/2020	Total number of cancelled or lapsed options as of 12/31/2020	Outstanding options as of 12/31/2020
Authorization by the Shareholders' Annual General Meeting on April 29, 2011									
Plan n° 20 [2]	12/13/2012	447 800	150 000	12/13/2016	12/12/2020	€37.43	471	102 516	0

(1) The purchase price is equal to the average stock market price over the 20 sessions prior to the date of the Board of Directors' meeting.

(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.

PERFORMANCE SHARE PLANS

(TABLE NO. 9 AS PER AFEP-MEDEF CODE RECOMMENDATIONS)

Plan n°	Date of the allocation by the Board of Directors	Total number of shares awarded	Vesting date	Availabiity date	Shares cancelled as of 12/31/2020	Outstanding shares as of 12/31/2020
Authorization by the Shareholders' Annual General Meeting on April 30, 2013						
Plan n° 22 bis (1)	02/11/2015	1,053,650	06/15/2018	06/15/2020	96,601	0
Authorization by the Shareholders' Annual General Meeting on April 29, 2016						
Plan n° 23 (4)	04/29/2016	361,605 (2)	04/29/2020	04/29/2020	57,595	0
Plan n° 23 (4)	04/29/2016	977,200 (2)	06/12/2019	06/12/2020	8,450	0
Plan n° 23 bis CEO	07/27/2016	100,000	07/27/2020	07/27/2020	100,000	0
Plan n° 24 (5)	02/09/2017	329,300 (2)	02/09/2021	02/09/2021	58,000	271,300
Plan n° 24 (5)	02/09/2017	989,910 (2)	02/09/2020	02/09/2021	8,654	0
Plan n° 24 bis CEO	02/09/2017	100,000	02/09/2021	02/09/2021	100,000	0
Plan n° 25	02/15/2018	311,750	02/15/2022	02/15/2022	48,800	262,950
Plan n° 25	02/15/2018	1,082,200	02/15/2021	02/15/2022	22,841	1,054,009
Plan n° 25 bis CEO	02/15/2018	80,000	02/15/2022	02/15/2022	80,000	0
Authorization by the Shareholders' Annual General Meeting on June 12, 2019						
Plan n° 26	06/12/2019	1,412,030	06/12/2022	06/12/2022	24,300	1,387,180
Plan n° 26 CEO	06/12/2019	50,000 (3)	06/12/2022	06/12/2022	44,480	5,520
Plan n° 27	02/13/2020	1,341,115	02/13/2023	02/13/2023	10,300	1,330,815
Plan n° 27 interim CEO	02/13/2020	27,500	02/13/2023	02/13/2023	0	27,500
Plan n° 27 CEO	07/29/2020	75,000	07/29/2023	07/29/2023	0	75,000

(1) 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 theshares in Plan no. 22 bis were cancelled.
(2) Modification of the allocation of the number of performance shares initially granted, due to international mobilities during the vesting period.
(3) 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 ChiefExecutive 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 theeffective 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 saidperformance 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 attheir maximum level.
(4) On June 12, 2019, the Board of Directors determined that the performance criteria had been 100% achieved.
(5) On June 19, 2020, 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 employees (other than corporate officers) who received the largest number of options	Total number of options allocated/ acquired shares	Exercise price	Plan n° 20*
Options granted by the issuer and any company within the scope of allocation ofoptions, 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	€37.43	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		471

** 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 10 employees (other than corporate officers) receiving the largest number of shares, and the shares vested by them	Total number of shares allocated	Plan n° 22 (1)	Plan n° 23 (2)	Plan n° 24 (3)	Plan n° 25	Plan n° 26	Plan n° 27
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)	1,085,000	185,000	185,000	190,000	205,000	160,000	160,000
Shares held for the issuer and companies referred to above,vested by the 10 employees of the issuer and thesecompanies, for whom the number of shares thus vested isthe highest (overall information)	540,750	175,750	185,000	180,000	0	0	0

(1) 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.
(2) On June 12, 2019, the Board of Directors determined that the performance criteria had been 100% achieved.
(3) On June 19, 2020, the Board of Directors determined that the performance criteria had been 100% achieved.

3.3 INFORMATION CONCERNING SECURITIES TRANSACTIONS

Pursuant to Regulation (EU) 596/2014 of April 16, 2014 on market abuse, "Persons Discharging Managerial Responsibilities" (PDMRs) as well as the "persons closely linked to them" have an obligation to declare to the Company and to the French Market Authority (Autorité des Marchés Financiers - AMF) the transactions they carry out, or which are carried out on their behalf, in the Company's shares (or related financial instruments).

In accordance with these regulations and the Renault's Stock Exchange Code of Ethics, the PDMRs of Groupe Renault are :

- the members of the Board of Directors of Renault S.A. ;
- the Chief Executive Officer of Renault S.A. and, where applicable, the Deputy Chief Executive Officer(s) of the Company;
- the members of the Group's Executive Committee (Board of Management).

Transactions carried out by PDMRs or the persons closely linked to them must be reported to the the AMF within three trading days following the date of the transaction.

The AMF publishes the information about each declaration on its website within a few days following the declaration.

To the best of the Company's knowledge, the transactions carried out during the past financial year by the persons required to make such declarations, were as follows:

- on March 6, 2020, Mr. Jean-Dominique Senard, Chairman of the Board of Directors, acquired 3,240 shares at the price of €22.01 per share;
- on April 29, 2020, 15,000 performance shares vested in favour of Mr. Jose Vicente de los Mozos Obispo, Executive Vice-President of Manufacturing and Supply Chain Alliance, pursuant to the conditions that had been set by the Board of Directors' meeting of April 29, 2016 under the 2016 free share plan;
- on April 29, 2020, 15,000 performance shares vested in favour of Mr. Denis Le Vot, Groupe Renault Director of Regions, Trade and Marketing, pursuant to the conditions that had been set by the Board of Directors' meeting of April 29, 2016 under the 2016 free share plan;
- on June 19, 2020, 11,000 performance shares vested in favour of Mr. Laurens Van Den Acker, Groupe Renault Director of Industrial Design, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on June 19, 2020, 11,000 performance shares vested in favour of Mr. Philippe Guérin-Boutaud, Executive Vice President Quality and Total Customer Satisfaction, Groupe Renault, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on June 19, 2020, 2,800 performance shares vested in favour of Mr. Frédéric Vincent, Groupe Renault EVP, Information Systems, Digital and Transformation, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on June 19, 2020, 15,000 performance shares vested in favour of Ms Véronique Sarlat-Depotte, Renault-Nissan-Mitsubishi Alliance Executive Vice President, Purchasing, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on June 19, 2020, 20,000 performance shares vested in favour of Ms Clotilde Delbos, Executive Vice-President, Group Chief Financial Officer, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on June 19, 2020, 3,000 performance shares vested in favour of Mr. Ali Kassaï Koupaï, Executive Vice-President of Groupe Renault Product Planning and Programs, pursuant to the conditions that had been set by the Board of Directors' meeting of February 9, 2017 under the 2017 free share plan;
- on October 6, 2020, Mr. Luca de Meo, Chief Executive, acquired 4,000 shares at the price of €23.75 per share;
- on December 4, 2020, Mr. Luca de Meo, Chief Executive, acquired 1,000 shares at the price of €34.10 per share;
- on December 11, 2020, Mr. Jose Vicente de los Mozos Obispo, Executive Vice-President of Manufacturing and Supply Chain Alliance, acquired 15,000 shares at the price of €35.02 per share.

OPERATING MARGIN

-€337

MILLION IN 2020

-0.8%

IN REVENUES

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 consolidated 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, 2020

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, 2020.

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, 2020 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 the report 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 requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 LONG-TERM ASSETS OF THE AUTOMOTIVE SECTORS

Risk identified	Intangible and tangible assets and goodwill, of the "Automotive" operating segments amount to 23,001 million euros. The Group carries out impairment tests on assets as soon as an impairment risk indicator has been identified, and at least once a year for assets with infinite useful life, under the approach described in note 2-M of the consolidated financial statements. The test consists in comparing the net book value of assets 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. For 2020 year-end closing, these impairment tests consider the decline in sales volumes in 2020, the downward revision of the outlook in the context of the COVID-19 pandemic and the assumptions used in the update of the Renaulution medium-term plan (2021-2025). We have considered that the valuation of 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, particularly in the current context described above.

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 impairment indicators;
	• for assets tested:
	  • reconciling the net book value of assets to the consolidated financial statements,
	  • assessing the consistency of the data on projected volumes and margins used in the tests with the latest management estimates reflected in the Renaulution medium-term plan for the period 2021-2025 and in the context of the COVID-19 pandemic,
	  • assessing, in the context of the COVID-19 pandemic, the reasonableness of the main assumptions used through interviews with management and by comparing the assumptions with the data used in the previous impairment tests as well as, if applicable, with the historical performance,
	  • testing the arithmetical accuracy of the discounted cash flows projections prepared by management,
	  • 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 OF RENAULT IN NISSAN

Risk identified	As at December 31, 2020, the Renault equity investment in Nissan amounts to 14,618 million euros, and Nissan's contribution to Renault's net income corresponds to a loss of 4,970 million euros. 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 IFRS standards for consolidation purposes. In accordance with the approach described in the accounting rules and methods (note 2-M), an impairment test of the investment in Nissan was carried out at December 31, 2020. 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 of the Alliance 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 with 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.

CALCULATION OF EXPECTED CREDIT LOSSES ON RETAIL AND WHOLESALE RECEIVABLES IN ACCORDANCE WITH THE NEW ACCOUNTING STANDARD IFRS 9 (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. RCI Banque sets aside provisions to cover the risk of losses resulting from the inability of its clients to meet their financial commitments. RCI Banque applies the accounting principles of IFRS 9 "Financial Instruments" which defines a provisioning model for expected losses based on three stages of risk: healthy receivables (stage 1), receivables showing higher credit risk since initial recognition (stage 2), and receivables in default (stage 3). The provisions related to IFRS 9 are detailed in Note 15 of the consolidated financial statements and amounts to 1,064 M€ for an outstanding amount of 41,884 M€. We consider the amount of credit loss provisioning as a key point of the audit, due to the significant 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. Those assumptions are even more important in the current situation of the COVID-19 crisis which brings major economical uncertainties in the world for the years to come in spite of the governement measures taken to favor a rapid economic recovery. Note 15-D of the consolidated financial statements describes the assumptions used to estimate the impact of the COVID-19 crisis. They mainly consisted of additional provisioning on non-overdue outstanding amounts concerned by current or previous moratoriums, to raise the provision estimate for the forward-looking scenario concerning and to increase the weighting of the "adverse" forward-looking scenario.
Our audit response	Our procedures, performed with our specialists in credit risk, mainly consisted in: • assessing the key controls related to the governance established to validate the changes in parameters and key assumptions involved in the calculation of the expected credit loss provisionning; • assessing the methodologies applied to set the parameters used in the provisionning models and their operational integration in the information systems; • assessing the provisionning adjustments made on expertise at local and Group levels on the Corporates and dealers on receivables showing higher credit risk since initial recognition (stage 2), and receivables in default (stage 3); • examining the documentation supporting the additional provisionning booked to reflect the impact of the COVID-19 crisis in the cost of risk and verifying the calculation of the provisionning on a sampling of contracts; • assessing the assumptions used to determine the prospective component of the expected credit loss (forward looking) estimation, in particular on the weighting of the scenarios; • testing the quality of the application program interfaces that support the calculation and accounting of the expected credit losses; • evaluating the staging process and most particularly the identification of the significant increase of credit risk on healthy receivables; • ensuring the completeness and the quality of the data used in the estimation of the provisionning; • carrying out analytical procedures on the evolution of outstanding retail customer and dealer network loans and credit risk impairment; • 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 its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated extra-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*), is included in the Group's information given in the 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 and the information must be reported by an independent third party.

Report on Other Verifications or Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation N° 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2,I of the French Monetary and Financial Code (*Code monétaire et financier*).

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 June 19, 2020 for Mazars.

As at December 31, 2020, KPMG SA was in the seventh year of total uninterrupted engagement and MAZARS in the first year.

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, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk 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 audit 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 24, 2021

The statutory auditors
French original signed by

KPMG Audit *A division of KPMG S.A.*	MAZARS
Bertrand Pruvost	Loic Wallaert

4.2 CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 Consolidated income statement

(€ million)	*Notes*	2020	2019
Revenues	*4*	**43,474**	**55,537**
Cost of goods and services sold		(36,257)	(44,665)
Research and development expenses	*10-A*	(2,569)	(2,658)
Selling, general and administrative expenses		(4,985)	(5,552)
Other operating income and expenses	*6*	(1,662)	(557)
Other operating income	*6*	*181*	*80*
Other operating expenses	*6*	*(1,843)*	*(637)*
Operating income (loss)		**(1,999)**	**2,105**
Cost of net financial indebtedness	*7*	(337)	(311)
Cost of gross financial indebtedness	*7*	*(355)*	*(386)*
Income on cash and financial assets	*7*	*18*	*75*
Other financial income and expenses	*7*	(145)	(131)
Financial income (expenses)	*7*	**(482)**	**(442)**
Share in net income (loss) of associates and joint ventures		**(5,145)**	**(190)**
Nissan	*12*	*(4,970)*	*242*
Other associates and joint ventures	*13*	*(175)*	*(432)*
Pre-tax income		**(7,626)**	**1,473**
Current and deferred taxes	*8*	(420)	(1,454)
NET INCOME		**(8,046)**	**19**
Net income – parent company shareholders' share		(8,008)	(141)
Net income – non-controlling interests' share		(38)	160
Basic earnings per share* *(€)*		(29.51)	(0.52)
Diluted earnings per share* *(€)*		(29.51)	(0.52)
Number of shares outstanding *(thousands)*			
for basic earnings per share	*9*	*271,349*	*271,639*
for diluted earnings per share	*9*	*271,349*	*271,639*

* *Net income – parent company shareholders' share divided by the number of shares stated.*

4.2.2 Consolidated comprehensive income

	2020			2019		
(€ million)	**Gross**	**Tax effect**	**Net**	**Gross**	**Tax effect**	**Net**
Net income	**(7,626)**	**(420)**	**(8,046)**	**1,473**	**(1,454)**	**19**
Other components of comprehensive income from parent company and subsidiaries						
Items that will not be reclassified subsequently to profit or loss	76	(66)	10	(137)	49	(88)
Actuarial gains and losses on defined-benefit pension plans	*(62)*	*(62)*	*(124)*	*(194)*	*50*	*(144)*
Equity instruments at fair value through equity	*138*	*(4)*	*134*	*57*	*(1)*	*56*
Items that have been or will be reclassified to profit or loss in subsequent periods	(665)	(1)	(666)	(8)	(81)	(89)
Translation adjustments on foreign activities	*(652)*	-	*(652)*	*119*	-	*119*
Translation adjustments on foreign activities in hyperinflationary economies	*(21)*	-	*(21)*	*(40)*	-	*(40)*
Partial hedge of the investment in Nissan	-	-	-	*(70)*	*(87)*	*(157)*
*Fair value adjustments on cash flow hedging instruments**	*8*	*(1)*	*7*	*(17)*	*6*	*(11)*
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	**(589)**	**(67)**	**(656)**	**(145)**	**(32)**	**(177)**
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	146	-	146	24	-	24
Actuarial gains and losses on defined-benefit pension plans	*94*	-	*94*	*23*	-	*23*
Other	*52*	-	*52*	*1*	-	*1*
Items that have been or will be reclassified to profit or loss in subsequent periods	(1,268)	-	(1,268)	327	-	327
Translation adjustments on foreign activities	*(1,228)*	-	*(1,228)*	*382*	-	*382*
Other	*(40)*	-	*(40)*	*(55)*	-	*(55)*
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**(1,122)**	-	**(1,122)**	**351**	-	**351**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(1,711)**	**(67)**	**(1,778)**	**206**	**(32)**	**174**
COMPREHENSIVE INCOME	**(9,337)**	**(487)**	**(9,824)**	**1,679**	**(1,486)**	**193**
Parent company shareholders' share			(9,760)			35
Non-controlling interests' share			(64)			158

* *Including €7 million reclassified to profit and loss in 2020 (€10 million in 2019).*

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4.2.3 Consolidated financial position

(€ million)	*Notes*	December 31, 2020	December 31, 2019
ASSETS			
Non-current assets			
Intangible assets and goodwill	*10-A*	6,347	6,949
Property, plant and equipment	*10-B*	17,135	16,900
Investments in associates and joint ventures		15,120	21,232
Nissan	*12*	*14,618*	*20,622*
Other associates and joint ventures	*13*	*502*	*610*
Non-current financial assets	*22*	1,253	1,072
Deferred tax assets	*8*	651	1,016
Other non-current assets	*17*	956	1,224
TOTAL NON-CURRENT ASSETS		**41,462**	**48,393**
Current assets			
Inventories	*14*	5,640	5,780
Sales Financing receivables	*15*	40,820	45,374
Automotive receivables	*16*	910	1,258
Current financial assets	*22*	1,181	2,216
Current tax assets	*17*	153	86
Other current assets	*17*	3,874	4,082
Cash and cash equivalents	*22*	21,697	14,982
TOTAL CURRENT ASSETS		**74,275**	**73,778**
TOTAL ASSETS		**115,737**	**122,171**

(€ million)	*Notes*	December 31, 2020	December 31, 2019*
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(284)	(344)
Revaluation of financial instruments		384	232
Translation adjustment		(4,108)	(2,235)
Reserves		31,876	32,140
Net income – parent company shareholders' share		(8,008)	(141)
Shareholders' equity – parent company shareholders' share		**24,772**	**34,564**
Shareholders' equity – non-controlling interests' share		566	767
TOTAL SHAREHOLDERS' EQUITY	*18*	**25,338**	**35,331**
Non-current liabilities			
Deferred tax liabilities	*8*	922	1,044
Provisions for pension and other long-term employee benefit obligations – long-term	*19*	1,544	1,636
Other provisions – long-term	*20*	1,356	1,458
Non-current financial liabilities	*23*	13,423	8,794
Provisions for uncertain tax liabilities – long-term	*21*	179	187
Other non-current liabilities	*21*	1,685	1,734
TOTAL NON-CURRENT LIABILITIES		**19,109**	**14,853**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	*19*	103	64
Other provisions – short-term	*20*	1,570	1,064
Current financial liabilities	*23*	3,924	2,780
Sales Financing debts	*23*	47,547	47,465
Trade payables		8,277	9,582
Current tax liabilities	*21*	221	223
Provisions for uncertain tax liabilities – short-term	*21*	6	8
Other current liabilities	*21*	9,642	10,801
TOTAL CURRENT LIABILITIES		**71,290**	**71,987**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**115,737**	**122,171**

* *The figures at December 31, 2019 have been restated to reflect index-based restatements of equity items in hyperinflationary economies, in accordance with the IFRS IC agenda decision issued in March 2020 (see note 2-A 2).*

4.2.4 Changes in consolidated shareholders' equity

(€ million)	Number of shares *(thousands)*	Share capital	Share premium	Treasury shares	Revaluation of financial instru-ments	Translation adjust-ment	Reserves [1]	Net income (parent company share-holders' share)	Share-holders' equity (parent company shareholders' share)	Share-holders' equity (non-controlling interests' share)	Total share-holders' equity
BALANCE AT DECEMBER 31, 2018	**295,722**	**1,127**	**3,785**	**(400)**	**236**	**(2,536)**	**29,975**	**3,302**	**35,489**	**599**	**36,088**
2019 net income								(141)	(141)	160	19
Other components of comprehensive income [2]					(4)	301	(121)		176	(2)	174
2019 COMPREHENSIVE INCOME					**(4)**	**301**	**(121)**	**(141)**	**35**	**158**	**193**
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
Cost of share-based payments and other							(45)		(45)		(45)
BALANCE AT DECEMBER 31, 2019	**295,722**	**1,127**	**3,785**	**(344)**	**232**	**(2,235)**	**32,140**	**(141)**	**34,564**	**767**	**35,331**
2020 net income								(8,008)	(8,008)	(38)	(8,046)
Other components of comprehensive income [2]					152	(1,873)	(31)		(1,752)	(26)	(1,778)
2020 COMPREHENSIVE INCOME					**152**	**(1,873)**	**(31)**	**(8,008)**	**(9,760)**	**(64)**	**(9,824)**
Allocation of 2019 net income							(141)	141			
Dividends										(21)	(21)
(Acquisitions)/disposals of treasury shares and impact of capital increases				60					60		60
Changes in ownership interests							(23)		(23)	(119)	(142)
Cost of share-based payments and other							(69)		(69)	3	(66)
BALANCE AT DECEMBER 31, 2020	**295,722**	**1,127**	**3,785**	**(284)**	**384**	**(4,108)**	**31,876**	**(8,008)**	**24,772**	**566**	**25,338**

(1) Reserves no longer include index-based restatements of equity items in hyperinflationary economies, in accordance with the IFRS IC agenda decision issued in March 2020 (see note 2-A). The comprehensive income has also been adjusted.
(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period.

Details of changes in consolidated shareholders' equity in 2020 are given in note 18.

4.2.5 Consolidated cash flows

(€ million)	*Notes*	2020	2019
Net income		**(8,046)**	**19**
Cancellation of dividends received from unconsolidated listed investments		(11)	(46)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		4,750	3,809
Share in net (income) loss of associates and joint ventures		5,145	190
Other income and expenses with no impact on cash before interest and tax	*26-A*	1,513	1,937
Dividends received from unlisted associates and joint ventures		5	4
Cash flows before interest and tax (1)		**3,356**	**5,913**
Dividends received from listed companies (2)		**11**	**625**
Net change in financing for final customers		287	(2,612)
Net change in renewable dealer financing		2,820	(659)
Decrease (increase) in Sales Financing receivables		**3,107**	**(3,271)**
Bond issuance by the Sales Financing segment	*23-C*	1,598	3,869
Bond redemption by the Sales Financing segment	*23-C*	(2,621)	(4,034)
Net change in other debts of the Sales Financing segment		2,195	3,696
Net change in other securities and loans of the Sales Financing segment		884	(428)
Net change in financial assets and debts of the Sales Financing segment		**2,056**	**3,103**
Change in capitalized leased assets		**(929)**	**(1,059)**
Change in working capital before tax	***26-B***	**(1,192)**	**1,214**
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		**6,409**	**6,525**
Interest received		71	78
Interest paid		(352)	(368)
Current taxes (paid)/received		(375)	(636)
CASH FLOWS FROM OPERATING ACTIVITIES		**5,753**	**5,599**
Property, plant and equipment and intangible investments	*26-C*	(4,208)	(5,022)
Disposals of property, plant and equipment and intangible assets		187	31
Acquisitions of investments involving gain of control, net of cash acquired		-	5
Acquisitions of other investments		(129)	(157)
Disposals of investments involving loss of control, net of cash transferred		-	2
Disposals of other investments		(146)	36
Net decrease (increase) in other securities and loans of the Automotive segments		57	(2)
CASH FLOWS FROM INVESTING ACTIVITIES		**(4,239)**	**(5,107)**
Dividends paid to parent company shareholders	*18-D*	-	(1,035)
Transactions with non-controlling interests		10	(10)
Dividends paid to non-controlling interests	*18-H*	(21)	(96)
(Acquisitions) sales of treasury shares		(44)	(36)
Cash flows with shareholders		**(55)**	**(1,177)**
Bond issuance by the Automotive segments	*23-C*	1,000	1,557
Bond redemption by the Automotive segments	*23-C*	(590)	(574)
Net increase (decrease) in other financial liabilities of the Automotive segments		5,250	(59)
Net change in financial liabilities of the Automotive segments	***23-B***	**5,660**	**924**
CASH FLOWS FROM FINANCING ACTIVITIES		**5,605**	**(253)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**7,119**	**239**

(1) Cash flows before interest and tax do not include dividends received from listed companies.
(2) Dividends received from Daimler (€11 million in 2020 and €46 million in 2019) and Nissan (€579 million in 2019).

(€ million)	2020	2019
Cash and cash equivalents: opening balance	**14,982**	**14,777**
Increase (decrease) in cash and cash equivalents	7,119	239
Effect of changes in exchange rate and other changes	(404)	(34)
Cash and cash equivalents: closing balance*	**21,697**	**14,982**

* *Cash subject to restrictions on use is described in note 22-D.*

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"** segments, which in practice consist of two segments:
  - 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 cars and light commercial vehicles, automotive 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;
- the **"Mobility Services"** segment, created on January 1, 2020, consisting of services for new mobilities brought together in the holding company Renault MAI (Mobility As an Industry). This segment includes Flit Technologies Ltd. and its subsidiaries (a taxi reservation platform), Coolnagour Ltd. and its subsidiaries (software development for taxis under the iCabbi brand), Glide.io (car-share services) and the joint venture Car Sharing Mobility (car-share services under the Zity brand). The 2019 figures have not been restated due to the non-significant nature of these operations, which are included in the Sales Financing in 2019.

The segment result regularly reviewed by the Group Executive Committee, identified as the "Chief Operating Decision-Maker", is the **operating margin**. The definition of this indicator is unchanged from previous years and is detailed in the note 2-D "Presentation of the consolidated financial statements". This interim result is no longer presented in the consolidated income statement. It is only reported in the consolidated income statements by operating segment below.

The operating margin excludes restructuring costs. The definition of these costs has been reviewed to bring it into line with IAS 37 "Provisions, Contingent liabilities and Contingent assets", which defines "a restructuring" as "a program that is planned and controlled by management, and materially changes either: a) the scope of a business undertaken by an entity; or b) the manner in which that business is conducted." The impact of this change on previous periods is considered non-significant and its determination is not practicable. Consequently, no adjustments have been made to the amounts of the operating margin for those periods.

The new brand-based organization announced by Luca de Meo, effective from 2021, will not affect the operating segments defined above. The presentation of business results to the Board of Management (which replaces the Group Executive Committee from January 1, 2021), identified as the "Chief Operating Decision-Maker", will continue to use the same segments as at December 31, 2020.

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	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
2020								
External sales	37,736	2,581	-	40,317	3,138	19	-	43,474
Intersegment sales	95	651	(651)	95	21	1	(117)	-
Sales by segment	37,831	3,232	(651)	40,412	3,159	20	(117)	43,474
Operating margin [2] [3]	(1,452)	140	1	(1,311)	1,007	(35)	2	(337)
Operating income	(3,061)	129	1	(2,931)	990	(60)	2	(1,999)
Financial income (expenses) [4]	(414)	(52)	-	(466)	(15)	(1)	-	(482)
Share in net income (loss) of associates and joint-ventures	(5,161)	-	-	(5,161)	19	(3)	-	(5,145)
Pre-tax income	(8,636)	77	1	(8,558)	994	(64)	2	(7,626)
Current and deferred taxes	55	(273)	-	(218)	(205)	1	2	(420)
NET INCOME	(8,581)	(196)	1	(8,776)	789	(63)	4	(8,046)

(1) External sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €218 million in 2020, 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) The Automotive (excluding AVTOVAZ) segment's contribution to the operating margin after elimination of intersegment transactions amounts to -€1,450 million in 2020.
(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. No dividend was paid in 2020.

(€ million)	Automotive (excluding AVTOVAZ) [1]	AVTOVAZ [1]	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
2019								
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 [2]	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) [3]	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) 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) 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. They amounted to €500 million in 2019.

A2 Consolidated financial position by operating segment

DECEMBER 31, 2020

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets	21,432	1,569	-	23,001	415	66	-	23,482
Investments in associates and joint ventures	14,981	2	-	14,983	129	7	1	15,120
Non-current financial assets – equity investments	7,908	-	(670)	7,238	3	-	(6,244)	997
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	257	-	-	257	-	-	(1)	256
Deferred tax assets	416	21	-	437	214	-	-	651
Other non-current assets	795	5	(32)	768	188	-	-	956
TOTAL NON-CURRENT ASSETS	**45,789**	**1,597**	**(702)**	**46,684**	**949**	**73**	**(6,244)**	**41,462**
Current assets								
Inventories	5,337	262	-	5,599	41	-	-	5,640
Customer receivables	1,053	130	(113)	1,070	41,983	2	(1,325)	41,730
Current financial assets	1,065	-	(4)	1,061	943	-	(823)	1,181
Current tax assets and other current assets	2,667	274	(2)	2,939	6,122	5	(5,039)	4,027
Cash and cash equivalents	12,524	558	(133)	12,949	8,738	15	(5)	21,697
TOTAL CURRENT ASSETS	**22,646**	**1,224**	**(252)**	**23,618**	**57,827**	**22**	**(7,192)**	**74,275**
TOTAL ASSETS	**68,435**	**2,821**	**(954)**	**70,302**	**58,776**	**95**	**(13,436)**	**115,737**
SHAREHOLDERS' EQUITY AND LIABILITIES								
Shareholders' equity	**25,346**	**678**	**(671)**	**25,353**	**6,195**	**48**	**(6,258)**	**25,338**
Non-current liabilities								
Long-term provisions	2,454	21	-	2,475	604	-	-	3,079
Non-current financial liabilities	11,489	1,030	-	12,519	890	15	(1)	13,423
Deferred tax liabilities	314	34	(1)	347	573	2	-	922
Other non-current liabilities	1,408	37	(32)	1,413	270	2	-	1,685
TOTAL NON-CURRENT LIABILITIES	**15,665**	**1,122**	**(33)**	**16,754**	**2,337**	**19**	**(1)**	**19,109**
Current liabilities								
Short-term provisions	1,575	56	-	1,631	49	-	(1)	1,679
Current financial liabilities	5,145	139	(137)	5,147	(1)	18	(1,240)	3,924
Trade payables and Sales Financing debts	8,025	452	(108)	8,369	48,298	2	(845)	55,824
Current tax liabilities and other current liabilities	12,679	374	(5)	13,048	1,898	8	(5,091)	9,863
TOTAL CURRENT LIABILITIES	**27,424**	**1,021**	**(250)**	**28,195**	**50,244**	**28**	**(7,177)**	**71,290**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**68,435**	**2,821**	**(954)**	**70,302**	**58,776**	**95**	**(13,436)**	**115,737**

DECEMBER 31, 2019

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets	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	475	341	-	816	200	-	-	1,016
Other non-current assets	971	128	(108)	991	233	-	-	1,224
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	428	40	-	468	576	-	-	1,044
Other non-current liabilities	1,554	20	(108)	1,466	268	-	-	1,734
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**

A3 Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Inter-segment transactions	CONSOLIDATED TOTAL
2020								
Net income [1]	**(8,581)**	**(196)**	**1**	**(8,776)**	**789**	**(63)**	**4**	**(8,046)**
Cancellation of dividends received from unconsolidated listed investments	(11)	-	-	(11)	-	-	-	(11)
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	4,571	80	-	4,651	83	16	-	4,750
Share in net (income) loss of associates and joint ventures	5,160	-	-	5,160	(19)	4	-	5,145
Other income and expenses with no impact on cash, before interest and tax	754	317	-	1,071	452	14	(24)	1,513
Dividends received from unlisted associates and joint ventures	3	2	-	5	-	-	-	5
Cash flows before interest and tax [2]	**1,896**	**203**	**1**	**2,100**	**1,305**	**(29)**	**(20)**	**3,356**
Dividends received from listed companies [3]	**11**	**-**	**-**	**11**	**-**	**-**	**-**	**11**
Decrease (increase) in Sales Financing receivables	-	-	-	-	2,837	-	270	3,107
Net change in financial assets and Sales Financing debts	-	-	-	-	2,154	-	(98)	2,056
Change in capitalized leased assets	(839)	-	-	(839)	(90)	-	-	(929)
Change in working capital before tax	(1,527)	233	(78)	(1,372)	180	2	(2)	(1,192)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**(459)**	**436**	**(77)**	**(100)**	**6,386**	**(27)**	**150**	**6,409**
Interest received	51	22	(4)	69	-	2	-	71
Interest paid	(297)	(81)	4	(374)	-	-	22	(352)
Current taxes (paid)/received	(127)	(8)	-	(135)	(240)	-	-	(375)
CASH FLOWS FROM OPERATING ACTIVITIES	**(832)**	**369**	**(77)**	**(540)**	**6,146**	**(25)**	**172**	**5,753**

(1) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. No dividend was paid in 2020.
(2) Cash flows before interest and tax do not include dividends received from listed companies.
(3) Dividends received from Daimler (€11 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Inter-segment transactions	CONSOLIDATED TOTAL
2020								
CASH FLOWS FROM OPERATING ACTIVITIES	**(832)**	**369**	**(77)**	**(540)**	**6,146**	**(25)**	**172**	**5,753**
Purchases of intangible assets	(1,412)	(74)	-	(1,486)	(3)	(11)	-	(1,500)
Purchases of property, plant and equipment	(2,602)	(182)	83	(2,701)	(7)	-	-	(2,708)
Disposals of property, plant and equipment and intangibles	187	6	(6)	187	-	-	-	187
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other	(281)	-	-	(281)	-	(23)	29	(275)
Net decrease (increase) in other securities and loans of the Automotive segments	42	2	(2)	42	-	(2)	17	57
CASH FLOWS FROM INVESTING ACTIVITIES	**(4,066)**	**(248)**	**75**	**(4,239)**	**(10)**	**(36)**	**46**	**(4,239)**
Cash flows with shareholders	(44)	-	-	(44)	(11)	29	(29)	(55)
Net change in financial liabilities of the Automotive segments	5,476	437	(143)	5,770	-	23	(133)	5,660
CASH FLOWS FROM FINANCING ACTIVITIES	**5,432**	**437**	**(143)**	**5,726**	**(11)**	**52**	**(162)**	**5,605**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**534**	**558**	**(145)**	**947**	**6,125**	**(9)**	**56**	**7,119**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Inter-segment transactions	CONSOLIDATED TOTAL
2020								
CASH AND CASH EQUIVALENTS: OPENING BALANCE	12,231	70	(3)	12,298	2,762	-	(78)	14,982
Increase (decrease) in cash and cash equivalents	534	558	(145)	947	6,125	(9)	56	7,119
Effect of changes in exchange rate and other changes	(241)	(70)	15	(296)	(149)	24	17	(404)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	12,524	558	(133)	12,949	8,738	15	(5)	21,697

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Inter-segment transactions	CONSOLIDATED TOTAL
2019							
Net income [(1)]	**(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 [(2)]	**4,739**	**240**	**(1)**	**4,978**	**1,458**	**(523)**	**5,913**
Dividends received from listed companies [(3)]	**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) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. They amounted to €500 million in 2019.
(2) Cash flows before interest and tax do not include dividends received from listed companies.
(3) Dividends received from Daimler (€46 million) and Nissan (€579 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Inter-segment 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	Inter-segment 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**

A4 Other information for the Automotive segments: net cash position (net financial indebtedness), operational free cash flow and ROCE

The net cash position or net financial indebtedness, operational free cash flow and ROCE are only presented for the Automotive segments.

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, 2020			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE
Non-current financial liabilities	(11,489)	(1,030)	-	(12,519)
Current financial liabilities	(5,145)	(139)	137	(5,147)
Non-current financial assets – other securities, loans and derivatives on financing operations	118	-	-	118
Current financial assets	1,024	-	(4)	1,020
Cash and cash equivalents	12,524	558	(133)	12,949
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	**(2,968)**	**(611)**	**-**	**(3,579)**

	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**

OPERATIONAL FREE CASH FLOW

	2020			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE
Cash flows (excluding dividends from listed companies) before interest and tax	1,896	203	1	2,100
Changes in working capital before tax [(1)]	(1,527)	233	(78)	(1,372)
Interest received by the Automotive segments	51	22	(4)	69
Interest paid by the Automotive segments	(297)	(81)	4	(374)
Current taxes (paid)/received	(127)	(8)	-	(135)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,827)	(250)	77	(4,000)
Capitalized leased vehicles and batteries	(839)	-	-	(839)
Operational free cash flow of the Automotive segments	**(4,670)**	**119**	**-**	**(4,551)**
Payments for restructuring expenses	*(325)*	*(14)*	-	*(339)*
Operational free cash flow of the Automotive segments excluding restructuring [(2)]	**(4,345)**	**133**	**-**	**(4,212)**

(1) Settlements of supplier payables covered by a reverse factoring program that are analyzed as financing operations are not included in the change in working capital, but in cash flows from financing activities (see notes 2-A2 and 2-P). In 2020, such payments gave rise to an amount of €173 million (€127 million in 2019, classified under change in working capital).

(2) The definition of restructuring is presented in the introduction to note 4.2.6.1. and the amounts included in profit and loss for the period are presented in note 6-A. The operational free cash flow excluding restructuring is presented due to the existence of a 2020 target for that performance indicator, initially announced in February 2020. In view of the COVID-19 pandemic, that target was suspended when the Universal registration document was filed in April 2020.

	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 is unchanged from 2019 and does not incorporate normative changes that occurred in 2020.*

ROCE

ROCE (return on capital employed) is an indicator that measures the profitability of capital invested. It is reported for the Automotive segments. The shares of entities in the Sales Financing segment, the Mobility Services segment, Nissan and Daimler are not included in the definition of capital employed by the Automotive segments.

(€ million)	December 31, 2020	December 31, 2019
Operating margin	(1,311)	1,444
Normative tax rate	28%	28%
Operating margin after tax (A)*	**(944)**	**1,040**
Property, plant and equipment, intangible assets and goodwill	23,001	23,441
Investments in associates and joint ventures excluding Nissan	365	468
Non-current financial assets – equity investments excluding RCI Banque SA, Renault MAI and Daimler	43	64
Working capital	(12,454)	(14,182)
Capital employed (B)	**10,955**	**9,791**
Return on capital employed (ROCE = A/B)	**(8.6)%**	**10.6%**

* *The approach used to determine ROCE includes a theoretical tax effect based on a normative tax rate of 28%.*

Working capital is determined from the following segment reporting items:

(€ million)	December 31, 2020	December 31, 2019
Other non-current assets	768	991
Inventories	5,599	5,731
Customer receivables	1,070	1,271
Current tax assets and other current assets	2,939	3,066
Other non-current liabilities	(1,413)	(1,466)
Trade payables	(8,369)	(9,923)
Current tax liabilities and other current liabilities	(13,048)	(13,852)
Working capital	**(12,454)**	**(14,182)**

B - Information by Region

The Regions presented correspond to the geographic divisions used for Group management. The Regions are defined in section 1.3.1.1 of the Universal registration document.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

(€ million)	Europe*	Americas	China	Africa – Middle–East – India – Asia-Pacific	Eurasia	Consolidated total
2020						
Revenues	29,335	2,488	124	4,603	6,924	43,474
AVTOVAZ	*2*	*2*	-	*11*	*2,784*	*2,799*
Property, plant and equipment and intangible assets	17,588	600	172	1,354	3,768	23,482
AVTOVAZ	-	-	-	-	*1,569*	*1,569*
2019						
Revenues	36,516	4,435	127	7,038	7,421	55,537
AVTOVAZ	*42*	*3*	-	*14*	*3,317*	*3,376*
Property, plant and equipment and intangible assets	17,392	852	179	1,307	4,119	23,849
AVTOVAZ	-	-	-	-	*1,740*	*1,740*

* *Including France:*

(€ million)	2020	2019
Revenues	**12,019**	**13,581**
Property, plant and equipment and intangible assets	**13,869**	**13,773**

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 2020 were examined at the Board of Directors' meeting of February 18, 2021 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 2020 are prepared under IFRS (International Financial Reporting Standards) as issued by the lASB (International Accounting Standards Board) at December 31, 2020 and adopted by the European Union at the year-end.

2 - A - Changes in accounting policies

A1 Changes in accounting policies in 2020

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, 2020.

NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2020

Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform – Phase 1
Amendments to IAS 1 and IAS 8	Definition of Material
Amendment to IFRS 3	Definition of a Business
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

The standards and amendments that became mandatory on January 1, 2020 have no significant impact on the Group's financial statements.

The amendments to IFRS 9, IAS 39 and IFRS 7 (financial instruments) related to the interest rate benchmark reform Phase 1 were applied early by the Groupe Renault in its financial Statements at December 31, 2019.

NEW AMENDMENT EFFECTIVE FROM JUNE 1, 2020

On May 28, 2020 the IASB published an amendment to IFRS 16 entitled "COVID-19-Related rent concessions", with an effective date of June 1, 2020, which was approved by the European Union on October 12, 2020. This amendment offers an optional exemption for lessees, allowing them to recognize lease payment reductions granted by agreement with lessors in profit and loss. This applies to lease payments initially due up to June 30, 2021. Lessees can choose to apply IFRS 16 unamended, *i.e.* carry out a detailed analysis of rent concession agreements and treat them as modifications to the lease if necessary. The Groupe Renault has not applied this IFRS 16 amendment in the financial statements at December 31, 2020. The concessions from which the Group has benefited have no significant impact.

OTHER STANDARDS APPLIED BY THE GROUP FROM JANUARY 1, 2020

From January 1, 2020 the Group applies phase 3 of IFRS 9 concerning hedge accounting. This has no material impact on the Group's financial statements, but allows an aggregated position consisting of an exposure and a derivative to be designated as hedged item in the Sales Financing segment.

The Groupe Renault has opted for early application, at December 31, 2020, of the amendments to IAS 39, IFRS 9 and IFRS 7 concerning phase 2 of the interest rate benchmark reform. From July 2020, interest on the Sales Financing segment's margin call account with France's clearing house switched from the Euro overnight index average (EONIA) to the Euro short-term rate (ESTER). Application of these amendments allows the Group to modify the effective rate for this financial instrument prospectively. This has no immediate impact on the income statement.

At December 31, 2020, no other financial instrument negotiated with a non-Group counterparty had been renegotiated as a result of the interest rate benchmark reform. The Automotive segments (through the intermediary of Renault Finance) adhered to the *ISDA 2018 Benchmarks Supplement Protocol*, and the Sales Financing segment adhered to the *ISDA 2020 Fallbacks protocol* governing fallback clauses.

The Groupe Renault has identified the interest rate benchmarks used in interest rate hedging relationships that are concerned by the reform: Libor Euro, Libor GBP and Libor CHF. The Group considers there is no uncertainty regarding the future of the Euribor index since it was validated as benchmark regulation-compliant by the European Banking Authority. At December 31, 2020, the Sales Financing segment had interest rate swaps designated as fair value hedges amounting to CHF300 million (floating rate indexed on LIBOR CHF) and £100 million (floating rate indexed on Libor GBP). The risk hedging strategies have so far not been modified by the transition to the new benchmark rates

Early application of these amendments has no impact on the Group's financial statements at December 31, 2020.

OTHER STANDARDS AND AMENDMENTS NOT YET ADOPTED BY THE EUROPEAN UNION

The IASB has also published the following new standards and amendments that have not yet been adopted by the European Union.

New IFRS standards and amendments not yet adopted by the European Union		Application date set by the IASB
Amendment to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 16	Proceeds before Intended Use	January 1, 2022
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
Annual improvements (2018-2020 cycle)	Annual improvements process	January 1, 2022
IFRS 17 and amendments/Amendments to IFRS 4	Insurance contracts	January 1, 2023

The Group is currently analyzing the potential impacts, but does not at this stage anticipate that application of these amendments will have any significant impact on the consolidated financial statements.

A2 IFRIC agenda decision concerning classification of the effects of index-based restatement and translation of the financial statements of subsidiaries in hyperinflationary economies

In view of the IFRIC's agenda decision of March 2020 concerning classification of the effects of index-based restatement and translation of the financial statements of subsidiaries in hyperinflationary economies, the Group has concluded that the combined effect of index-based restatement and translation qualifies as an exchange difference under IAS 21 "The Effects of Changes in Foreign Exchange Rates", as restatement based on price indexes is correlated with movements in the exchange rate between the Argentinian peso and the euro, and mitigates the effect of the peso's devaluation. Consequently, the effects of restatement and translation of the equity of subsidiaries located in Argentina are now reported in the translation adjustment in other components of comprehensive income, whereas the effects of index-based restatement were included in reserves in the 2018 and 2019 financial statements. The change led to reclassification of €349 million to the translation adjustment reserve at January 1, 2020.

A3 Application of the IFRIC agenda decision concerning recognition of the impacts of reverse factoring programs in the statement of financial position and cash flow statement

In December 2020 the IFRIC published an agenda decision concerning reverse factoring programs, concluding that the existing standards are sufficient for appropriate treatment of such programs in the financial position and cash flow statement. This decision notably clarifies that supplier payables covered by reverse factoring programs should be classified in the statement of financial position as trade payables or financial liabilities, or presented in a separate line. The treatment applied by the Group to these programs is consistent with this decision (see note 2-P).

The IFRIC's decision also clarifies that the presentation in the cash flow statement depends on the analysis of the transaction, particularly because a repayment considered to concern a non-operating finance arrangement must be classified as a cash flow from financing activities. To date, the Group has presented repayments of liabilities covered by reverse factoring programs as cash flows from operating activities, even when the transaction was considered a financing operation. The amounts concerned in 2020 have been reclassified in accordance with the IFRIC decision (see section 4.2.6.1 – A4). The amounts concerned in previous years have not been reclassified since they are not significant.

2 - B - Estimates and judgments

Specific context of 2020

In the context of the COVID-19 pandemic that appeared in the first quarter of 2020 and continued throughout the year, the global automotive market suffered a downturn of 14.4% compared to 2019. To protect its employees, and in compliance with the measures introduced by national governments, the Groupe Renault suspended its commercial and production activities in most countries during March. During the lockdown periods, practically all employees not working in production and sales worked from home, and furlough measures were put in place. Production and sales resumed mainly from May 2020, respecting the end-of-lockdown measures imposed by the governments of the countries where the Groupe Renault has operations. A second lockdown and curfews were imposed in several countries, including France, during the second half of the year, and these also had negative effects on the Group's business activity. Total sales volumes for 2020 were thus 21.3% lower than in 2019, at 2,951,971 vehicles.

To maintain a sufficient level of liquidity for operations, the Groupe Renault arranged a €5 billion credit line guaranteed by the French government, on which it made three drawings totalling €4 billion (note 23). At December 31, 2020, the undrawn amount of €1 billion is no longer available. The Group also issued a new bond in November 2020 with a nominal value of €1 billion (note 23-C). At the date of publication of these consolidated financial statements, the Group has sufficient cash and sources of financing to ensure continuity of operations for the next twelve months (note 25-B) and demonstrated its capacity to issue debt in the second half of the year (note 23-C).

Expenses and income recognized that are identified as resulting wholly or partly from the COVID-19 pandemic are not considered as "Other operating income and expenses", except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets.

Payroll costs net of state aid received by Renault, additional logistics costs, the costs of introducing new health protocols, and depreciation on assets unused or only partially-used during the period because of the lockdown rules are allocated to the relevant functions (cost of goods and services sold, research and development expenses, and selling, general and administrative expenses). The amounts concerned are not reported because it is impossible to reliably identify the amounts solely attributable to the COVID-19 pandemic.

The consolidated financial statements for 2020 include restatements of some assets and liabilities undertaken in the context of this pandemic, and the update of the "Renaulution" medium-term business plan (2021-2025). The principal impacts are €762 million of impairment in respect of certain tangible and intangible assets (see note 6), €248 million resulting from discontinuation of recognition of deferred tax assets (see note 8-A), and a €216 million increase in impairment for expected credit losses on sales financing receivables (see note 15). Estimation of the impacts of the COVID-19 pandemic described in this chapter on the financial statements is particularly complex and involves the use of judgments that are explained in the notes, where relevant.

On April 14, 2020 the Groupe Renault announced its new business strategy in China, and the signature of a preliminary agreement with Dongfeng Motor Corporation under which Renault transferred its shares in the joint-venture Dongfeng Renault Automotive Company Ltd. (DRAC) to Dongfeng. DRAC ceased operations concerning the Renault brand on April 1, 2020 (see notes 3 and 6-B). The Groupe Renault is refocusing its business activities in China on light commercial vehicles (through Renault Brilliance Jinbei Automotive Co. Ltd. (RBJAC) – see note 13) and on electric vehicles (through New Energy Automotive Co. Ltd. (eGT) and Jiangxi Jiangling Group Electric Vehicle Co. Ltd. (JMEV) – see note 3).

On November 20, 2020 the Groupe Renault signed an agreement in France with its social partners to transform technical and service skills in preparation for future developments in the automotive world. This agreement lays down the conditions for a new outplacement policy, and includes a voluntary work-exemption plan for relevant personnel in 2021, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. In the foreign subsidiaries, the Group is rolling out restructuring actions in line with the 2022 cost reduction plan. Restructuring and workforce adjustments have been recognized for these plans (notes 6-A and 20).

In the context of the COVID-19 pandemic, the new strategy in China, new workforce reduction plans and the new medium-term business plan Renaulution (2021-2025), the main items in the Group's consolidated financial statements that are dependent on estimates and judgments and have been paid particular attention are the following:

- potential impairment of fixed assets, particularly impairment on specific assets linked to vehicles (see note 6-C), the goodwill of AVTOVAZ and the LADA brand (see note 11);
- the recoverable value of leased vehicles classified as property, plant and equipment or inventories (notes 2-G, 11 and 14);
- investments in associates, notably Nissan and RBJAC (see notes 12 and 13);
- impairment for expected credit losses concerning Sales Financing receivables (notes 2-G and 15);
- determination of expenses to be paid under sales incentive programs recorded in other liabilities, in a context of sales price pressure (notes 2-G and 21);
- determination of restructuring provisions (see note 6-A and 20);
- determination of risks associated with distressed suppliers;
- the potential impact of the European CAFE (Corporate Average Fuel Economy) regulation from 2020: under this regulation, carmakers will be fined if the average CO_2 emissions target for all vehicles registered in Europe each calendar year is exceeded (see note 28-A2).

This list is not exhaustive due to the constantly evolving COVID-19 situation and its effects on the financial health of the world's economies, and it remains very difficult to predict the magnitude and duration of the pandemic's economic impacts on our business.

Other important estimates and judgments

Renault often has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expenses, and disclosures made in certain notes to the financial statements. In preparing its financial statements, 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 these financial statements were finalized. The main items in the Group's consolidated financial statements at December 31, 2020 that are dependent on estimates and judgments are the following:

- 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);
- recognition of deferred tax assets on tax loss carryforwards (notes 2-I and 8);
- provisions, particularly warranty provisions on vehicles and batteries sold (note 2-G), provisions for pensions and other long-term employee benefit obligations (notes 2-S and 19), 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);
- valuation of lease liabilities, particularly the incremental borrowing rates and the value of renewal options that are reasonably certain to be exercised (note 23).

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, which corresponds to the operating income of an individual segment as defined in IFRS 8 "Operating Segments", corresponds to the operating income before other operating income and expenses that are by nature unusual or significant and could affect comparability of the margin. Other operating income and expenses mainly include:

- restructuring and workforce adjustment costs, and significant costs relating to discontinued activities. Restructuring costs are defined as follows in the definition given in IAS 37 "Provisions, Contingent liabilities and Contingent assets": "A restructuring is a program that is planned and controlled by management, and materially changes either: a) the scope of a business undertaken by the entity; or b) the manner in which that business is conducted";
- 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.

Equity method consolidation 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 segments 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.

The effects of index-based restatement and translation of the equity of subsidiaries in Argentina are all included in the translation adjustment in other components of comprehensive income, since restatement based on price indexes is correlated with movements in the exchange rate between the Argentinian peso and the euro, and mitigates the effect of the peso's devaluation.

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. As operations in Iran are no longer consolidated, the Group has no other subsidiary in countries on the IPTF list.

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 income (operating margin in the information by operating segment).

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

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 segments 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 revenues to the service contract.

When the customer makes regular payments for the service contract, the revenues are 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

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

Sales financing costs are considered as operating expenses and included in the operating income (operating margin in the information by operating segment). 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 or which received extensions during the lockdown (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 unfavorable legal judgment (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, licenses, software, brands and similar rights purchased by the Group. When they have a finite useful life, patents, leasehold rights, licenses, brands and similar rights purchased are amortized on a straight-line basis over the period of protection stipulated by the contract or the law, or over the useful life if shorter. Intangible business assets and software are amortized over their useful life. The useful life of intangible assets is generally between three and five 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 Group is a party to leases of real estate property (land, concessions, warehouses, offices, *etc.*) and movable property (IT and operating equipment, transport equipment).

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 income (operating margin in the information by operating segment) 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. For French commercial leases, the lease term is generally nine years. Last term estimation and consideration of extension and termination options is conducted with the help of the Real Estate department, considering the types of site and their development plans.

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 (if the lessee has neither the intention nor the ability to use them for a longer period).

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.

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 a bonus ("excess earnings") paid to the Automotive segments for business referrals to the Sales Financing segment. 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 different levels (on specific assets, on the Lada brand, 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 and a share of manufacturing overheads, based on a forecast level of activity, and the results of any related hedges. The level of activity is forecast site by site, in order to determine the share of fixed costs to be excluded if the actual level of activity is lower.

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 and reverse factoring

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. Risk analysis principally concerns the credit risk, the risk of late payment and the country risk. The same rule applies in the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment.

The Automotive segments participate in reverse-factoring programs. These programs can be used to support a supplier, or to benefit the Group by extending payment deadlines. In the first case, the liability continues to be considered as part of the operating cycle and the amounts concerned remain in trade payables in the financial position. In the second case, if the reverse factoring contract includes an unconditional commitment by the Group to pay the amount initially due to the supplier to the financial institution that is a party to the contract, the liability is no longer considered as part of the operating cycle and the amounts concerned are reclassified as financial liabilities (this has no impact on the cash flow statement at the reclassification date).

If the contract is considered as a financial liability and covers a financing requirement for the Group subsidiary involved, the repayments to financial institutions impact cash flows from financing activities in the cash flow statement; otherwise, they are included in cash flows from operating activities.

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 income (operating margin in the information by operating segment). 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 cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress. The amount recorded is net of existing provisions for pensions.

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 through 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 (note 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. The estimated effective interest rate takes account of indexation, and the amortized cost recorded in financial result is re-estimated when there is a significant change in future sales prospects, particularly when medium-term business plans are released.

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 hedging relationships concerning one or more homogeneous items to cover its risks. 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 income (operating margin in the information by operating segment).

NOTE 3
CHANGES IN THE SCOPE OF CONSOLIDATION

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Mobility Services	Total
Number of companies consolidated at December 31, 2019	**128**	**53**	**42**	**-**	**223**
Newly consolidated companies (acquisitions, formations, *etc.*)	2	-	-	6	8
Deconsolidated companies (disposals, mergers, liquidations, *etc.*)	4	2	-	-	6
Number of companies consolidated at December 31, 2020	**126**	**51**	**42**	**6**	**225**

The principal changes and significant events concerning the scope of consolidation in 2020 were the following.

3 - A - Automotive (excluding AVTOVAZ) segment

- In January 2020, the Group sold its 35.11% investment in *Les Éditions Croque Futur* (magazine titles) for the price of €5 million. This company was previously accounted for by the equity method in the consolidated financial statements.
- On April 14, 2020, the Groupe Renault announced its new business strategy in China. For petrol and diesel passenger cars, Renault SA signed an agreement in April 2020 for the sale of its 50% share in the Chinese joint venture DRAC, discontinuation of production of Renault brand petrol and diesel cars, and the takeover of after-sales service for Renault vehicles sold by DRAC, which is accounted for by the equity method until March 31, 2020. The shares were transferred to Dongfeng Motor Group Company Ltd. in August 2020. The costs associated with this agreement are classified as "other operating income and expenses".
- The Group completed negotiations with its Chinese partner and proceeded to a capital increase for JMEV Jiangxi Jiangling Group Electric Vehicle Co. Ltd. which has been under the exclusive control of Renault since July 2019. This capital increase totaled RMB 380 million, or €48 million, equal to a 50% share in JMEV. The three-month time lag for inclusion of JMEV's financial statements ended in 2020. Determination of the fair value of the assets acquired and liabilities transferred has been finalized in the financial statements at December 31, 2020.

3 - B - AVTOVAZ

- There was no change during 2020 or 2019 in Renault's percentage ownership of Alliance Rostec Auto B.V. The value of the non-controlling interest at December 31, 2020 is €9 million (€83 million at December 31, 2019).
- The purchase price allocation related to the takeover in December 2019 of GM-AVTO, now renamed Lada Zapad, was finalized during the first half-year of 2020 and the goodwill was consequently adjusted. It now amounts to €10 million (RUB 886 million) versus €19 million (RUB 1,298 million) at December 31, 2019.

4.2.6.3 Consolidated income statement

NOTE 4
REVENUES

4 - A - Breakdown of revenues

(€ million)	**2020**	2019
Sales of goods – Automotive segments	**34,724**	**43,901**
Sales to partners of the Automotive segments (1)	**3,651**	**6,203**
Rental income on leased assets (2)	660	630
Sales of other services	1,283	1,398
Sales of services – Automotive segments	**1,943**	**2,028**
Sales of goods – Sales Financing segment	**38**	**36**
Rental income on leased assets (2)	108	116
Interest income on Sales Financing receivables	1,982	2,210
Sales of other services (3)	1,010	1,043
Sales of services – Sales Financing segment	**3,100**	**3,369**
Sales of services – Mobility Services segment	**19**	**-**
TOTAL REVENUES	**43,474**	**55,537**

(1) Most partners are carmakers. 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 - 2019 revenues applying 2020 scope and methods

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Mobility Services	Total
2019 revenues	**49,002**	**3,130**	**3,405**	**-**	**55,537**
Changes in scope of consolidation	33	55	-	19	107
2019 revenues applying 2020 scope and methods	**49,035**	**3,185**	**3,405**	**19**	**55,644**
2020 revenues	**37,736**	**2,581**	**3,138**	**19**	**43,474**

NOTE 5
OTHER INCOME AND EXPENSES INCLUDED IN THE OPERATING MARGIN, BY NATURE EXCLUDING OTHER OPERATING INCOME AND EXPENSES

5 - A - Personnel expenses

Personnel expenses amount to €6,157 million in 2020 (€6,706 million in 2019).

The average workforce during the year for consolidated entities is presented in section 2.4- "Human Capital" of the 2020 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 €46 million for 2020 (€89 million in 2019).

The plan valuation method is presented in note 18-G.

5 - B - Foreign exchange gains/losses

In 2020, the operating income includes a net foreign exchange expenses of €125 million, mainly related to movements in the Argentinian peso, Brazilian real and the Turkish lira (compared to a net foreign exchange gain of €42 million in 2019 mainly related to movements in the Turkish lira).

5 - C - Lease payments

At December 31, 2020, lease payments in the statement of financial position that are not restated under IFRS 16 because they relate to non-material or short-term leases:

(€ million)	December 31, 2020	December 31, 2019
Lease payments for short-term leases	(15)	(33)
Lease payments for leases of low-value assets	(25)	(31)
Other lease payments including variable lease payments	(51)	(48)

NOTE 6
OTHER OPERATING INCOME AND EXPENSES

(€ million)	2020	2019
Restructuring and workforce adjustment costs	(600)	(236)
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	(183)	(5)
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	96	(10)
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(762)	(229)
Other unusual items	(213)	(77)
TOTAL	**(1,662)**	**(557)**

As stated in note 2-B, expenses and income recognized for 2020 that are identified as resulting wholly or partly from the COVID-19 pandemic are not considered as “Other operating income and expenses”, except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets.

6 - A - Restructuring and workforce adjustment costs

From 2020, restructuring costs include the costs of planned programs that significantly modify an entity’s scope of activity and/or the way the activity is managed, as stated in the introduction in section 4.2.6.1.

Restructuring and workforce adjustment costs mainly concern the Europe Region in 2020 and 2019.

In 2020, these costs include -€115 million for a work exemption plan in France which eligible employees could join between April 1, 2020 and January 1, 2021.

On May 29, 2020 the Group announced a proposed plan to reduce fixed costs by more than €2 billion over three years, including a workforce reduction of 4,600 employees in France and 10,000 employees worldwide.

The proposal was confirmed by the signature in France of an agreement with Renault's social partners on November 20, 2020 to transform technical and service skills in preparation for future developments in the automotive world. This agreement lays down the conditions for a new outplacement policy, and includes a new voluntary work-exemption plan in 2021, which eligible personnel can join between February 1 and December 1, 2021, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. Restructuring provisions were recorded at December 31, 2020 of -€70 million for the new voluntary work-exemption plan, and -€197 million for the Collective Contractual Separation plan.

Restructuring costs and provisions for the rest of the world at December 31, 2020 include restructuring costs of -€218 million. The principal countries concerned are Argentina (restructuring costs of -€37 million), Spain (restructuring costs of -€26 million), Romania (restructuring costs of -€21 million), AVTOVAZ (restructuring costs of -€21 million), Morocco (restructuring costs of -€17 million), and Brazil (restructuring costs of -€15 million).

A restructuring plan was announced in South Korea on January 20, 2021. This plan will be recognized in the 2021 financial statements, in accordance with the IAS 37 rules for restructuring provisions.

In 2019, restructuring costs mainly included -€89 million of complementary expenses following revision of the assumptions to reflect the higher than anticipated numbers signing up to the French career-end work exemption plan set out in the initial agreement named "Renault France CAP 2020 – *Contrat d'Activité pour une Performance durable*" (activity contract for sustainable performance), signed on January 13, 2017 and amended on April 16, 2018.

6 - B - Gains and losses on disposal of businesses or operating entities

In 2020, costs associated with the sale of Renault's share in the joint venture DRAC and the takeover of the after-sales activity were recognized in the total amount of -€172 million.

6 - C - Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

Impairment net of reversals amounts to -€762 million at December 31, 2020 (-€229 million in 2019). The new impairment was principally recorded as a result of impairment tests on petrol and diesel engine vehicles given the lower sales volumes in 2020, the downward revision of business prospects in view of the COVID-19 pandemic, and the assumptions used in the medium-term plan for the period 2021-2025 presented in January 2021.

No reversal of impairment was recorded in 2020 (€10 million of reversals were recognized in 2019).

In 2020, impairment concerns intangible assets (net increase of -€565 million, compared to -€201 million in 2019) and property, plant and equipment (net increase of -€197 million, compared to -€28 million in 2019 (notes 10 and 11)).

6 - D - Other unusual items

Impairment tests on certain vehicles led to the recognition of unusual expenses corresponding to advance and future payments to partners and suppliers in connection with those vehicles, amounting to -€75 million in 2020 and -€78 million in 2019.

Business activity in Algeria was halted in early 2020 following government decisions, notably concerning authorizations to import parts necessary for production, and it is not possible to determine when this activity might resume. Certain assets (receivables, inventories, *etc.*) associated with the business have consequently been fully written off for a total amount of €99 million in 2020. Moreover, production in Algeria is carried out by Renault Algérie Production, an entity accounted for by the equity method (see note 13-C).

NOTE 7
FINANCIAL INCOME (EXPENSES)

(€ million)	2020	2019
Cost of gross financial indebtedness	(355)	(386)
Income on cash and financial assets	18	75
COST OF NET FINANCIAL INDEBTEDNESS	**(337)**	**(311)**
Dividends received from companies that are neither controlled nor under significant influence	16	59
Foreign exchange gains and losses on financial operations	41	30
Gain/Loss on exposure to hyperinflation	(40)	(34)
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(16)	(28)
Other*	(146)	(158)
OTHER FINANCIAL INCOME AND EXPENSES	**(145)**	**(131)**
FINANCIAL INCOME (EXPENSE)	**(482)**	**(442)**

* *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.*
At December 31, 2020, other items also include the effects of adjustment to amortized cost of the State-guaranteed credit facility (-€69 million) and redeemable shares (+€41 million) (note 23 C).
The net cash 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)	**2020**	**2019**
Current income taxes	(306)	(626)
Deferred tax income (charge)	(114)	(828)
CURRENT AND DEFERRED TAXES	**(420)**	**(1,454)**

The current income tax charge for entities included in the French tax consolidation group amount to -€43 million in 2020 (-€117 million in 2019). The decrease in the current income tax charge between 2019 and 2020 is due to the decrease in the business tax *cotisation sur la valeur ajoutée des entreprises* (CVAE) given that the taxable income is negative.

In 2020, -€263 million of the current income tax charge comes from foreign entities including AVTOVAZ (-€509 million in 2019). This charge decreased in 2020, largely due to the lower taxable income in certain subsidiaries.

An analysis of the recoverability of deferred taxes linked to the AVTOVAZ tax-loss carry forwards was conducted in the context of the COVID-19 pandemic. Because of the significant deterioration in the outlook for the Russian market, these assets are no longer recognized. This has generated an additional deferred tax expense of -€248 million (-RUB 20,-510 million) in 2020.

The deferred tax charge for 2019 reflected the fact that recognition of deferred tax assets on tax loss carryforwards under the French tax consolidation system had 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.

8 - B - Breakdown of the tax charge

(€ million)	**2020**	**2019**
Income before taxes and share in net income of associates and joint ventures	**(2,481)**	**1,663**
Statutory income tax rate in France	32.02%	34.43%
Theoretical tax income (charge)	**795**	**(573)**
Effect of differences between local tax rates and the French rate [(1)]	72	194
Tax credits	12	78
Distribution taxes	39	(56)
Change in unrecognized deferred tax assets [(2)]	(721)	(1,012)
Other impacts [(3)]	(571)	8
Current and deferred tax income (charge) excluding taxes based on interim taxable profits	**(374)**	**(1,361)**
Taxes based on interim taxable profits [(4)]	(46)	(93)
Current and deferred tax income (charge)	**(420)**	**(1,454)**

(1) The main contributors to the tax rate differential are Romania, United Kingdom, Russia, Switzerland and Turkey.
(2) The deferred tax charge for 2020 includes the effect of discontinued recognition of deferred tax assets on AVTOVAZ tax loss carryforwards, and 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) In 2020, other impacts mainly the effects on deferred taxes of the lower income tax rates applicable to entities in the French tax consolidation group.
(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 -€43 million, principally consisting of the business tax *cotisation sur la valeur ajoutée des entreprises* (CVAE), and the deferred tax gain amounts to €176 million, principally due to the lower deferred tax liabilities on capitalized development expenses following a decrease in the base and the tax rate for future years.

Entities not in the French tax consolidation group

The tax charge for non-French entities principally reflects the discontinuation of the recognition of deferred tax assets on tax losses.

Excluding AVTOVAZ, the effective tax rate for these entities was 35% in 2020 (22% for 2019). The increase between 2019 and 2020 in the effective tax rate is mainly explained by the deficits reported in certain subsidiaries, particularly in Brazil and India, without recognition of deferred tax assets on the taxable losses generated in 2020.

8 - C - Changes in current tax liabilities, current tax receivables and provisions for uncertain tax liabilities

(€ million)	December 31, 2019	Current taxes in the income statement	Net taxes paid	Translation adjustment and other	December 31, 2020
Current taxes excluding uncertain tax positions		(305)	305		
Provisions for uncertain tax liabilities – short- term	(8)	-	1	1	(6)
Provisions for uncertain tax liabilities – long-term	(187)	(1)	-	9	(179)
Tax receivables – short-term	86		79	(12)	153
Tax receivables – long-term	21		-	(3)	18
Current tax liabilities – short-term	(225)		(10)	14	(221)
Current tax liabilities – long-term	-		-	-	-
TOTAL	**(313)**	**(306)**	**375**	**9**	**(235)**

8 - D - Breakdown of net deferred taxes

D1 Change in deferred tax assets and liabilities

(€ million)	December 31, 2019	Income statement	Other components of comprehensive income	Translation adjustments	Other	December 31, 2020
Deferred tax assets	1,016	(209)	(68)	(92)	4	651
Deferred tax liabilities	(1,044)	95	1	35	(9)	(922)
Net deferred taxes	**(28)**	**(114)**	**(67)**	**(57)**	**(5)**	**(271)**
French tax consolidation group	*(822)*	*176*	*(74)*	*19*	*-*	*(701)*
AVTOVAZ	*301*	*(267)*	*-*	*(43)*	*(3)*	*(12)*
Other	*493*	*(23)*	*7*	*(33)*	*(2)*	*442*

D2 Breakdown of net deferred tax assets by nature

(€ million)	2020	2019
Deferred taxes on:		
Investments in associates and joint ventures excluding AVTOVAZ [(1)]	(109)	(193)
Fixed assets excluding AVTOVAZ	(2,127)	(2,350)
Provisions and other expenses or valuation allowances deductible upon utilization excluding AVTOVAZ	798	815
Loss carryforwards excluding AVTOVAZ [(2)]	5,080	4,871
Other items excluding AVTOVAZ	605	783
NET DEFERRED TAX ASSETS (LIABILITIES) EXCLUDING AVTOVAZ	**4,247**	**3,926**
Fixed assets of AVTOVAZ	(18)	(23)
Provisions and other expenses or valuation allowances deductible upon utilization of AVTOVAZ	54	56
Loss carryforwards of AVTOVAZ	252	327
Non-interest bearing financial liabilities in roubles of AVTOVAZ	(33)	(43)
Other items of AVTOVAZ	(15)	19
NET DEFERRED TAX ASSETS (LIABILITIES) OF AVTOVAZ	**240**	**336**
Unrecognized deferred tax assets related to tax losses (note 8-D3)	(4,596)	(4,023)
Other unrecognized deferred tax assets	(162)	(267)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**(271)**	**(28)**

(1) Including tax on future dividend distributions.
(2) Including €4,546 million for the French tax consolidation group entities and €534 million for other entities at December 31, 2020 (€4,286 million and €585 million respectively at December 31, 2019).

The residual unrecognized deferred tax assets of entities included in the French tax consolidation group amounted to €3,845 million (€3,442 million at December 31, 2019). 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. €372 million of these unrecognized assets were generated by items booked through shareholders' equity (effects of the partial hedge of the investment in Nissan), and €3,473 million were generated by items affecting the income statement (respectively €393 million and €3,049 million at December 31, 2019).

For entities not in the French tax consolidation group, unrecognized deferred tax assets totaled €913 million at December 31, 2020 (€848 million at December 31, 2019), including €252 million for AVTOVAZ (€34 million at December 31, 2019) and €661 million for the Group excluding AVTOVAZ (€814 million at December 31, 2019) 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 €4,596 million at December 31, 2020.

(€ million)	December 31, 2020			December 31, 2019		
Deferred taxes on:	**Recognized**	**Not recognized**	**Total**	**Recognized**	**Not recognized**	**Total**
Tax losses that can be carried forward indefinitely*	724	4,196	4,920	879	3,848	4,727
Tax losses expiring in more than 5 years	3	78	81	-	29	29
Tax losses expiring in between 1 and 5 years	7	67	74	3	104	107
Tax losses expiring within 1 year	2	3	5	-	8	8
TOTAL DEFERRED TAXES ON TAX LOSSES (EXCLUDING AVTOVAZ)	**736**	**4,344**	**5,080**	**882**	**3,989**	**4,871**
TOTAL DEFERRED TAXES ON TAX LOSSES OF AVTOVAZ	**-**	**252**	**252**	**293**	**34**	**327**
TOTAL DEFERRED TAXES ON TAX LOSSES OF THE GROUP	**736**	**4,596**	**5,332**	**1,175**	**4,023**	**5,198**

* *Including recognized and unrecognized deferred taxes corresponding to tax loss carryforwards of entities included in the French tax consolidation group calculated at the income tax rate of 28.14%, which amount to €701 million and €3,845 million respectively at December 31, 2020 and €842 million and €3,442 million respectively at December 31, 2019 (note 8-D2).*

NOTE 9
BASIC AND DILUTED EARNINGS PER SHARE

(thousands of shares)	2020	2019
Shares in circulation	295,722	295,722
Treasury shares	(4,990)	(4,700)
Shares held by Nissan x Renault's share in Nissan	(19,383)	(19,383)
Number of shares used to calculate basic earnings per share	**271,349**	**271,639**

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)	2020	2019
Number of shares used to calculate basic earnings per share	271,349	271,639
Dilutive effect of stock options, performance share rights and other share-based payments	-	-
Number of shares used to calculate diluted earnings per share	**271,349**	**271,639**

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 2020 in intangible assets were as follows:

(€ million)	December 31, 2019	Acquisitions/ (amortization and impairment)	(Disposals)/ reversals	Translation adjustment	Change in scope of consolidation and other	December 31, 2020
Capitalized development expenses	11,613	1,390	(1)	(56)	30	12,976
Goodwill	1,151	-	(5)	(221)	21	946
Other intangible assets	1,160	110	(17)	(56)	33	1,230
Intangible assets, gross	**13,924**	**1,500**	**(23)**	**(333)**	**84**	**15,152**
Capitalized development expenses	(6,134)	(1,742)	1	17	(3)	(7,861)
Goodwill	(24)	-	-	-	(6)	(30)
Other intangible assets	(817)	(138)	22	18	1	(914)
Amortization and impairment	**(6,975)**	**(1,880)**	**23**	**35**	**(8)**	**(8,805)**
Capitalized development expenses	5,479	(352)	-	(39)	27	5,115
Goodwill	1,127	-	(5)	(221)	15	916
Other intangible assets	343	(28)	5	(38)	34	316
INTANGIBLE ASSETS, NET	**6,949**	**(380)**	**-**	**(298)**	**76**	**6,347**

Most goodwill is located in Europe and Eurasia.

Acquisitions of intangible assets in 2020 comprise €1,390 million of self-produced assets and €110 million of purchased assets (respectively €1,985 million and €101 million in 2019).

In 2020, amortization and impairment of intangible assets include €565 million of impairment concerning vehicles (including components), compared to €206 million of impairment in 2019 (note 6-C).

Changes in 2019 in intangible assets were as follows:

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2018	**11,711**	**(5,798)**	**5,913**
Acquisitions/(amortization and impairment)*	2,086	(1,256)	830
(Disposals)/reversals	(83)	83	-
Translation adjustment	149	(4)	145
Change in scope of consolidation and other	61	-	61
Value at December 31, 2019	**13,924**	**(6,975)**	**6,949**

* Including impairment of -€206 million concerning intangible assets.

A2 Research and development expenses included in income

(€ million)	2020	2019
Research and development expenses	(2,749)	(3,697)
Capitalized development expenses	1,390	1,985
Amortization of capitalized development expenses	(1,210)	(946)
TOTAL INCLUDED IN INCOME	**(2,569)**	**(2,658)**

Research and development expenses are reported net of research tax credits for the vehicle development activity.

The decrease in research and development expenses over 2020 is explained by the end of an initial cycle of upgrades to the product range, the lower level of business, and actions to reduce fixed costs, which focused particularly on subcontracting and purchases of prototypes.

This decrease was accentuated by the COVID-19 pandemic, although it did not significantly affect the level of capitalized development expenses under the rules set out in IAS 38. The lower level of capitalized development expenses is notably attributable to deferral of certain technical milestones from which development expenses are capitalized.

Amortization was substantially higher in 2020 than 2019, due to the higher level of capitalized development expenses in 2018 and particularly in 2019.

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10 - B - Property, plant and equipment

Changes in 2020 in property, plant and equipment were as follows:

(€ million)	December 31, 2019	Acquisitions/ (depreciation and impairment)	(Disposals)/ reversals	Translation adjustment	Change in scope of consolidation and other	December 31, 2020
Land	654	6	(22)	(14)	-	624
Buildings	6,851	137	(135)	(225)	89	6,717
Specific tools	17,986	907	(468)	(465)	167	18,127
Machinery and other tools	13,628	717	(258)	(432)	162	13,817
Fixed assets leased to customers	4,528	1,951	(1,178)	(12)	-	5,289
Other tangibles	978	32	(33)	(32)	8	953
Right-of-use assets	870	108	(13)	(27)	(73)	865
• *Land*	*14*	-	-	*(2)*	-	*12*
• *Buildings*	*809*	*106*	*(12)*	*(23)*	*(64)*	*816*
• *Other assets*	*47*	*2*	*(1)*	*(2)*	*(9)*	*37*
Construction in progress(1)	2,503	709	-	(75)	(210)	2,927
Gross value	**47,998**	**4,567**	**(2,107)**	**(1,282)**	**143**	**49,319**
Land						
Buildings	(4,464)	(280)	83	91	(37)	(4,607)
Specific tools	(15,069)	(1,085)	464	330	(53)	(15,413)
Machinery and other tools	(9,547)	(753)	232	233	(2)	(9,837)
Fixed assets leased to customers	(968)	(533)	298	3	1	(1,199)
Other tangibles	(914)	(79)	33	73	1	(886)
Right-of-use assets	(136)	(139)	2	6	26	(241)
• *Land*	*(1)*	-	-	-	*(1)*	*(2)*
• *Buildings*	*(118)*	*(126)*	*2*	*4*	*21*	*(217)*
• *Other assets*	*(17)*	*(13)*	-	*2*	*6*	*(22)*
Construction in progress	-	-	(1)	-	-	(1)
Depreciation and impairment(2)	**(31,098)**	**(2,869)**	**1,111**	**736**	**(64)**	**(32,184)**
Land	654	6	(22)	(14)	-	624
Buildings	2,387	(143)	(52)	(134)	52	2,110
Specific tools	2,917	(178)	(4)	(135)	114	2,714
Machinery and other tools	4,081	(36)	(26)	(199)	160	3,980
Fixed assets leased to customers	3,560	1,418	(880)	(9)	1	4,090
Other tangible	64	(47)	-	41	9	67
Right-of-use assets	734	(31)	(11)	(21)	(47)	624
• *Land*	*13*	-	-	*(2)*	*(1)*	*10*
• *Buildings*	*691*	*(20)*	*(10)*	*(19)*	*(43)*	*599*
• *Other assets*	*30*	*(11)*	*(1)*	-	*(3)*	*15*
Construction in progress (1)	2,503	709	(1)	(75)	(210)	2,926
NET VALUE	**16,900**	**1,698**	**(996)**	**(546)**	**79**	**17,135**

(1) Items classified as "construction in progress" are transferred to completed asset categories via "acquisitions/(depreciation and impairment)".
(2) Depreciation and impairment in 2020 include impairment of €197 million, mainly concerning vehicles (including components) (see note 6-C).

Changes in property, plant and equipment in 2020 were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2018	**43,582**	**(29,278)**	**14,304**
Acquisitions/(depreciation and impairment)*	4,904	(2,549)	2,355
(Disposals)/reversals	(1,572)	836	(736)
Translation adjustments	(21)	110	89
Change in scope of consolidation and other	1,105	(217)	888
Value at December 31, 2019	**47,998**	**(31,098)**	**16,900**

* *Including -€33 million of impairment on property, plant and equipment.*

NOTE 11
IMPAIRMENT TESTS ON FIXED 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) and the assets of certain entities

Following impairment tests of specific assets dedicated to vehicles (including components) and assets belonging to certain entities, impairment of €762 million was booked during 2020, comprising €565 million for intangible assets and €197 million for property, plant and equipment (impairment in 2019 amounted to €239 million, comprising €206 million for intangible assets and €33 million for property, plant and equipment). This impairment was allocated in priority to capitalized development expenses. It mainly concerns petrol and diesel engine vehicles (including components) given the lower sales volumes in 2020, the downward revision of business prospects in view of the COVID-19 pandemic, and the assumptions used in the medium-term plan for the period 2021-2025 presented in January 2021. In 2019, impairment principally concerned vehicles made for the Chinese market, following a decline in sales volumes and the downward revision of Renault's prospects for those assets.

11 - B - Impairment tests of country-specific assets or cash-generating units of the Automotive (excluding AVTOVAZ) segment

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:

	December 31, 2020	December 31, 2019
Growth rate to infinity	1.2%	1.7%
After-tax discount rate	9.2%	8.5%

The assumptions used for impairment testing at December 31, 2020 are derived from the medium-term plan for the period 2021-2025 presented in January 2021. They include volume assumptions based on unfavourable market trends, mostly caused by the COVID-19 pandemic, with the return to pre-pandemic volume levels expected in 2024-2025 for the European market, and 2021 for the other Regions of the world where the Group has operations.

The growth rate to infinity used in the tests at December 31, 2020 includes the impacts of commitments made by the States that are signatories to the Paris Agreement on climate change.

In 2019, no impairment was recognized on assets of the Automotive (excluding AVTOVAZ) segment as a result of the impairment test, and it was considered that a reasonably possible change in the main assumptions used should not result in a recoverable value lower than the book value of the assets tested.

At December 31, 2020, no reasonably possible change in the main assumptions used should result in a recoverable value lower than the book value of the assets tested. The recoverable value of the assets tested would remain higher than the book value in the event of the following changes in those assumptions:

- a growth rate to infinity of 0%;
- an after-tax discount rate of 10%.

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 which amounts to €678 million (62,000 million roubles) at December 31, 2020

In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2019), an impairment test was conducted at June 30, 2020 but no impairment was recognized at that date as a result. A further test was conducted at December 31, 2020 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, the value in use was calculated using an after-tax discount rate of 14.7%, an assumption that volumes would return to their pre-pandemic levels in 2022, and a growth rate to infinity (including the effect of inflation) of 3.2%.

The test results did not lead to recognition of any impairment at December 31, 2020. A decrease of more than 32.3% in the profitability assumptions underlying the terminal value would lead to recognition of impairment on goodwill, which has a book value of €678 million at December 31, 2020.

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 (€101 million at the exchange rate of December 31, 2020). Since this brand is an intangible asset with an indefinite useful life, an impairment test was carried out at December 31, 2020 based on a discount rate of 14.7% and a growth rate to infinity of 3.2%. No impairment was booked in 2020, 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)	2020	2019
Consolidated income statement		
Share in net income (loss) of associates accounted for by the equity method	(4,970)	242
Consolidated financial position		
Investments in associates accounted for by the equity method	14,618	20,622

12 - A - Nissan consolidation method

Renault and the Japanese carmaker 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 Chairman 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, 2020, the Groupe Renault occupied two seats on Nissan's Board of Directors and was represented by Jean-Dominique Senard, Chairman of the Renault Board and Pierre Fleuriot, Lead 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's 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, 2020 (0.7% at December 31, 2019). Consequently, Renault's percentage interest in Nissan is 43.7% (43.7% at December 31, 2019). Renault holds 43.7% of voting rights in Nissan at September 30, 2020 (43.7% at September 30, 2019).

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, 2019	**20,837**	**(974)**	**19,863**	**759**	**20,622**
2020 net income (3)	(4,970)	-	(4,970)	-	(4,970)
Dividend distributed	-	-	-	-	-
Translation adjustment	(1,104)	-	(1,104)	(27)	(1,131)
Other changes (2)	97	-	97	-	97
At December 31, 2020	**14,860**	**(974)**	**13,886**	**732**	**14,618**

(1) Nissan has held 44,358 thousand 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.
(3) The 2020 net income includes impairment of non-current assets and restructuring costs amounting to €4,290 million, €1,934 million of which were recognized during the first half-year and relate to the transition from Japanese GAAP to IFRS (principally for development expenses, which are only capitalized under IFRS).

12 - D - Changes in Nissan equity restated for the purposes of the Renault consolidation

(¥ billion)	December 31, 2019	2020 net income	Dividends	Translation adjustment	Other changes[(1)]	December 31, 2020
Shareholders' equity – Parent company shareholders' share under Japanese GAAP	**5,051**	**(1,078)**	**-**	**(179)**	**(120)**	**3,674**
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	(27)	(8)	-	(1)	141	105
Capitalization of development expenses	752	(296)	-	-	-	456
Deferred taxes and other restatements	(122)	(6)	-	-	(15)	(143)
Net assets restated for compliance with IFRS	**5,654**	**(1,388)**	**-**	**(180)**	**6**	**4,092**
Restatements for Groupe Renault requirements[(2)]	161	26	-	1	22	210
Net assets restated for Groupe Renault requirements	**5,815**	**(1,362)**	**-**	**(179)**	**28**	**4,302**
(€ million)						
Net assets restated for Groupe Renault requirements	**47,687**	**(11,373)**	**-**	**(2,526)**	**220**	**34,008**
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	20,837	(4,970)	-	(1,104)	97	14,860
Neutralization of Nissan's investment in Renault[(3)]	(974)					(974)
Renault's share in the net assets of Nissan	**19,863**	**(4,970)**	**-**	**(1,104)**	**97**	**13,886**

(1) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve and the change in Nissan treasury shares.
(2) Restatements for 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 2020 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2019 financial year and the first three quarters of its 2020 financial year.

	January to March 2020		April to June 2020		July to September 2020		October to December 2020		January to December 2020	
	Fourth quarter of Nissan's 2019 financial year		First quarter of Nissan's 2020 financial year		Second quarter of Nissan's 2020 financial year		Third quarter of Nissan's 2020 financial year		Reference period for Renault's consolidated financial statements	
	(¥ billion)	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*
Net income – parent company shareholders' share	(711)	(5,916)	(285)	(2,414)	(44)	(358)	(38)	(303)	(1,078)	(8,991)

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 twelve-month period from January 1 to December 31 of each year. 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.

	2020		2019	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Revenues	7,378	60,590	10,316	84,520
Net income				
Parent company shareholders' share	(1,395)	(11,458)	85	698
Non-controlling interests' share	5	40	(14)	(115)
Other components of comprehensive income				
Parent company shareholders' share	(142)	(1,167)	(154)	(1,264)
Non-controlling interests' share	(10)	(79)	23	185
Comprehensive income				
Parent company shareholders' share	(1,537)	(12,624)	(69)	(566)
Non-controlling interests' share	(5)	(39)	9	70
Dividends received from Nissan	-	-	71	579

	December 31, 2020		December 31, 2019	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Non-current assets	6,336	50,093	7,877	64,597
Current assets	10,432	82,475	11,186	91,734
TOTAL ASSETS	**16,769**	**132,568**	**19,063**	**156,331**
Shareholders' equity				
Parent company shareholders' share	4,115	32,535	5,655	46,378
Non-controlling interests' share	357	2,823	364	2,984
Non-current liabilities	5,702	45,080	5,345	43,828
Current liabilities	6,594	52,130	7,699	63,142
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**16,769**	**132,568**	**19,063**	**156,331**

(1) Converted at the average exchange rate for 2020 i.e.121.78 JPY = 1 EUR for income statement items, and at the December 31, 2020 rate i.e. 126.49 JPY = 1 EUR for financial position items.

(2) 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.

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, 2020, the corresponding hedging operations totaled ¥18 billion (€145 million) of private placements in bonds issued directly in yen on the Japanese Samurai bond market.

In 2020 these operations generated foreign exchange differences that offset each other in 2020 (they generated an unfavourable effect of -€70 million in 2019).

12 - H - Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2020 of ¥560 per share, Renault's investment in Nissan is valued at €8,110 million (€9,554 million at December 31, 2019 based on the price of ¥636 per share).

12 - I - Impairment test of the investment in Nissan

At December 31, 2020, the stock market value of the investment was 44.5% lower than the value of Nissan in Renault's statement of financial position (53.7% at December 31, 2019).

In application of the approach presented in the note on accounting policies, 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 result did not lead to recognition of any impairment on the investment in Nissan at December 31, 2019 and it was considered that a reasonably possible change in the main assumptions used should not result in a recoverable value lower than the book value of the investment in Nissan.

A further impairment test was performed at June 30, 2020 in view of the COVID-19 pandemic situation, using an after-tax discount rate of 5.80% and a growth rate to infinity (including the effect of inflation) of 1.99%. The test result did not lead to recognition of any impairment on the investment in Nissan at June 30, 2020, and it was considered that no reasonably possible change in the main assumptions used should result in a recoverable value lower than the book value of the investment in Nissan.

The same applies for the impairment test performed at December 31, 2020 applying an after-tax discount rate of 6.21% and a growth rate to infinity (including the effect of inflation) of 1.71%.

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. This cooperation is reflected in synergies that reduce costs.

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 2020 totaled approximately €1,785 million (€3,374 million in 2019), comprising around €1,017 million for vehicles (€2,272 million in 2019), €669 million for components (€985 million in 2019), and €99 million for services (€117 million in 2019). 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 Groupe Renault from the Nissan group in 2020 totaled approximately €1,361 million (€1,896 million in 2019), comprising around €1,000 million for vehicles (€1,046 million in 2019), €277 million for components (€655 million in 2019), and €84 million for services (€195 million in 2019),
  - the balance of Groupe Renault receivables on the Nissan group is €463 million at December 31, 2020 (€521 million at December 31, 2019) and the balance of Groupe Renault liabilities to the Nissan group is €664 million at December 31, 2020 (€738 million at December 31, 2019);
- 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 €9.9 billion of forex transactions on the foreign exchange market for Nissan in 2020 (€17 billion in 2019). 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 €36 million at December 31, 2020 (€26 million at December 31, 2019) and derivative liabilities amount to €35 million at December 31, 2020 (€4 million at December 31, 2019).

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 2020, RCI Banque recorded €106 million in service revenues in the form of commission and interest received from Nissan (€148 million in 2019). The balance of sales financing receivables from the Nissan group is €68 million at December 31, 2020 (€86 million at December 31, 2019) and the balance of liabilities is €156 million at December 31, 2020 (€184 million at December 31, 2019).

The Sales Financing segment signed a term sheet with Nissan Europe to set out the principles for cooperation until March 31, 2025.

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 2020, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €56 million and €15 million respectively (€118 million and €23 million in 2019).

In the AVTOVAZ financial position at December 31, 2020, the balances of transactions between AVTOVAZ and the Nissan group consist mainly of:

- a non-current receivable for jointly controlled assets amounting to €0 (€25 million at December 31, 2019);
- operating payables amounting to €14 million (€18 million at December 31, 2019).

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)	2020	2019
Consolidated income statement		
Share in net income (loss) of other associates and joint ventures	**(175)**	**(432)**
Associates accounted for under the equity method [(1)]	(24)	43
Joint ventures accounted for under the equity method [(2)]	(151)	(475)
Consolidated financial position		
Investments in other associates and joint ventures	**502**	**610**
Associates accounted for under the equity method	380	479
Joint ventures accounted for under the equity method	122	131

(1) €73 million of the loss recorded in 2020 corresponds to impairment determined by Renault in respect of production assets of Renault-Nissan Automotive India Private Limited (RNAIPL) due to lower volume forecasts (note 13-A).

(2) The loss recorded in 2020 principally corresponds to impairment of the investments in Renault Brilliance Jinbei Automotive Company and Renault Algérie Production (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, 2020	Percentage ownership and voting rights held by the Group: December 31, 2019	Investments in other associates and joint-ventures at December 31, 2020	Investments in other associates and joint ventures at December 31, 2019
Associates						
Automotive (excluding AVTOVAZ)						
Motorlu Araclar Imal ve Satis AS (MAIS)	Turkey	Automotive sales	49%	49%	76	59
Renault-Nissan Automotive India Private Limited (RNAIPL)*	India	Vehicle manufacturing	30%	30%	115	210
Sales Financing						
RN Bank	Russia	Automotive Sales Financing	30%	30%	76	84
Joint ventures						
Automotive (excluding AVTOVAZ)						
Renault Algérie Production	Algeria	Vehicle manufacturing	49%	49%	-	22
Dongfeng Renault Automotive Company	China	Carmaker	0%	50%	-	-
Renault Brilliance Jinbei Automotive Company	China	Commercial vehicle manufacturing	49%	49%	-	-
Alliance Ventures B.V.	Netherlands	Finance for new technology start-ups	40%	40%	89	61
Alliance Mobility Company Japan	Japan	Mobility services	50%	50%	-	3
Alliance Mobility Company France	France	Mobility services	50%	50%	-	4
Other non-significant associates and joint ventures					146	167
TOTAL					**502**	**610**

* *The decrease in the value of this associate is principally explained by the €73 million loss recorded in 2020, corresponding to impairment determined by Renault due to lower volume forecasts. As RNAIPL is 70%-owned by Nissan, this impairment also contributes to Nissan's 2020 net income under IFRS (Renault's share: €74 million) leading to a total impact of €147 million on the net income of associates and joint ventures. This impairment is not recognized in Nissan's consolidated income statement under Japanese GAAP as it does not comply with the Japanese accounting rules.*

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)	2020		2019	
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)	1,589	(4)	817	(2)
Renault-Nissan Automotive India Private Limited (RNAIPL)	5	(336)	6	(406)
RN Bank	-	(5)	-	(11)
Renault Algérie Production	3	(10)	3	(125)
Dongfeng Renault Automotive Company	5	-	67	(30)

04

(€ million)	December 31, 2020				
In the consolidated financial position	**Financial assets**	**Automotive receivables**	**Other assets**	**Trade payables**	**Other liabilities**
Motorlu Araclar Imal ve Satis AS (MAIS)	-	-	-	7	2
Renault-Nissan Automotive India Private Limited (RNAIPL)	-	32	192	53	-
RN Bank	60	-	1	-	1
Renault Algérie Production	-	-	-	1	-
Dongfeng Renault Automotive Company	-	4	-	-	-

(€ million)	December 31, 2019				
In the consolidated financial position	**Financial assets**	**Automotive receivables**	**Other assets**	**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

13 - B - Cumulative financial information on other associates accounted for under the equity method

(€ million)	December 31, 2020	December 31, 2019
Investments in associates	380	479
Share in income (loss) of associates	(24)	43
Share of associates in other components of comprehensive income	(203)	1
Share of associates in comprehensive income	(227)	44

13 - C - Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	December 31, 2020	December 31, 2019
Investments in joint ventures	122	131
Share in income (loss) of joint ventures	(151)	(475)
Share of joint ventures in other components of comprehensive income	(37)	4
Share of joint ventures in comprehensive income	202	(471)

The share in net income (loss) of joint ventures includes a -€32 loss by Renault Algérie Production. Due to a review of the rules governing automotive activities in Algeria, this joint venture was not allowed to import the parts required for production of vehicles in 2020. New rules were issued in August 2020 but it was not possible to resume production, and it is currently impossible to estimate a future date of resumption.

The share in net income (loss) of joint ventures also includes a share of the loss by Renault Brilliance Jinbei Automotive Company (including a financial liability of €124 million (RMB 980 million) relating to the capital increase in early 2021 by Renault Brilliance Jinbei Automotive Company, to which the Groupe Renault was committed at December 31, 2020).

Nissan-Renault B.V., which is jointly owned with Nissan, is not consolidated as it is not significant.

NOTE 14
INVENTORIES

	December 31, 2020			December 31, 2019		
(€ million)	**Gross value**	**Impairment**	**Net value**	**Gross value**	**Impairment**	**Net value**
Raw materials and supplies	1,665	(276)	1,389	1,724	(290)	1,434
Work in progress	310	(2)	308	330	(7)	323
Used vehicles	1,376	(162)	1,214	1,465	(141)	1,324
Finished products and spare parts	2,882	(153)	2,729	2,842	(143)	2,699
TOTAL	**6,233**	**(593)**	**5,640**	**6,361**	**(581)**	**5,780**

NOTE 15
SALES FINANCING RECEIVABLES

15 - A - Sales financing receivables by nature

(€ million)	December 31, 2020	December 31, 2019
Dealership receivables	7,862	10,901
Financing for end-customers	23,383	25,016
Leasing and similar operations	10,639	10,305
Gross value	**41,884**	**46,222**
Impairment*	(1,064)	(848)
Net value	**40,820**	**45,374**

* *The change of €216 million in impairment in 2020 notably reflects revision of the expected credit loss assumptions in the context of the COVID-19 pandemic.*

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, 2020		December 31, 2019	
(€ million)	Balance sheet value	Fair value	Balance sheet value	Fair value
Assigned receivables carried in the balance sheet	11,790	11,743	10,508	10,504
Associated liabilities	3,259	2,916	3,243	3,264

The Sales Financing segment has undertaken several public securitization operations (in Germany, France and Italy) and several conduit financing operations (Brazil, the United Kingdom and Germany) 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.

In 2020, RCI Banque Group undertook two public securitization operations in France, associated with the rents from leases with purchase options. One was a public operation backed by lease rent receivables, totalling €950 million of Class A instruments rated AAA by DBRS and Aaa by Moody's (of which €200 million were self-subscribed by RCI) and €41.5 million of Class B instruments rated AA(Low) by DBRS and Aa3 par Moody's. The other was for an original amount of €474 million of Class A instruments rated AAA by DBRS and Aaa by Moody's, entirely self-subscribed by RCI.

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 (G*estion Globale des Garanties*) in the form of assets with a book value of €7,465 million at December 31, 2020 (€5,882 million at December 31, 2019). These guarantees comprise €6,675 million in the form of shares in securitization vehicles, €104 million in euro bonds and €686 million in sales financing receivables (€5,325 million of shares in securitization vehicles, €151 million in euro bonds and €406 million in sales financing receivables at December 31, 2019). The funding provided by the Banque de France against these guarantees amounts to €2,250 million at December 31, 2020 (€2,700 million at December 31, 2019). 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, 2020	December 31, 2019
-1 year	20,727	23,174
1 to 5 years	19,675	21,675
+5 years	418	525
TOTAL SALES FINANCING RECEIVABLES – NET VALUE	**40,820**	**45,374**

15 - D - Breakdown of sales financing receivables by level of risk

Difficulties with recovery of receivables during the COVID-19 pandemic led to an increase in the impairment of receivables due to the higher amounts transferred to receivables in default, and an increase in the calculation parameters. In accordance with the recommendation of ESMA, the Sales Financing segment did not always consider that payment date extensions granted systematically to a large population of outstanding receivables should give rise to transfer of the receivables to the three stages of risk (healthy receivables, receivables showing higher credit risk since initial recognition, and receivables in default). For exposures that received extensions during the lockdown periods, the method consists of covering non-overdue outstanding amounts concerned by current or previous moratoriums at the provision rate used for customer credit with higher risk since initial recognition. The Sales Financing segment also raised the provision estimate for the forward-looking scenario concerning the customer segments most severely affected by the crisis. The Sales Financing segment also raised the weighting of the "adverse" forward-looking scenario, while continuing the higher weighting for the stability scenarios and reducing the weighting of the most optimistic scenarios.

(€ million)	Financing for final customers	Dealer financing	December 31, 2020
Gross value	**34,022**	**7,862**	**41,884**
Healthy receivables	29,148	7,514	36,662
Receivables showing higher credit risk since initial recognition	4,170	284	4,454
Receivables in default	704	64	768
% of total receivables in default	2.1%	0.8%	1.8%
Impairment	**(951)**	**(113)**	**(1,064)**
Impairment in respect of healthy receivables	(226)	(63)	(289)
Impairment in respect of receivables showing higher credit risk since initial recognition	(252)	(17)	(269)
Impairment in respect of receivables in default	(473)	(33)	(506)
Total net value	**33,071**	**7,749**	**40,820**

(€ 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	(173)	(57)	(230)
Impairment in respect of receivables showing higher credit risk since initial recognition	(167)	(10)	(177)
Impairment in respect of receivables in default	(407)	(34)	(441)
Total net value	**34,574**	**10,800**	**45,374**

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 €866 million at December 31, 2020 (€821 million at December 31, 2019).

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
RECEIVABLES

NET VALUE OF RECEIVABLES

(€ million)	December 31, 2020	December 31, 2019
Gross value	1,808	2,073
Impairment for incurred credit losses*	(889)	(807)
Impairment for expected credit losses	(9)	(8)
NET VALUE	**910**	**1,258**

* *Including -€678 million related to Iran at December 31, 2020.*

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.

Furthermore, there is no significant concentration of risks within the customer base of the Automotive (excluding AVTOVAZ), AVTOVAZ, and Mobility Services segments, and no single external customer accounts for more than 10% of the total revenues of those segments.

The management policy for credit risk is described in note 25-B6.

The maximum exposure to credit risk for 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, 2020			December 31, 2019		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	133	315	448	179	456	635
Tax receivables (excluding current taxes due)	213	1,567	1,780	314	1,884	2,198
Tax receivables (on current taxes due)	18	153	171	21	86	107
Other receivables	501	1,731	2,232	605	1,555	2,160
Investments and capitalizable advances in controlled unconsolidated entities*	91	-	91	105	-	105
Derivatives on operating transactions of the Automotive segments	-	31	31	-	10	10
Derivatives on financing transactions of the Sales Financing segment	-	230	230	-	177	177
TOTAL	**956**	**4,027**	**4,983**	**1,224**	**4,168**	**5,392**
Gross value	*1,092*	*4,106*	*5,198*	*1,361*	*4,370*	*5,731*
Impairment	*(136)*	*(79)*	*(215)*	*(137)*	*(202)*	*(339)*

* *Investments of over €10 million in controlled unconsolidated entities concern Renault-Nissan B.V. and Kadensis.*

Investments in controlled unconsolidated entities

At December 31, 2020, controlled unconsolidated entities are individually non-significant. In 2019, controlled unconsolidated entities included Flit Tech (a taxi reservation platform), iCabbi (software development for taxis) and Marcel (a private car hire app), which are fully consolidated in 2020. The investment in Marcel was sold in September 2020.

NOTE 18
SHAREHOLDERS' EQUITY

18 - A - Share capital

The total number of ordinary shares issued and fully paid at December 31, 2020 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2019).

Treasury shares do not bear dividends. They account for 1.53% of Renault's share capital at December 31, 2020 (1.54% at December 31, 2019).

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 17.34% at December 31, 2020 (15.27% at December 31, 2019).

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, 2020	December 31, 2019
Total value of treasury plans (€ million)	284	344
Total number of treasury shares	4,538,199	4,548,736

18 - D - Distributions

At the General Shareholders' Meeting of June 19, 2020, it was decided not to distribute dividends. In 2019, the dividends were €3.55 per share giving a total of €1,035 million.

18 - E - Translation adjustment

The change in translation adjustment over the year is analyzed as follows:

(€ million)	2020	2019
Change in translation adjustment on the value of the investment in Nissan	(1,131)	377
Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G)	-	(157)
Total change in translation adjustment related to Nissan	**(1,131)**	**220**
Changes related to hyperinflationary economies	(21)	(40)
Other changes in translation adjustment	(749)	124
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**(1,901)**	**304**

Changes related to hyperinflationary economies consist of changes in the translation adjustment attributable to the Argentinian subsidiaries since January 1, 2018. In 2020, the effects of the partial hedge of the net investment in Nissan offset each other, and other changes in the translation adjustment mostly result from movements in the Russian rouble and the Brazilian real.

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	Equity instruments at fair value	Debt instruments at fair value	Total	Total parent company shareholders' share
At December 31, 2019	**(87)**	**310** [2]	**3**	**226**	**232**
Changes in fair value recorded in shareholders' equity	(39)	186	1	148	145
Transfer from shareholders' equity to profit and loss [1]	7	-	-	7	7
At December 31, 2020	**(119)**	**496**	**4**	**381**	**384**

(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).

F2 Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2020	2019
Operating margin	9	14
Current and deferred taxes	(2)	(4)
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**7**	**10**

F3 Schedule of amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	December 31, 2020	December 31, 2019
Within one year	2	0
After one year	(20)	(24)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	**(18)**	**(24)**
Revaluation reserve for cash flow hedges – associates and joint ventures	(101)	(63)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(119)**	**(87)**

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.

Performance share plan 27 was introduced in 2020, concerning 1,444 thousand shares with initial total value of €13 million. The vesting period for rights to shares is three 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)*	Unit fair value	Expense for 2020 *(€ million)*	Expense for 2019 *(€ million)*	Share price at grant date	Volatility	Interest rate	Exercise price *(€)*	Duration	Dividend per share *(€)*
	51,509	66.51	-	-	78.75	N/A	-0.10%	N/A	3-5 years	1.90-2.22
Plan 22*	19,138	65.19	-	5	76.58	N/A	-0.03%	N/A	4 years	1.90-2.22
	53,728	66.38	-	(20)	80.25	N/A	-0.48%	N/A	3-4 years	2.40-2.88
Plan 23*	19,929	65.72	(2)	(7)	76.16	N/A	-0.48%	N/A	4 years	2.40-2.88
Plan 23 bis	5,348	65.34	-	3	76.99	N/A	-0.48%	N/A	4 years	2.40-2.88
	53,646	66.18	(3)	(31)	82.79	N/A	-0.48%	N/A	3-4 years	3.15-3.34
Plan 24*	22,167	66.16	(5)	(4)	-	N/A	-0.48%	N/A	4 years	3.15-3.34
	63,533	73.37	(13)	(23)	90.64	N/A	-0.57%	N/A	3-4 years	3.55-4.25
Plan 25*	23,096	69.73	(3)	(2)	88.93	N/A	-0.57%	N/A	4 years	3.55-4.25
Plan 26	49,618	42.50	(17)	(10)	54.99	N/A	-	N/A	3 years	3.55-3.50
	582	29.66	-	-	34.82	N/A	-0.59%	N/A	3 years	1.05-1.35
	1,166	21.71	-	-	23.99	N/A	-0.59%	N/A	3 years	0.45-0.90
Plan 27*	11,062	10.31	(3)	-	14.55	N/A	-0.54%	N/A	3 years	1.05-1.35
TOTAL			**(46)**	**(89)**						

* *For these plans, performance shares were awarded at different dates within the stated period. 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

	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 December 31, 2019	**102,987**	**37**		**4,343,329**
Granted	-	-	-	1,443,615
Options exercised or vested rights	(471) (1)	37	50 (2)	(1,280,066) (3)
Options and rights expired and other adjustments	(102,516) (1)	-	-	(92,604)
Options outstanding and rights not yet vested at December 31, 2020	**-**	**37**	**-**	**4,414,274**

(1) Stock options exercised or expired in 2020 were granted under 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 23 for non-residents in 2016 and plan 24 for residents in 2017.

G2 Stock options

No stock option plans remained active at December 31, 2020 as the 4-year vesting period for plan 20 expired in 2020.

G3 Performance share plans 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 three years with no holding period for French or foreign tax residents.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2020	Vesting date	Holding period
Plan 23	Performance shares and shares awarded as variable remuneration	April 29, 2016	*	April 29, 2020	None
			*	February 9, 2020	February 9, 2020 – February 9, 2021
Plan 24	Performance shares and shares awarded as variable remuneration	February 9, 2017	271,300	February 9, 2021	None
			1,054,009	February 15, 2021	February 15, 2021 – February 15, 2022
Plan 25	Performance shares and shares awarded as variable remuneration	February 15, 2018	262,950	February 15, 2022	None
Plan 26	Performance shares and shares awarded as variable remuneration	June 12, 2019	1,392,700	June 12, 2022	None
Plan 27	Performance shares and shares awarded as variable remuneration	February 13, 2020	1,433,315	February 13, 2023	None
TOTAL			**4,414,274**		

* *The share rights concerned by this plan expired or vested in 2020.*

18 - H - Share of non-controlling interests

Entity	Country of location	Percentage of ownership and voting rights held by non-controlling interests (€ million) December 31, 2020	December 31, 2019	Net income – non-controlling interests' share (€ million) 2020	2019	Shareholders' equity – non-controlling interests' share (€ million) December 31, 2020	December 31, 2019	Dividends paid to non-controlling interests (minority shareholders) (€ million) 2020	2019
Automotive (excluding AVTOVAZ)									
Renault Samsung Motors	Korea	20%	20%	(11)	24	178	202	(7)	(24)
Oyak Renault Otomobil Fabrikalari	Turkey	48%	48%	45	83	341	295	-	(56)
JMEV	China	50%	50%	(8)	(6)	31	123	-	-
Other	N/A	N/A	N/A	1	3	9	12	(3)	(4)
TOTAL – AUTOMOTIVE (EXCLUDING AVTOVAZ)				**27**	**104**	**559**	**632**	**(10)**	**(84)**
Sales Financing									
Banco RCI Brasil	Brazil	40%	40%	8	24	-	-	(8)	(9)
Rombo Compania Financiera	Argentina	40%	40%	(3)	-	-	-	-	-
RCI Colombia SA	Colombia	49%	49%	2	5	-	39	-	-
Other	N/A	N/A	N/A	2	2	12	13	(3)	(2)
TOTAL – SALES FINANCING				**9**	**31**	**12**	**52**	**(11)**	**(11)**
AVTOVAZ									
Alliance Rostec Auto B.V.	Netherlands	32%	32%	-	-	578	756	-	-
AVTOVAZ	Russia	32%	32%	(68)	11	(564)	(668)	8	7
LLC LADA Izhevsk	Russia	32%	32%	2	6	(17)	(21)	(4)	(5)
Other	N/A	N/A	N/A	3	8	12	16	(4)	(3)
TOTAL AVTOVAZ				**(63)**	**25**	**9**	**83**	**-**	**(1)**
TOTAL MOBILITY SERVICES				**(11)**	**-**	**(14)**	**-**	**-**	**-**
TOTAL				**(38)**	**160**	**566**	**767**	**(21)**	**(96)**

The Group has granted to minority shareholders of Banco RCI Brasil, Rombo Compania Financiera, RCI Colombia SA put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €100 million for the Brazilian subsidiary, €4 million for the Argentinian subsidiary, and €61 million for the Colombian subsidiary at December 31, 2020 (€144 million, €7 million and 0 respectively at December 31, 2019). 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, 2020 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 €415 million in 2020 (€603 million in 2019).

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 1,716 people. This plan has been closed to new members since 2004, and no further rights have been earned under it since December 31, 2019. All employees benefit from a defined-contribution pension plan from January 1, 2020. Underfunding at December 31, 2020 is valued at £65 million for the fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment and £14 million for the fund compartment dedicated to RCI Financial Services Ltd.

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. After the last three-yearly valuation in 2018, the Group made a commitment to cover the funding shortfall by 2027 through payments amounting to £5 million maximum per year. 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.*).

Main changes in the Group's defined-benefit plans

At December 31, 2020, an amount of €108 million was reclassified from retirement indemnities to provisions for restructuring, for employees who will benefit from the Collective Contractual Separation plan.

At December 31, 2019, the Group terminated the defined-benefit top-up pension plan that was set up in France in 2004, entailing the loss of the corresponding rights for its beneficiaries (members of the Group's Executive Committee who had been with the Group for at least five years, including two years in the Executive Committee).

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, 2020		December 31, 2019	
	Renault s.a.s	Other	Renault s.a.s	Other
Retirement age	60 to 65	60 to 67	60 to 65	60 to 67
Discount rate*	0.31%	0.2% to 2%	0.79%	0.1% to 2%
Salary increase rate	2.2%	1% to 3%	2.5%	1% to 3%
Duration of plan	13 years	6 to 20 years	13 years	6 to 20 years
Gross obligation	€1,191 million	€187 million	€1,158 million	€189 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.*

	December 31, 2020		December 31, 2019	
Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK	**Automotive excl. AVTOVAZ**	**Sales Financing**	**Automotive excl. AVTOVAZ**	**Sales Financing**
Financial discount rate*	1.40%	1.40%	2.1%	2.1%
Pension inflation rate	N/A	N/A	2.8%	2.8%
Duration of plan	19 years	21 years	20 years	23 years
Actual return on fund assets	7% to 7.2%	7.84%	12.74%	15.52%
Gross obligation	€395 million	€48 million	€370 million	€44 million
Fair value of assets invested via pension funds	€323 million	€32 million	€319 million	€31 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)	2020	2019
Current service cost	88	98
Past service cost and (gain)/loss on settlement	1	(84)
Net interest on the net liability (asset)	16	28
Effects of workforce adjustment measures	(1)	-
Net expense (income) for the year recorded in the income statement	**104**	**42**

19 - D - Detail of balance sheet provision

D1 Breakdown of the balance sheet provision

	December 31, 2020		
(€ million)	**Present value of the obligation**	**Fair value of fund assets**	**Net defined-benefit liability (asset)**
Retirement and termination indemnities			
France	1,275	(1)	1,274
Europe (excluding France)	15	-	15
Americas	2	-	2
Africa – Middle–East – India – Asia-Pacific	2	-	2
Eurasia(1)	53	-	53
TOTAL RETIREMENT AND TERMINATION INDEMNITIES	**1,347**	**(1)**	**1,346**
Supplementary pensions			
France	81	(79)	2
United Kingdom	443	(355)	88
Europe (excluding France and the United Kingdom)(2)	365	(236)	129
Africa – Middle–East – India – Asia-Pacific	3	-	3
Americas	4	-	4
TOTAL SUPPLEMENTARY PENSIONS	**896**	**(670)**	**226**
Other long-term benefits			
France(3)	71	-	71
Europe (excluding France)	3	-	3
Americas	1	-	1
TOTAL OTHER LONG-TERM BENEFITS	**75**	**-**	**75**
TOTAL(4)	**2,318**	**(671)**	**1,647**

(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: €103 million; total net liability due after one year: €1,544 million.

D2 Schedule of amounts related to net defined-benefit liability

	December 31, 2020				
(€ million)	<1 year	1 to 5 years	5 to 10 years	>10 years	Total
Present value of obligation	117	315	405	1,481	2,318
Fair value of plan assets	(11)	(61)	(79)	(520)	(671)
Net defined-benefit liability (asset)	**106**	**254**	**326**	**961**	**1,647**

The weighted average duration of plans is 14 years at December 31, 2020 (15 years at December 31, 2019).

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, 2019	**2,315**	**(615)**	**1,700**
Current service cost	88	-	88
Past service cost and gain/loss on plan curtailment, modification and settlement	1	-	1
Net interest on the net liability (asset)	25	(9)	16
Effects of staff adjustment measures	(1)	-	(1)
Net expense (income) for 2020 recorded in the income statement (Note 19-C)	**113**	**(9)**	**104**
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	106	(16)	90
Actuarial gains and losses on the obligation resulting from experience effects	(11)	-	(11)
Net return on fund assets (not included in net interest above)	-	(20)	(20)
Net expense (income) for 2020 recorded in other components of comprehensive income	**98**	**(36)**	**62**
Employer's contributions to funds	-	(28)	(28)
Employee's contributions to funds	-	(2)	(2)
Benefits paid under the plan	(100)	19	(81)
Effect of changes in exchange rate	(25)	20	(5)
Effect of changes in scope of consolidation and other*	(83)	(20)	(103)
Balance at December 31, 2020	**2,318**	**(671)**	**1,647**

* *These effects include the reclassification of €108 million from retirement indemnities to provisions for restructuring, for employees who will benefit from indemnities under the Collective Contractual Separation plan.*

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €855 million at December 31, 2020 (an expense of €735 million at December 31, 2019).

A 100 base point decrease in discount rates used for each plan would result in a €569 million increase in the amount of obligations at December 31, 2020 (€420 million at December 31, 2019), and a 100 base point increase in discount rates used for each plan would result in a €452 million decrease in the amount of obligations at December 31, 2020 (€322 million at December 31, 2019).

19 - F - Fair value of fund assets

Details of the assets invested via pension funds and insurance companies are as follows:

	December 31, 2020		
(€ million)	Assets listed on active markets	Unlisted assets	Total
Pension funds			
Cash and cash equivalents	1	-	1
Shares	123	-	123
Bonds	188	-	188
Shares in mutual funds and other	51	-	51
TOTAL – PENSION FUNDS	**363**	**-**	**363**
Insurance companies			
Cash and cash equivalents	1	7	8
Shares	8	-	8
Bonds	211	5	216
Real estate property	21	1	22
Shares in mutual funds and other	26	28	54
TOTAL – INSURANCE COMPANIES	**267**	**41**	**308**
TOTAL	**630**	**41**	**671**

Pension fund assets mainly relate to plans located in the United Kingdom (45.8%). Insurance contracts principally concern the Netherlands (30.1%), France (13.7%), Switzerland (4.6%) and Germany (4.5%). 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 2.22% in 2020 (8.84% in 2019).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2020 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 [3]	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, 2019	**450**	**1,016**	**228**	**523**	**305**	**2,522**
Increases	499	521	50	27	274	1,371
Reversals of provisions for application	(224)	(497)	(19)	(54)	(135)	(929)
Reversals of unused balance of provisions	(18)	(17)	(16)	-	(30)	(81)
Changes in scope of consolidation	1	-	-	-	-	1
Translation adjustments and other changes	104	(31)	(38)	-	7	42
At December 31, 2020 [2]	**812**	**992**	**205**	**496**	**421**	**2,926**

(1) Technical reserves established by the Sales Financing segment's insurance companies.
(2) Short-term portion of provisions: €1,570 million; long-term portion of provisions: €1,356 million.
(3) Restructuring costs include a reclassification of €108 million from the provision for retirement indemnities concerning employees who will benefit from indemnities under the Collective Contractual Separation plan.

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 2020, 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). In France, restructuring provisions have been recorded for employee departures expected under the Collective Contractual Separation plan, at the relevant amount net of existing provisions for retirement indemnities.

At December 31, 2020, "Other provisions" include €91 million of provisions established in application of environmental regulations (€84 million at December 31, 2019). These include provisions to cover expenses relating to end-of-life vehicles and used batteries, 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, 2020			December 31, 2019		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Current taxes due	**-**	**221**	**221**	**2**	**223**	**225**
Provisions for uncertain tax liabilities	**179**	**6**	**185**	**187**	**8**	**195**
Tax liabilities (excluding current taxes due)	18	1,341	1,359	30	1,235	1,265
Social liabilities	24	1,250	1,274	22	1,415	1,437
Other liabilities	248	5,416	5,664	248	6,415	6,663
Deferred income	1,395	1,622	3,017	1,432	1,722	3,154
Derivatives on operating transactions of the Automotive segments	-	13	13	-	14	14
Total other liabilities	**1,685**	**9,642**	**11,327**	**1,732**	**10,801**	**12,533**
TOTAL	**1,864**	**9,869**	**11,733**	**1,921**	**11,032**	**12,953**

Other current liabilities mainly corresponds to asset payables amounting to €1,116 million, amounts payable under sales incentive programs (€1,883 million at December 31, 2020 and €2,455 million at December 31, 2019) and deferred income recorded in connection with sales contracts including a buyback commitment (€660 million at December 31, 2020 and €675 million at December 31, 2019).

Deferred income includes deferred income on Automotive service contracts such as maintenance and warranty extension contracts, and advances received under cooperation contracts with partners. This income concerns 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:

	Automotive service contracts		Cooperation contracts	
(€ million)	2020	2019*	2020	2019
Deferred income at January 1	**1,084**	**1,035**	**1,331**	**1,295**
Deferred income received during the period	556	473	223	325
Deferred income recognized in revenues during the period	(616)	(425)	(248)	(287)
Change in scope of consolidation	-	-	-	-
Translation adjustments and other changes	(13)	1	(4)	(2)
Deferred income at December 31	**1,011**	**1,084**	**1,301**	**1,331**
To be recognized in revenues – within one year	914	446	189	264
in 1 to 3 years	87	573	244	513
in 3 to 5 years	10	65	867	554

* *The figures at December 31, 2019 have been restated to include automotive service contracts of the Sales Financing segment.*

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, 2020			December 31, 2019		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Daimler shares	951	-	951	812	-	812
Other investments in non-controlled entities	46	-	46	66	-	66
Marketable securities and negotiable debt instruments	-	426	426	-	1,375	1,375
Derivatives on financing operations by the Automotive segments	95	298	393	49	216	265
Loans and other	161	457	618	145	625	770
TOTAL FINANCIAL ASSETS	**1,253**	**1,181**	**2,434**	**1,072**	**2,216**	**3,288**
Gross value	*1,255*	*1,207*	*2,462*	*1,072*	*2,221*	*3,293*
Impairment	*(2)*	*(26)*	*(28)*	-	*(5)*	*(5)*
Cash equivalents	-	10,340	10,340	-	8,375	8,375
Cash	-	11,357	11,357	-	6,607	6,607
TOTAL CASH AND CASH EQUIVALENTS	**-**	**21,697**	**21,697**	**-**	**14,982**	**14,982**

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

22 - B - Daimler shares

At December 31, 2020, investments in non-controlled entities include €951 million (€812 million at December 31, 2019) 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, 2020, the stock market price (€57.79 per share) was higher than the acquisition price (€35.52 per share) and the unrealized gain on the Daimler shares held is €366 million. The increase in fair value over the year, amounting to €138 million (compared to a €57 million increase in 2019), is recorded in other components of comprehensive income for 2020.

22 - C - Other investments in non-controlled entities

At December 31, 2020, other investments in non-controlled entities include an amount of €27 million (€43 million at December 31, 2019) paid to the Fund for the Future of the Automotive (*Fonds Avenir Automobile*). Under the support plan for automotive industry suppliers introduced by the French authorities and carmakers, the Groupe Renault has made a commitment to pay a total of €200 million to this fund as contributions are called. The outstanding amount payable by Renault at December 31, 2020 is €49 million. The fair value of these investments is determined by reference to the most recent net asset value reported by the Fund's management company, after adjustment for any relevant information that becomes known afterwards.

22 - D - 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 €670 million at December 31, 2020 (€540 million at December 31, 2019).

NOTE 23
FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

23 - A - Current/non-current breakdown

	December 31, 2020			December 31, 2019		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	245	-	245	281	-	281
Bonds	5,839	842	6,681	5,671	613	6,284
Other debts represented by a certificate	-	1,318	1,318	-	648	648
Borrowings from credit institutions	5,648	866	6,514	1,170	690	1,860
• *Russia*	*1,021*	*133*	*1,154*	*808*	*71*	*879*
• *Including AVTOVAZ*	*1,021*	*118*	*1,139*	*808*	*71*	*879*
• *Brazil*	*249*	*387*	*636*	*23*	*359*	*382*
• *France*	*4,378*	*98*	*4,476*	*340*	*158*	*498*
• *Morocco*	-	*130*	*130*	-	-	-
Lease liabilities [1]	530	119	649	622	117	739
Other financial liabilities	158	427	585	134	493	627
FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT (EXCLUDING DERIVATIVES)	**12,420**	**3,572**	**15,992**	**7,878**	**2,561**	**10,439**
Derivatives on financing operations of the Automotive segments	99	337	436	49	219	268
FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENTS	**12,519**	**3,909**	**16,428**	**7,927**	**2,780**	**10,707**
FINANCIAL LIABILITIES OF THE MOBILITY SERVICES SEGMENT	**14**	**15**	**29**	**-**	**-**	**-**
Diac redeemable shares and subordinated loans [2]	890	-	890	867	-	867
Bonds	-	17,560	17,560	-	18,825	18,825
Other debts represented by a certificate	-	4,432	4,432	-	5,114	5,114
Borrowings from credit institutions	-	4,552	4,552	-	5,480	5,480
Other interest-bearing borrowings, including lease liabilities [3]	-	20,919	20,919	-	17,954	17,954
DEBTS AND FINANCIAL LIABILITIES OF THE SALES FINANCING SEGMENT (EXCLUDING DERIVATIVES)	**890**	**47,463**	**48,353**	**867**	**47,373**	**48,240**
Derivatives on financing operations of the Sales Financing segment	-	84	84	-	92	92
DEBTS AND FINANCIAL LIABILITIES OF THE SALES FINANCING SEGMENT	**890**	**47,547**	**48,437**	**867**	**47,465**	**48,332**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**13,423**	**51,471**	**64,894**	**8,794**	**50,245**	**59,039**

(1) The financial liability recognized at December 31, 2020 in application of IAS 16 for leases analyzed in substance as purchases amounts to €86 million (€26 million at December 31, 2019).
(2) Including subordinated loans of RCI Banque, amounting to €850 million at December 31, 2020 (€850 million at December 31, 2019).
(3) Including lease liabilities of the Sales Financing segment, amounting to €45 million at December 31, 2020 (€53 million at December 31, 2019).

23 - B - Changes in Automotive financial liabilities and derivative assets on financing operations

(€ million)	December 31, 2019	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 flows	December 31, 2020
Renault SA redeemable shares	281	-	-	-	(36)	245
Bonds	6,284	410	-	(20)	7	6,681
Other debts represented by a certificate	648	687	-	(17)	-	1,318
Borrowings from credit institutions	1,860	4,762	-	(292)	184	6,514
Lease liabilities	739	(140)	5	(24)	69	649
Other financial liabilities	627	(233)	(9)	(9)	209	585
FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT (EXCLUDING DERIVATIVES)	**10,439**	**5,486**	**(4)**	**(362)**	**433**	**15,992**
Derivatives on financing operations of the Automotive segments	268	257	-	(98)	9	436
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENTS (A)	**10,707**	**5,743**	**(4)**	**(460)**	**442**	**16,428**
Derivative assets on Automotive financing operations (B)	268	106	-	(9)	28	393
NET CHANGE IN AUTOMOTIVE FINANCIAL LIABILITIES IN CONSOLIDATED CASH FLOWS BY SEGMENT (SECTION 2.2.5) (A) – (B)		**5,637**				
Financial liabilities of the Mobility Services segment	-	23	-	(3)	9	29
NET CHANGE IN AUTOMOTIVE FINANCIAL LIABILITIES IN CONSOLIDATED CASH FLOWS		**5,660**				

23 - C - Changes in financial liabilities and sales financing debts

Changes in redeemable shares of the Automotive segments

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.

Redeemable shares are stated at amortized cost, calculated by discounting the forecast interest coupons at the effective interest rate of the borrowing. At December 31, 2020, the Group revised the future interest flows on redeemable shares based on the most recent sales forecasts released on January 14, 2020 in the "Renaulution" strategic plan. The value of the redeemable shares was therefore adjusted downwards by €41 million, with recognition of corresponding income in Other financial income and expenses (see note 7). The interest of €20 million for 2020 (€20 million in 2019) is included in interest expenses.

These shares were trading at €373.65 at December 31, 2020 and (€557 at December 31, 2019). The financial liability based on the stock market value of the redeemable shares at December 31, 2020 is €298 million (€444 million at December 31, 2019).

Changes in bonds and other debts of the Automotive segments

Under its EMTN program, Renault SA issued a Eurobond on November 25, 2020 with a nominal value of €1 billion, 5.5-year maturity and a 2.375% coupon.

In 2020, Renault SA redeemed bonds for a total of €586 million.

In 2020, the AVTOVAZ group repaid financial liabilities totaling €460 million and contracted new financial liabilities totaling €1,002 million.

State-guaranteed credit facility of the Automotive segments

On June 2, 2020, the Groupe Renault opened a credit line with a pool of five banks, for the maximum amount of €5 billion covered by a French State guarantee for 90% of the amount borrowed. The main characteristics of this credit line were the following:

- the maximum total credit was €5 billion, and it could be drawn in whole or in part, on one or more times, until December 31, 2020;
- the initial maturity for each drawing was 12 months, and Renault had the option to extend the maturity by a further three years, with repayment of one-third each year;
- the interest rate on each drawing was indexed on the 12-month Euribor for the first year, then the 6-month Euribor for any extensions;
- early repayment after extension is possible for a principal amount of at least €500 million.

At December 31, 2020, €4 billion had been drawn on this credit line in three tranches: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020. The remaining €1 billion credit is no longer available.

The Group considers that this credit facility has been provided under normal market conditions, and consequently that no subsidy is to be recorded when a drawing is made on it. The borrowing is therefore recognized at its initial nominal value.

For the initial recognition of the first two drawings, the Group considered itself able to repay these drawings without using the extension option, and the credit drawn was included in current liabilities. Due to the second lockdown in France which began in late October 2020, and the possible consequences of the second wave of the COVID-19 pandemic for the Group's liquidity, the prospect of non-extension for these two drawings was revised at December 31, 2020, and this change in prospects was treated as a modification of the liability under IFRS 9 - paragraph B5.4.6. This led to an increase in the financial liability, with recognition of a corresponding financial expense of €69 million (see note 7 "Financial income (expenses)"). The third drawing was recognized from the outset on the basis that the extension option is likely to be exercised.

If extended, these credit drawings will be repayable in one-third instalments in 2022, 2023 and 2024 on the anniversary dates of the initial drawings, with the possibility of early repayment of outstanding instalments at Groupe Renault's initiative at each repayment date.

No extension option has been exercised at December 31, 2020 and the three drawings are included in non-current financial liabilities.

Changes in Sales Financing debts

In 2020, RCI Banque group issued new bonds totaling €1,586 million with maturities between 2021 and 2027, and redeemed bonds for a total of €2,639 million.

It also made three drawings during 2020 under the TLTRO III program, for the total amount of €1,750 million, maturing in 2023. Borrowings from credit institutions decreased as term loans matured.

New savings collected rose by €2,797 million during 2020 (€1,712 million of sight deposits and €1,085 million of term deposits) to €20,508 million (€14,715 million of sight deposits and €5,793 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.

Cash outflows on leases

Changes in cash relating to leases totaled €261 million in 2020 (including €170 million of repayments of lease liabilities and €91 million of cash outflows for variable rents and low-value and very short-term leases benefiting from exemptions, determined by reference to the amount of lease payments in profit and loss, which provides a good approximation (see note 5-C)).

The potential future cash outflows resulting from the exercise of extension options and contracts already signed which take effect after the 2020 year-end amount to €113 million.

Changes in financial liabilities of the Mobility Services segment

The financial liabilities of the Mobility Services segment consist of internal Group financing issued by Renault s.a.s in the form of interest-bearing loans and put options concerning minority interests.

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, 2020.

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, 2020									
	Balance sheet value	Total contractual flows	<1 yr							
(€ million)			0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
Renault SA bonds 2014	500	500	500	-	500	-	-	-	-	-
Renault SA bonds 2017	1,702	1,702	-	-	-	202	750	-	750	-
Renault SA bonds 2018	1,904	1,904	-	309	309	-	145	700	-	750
Renault SA bonds 2019	1,555	1,555	-	-	-	-	-	55	1,000	500
Renault SA bonds 2020	1,009	1,010	-	-	-	10	-	-	-	1,000
Accrued interest, expenses and premiums	11	10	18	15	33	(6)	(6)	(5)	(4)	(2)
TOTAL BONDS	**6,681**	**6,681**	**518**	**324**	**842**	**206**	**889**	**750**	**1,746**	**2,248**
Other debts represented by a certificate	1,318	1,318	526	792	1,318	-	-	-	-	-
Borrowings from credit institutions	6,514	6,470	281	540	821	1,628	1,724	1,810	487	-
• *Russia*	*1,154*	*1,154*	*20*	*113*	*133*	*7*	*280*	*246*	*488*	-
• *Including AVTOVAZ*	*1,139*	*1,139*	*5*	*113*	*118*	*7*	*280*	*246*	*488*	-
• *Brazil*	*636*	*636*	*254*	*133*	*387*	*249*	-	-	-	-
• *France*	*4,476*	*4,476*	*19*	*79*	*98*	*1,371*	*1,443*	*1,564*	-	-
• *Marocco*	*130*	*130*	-	*130*	*130*	-	-	-	-	-
Lease liabilities	649	686	40	79	119	117	68	61	54	267
Other interest-bearing borrowings	585	594	130	240	370	20	19	15	4	166
TOTAL OTHER FINANCIAL LIABILITIES	**9,066**	**9,068**	**977**	**1,651**	**2,628**	**1,765**	**1,811**	**1,886**	**545**	**433**
Future interest on bonds and other financial liabilities	-	658	24	77	101	154	140	121	90	52
Redeemable shares	245									
Derivatives on financing operations	436	436	171	166	337	73	14	12	-	-
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENTS	**16,428**	**16,843**	**1,690**	**2,218**	**3,908**	**2,198**	**2,854**	**2,769**	**2,381**	**2,733**

FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT

	December 31, 2020									
			<1 yr							
(€ million)	Balance sheet value	Total contractual flows	0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
RCI Bank bonds 2014	501	500	500	-	500	-	-	-	-	-
RCI Bank bonds 2015	759	750	-	-	-	750	-	-	-	-
RCI Bank bonds 2016	2,117	2,100	-	750	750	-	1,350	-	-	-
RCI Bank bonds 2017	5,299	5,251	-	765	765	2,736	-	1,150	600	-
RCI Bank bonds 2018	3,537	3,483	149	1,123	1,272	45	866	-	550	750
RCI Bank bonds 2019	3,674	3,641	44	145	189	439	1,423	940	-	650
RCI Bank bonds 2020	1,595	1,578	-	51	51	398	314	50	15	750
Accrued interest, expenses and premiums	78	77	35	54	89	1	(2)	(4)	(3)	(4)
TOTAL BONDS	**17,560**	**17,380**	**728**	**2,888**	**3,616**	**4,369**	**3,951**	**2,136**	**1,162**	**2,146**
Other debts represented by a certificate	4,432	4,432	775	1,465	2,240	1,617	459	77	32	7
Borrowings from credit institutions	4,552	4,552	921	826	1,747	739	1,969	79	18	-
Lease liabilities	45	45	2	6	8	7	7	7	7	9
Other interest-bearing borrowings	20,874	20,875	16,115	1,726	17,841	1,618	702	337	377	-
TOTAL OTHER FINANCIAL LIABILITIES	**29,903**	**29,904**	**17,813**	**4,023**	**21,836**	**3,981**	**3,137**	**500**	**434**	**16**
Future interest on bonds and other financial liabilities		692	33	122	155	224	127	88	50	48
Diac redeemable shares and subordinated debts	890									
Derivatives on financing operations	84	25	1	8	9	15	-	-	1	-
TOTAL DEBTS AND FINANCIAL LIABILITIES OF THE SALES FINANCING SEGMENT	**48,437**	**48,001**	**18,575**	**7,041**	**25,616**	**8,589**	**7,215**	**2,724**	**1,647**	**2,210**

FINANCIAL LIABILITIES AND DEBTS OF THE MOBILITY SERVICES SEGMENT

	December 31, 2020							
			<1 yr					
(€ million)	Balance sheet value	Total contractual flows	0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs
Other interest-bearing	28	28	15	-	15	-	-	13
Total other financial liabilities	**28**	**28**	**15**	**-**	**15**	**-**	**-**	**13**
Derivatives on financing operations	1	1	-	-	-	-	-	1
TOTAL FINANCIAL LIABILITIES OF THE MOBILITY SERVICES SEGMENT	**29**	**29**	**15**	**-**	**15**	**-**	**-**	**14**

23 - E - Financing by assignment of receivables and reverse factoring

Automotive segments 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, 2020		December 31, 2019	
(€ 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)	1,467	-	1,805	-
AVTOVAZ	2	-	5	-
TOTAL ASSIGNED	**1,469**	**-**	**1,810**	**-**

The total amount of tax receivables assigned and derecognized in 2020 is €214 million, comprising €165 million of CIR receivables and €49 million of VAT receivables (€324 million of CIR receivables, €54 million of CICE receivables and €60 million of VAT receivables in 2019).

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit), 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, 2020.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in note 2-P.

The Automotive segments assign their dealership receivables to the Sales financing segment. The total dealership receivables transferred to the Sales financing segment principally concerns the Groupe Renault. The amounts are presented in note 15-D.

Automotive segments financing by reverse factoring programs

The accounting treatment for these programs is described in note 2-P Assignment of receivables and reverse factoring.

At December 31, 2020, reverse-factoring programs concerned €26 million of financial liabilities (€44 million at December 31, 2019).

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 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 2020, no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

		December 31, 2020						
		Balance sheet value						
FINANCIAL ASSETS AND OTHER ASSETS *(€ million)*	*Notes*	Total	Fair value through profit and loss	Fair value through equity	Amortized cost	Equity instruments valued under the applicable standard	Fair value of financial assets at amortized cost	Fair value level of financial assets at fair value
Sales Financing receivables	*15*	40,820	-	-	40,820		40,645 (1)	3
Automotive customer receivables	*16*	910	-	-	910		(2)	
Tax receivables (including current taxes due)	*17*	1,951	-	-	1,951		(2)	
Other receivables and prepaid expenses	*17*	2,680	-	-	2,680		(2)	
Derivatives on operating transactions of the Automotive segments	*17*	31	8	23	-			2
Derivatives on financing operations of the Sales Financing segment	*17*	230	196	34	-			2
Investments in unconsolidated controlled entities	*17*	91			-	91		
Daimler shares	*22*	951		951				1
Other investments in non-controlled entities	*22*	46	46		-			3
Marketable securities and negotiable debt instruments	*22*	426	94	332	-			1
Derivatives on financing operations of the Automotive segments	*22*	393	393	-	-			2
Loans and other	*22*	618	-	-	618		(2)	3
Cash and cash equivalents	*22*	21,697	8,709	380	12,608		(2)	1 & 3
TOTAL FINANCIAL ASSETS AND OTHER ASSETS		**70,844**	**9,446**	**1,720**	**59,587**	**91**		

(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.

		December 31, 2020					
		Balance sheet value					
FINANCIAL LIABILITIES OTHER LIABILITIES *(€ million)*	*Notes*	Total	Fair value through profit and loss	Fair value through equity	Amortized cost	Fair value of financial liabilities at amortized cost	Fair value level of financial liabilities at fair value
Tax liabilities (including current taxes due)	21	1,580			1,580	(1)	
Social liabilities	21	1,274			1,274	(1)	
Other liabilities and deferred income	21	8,681			8,681	(1)	
Trade payables	21	8,277			8,277	(1)	
Derivatives on financing operations of the Automotive segments	21	13	-	13			2
Renault redeemable shares	23	245			245	298 (2)	
Diac redeemable shares	23	14	14				1
Subordinated debts	23	876			876	876 (3)	
Bonds	23	24,241			24,241	24,241 (3)	
Other debts represented by a certificate	23	5,750			5,750	5,750 (3)	
Borrowings from credit institutions	23	11,066			11,066	11,066 (3)	
Lease liabilities in application of IFRS 16	23	694			694	694 (3)	
Other interest-bearing and non-interest-bearing borrowings	23	21,488			21,488	21,488 (3)	
Derivatives on financing operations of the Automotive segments	23	436	436	-			2
Derivatives on financing operations of the Sales Financing segment	23	84	12	72			2
TOTAL FINANCIAL LIABILITIES AND OTHER LIABILITIES		84,719	462	85	84,172		

(1) 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.
(2) The fair value of Renault and Diac redeemable shares is identical to the stock market price.
(3) The fair value of the Automotive 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, 2020 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.

24 - B - Changes in Level 3 financial instruments

Level 3 financial instruments mainly correspond to investments in non-controlled entities (€46 million at December 31, 2020 and €66 million at December 31, 2019). 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

	Financial instruments other than derivatives				
(€ million)	Instruments measured at fair value through profit and loss	Instruments measured at fair value through equity	Instruments measured at amortized cost*	Derivatives	Total impact on net income
Operating margin	(1)	(1)	(169)	11	(160)
Net financial income (expenses)	(43)	15	(374)	8	(394)
Impact on net income – Automotive segments	**(44)**	**14**	**(544)**	**19**	**(554)**
Operating margin	1	7	320	56	385
Impact on net income – Sales Financing segment	**1**	**7**	**320**	**56**	**385**
TOTAL GAINS (LOSSES) WITH IMPACT ON NET INCOME	**(43)**	**21**	**(223)**	**75**	**(169)**

* *Including financial liabilities subject to fair value hedges.*

For the Automotive 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)	December 31, 2020	December 31, 2019
Change in fair value of the hedging instrument	51	74
Change in fair value of the hedged item	(49)	(80)
Net impact on net income of fair value hedges	**2**	**(6)**

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 and hedged notional values

The fair value of derivatives of the Automotive segments corresponds to their balance sheet value:

December 31, 2020 *(€ million)*	Balance sheet value			Financial commitment		
	Assets	Liabilities	Nominal	< 1 yr	1 to 5 yrs	> 5 yrs
Cash flow hedges	6	12	1,243	1,243	-	-
Derivatives not qualified as hedging instruments	364	393	28,982	26,544	2,438	-
TOTAL FOREIGN EXCHANGE RISK	**370**	**405**	**30,225**	**27,787**	**2,438**	**-**
Derivatives not qualified as hedging instruments	37	43	3,323	585	2,722	16
TOTAL INTEREST RATE RISK	**37**	**43**	**3,323**	**585**	**2,722**	**16**
Cash flow hedges	17	1	210	176	34	-
TOTAL COMMODITY RISK	**17**	**1**	**210**	**176**	**34**	**-**
TOTAL AUTOMOTIVE	**424**	**449**	**33,759**	**28,548**	**5,194**	**16**

The fair value of derivatives of the Sales Financing segment corresponds to their balance sheet value:

December 31, 2020 *(€ million)*	Balance sheet value			Financial commitment		
	Assets	Liabilities	Nominal	< 1 yr	1 to 5 yrs	> 5 yrs
Derivatives not qualified as hedging instruments	9	8	1,024	802	222	-
TOTAL FOREIGN EXCHANGE RISK	**9**	**8**	**1,024**	**802**	**222**	**-**
Cash flow hedges	7	72	10,182	2,888	7,294	-
Fair value hedges	211	-	8,524	1,332	5,042	2,150
Derivatives not qualified as hedging instruments	3	4	3,415	2,945	470	-
TOTAL INTEREST RATE RISK	**221**	**76**	**22,121**	**7,165**	**12,806**	**2,150**
TOTAL SALES FINANCING	**230**	**84**	**23,145**	**7,967**	**13,028**	**2,150**

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, 2020 *(€ 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	393	(26)	-	-	367
Derivatives on financing operations of the Sales Financing segment	230	-	-	-	230
Sales Financing receivables dealer*	193	-	(110)	-	83
TOTAL ASSETS	**816**	**(26)**	**(110)**	**-**	**680**
Liabilities					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	436	(332)	-	-	104
Derivatives on financing operations of the Sales Financing segment	84	(26)	-	-	58
TOTAL LIABILITIES	**520**	**(358)**	**-**	**-**	**162**

* *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

The Group is exposed to the following financial risks:

- liquidity risk;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- bank counterparty risk and credit risk on customer and dealer financing.

Risk management differs depending on the operating segment. The risks described below concern the Automotive segments, (considering AVTOVAZ separately in certain cases), and the Sales Financing segment. The Mobility Services segment does not have any specific financial risks since it is financed by the Automotive segments.

B1 Liquidity risk

The Group must have sufficient financial resources to finance its automotive and sales financing businesses, and the investments necessary for their growth. To ensure this is the case, the Automotive and Sales Financing segments borrow on the capital and banking markets to refinance their gross debt and guarantee liquidity. This exposes them to liquidity risks if markets are closed for long periods or credit is hard to access. The Automotive and Sales Financing segments are also credit-rated by several agencies. Any downgrading of external credit ratings could limit and/or increase the cost of their access to the capital markets.

LIQUIDITY RISKS – AUTOMOTIVE SEGMENTS

The **Automotive** segment's liquidity risk is managed by the Financing and Treasury department. It is founded on an internal model that defines the level of the liquidity reserve the Automotive segments must maintain to finance their operations and development. The liquidity reserve is closely monitored by a monthly review and reporting that is validated by the Chief Financial Officer. Monitoring and management of the liquidity reserve level were reinforced in view of the COVID-19 pandemic.

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 bank financing. Renault SA has several debt programs at December 31, 2020:

- an EMTN Bond program with a €7 billion ceiling. This program has been registered with the AMF;
- a Shelf Registration bond on the Japanese market with a JPY200 billion ceiling. This program has been registered with the Japanese stock market authorities (Kanto Local Finance Buro);
- a NEU CP program with a €2.5 billion ceiling. This program has been registered with the Bank of France.

Renault SA and its debt programs are credit-rated by several agencies. In 2020, in the context of the COVID-19 pandemic, Renault SA's rating was downgraded by S&P on April 9 to BB+ with a negative outlook and by Moody's on May 28 to Ba2 with a negative outlook. The Japanese agencies E&I and JCR also downgraded Renault SA's credit outlook from stable to negative on August 3 and October 5 respectively.

In 2020, to cover its liquidity requirements in the context of the COVID-19 pandemic, Renault SA arranged the following financing:

- a €5 billion bank credit line guaranteed by the French government (in June 2020). €4 billion of this credit had been drawn at December 31, 2020 (see note 23-C);
- a new Eurobond issue under its ETMN program, with nominal value of €1 billion, 5.5-year maturity and a coupon of 2.375% (in November 2020).

Renault SA also has confirmed credit lines opened with banks worth €3,430 million at December 31, 2020 (€3,480 million at December 31, 2019). These credit lines mature in more than one year and were undrawn at December 31, 2020 (and 2019). They form a liquidity reserve for the Automotive segments. The maturities of the Automotive segment's financial liabilities at December 31, 2020 are presented in note 23-D.

The contractual documentation for Renault SA's confirmed credit arrangements, bank loans and market financing 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. Certain types of financing, particularly market financing, contain standard clauses (*pari passu*, negative pledge and cross-default clauses).

AVTOVAZ also uses local bank credit for refinancing. Its credit lines total €1,139 million at December 31, 2020, of which €1,021 million mature in more than one year. AVTOVAZ decides to make drawings on the basis of cash forecasts. The maturities of AVTOVAZ financial liabilities at December 31, 2020 are presented in note 23-D. These financial liabilities contain no covenant that would lead to accelerated repayment if certain financial ratios are not respected. AVTOVAZ also uses reverse-factoring arrangements (see note 23-E).

At December 31, 2020, the **Automotive** segments have a liquidity reserve of €16.4 billion, sufficient to cover their commitments over a 12-month horizon. This reserve consists of €12.95 billion of cash and cash equivalents, and €3.43 billion of unused confirmed credit lines.

LIQUIDITY RISKS – SALES FINANCING SEGMENT

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 management follows the recommendations of the European Banking Authority. It uses several indicators and analyses (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 deposit leakage, loss of access to new financing, partial unavailability of certain elements of the liquidity reserve and forecasts for issuance of new credit.

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.

There was only a modest degree of market financing during 2020, and the Company was not seriously affected by the rise in the cost of financing. This situation arose because bond redemptions were lower in 2020 than in previous years (refinancing of the TLTRO II was launched early in 2016), and due to a slowdown in automotive sales that reduced the volume of new credit.

Savings deposits collected from private customers increased by €2.8 billion from 2019 to €20.5 billion or 43% of net assets at December 31, 2020.

On the secured refinancing segment, the revolving periods for private securitizations of automotive loans in the United Kingdom and leasing in Germany were extended for a further year. The French subsidiary undertook its first securitization of vehicle leases with a purchase option amounting to €991.5 million: €950 million of senior instruments (of which €200 million were self-subscribed) and €41.5 million of subordinated instruments.

RCI issued a 7-year fixed-rate bond of €750 million in January.

With these resources, as well as available securities in Europe for €16.6 billion, comprising €4.5 billion of undrawn confirmed credit lines with banks, €4.5 billion of collateral eligible for the European Central Bank's monetary policy operations, €7.4 billion of highly liquid assets (HQLA), and €0.3 billion of financial assets, RCI Banque is able to maintain its customer financing for more than 12 months without access to external liquidities.

The RCI Banque group's issues and programs are credit-rated by several agencies. Details of the ratings are provided in the "Liquidity Risks" chapter of the "Risk Factors" section in the Universal registration document. In the current context, in the case of Moody's and Standard & Poor's, any ratings downgrade for Automotive liabilities would entail a ratings downgrade for RCI Banque liabilities.

B2 Foreign exchange risk

The Group made no major changes to its foreign exchange risk management policy in 2020.

The Group's exposure to foreign exchange risk principally concerns the **Automotive** segments.

FOREIGN EXCHANGE RISKS – AUTOMOTIVE SEGMENTS

In the **Automotive** segments, fluctuations in exchange rates can affect the following six financial aggregates: operating income (loss), working capital, financial income (expenses), share in in net income (loss) of associates and joint ventures, shareholders' equity and net cash position.

Renault SA's Financing and Treasury department manages the foreign exchange risk for the **Automotive (excluding AVTOVAZ)** segment.

The Finance department of **AVTOVAZ** manages the foreign exchange risk in a very similar way to the Automotive (excluding AVTOVAZ) segment. It identifies, measures and manages the foreign exchange risk by analyzing the net position in each currency. At December 31, 2020 the great majority of cash surpluses and bank debt of AVTOVAZ is denominated in Russian roubles, and no foreign exchange hedging was conducted in 2020.

Operating income and working capital

It is the Automotive segment's policy not to hedge future operating cash flows in foreign currencies, although exceptions may be made. Foreign exchange hedges on operating and working capital items require formal authorization from the Finance department or Senior Management, and the results of these hedges are then reported to the Senior Management. In such cases foreign, and when it is possible, exchange operations are mainly undertaken by the subsidiary Renault Finance for currencies that are negotiable on the international markets.

The principal exposure to foreign exchange risks lies in the operating income (loss). At December 31, 2020 based on the 2020 structure of operating results and cash flows, a 1% rise in the euro against all other currencies would have an unfavorable impact of €24 million on the Automotive segment's annual operating income (loss) after any hedging.

The principal exposure in 2020 concerned the pound sterling, with sensitivity of approximately €9 million in the event of a 1% rise in the euro against the pound sterling. The 10 largest exposures in absolute value and their sensitivities are presented below in millions of euros:

Currency		Annual net operating flows *(€ million)*	Impact of a 1% rise in the euro
Pound sterling	GBP	954	(9)
Russian rouble	RUB	858	(8)
Polish zloty	PLN	675	(7)
Swiss franc	CHF	378	(4)
Argentinian peso	ARS	340	(3)
Indian rupee	INR	(244)	2
Japanese yen	JPY	(330)	3
Korean won	KRW	(336)	3
US dollar	USD	(394)	4
Romanian leu	RON	(688)	7

In 2020, to limit the foreign exchange risk exposure of its net operating income and working capital, the Automotive (excluding AVTOVAZ) segment set up foreign exchange hedges of the pound sterling, Argentinian peso and Turkish lira.

Financial income (expenses)

To avoid any exchange-related distortion of net financial income, it is the Automotive segment's policy to minimize the foreign exchange risk affecting financing and investment items in foreign currencies.

All Automotive (excluding AVTOVAZ) segment's exposures to foreign exchange risks on financial income and expense 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. 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, so that it cannot have a significant impact on Renault's consolidated results.

Share in the net income of associates and joint ventures

The share in the net income of associates and joint ventures is exposed to foreign exchange risks. On the basis of its contribution to 2020 net income, a 1% rise in the euro against the Japanese yen would have decreased Nissan's contribution by €49 million. This impact corresponds only to the impact of the euro on the translation 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 varying levels of business in the euro zone and Renault has no control over this.

Equity investments

The foreign exchange risk exposure of equity investments (in currencies other than the euro) is not generally hedged. However, due to its size, the investment in Nissan is subject to a partial foreign exchange hedge amounting to ¥18 billion at December 31, 2020 (note 12-G). To limit liquidity risks in yen, the Group has set itself the rule of not hedging this net investment above an amount equal to its best estimate of the next three years' dividends in yen to be received from Nissan.

Net cash position

For the purposes of the partial hedge of the investment in Nissan, some of Renault's net financial indebtedness is denominated in yen. At December 31, 2020 a 1% rise in the euro against the yen would increase the net cash position of the Automotive segments by €1.4 million. This net cash position may also be impacted by changes in exchange rates concerning subsidiaries' financial assets and liabilities in their local currency.

Analysis of financial instrument sensitivity to foreign exchange risks

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 cover 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 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** segment, this impact would be a favorable €6 million at December 31, 2020 (€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 pounds sterling in 2020.

The impact on net income of a 1% rise in the euro against other currencies would be an unfavourable impact of €14 million at December 31, 2020 (€7 million at December 31, 2019 excluding AVTOVAZ), mainly attributable to unhedged operating assets and liabilities denominated in a currency that is not the functional currency of the entity that holds them.

Foreign exchange risk – Sales Financing segment

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 and temporal positions in foreign currencies related to the time differences in cash flows 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, 2020 the RCI Banque group's consolidated foreign exchange position reached €5.8 million.

The United Kingdom's departure from the European Union did not lead to the recognition of any provisions by the RCI Banque group at December 31, 2020. In preparation for the consequences of Brexit, all the activities of RCI bank UK branch were transferred on March 14, 2019 to a new entity, RCI Bank UK PLC, a credit institution that is a fully-owned subsidiary of RCI Holding. No further operation was necessary in 2020.

B3 Interest rate risks

The Group made no major changes to its interest rate risk management policy in 2020. The Group's exposure to interest rate risk principally concerns the Sales Financing segment.

INTEREST RATE RISK – AUTOMOTIVE SEGMENTS

The Automotive segment's net financial income is exposed to a risk of variations in market interest rates affecting its cash surpluses and financial liabilities, and to a lesser degree its shareholders' equity.

The interest rate risk management policy applies the following principles:

- liquidity reserves are generally established using floating-rate financing: the Automotive segments 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 by the Automotive (excluding AVTOVAZ) segment 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;
- AVTOVAZ cash surpluses and bank debts principally bear floating-rate interest. In 2020, AVTOVAZ did not set up any hedging instruments for its financial liabilities. The Finance department of AVTOVAZ closely monitors interest rate movements in Russia, and if rates rise it will take steps to reduce the impact on the net financial income, by increasing the proportion of fixed-rate debt as it refinances its portfolio.

The ratio of liquidity reserve hedging by floating-rate debts is monitored monthly. 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 financing in yen undertaken as part of the partial hedge of the investment in 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 RISK – SALES FINANCING SEGMENT

The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin. RCI Banque's operating results may be affected by movements in market interest rates or interest rates applicable to customer deposits. 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.

A daily sensitivity calculation by currency, management entity, and asset portfolio is used to ensure that each entity respects its assigned limits. All RCI Banque entities use the same method for this assessment of interest rate sensitivity, which measures the impact of a 100 base point increase in interest rates on the value of balance sheet items for each entity. Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries) for the purpose of 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 seventy-two 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 swaps;
- the main activity of the Sales Financing segment's central refinancing office is refinancing the segment's sales 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 limit set by the Group (€32 million). These macro-hedging transactions concern floating-rate resources and/or fixed-rate resources converted to floating-rate resources by micro-hedging of swaps.

ANALYSIS OF GROUP FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS

The Automotive 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 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 segments**, the impact on net income of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a favorable €91.3 million. Shareholders' equity would be unaffected.

For the **Sales Financing segment**, the overall sensitivity to interest rate risks in 2020 remained below the limit set by the RCI Banque group (€50 million at December 31, 2020). At December 31, 2020, a 100 base point rise in interest rates would have the following impacts on net income and shareholders' equity (before taxes):

- +€4.3 million for items denominated in euros;
- +€0.6 million for items denominated in Korean won;
- +€0.5 million for items denominated in Swiss francs;
- +€0.2 million for items denominated in Czech korunas;
- -€0.6 million for items denominated in Brazilian real;
- -€0.3 million for items denominated in pounds sterling;
- -€0.1 million for items denominated in Polish zloty.

The sum of the absolute sensitivities in each currency amounts to €9.4 million.

04

FIXED RATE/FLOATING RATE BREAKDOWN OF THE GROUP'S FINANCIAL ASSETS, AFTER THE EFFECT OF DERIVATIVES

	December 31, 2020					December 31, 2019			
(€ million)	Total	Automotive excluding AVTOVAZ	AVTOVAZ	Mobility Services	Sales Financing	Total	Automotive excluding AVTOVAZ	AVTOVAZ	Sales Financing
Financial assets before hedging: fixed rate (a)	1,468	525	-	-	943	2,015	67	-	1,948
Financial assets before hedging: floating rate (a')	21,273	11,962	558	15	8,738	15,112	12,278	72	2,762
Financial assets before hedging	**22,741**	**12,487**	**558**	**15**	**9,681**	**17,127**	**12,345**	**72**	**4,710**
Hedges: floating rate/fixed (b)	-	-	-	-	-	-	-	-	-
Hedges: fixed rate/floating (b')	-	-	-	-	-	-	-	-	-
Hedges	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets after hedging: fixed rate (a+b-b')	1,468	525	-	-	943	2,015	67	-	1,948
Financial assets after hedging: floating rate (a'+b'-b)	21,273	11,962	558	15	8,738	15,112	12,278	72	2,762
Financial assets after hedging	**22,741**	**12,487**	**558**	**15**	**9,681**	**17,127**	**12,345**	**72**	**4,710**

FIXED RATE/FLOATING RATE BREAKDOWN OF THE GROUP'S FINANCIAL LIABILITIES, AFTER THE EFFECT OF DERIVATIVES

	December 31, 2020					December 31, 2019			
(€ million)	Total	Automotive excluding AVTOVAZ	AVTOVAZ	Mobility Services	Sales Financing	Total	Automotive excluding AVTOVAZ	AVTOVAZ	Sales Financing
Financial liabilities before hedging: fixed rate (a)	34,580	12,204	251	18	22,107	34,979	7,604	328	27,047
Financial liabilities before hedging: floating rate (a')	28,659	2,377	915	11	25,356	22,552	1,643	583	20,326
Financial liabilities before hedging	**63,239**	**14,581**	**1,166**	**29**	**47,463**	**57,531**	**9,247**	**911**	**47,373**
Hedges: floating rate/fixed (b)	10,302	-	-	-	10,302	8,631	95	-	8,536
Hedges: fixed rate/floating (b')	8,583	164	-	-	8,419	8,758	426	-	8,332
Hedges	**18,885**	**164**	**-**	**-**	**18,721**	**17,389**	**521**	**-**	**16,868**
Financial liabilities after hedging: fixed rate (a+b-b')	36,299	12,040	251	18	23,990	34,852	7,273	328	27,251
Financial liabilities after hedging: floating rate (a'+b'-b)	26,940	2,541	915	11	23,473	22,679	1,974	583	20,122
Financial liabilities after hedging	**63,239**	**14,581**	**1,166**	**29**	**47,463**	**57,531**	**9,247**	**911**	**47,373**

B4 Equity risk

The Group's exposure to equity risk essentially concerns the Daimler shares acquired in connection with cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge these risks.

The Group made no major changes to its equity risk management policy in 2020.

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 unfavorable impact of €95 million on shareholders' equity. The impact on net income is not significant at December 31, 2020.

B5 Commodity risk

MANAGEMENT OF COMMODITY RISK

Commodity purchase prices can change suddenly and significantly and cannot necessarily be passed on through 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 2020, Renault undertook hedging operations on base metals and precious metals, within the limits validated by the CEO of Renault SA for a temporary period.

The operations in progress at December 31, 2020 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 €21 million in other components of comprehensive income at December 31, 2020.

B6 Customer credit risk and bank counterparty risk

CUSTOMER CREDIT RISK ON AUTOMOTIVE RECEIVABLES

The Automotive (excluding AVTOVAZ) 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.

AVTOVAZ trades only with recognized, creditworthy third parties. All future customers requiring credit facilities are subject to credit verification procedures. In addition, receivables 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.

CREDIT RISK ON CUSTOMERS, DEALERS AND COMMITMENTS GIVEN BY THE SALES FINANCING SEGMENT

The Sales Financing segment is exposed to customer and dealer credit risk when risk management techniques are insufficient for protection against default on payment by its counterparties.

Credit risk is the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the bank. Credit risk is closely linked to macro-economic factors including the unemployment rate, corporate bankruptcies, debt servicing costs, revenue growth, disposable household income, dealership profitability and the price of used vehicles. It has a significant impact on the Sales Financing segment's business.

The level of credit risk on the dealership network is influenced by the dealers' financial health, the quality of guarantees, and the general demand for vehicles.

RCI Banque uses advanced scoring systems and external databases to evaluate the quality of loans made to retail and business customers. It also uses an internal rating system to evaluate lending to dealers. Although RCI Banque is constantly adjusting its acceptance policy in response to market conditions, any increase in credit risk would increase its cost of risk and its provisions for bad debt. RCI Banque has detailed procedures to recover receivables that are compromised or in default, arranging repossessions and sales of unpaid vehicles. However, there can be no guarantee that the policies of issuing credit, monitoring credit risk, payment recovery action, and repossession of vehicles are, or will be, sufficient to avoid an unfavorable impact on its financial results and position.

An increase in credit risk would increase the cost of risk and provisions for bad debt, with a direct impact on RCI's financial results and potentially on its internal capital.

BANK COUNTERPARTY RISK

Due to its operations on the financial and banking markets to invest cash surpluses, manage foreign exchange risks and interest risks, and manage payment flows, the Group is exposed to a bank counterparty risk.

This bank counterparty risk affecting Group entities is managed by both the Automotive and Sales Financing segments in a fully coordinated approach. It is founded on 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 a bank counterparty risk.

Group companies which, due to the nature of their business, are significantly exposed to a bank counterparty risk are monitored daily to ensure that they comply with authorized counterparty limits, 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.

To reduce the bank counterparty risk, 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 bank counterparty were recorded in 2020.

IMPAIRMENT AND PROVISIONS ESTABLISHED TO COVER COUNTERPARTY RISKS

(€ million)	*Notes*	December 31, 2019	Impairment	Reversals: For application	Reversals: Of unused residual amounts	Other	December 31, 2020
Impairment of Sales Financing receivables	15	(848)	(707)	299	154	38	(1,064)
Impairment of financing for end-customers	*15*	*(747)*	*(634)*	*262*	*134*	*34*	*(951)*
Impairment of dealership financing	*15*	*(101)*	*(73)*	*37*	*20*	*4*	*(113)*
Impairment of Automotive receivables*	16	(815)	(120)	6	24	7	(898)
Impairment of other receivables	17	(339)	96	-	-	28	(215)
Impairment of other financial assets	22	(5)	(23)	-	-	-	(28)
Provisions (commitments given)	20	6	18	(1)	(10)	-	13
TOTAL COVERAGE OF COUNTERPARTY RISKS		**(2,001)**	**(736)**	**304**	**168**	**73**	**(2,192)**

* *Including €678 million of commercial receivables related to Iran at December 31, 2020 (€678 million at December 31, 2019).*

04

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)	2020	2019
Net allocation to provisions	353	(115)
Net effects of Sales Financing credit losses	255	67
Net (gain) loss on asset disposals	64	23
Change in fair value of other financial instruments	58	33
Net financial indebtedness	337	311
Deferred taxes	114	828
Current taxes	306	626
Other	26	164
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH BEFORE INTEREST AND TAX	**1,513**	**1,937**

26 - B - Change in working capital before tax

(€ million)	2020	2019
Decrease (increase) in net inventories	(112)	165
Decrease (increase) in net receivables	338	390
Decrease (increase) in other assets	212	155
Increase (decrease) in trade payables	(908)	(161)
Increase (decrease) in other liabilities	(722)	665
INCREASE (DECREASE) IN WORKING CAPITAL BEFORE TAX	**(1,192)**	**1,214**

26 - C - Capital expenditure

(€ million)	2020	2019
Purchases of intangible assets	(1,500)	(2,086)
Purchases of property, plant and equipment (other than assets leased to customers)	(2,508)	(3,035)
TOTAL PURCHASES FOR THE PERIOD	**(4,008)**	**(5,121)**
Deferred payments	(200)	99
TOTAL CAPITAL EXPENDITURE	**(4,208)**	**(5,022)**

NOTE 27
RELATED PARTIES

27 - A - Remuneration of directors and executives and Executive Committee members

The table below reports the remuneration paid to the Chairman of the Board of Directors, the Chief Executive Officer and the interim Chief Executive Officer (2020), Directors and Executives and members of the Group Executive Committee, which became the Board of Management on January 1, 2021. Amounts are allocated pro rata to expenses of the periods in which the functions were occupied.

(€ million)	2020	2019	2018
Basic salary	6.5	6.0	5.5
Variable remuneration	7.4	4.6	7.4
Employer's social security charges	12.1	8.6	11.1
Complementary pension and retirement indemnities	2.1	1.1	9.5
Agreed indemnities	9.4	7.8	-
Other components of remuneration	0.2	0.2	0.5
TOTAL REMUNERATION EXCLUDING THE IMPACT OF THE SETTLEMENT IN 2019 OF THE SUPPLEMENTARY PENSION PLAN AND STOCK OPTION AND PERFORMANCE SHARE PLANS	**37.7**	**28.3**	**34.0**
Stock-options, performance shares and other share-based payments	3.6	11.3	16.1
TOTAL EXCLUDING THE IMPACT OF THE LIQUIDATION IN 2019 OF THE SUPPLEMENTARY PENSION SCHEME	**41.3**	**39.6**	**50.1**
Impact of the settlement in 2019 of the supplementary pension plan	-	(30.1)	N/A
TOTAL COMPENSATION OF THE CHAIRMAN AND MEMBERS OF THE EXECUTIVE COMMITTEE	**41.3**	**9.5**	**50.1**

The maximum Directors' fees amounted to €1.5 million in 2020 (€1.5 million in 2019)

In 2019, the collective supplementary defined-benefit pension plan set up for members of the Group's Executive Committee was terminated. The accounting effects of its settlement are presented on a specific line of the table above in order to facilitate cross-period comparisons.

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 €259 million in 2020 (€257 million in 2019), an automotive receivable of €72 million, a sales financing receivable of €282 million and a financing commitment of €40 million at December 31, 2020 (respectively €53 million, €403 million and €26 million at December 31, 2019).

In 2020, the Group benefited from a State-guaranteed credit facility, issued by a pool of banks as described in note 23-C.

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 is Renault-Nissan Global Management, which manages Renault's expatriates.

In 2020, the Groupe Renault's expenses with this company amounted to approximately €185 million (€255 million in 2019).

In the Group's financial position at December 31, 2020, the balances of transactions between Renault-Nissan Global Management and the Groupe Renault consist mainly of operating receivables amounting to €116 million (€120 million at December 31, 2019) and operating payables amounting to €61 million (€59 million at December 31, 2019).

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 automotive 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)	2020	2019
Financing commitments in favour of customers (1)	2,437	2,583
Firm investment orders	984	1,572
Assets pledged, provided as guarantees or mortgaged	4	2
Sureties, endorsements and guarantees given and other commitments (2)	970	696

(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 of a maximum amount of €2,328 million at December 31, 2020 (€2,488 million at December 31, 2019).
(2) Other commitments notably include guarantees granted to administrations, share subscription commitments, and lease commitments relating 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.

RESA (Renault España SA) was notified of a tax reassessment for transfer prices, amounting to €212 million at December 31, 2020, which the Groupe Renault is contesting. A procedure for amicable settlement between France and Spain will be started in 2021. No provision has been recognized in connection with this notification, since Renault considers that it has good chances of winning its case. A deposit of €135 million was paid to the Spanish tax authorities in December 2020, recognized in non-current financial assets and presented in cash flows from investing activities (under Decrease (Increase) in loans of the Automotive segments) in the consolidated cash flow statement. Another payment, of €77 million, is due to be made during the first quarter of 2021 and will be recognized in the same way.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2020, the Group had not identified any significant risk in connection with these operations.

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, 2020 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 – AGCM) fined RCI Banque €125 million, with Renault SA jointly liable for payment of the fine. The Group is contesting the grounds for this fine and has appealed 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. On April 3, 2019 Renault's application for suspension of the payment was accepted, with arrangement of a bank guarantee. On October 21, 2020 the court cancelled the AGCM's decision in its entirety, and the AGCM filed an appeal against that ruling on December 23, 2020. No provision was recognized in connection with this matter at December 31, 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, 2020 nor December 31, 2019.

In the proceedings concerning the request for a preliminary ruling regarding another carmaker, the Court of Justice of the European Union (CJEU) issued its interpretative judgment on December 17, 2020. This ruling is binding for national laws. The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at December 31, 2020.

Group companies are subject to the applicable regulations regarding CO_2 emissions, principally in the European Union, but also in China, Switzerland, South Korea. Renault confirmed in a press release of January 4, 2021 that it had achieved its 2020 CAFE (Corporate Average Fuel Economy) targets for passenger vehicles and light commercial vehicles, subject to validation by the European Commission in the coming months.

Approximately 70% of the Group's sales are subject to this type of regulation. Achievement of the European CAFE target of 95g CO_2/km in 2020 was confirmed for all new vehicles registered in 2020, even though the average CO_2 emissions of vehicles registered in the first half of the year was above the 95g threshold.

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and ground water. 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)	2020	2019
Sureties, endorsements and guarantees received	2,949	2,671
Assets pledged or mortgaged (1)	2,749	3,790
Buyback commitments (2)	5,452	4,832
Other commitments	44	43

(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 €2,708 million at December 31, 2020 (€3,727 million at December 31, 2019). In addition, AVTOVAZ received €14 million in real estate property rights and ownership rights as guarantees of loans, and €26 million in rights to vehicles as guarantees of customer receivables (€13 million and €49 million respectively at December 31, 2019).
(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 25-B1.

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 7.3.1. of the 2020 Universal registration document.

NOTE 30
SUBSEQUENT EVENTS

Following its approval by the Board of Directors, on January 14, 2021, Luca de Meo, CEO of the Groupe Renault, presented "Renaulution", a new strategic plan which aims to shift the Groupe Renault's strategy from the pursuit of volume to the creation of value, through three phases launched in parallel:

- the "Resurrection" phase, running until 2023, will focus on margin recovery and cash generation;
- the "Renovation" phase, running until 2025, will bring renewal and enrichment to the ranges, contributing to brand profitability;
- the "Revolution" phase, which will start in 2025, will switch the Group's business model to technology, energy and mobility, making the Groupe Renault a frontrunner in the value chain of new mobilities.

NOTE 31
CONSOLIDATED COMPANIES
31 - A - Fully consolidated companies (subsidiaries)

Groupe Renault's interest *(%)*	Country	December 31, 2020	December 31, 2019
Renault SA	**France**	**Consolidating company**	**Consolidating company**
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
France			
Renault s.a.s	France	100	100
ACI Le Mans	France	100	100
ACI Villeurbanne	France	100	100
Renault Média Ventures [(2)]	France	-	100
Carizy	France	98	96
Fonderie de Bretagne	France	100	100
Ingénierie de la Division des Véhicules Électriques (I-DVE)	France	100	100
Ingénierie de la Division des Véhicules Utilitaires	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Developpement Industr. et Commercial (RDIC)	France	100	100
Renault Environnement	France	100	100
Renault Mobility As an Industry [(4)]	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	France	100	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 – SAA	France	100	100
Société de Transmissions Automatiques (STA)	France	100	100
Société de Véhicules Automobiles de Bastilly (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
Societe immobiliere 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
Renault SW Labs [(1)]	France	100	-
Europe			
Renault Deutschland AG and subsidiaries	Germany	100	100
Renault Osterreich 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, 2020	December 31, 2019
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Companhia Aveirense de Componentes Para a Industria Automovel SA (CACIA)	Portugal	100	100
Renault Portuguesa and subsidiary	Portugal	100	100
Renault Ceska Republica	Czech Republic	100	100
Grigny UK Ltd.	United Kingdom	100	100
Renault Sport Racing Limited	United Kingdom	90	90
Renault UK	United Kingdom	100	100
Renault Slovensko	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			
Renault Argentina and subsidiaries	Argentina	100	100
Renault Do Brasil Comercio & Participaçoes Ltda	Brazil	100	100
Renault Do Brasil SA	Brazil	100	100
Cormecanica	Chile	100	100
Renault Centro de Servicios Compartidos s.a.s	Colombia	100	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			
Renault Algérie	Algeria	100	100
Vehicule Distributors Australia	Australia	100	100
Renault Samsung Motors	South Korea	80	80
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	97
Renault Treasury Services PTE Ltd.	Singapore	100	100
China			
Jiangxi Jiangling Motors Electric Vehicles Co. (JMEV)	China	50	50
Jiangxi Jiangling Group Electric Vehicles Sales&Marketing Co. (JMEVS)	China	50	50
Kunming Furui Electric Vehicles Sales Service Co. (KFEVS) [1]	China	50	-
Renault Beijing Automotive Company	China	100	100
Eurasia			
Renault-Nissan Bulgarie	Bulgaria	100	100
Automobile Dacia	Romania	99	99
Renault Commercial Roumanie	Romania	100	100
Renault Mécanique Roumanie 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, 2020	December 31, 2019
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 Service GmbH	Germany	100	100
RCI Financial Services SA	Belgium	100	100
AUTOFIN	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
RCI 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 Bank UK Limited	United Kingdom	100	100
RCI Finance SA	Switzerland	100	100
Americas			
Courtage SA	Argentina	100	100
Rombo Compania Financiera SA	Argentina	60	60
Administradora De Consorcio Renault do Brasil	Brazil	100	100
Banco RCI Brasil S.A	Brazil	60	60
RCI Brasil Serviços e Participaçoes Ltda	Brazil	100	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
Eurasie			
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania IFN SA	Romania	100	100
LLC RNL LEASING	Russia	100	100

Groupe Renault's interest *(%)*	Country	December 31, 2020	December 31, 2019
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	68
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	68	65
AO Kursk-Lada	Russia	49	49
OOO Lada Sport	Russia	68	68
AO Saransk-Lada	Russia	61	61
AO Cheboksary-Lada	Russia	59	63
OOO Sockultbit-AVTOVAZ	Russia	68	68
AO Lada Zapad Togliatti [(3)]	Russia	68	68
JV Systems	Russia	68	68
Other AVTOVAZ subsidiaries	Russia	34 to 68	34 to 68
MOBILITY SERVICES			
France			
Class & Co. s.a.s [(1)]	France	100	-
Glide.io [(1)]	France	100	-
Renault Mobility As an Industry [(4)]	France	100	-
Europe			
Coolnagour Limited t/a iCabbi and subsidiaries [(1)]	Ireland	78	-
Flit Technologies Ltd. and subsidiaries [(1)]	United Kingdom	70	-

(1) First consolidated in 2020 (note 3-A).
(2) Sold and deconsolidated in 2020.
(3) Previously accounted for under the equity method.
(4) Change of scope in 2020.

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, 2020	December 31, 2019
Renault-Nissan Technology & 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, 2020	December 31, 2019
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
Renault South Africa	South Africa	40	40
Renault Algérie Production	Algeria	49	49
Tokai 2 GmbH	Germany	15	15
EGT New Energy Automotive Company Ltd.	China	25	25
Dongfeng Renault Automotive Company [(2)]	China	-	50
Renault Brilliance Jinbei Automotive Company Ltd.	China	49	49
Boone Comenor	France	33	33
Alliance Mobility Company France	France	50	50
Indra Investissements s.a.s	France	50	50
Les Éditions Croque Futur and subsidiaries [(2)]	France	-	35
Tokai 1	France	15	15
Renault-Nissan Automotive India Private Limited	India	30	30
Alliance Mobility Company Japan	Japan	50	50
Groupe Nissan	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
Bank Austria Renault-Nissan B.V.	Netherlands	30	30
RN Bank	Russia	30	30
Orfin Finansman Anonim Sirketi	Turkey	50	50
AVTOVAZ			
Ferro VAZ GmbH	Germany	34	34
CSC ARMENIA-LADA	Armenia	34	34
MOBILITY SERVICES			
Car Sharing Mobility Services sl [(1)]	Spain	50	20

(1) First consolidated in 2020 (note 3-A).
(2) Sold and deconsolidated in 2020.

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 2020 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 annual 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 regulations 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 financial year ended December 31, 2020

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, 2020.

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, 2020 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 Annual Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (C*ode de déontologie*) for statutory auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) no. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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, 2020, equity investments are accounted for in Renault balance sheet for 14,296 million euros, 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.

With respect to Renault's investments in fully controlled companies, Renault has opted for the equity method. The value of these investments is determined based on their contribution to the consolidated equity of Renault, and the change in the overall share of shareholders' equity corresponding to these interests is recorded 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, 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 requires judgement from management.

In this context, we consider 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 purposes of the audit of Renault's consolidated financial statements. 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's 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 Verifications

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 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 Director's report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified the 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 controlled companies included in the scope of consolidation. 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 public takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 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 identity of shareholders and holders of voting rights and cross-shareholdings has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated regulation no. 2019/815 of December 17 , 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

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 on June 19, 2020 for MAZARS.

As at December 31, 2020, KPMG SA was in the seventh year of total uninterrupted engagement and MAZARS in the first year.

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 risk 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 fnancial 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 or her 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) no. 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 24, 2021

The statutory auditors
French original signed by

KPMG Audit *A department of KPMG S.A.*	MAZARS
Bertrand Pruvost	Loïc Wallaert

4.3.2 Statutory auditors' special report on 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.

Year ended December 31, 2020

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 Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2020, 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, 2020 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, 2020.

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 on February 4, 2016, your company has 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 restriction to the free exercise of voting rights of the French State notably applies to all decisions which fall within the authority of the Ordinary 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's 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 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 corporate officers of Group Renault, (iii) an amendment to the age limit for the exercise of duties or to the term of office of Board members and executive corporate officers, 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's 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 on April 4, 2016, renewable by tacit agreement for successive periods of 10 years unless it is terminated at least two years before the expiry of the term.

With Nissan Motor Co. Ltd ("Nissan")

Persons concerned

Ms. Yu Serizawa and Mr Joji Tagawa, members of your company's Board appointed upon the proposal of Nissan.

"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 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 Annual 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 latter's 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's shares without the prior approval of your Board of Directors, notwithstanding the provisions of the Restated Alliance Master 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.

With Nissan Motor Co. Ltd ("Nissan"), Daimler AG and Renault-Nissan B.V ("RNBV")

Persons concerned

Ms. Yu Serizawa and Mr Joji Tagawa, members of your company's Board appointed upon proposal of Nissan.

"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 strategic cooperation between these companies.

On December 13, 2013, your Board of Directors authorized the signature of an amendment to the Master Cooperation Agreement, in order to extend the scope of this cooperation. This amendment has been concluded on December 19, 2013 and 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 to 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.

Paris La Défense, February 24, 2021

The statutory auditors
French original signed by

KPMG Audit *A division of KPMG S.A.*	MAZARS
Bertrand Pruvost	Loïc Wallaert

4.4 RENAULT SA ANNUAL FINANCIAL STATEMENTS

4.4.1 Summary financial statements

INCOME STATEMENT

(€ million)	**2020**	**2019**
Operating expenses	(61)	(47)
Increases to and reversals of operating	(7)	(11)
NET OPERATING EXPENSE	**(54)**	**(58)**
Investment income and revenues from loans and receivables related to investments	124	751
Increases to and reversals of provisions related to investments	282	(260)
INVESTMENT INCOME AND EXPENSES (NOTE 4.4.2.3)	**406**	**491**
Foreign exchange gains	12	2
Foreign exchange losses	(1)	(1)
Increases to and reversals of provisions for exchange risks	1	0
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 4.4.2.4)	**12**	**1**
Interest and equivalent income	0	0
Interest and equivalent expenses	(189)	(122)
Reversals of provisions and transfers of charges	0	6
Depreciation, amortization and provisions	(8)	(16)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4.4.2.5)	**(197)**	**(132)**
NET FINANCIAL INCOME	**221**	**360**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**167**	**302**
EXTRAORDINARY INCOME ITEMS (NOTE 4.4.2.6)	**(406)**	**1**
INCOME TAX (NOTE 4.4.2.7)	**100**	**80**
NET INCOME	**(139)**	**383**

BALANCE SHEET – ASSETS

	2020			2019
(€ million)	Gross	Depreciation, amortization & provisions	Net	Net
Investments stated at equity	7,483		7,483	11,335
Other investments and financial assets (note 4.4.2.8)	6,813		6,813	6,813
Receivables relating to equity interests (note 4.4.2.9)	17,838		17,838	12,740
FINANCIAL ASSETS	**32,134**	**0**	**32,134**	**30,888**
FIXED ASSETS	**32,134**	**0**	**32,134**	**30,888**
RECEIVABLES (NOTE 4.4.2.11)	**359**		**359**	**432**
MARKETABLE SECURITIES (NOTE 4.4.2.10)	**264**	**2**	**262**	**326**
CASH AND CASH EQUIVALENTS	**24**		**24**	**76**
OTHER ASSETS (NOTE 4.4.2.11)	**223**		**223**	**202**
TOTAL ASSETS	**33,004**	**2**	**33,002**	**31,924**

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(€ million)	2020	2,019
Share capital	1,127	1,127
Share premiums	4,782	4,782
Equity valuation difference	1,667	5,520
Legal and regulated reserves	113	113
Retained earnings	9,248	8,864
Net income	(139)	383
SHAREHOLDERS' EQUITY (NOTE 4.4.2.12)	**16,798**	**20,789**
OTHER EQUITY (NOTE 4.4.2.13)	**130**	**130**
PROVISIONS FOR LIABILITIES AND CHARGES (NOTE 4.4.2.14)	**258**	**319**
Bonds	6,718	6,310
Borrowings from credit institutions	4,403	442
Other loans and financial debts	3,942	3,214
FINANCIAL LOANS AND FINANCIAL DEBTS (NOTE 4.4.2.15)	**15,063**	**9,966**
OTHER LIABILITIES (NOTE 4.4.2.16)	**700**	**692**
UNREALIZED GAINS ON FINANCIAL INSTRUMENTS (NOTE 4.4.2.17)	**33**	**10**
DEFERRED INCOME (NOTE 4.4.2.18)	**20**	**18**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**33,002**	**31,924**

STATEMENT OF CHANGES IN CASH FLOW

(€ million)	2020	2019
Cash flow (note 4.4.2.21)	(18)	595
Change in working capital requirements	90	241
CASH FLOW FROM OPERATING ACTIVITIES	**72**	**836**
Net decrease/(increase) in other investments	(154)	
Net decrease/(increase) in loans	(5,107)	(863)
Net decrease/(increase) in marketable securities	60	56
CASH FLOW FROM INVESTING ACTIVITIES	**(5,201)**	**(807)**
Bond issues	1,000	1,557
Bond redemptions	(553)	(563)
Net increase/(decrease) in other interest-bearing borrowings	4,667	69
Dividends paid to shareholders		(1,035)
Bond issuance expenses and redemption premiums	(34)	(15)
CASH FLOW FROM FINANCING ACTIVITIES	**5,080**	**13**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**73**	**31**
Increase/(decrease) in cash and cash equivalents	(49)	42
CASH AND CASH EQUIVALENTS: CLOSING BALANCE*	**24**	**73**

* *Of which €3 million in bank overdrafts in 2019, no bank overdrafts in 2020.*

4.4.2 Notes to the annual financial statements

The following disclosures constitute the notes to the balance sheet at December 31, 2020, before appropriation of net profit for the year, which shows total assets of €33,002 million, and to the income statement for the year then ended, presented in the form of a list, which shows a net loss of €139 million.

The financial statements cover the 12 month period from January 1 to December 31, 2020.

The financial statements for 2020 were approved for issue by the Board of Directors' meeting of Renault SA on February 18, 2021.

These financial statements are included in the consolidated financial statements of Groupe Renault.

4.4.2.1 Significant 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 continued as Interim Chief Executive Officer of Renault SA until Mr Luca de Meo took up his new function. The Board of Directors also expressed a favorable opinion regarding her appointment as Deputy Chief Executive Officer of Renault SA from July 1, 2020.

As part of Renault's new strategy for China, which has two main focuses, light commercial vehicles and electric vehicles, Groupe Renault entered into an agreement with Dongfeng Motor Corporation for the transfer of Renault SA's shares in DRAC to Dongfeng, for 1 yuan. DRAC ended its Renault brand-related activities as of April 1, 2020.

This transfer took place on April 30, 2020 and generated a loss of €155 million.

Nissan's financial year ended on March 31, 2020 with a net loss of €5,589 million (-¥671.2 billion) and Renault SA received no dividends from Nissan during the 2020 financial year.

In the context of the COVID-19 pandemic that appeared in the first quarter of 2020 and continued throughout the financial year, the global automotive market suffered a downturn of 14.2% compared to 2019. To protect its employees, and in compliance with the measures introduced by national governments, Groupe Renault suspended its commercial and production activities in most countries during March. Furthermore, during the lockdown periods, almost all employees not working in production and sales worked from home, and furlough measures were put in place. Production and sales resumed mainly from May 2020, respecting the end-of-lockdown measures imposed by the governments of the countries where Groupe Renault has operations. A second lockdown and curfews were imposed in several countries, including France, during the second half of the year, and these also had negative effects on the Group's business activity.

The Annual General Meeting of June 19, 2020, upon the proposal of the Board of Directors, decided not to distribute a dividend for 2019.

On May 20, 2020, Renault SA signed a credit agreement for a maximum amount of €5 billion covered by a French State guarantee.

The main characteristics of this credit line are the following:

- the maximum total credit was €5 billion, which could be drawn in whole or in part on one or more occasions, until December 31, 2020;
- the initial maturity for each drawdown was 12 months, with the option to extend the maturity by a further three years, with repayment of one-third each year;
- the French State guarantee covers 90% of the total amount borrowed;
- the interest rate on each drawdown is indexed on the 12-month Euribor for the first year, then the 6-month Euribor for any extensions;
- early repayment after extension is possible during the term of the credit, for a principal amount of at least €500 million;
- it concerns a pool of five banks: BNP Paribas, Crédit Agricole, HSBC France, Natixis and Société Générale.

Renault SA has made three drawdowns totaling €4 billion: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020. The remaining €1 billion credit was no longer available at December 31, 2020.

In November, Renault issued a new bond with nominal value of €1 billion.

At December 31, 2020, Renault SA had sufficient cash and sources of financing to ensure continuity of operations for the next 12 months, and had demonstrated its capacity to issue debt in the second half of the year.

4.4.2.2 Accounting policies

Renault SA has drawn up its annual financial statements in accordance with the provisions of regulations 2014-03 of the ANC (*Autorité des Normes Comptables*), approved by 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 no.34 (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 consolited 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 the profitability prospects. Provisions are established for the difference when the book value of the investments is lower than the gross value.

Loans granted to companies and receivables relating to equity interests 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 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 prepayments 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 the 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 loan term.

G. Provisions for risks and liabilities

Provisions for liabilities and charges 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 of the hedge and the forward price 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

Extraordinary items are income 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

Income from securities and receivables relating to equity interests break down as follows:

(€ million)	2020	2019
Dividends received from Nissan Motor Co. Ltd.		579
Dividends received from Daimler	15	54
Dividends received from Renault s.a.s		23
Dividends received from Dacia	44	52
Interest on loans	65	43
Allocations and reversals of provisions related to subsidiaries and affiliates	282	(260)
TOTAL	**406**	**491**

The amount of interest on loans concerns all Group subsidiaries.

Following the transfer of shares in Dongfeng Renault Automotive Company (DRAC) to Dongfeng Motor Corporation, impairment in the amount of €282 million was reversed. Derecognition of the shares (-€282 million) and the balancing payment of €122 million made to Dongfeng Motor Corporation were recorded as extraordinary items, a debt waiver for €33 million was recognized in other financial expenses following the repayment by Renault SA of a loan taken out by DRAC. The operation generated a loss of €155 million, which was recognized as an exceptional expense in the financial statements at December 31, 2020.

4.4.2.4 Foreign exchange gains and losses

Foreign exchange gains and losses in 2020 amounted to €12 million (€1 million in 2019), and comprise the following:

- a foreign exchange gain of €2 million on treasury notes (mainly in pounds sterling and US dollars;);
- a foreign exchange gain of €10 million on redemption of the Samourai 19 bond.

4.4.2.5 Other financial income and expenses

In 2020, other financial income and expenses, amounting to a net loss of €197 million (loss of €132 million in 2019) principally comprise interest paid and similar expenses totaling €189 million, and €4 million for impairment on treasury shares.

Details of interest paid and other similar expenses are as follows:

(€ million)	2020	2019
Net accrued interest after swaps on bonds*	(78)	(66)
Net accrued interest after swaps on borrowings from credit institutions	(9)	(4)
Accrued interest on termination of borrowings from subsidiaries	(24)	(19)
Accrued interest on redeemable shares	(20)	(20)
Other financial expenses	(34)	-
Other (treasury notes and broker commissions)	(24)	(13)
TOTAL	**(189)**	**(122)**

* *The net interest on bonds comprises accrued and paid interest amounting to €78 million (€66 million in 2019); there was no accrued and received interest on swaps in either 2020 or 2019.*

In 2020, the €78 million of interest received and 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;
- €12.5 million on the EMTN 54 bond issued on June 24, 2019;
- €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;
- €6 million on the EMTN 55 bond issued on October 4, 2019;
- €2 million on the EMTN 57 bond issued on November 25, 2020;
- €1 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.

€6 million in accrued interest on the loan covered by a French State guarantee are included in the net accrued interest on borrowing from credit institutions.

Other financial expenses consist mainly of a debt waiver with respect to the DRAC corresponding to the repayment by Renault SA of a loan taken out by the DRAC for €33 million.

4.4.2.6 Extraordinary items

In 2020, Renault SA's net extraordinary items correspond to a loss of €406 million, mainly resulting from derecognition of the shares in DRAC (-€282 million), offset by reversal of the impairment on the shares booked in financial income, and the balancing payment of €122 million made to Dongfeng in connection with the share transfer. The operation generated a loss of €155 million, which was recognized in the financial statements at December 31, 2020.

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 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 group of entities concerned. The Renault tax group, applying 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 2020 taxable income, which amounted to -€2,597 million.

In 2020, the tax consolation group waived the reduced rate on industrial royalties as permitted by Article 39 *terdecies* of the CGI.

The income generated by the tax consolidation in 2020 was €103 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 related to the year are as follows:

		Taxes					Net income	
(€ million)	Pre-tax income	Theoretical	Netting	Credit generated	Tax credit	Net tax due	Theoretical	As booked
Current income subject to normal rate	167	55	(55)				112	167
Extraordinary items	(406)	(87)	87				(319)	(406)
Tax consolidation		(103)				(103)		103
Allocations/provisions		1				1		(1)
Other		2				2		(2)
TOTAL	**(239)**	**(132)**	**32**			**(100)**	**(207)**	**(140)**

Details of Renault SA's deferred tax position are as follows:

	2020		2019		Change	
(€ million)	Assets[1]	Liabilities[2]	Assets[1]	Liabilities[2]	Assets[1]	Liabilities[2]
Expenses deducted (or taxed income) not yet recognized for accounting purposes	17	68	6	55	11	13
TOTAL	**17**	**68**	**6**	**55**	**11**	**13**

(1) i.e. future tax credit.
(2) i.e. future tax charge.

4.4.2.8 Investments and financial assets

Changes during the financial 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)	0
TOTAL GROSS AMOUNTS	**7,095**	**(282)**	**6,813**
Provisions for impairment of other investments and financial assets	(282)	282	0
TOTAL NET	**6,813**	**0**	**6,813**

As part of Groupe Renault's new strategy for China, Renault SA transferred all of its shares in Dongfeng Renault Automotive Company (DRAC) to Dongfeng Motor Corporation.

The entire amount of the provision for impairment of the shares in Dongfeng Renault Automotive Company (DRAC) was reversed following the transfer of those shares to Dongfeng Motor Corporation(see notes 4.4.2.3 and 4.4.2.6).

When the Renault-Nissan Alliance and Daimler AG signed a 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, 2020, their stock market price was €57.79 per share, giving a total value of €951 million (€49.37 per share and a total value of €812 million at December 31, 2019).

In 1999, Renault SA acquired an investment in Nissan Motor Co. Ltd. At December 31, 2020, 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 was ¥560 (€4.43) at December 31, 2020, giving a total value of €8,115 million (¥636 (€5.22) per share and a total of €9,562 million at December 31, 2019).

4.4.2.9 Advances to subsidiaries and affiliate

Changes during the financial year were as follows:

(€ million)	At start of year	Increases	Decreases	At year-end
Dividends receivable*	9		(9)	0
Loans	12,731	8,585	(3,478)	17,838
TOTAL GROSS VALUES[1]	**12,740**	**8,585**	**(3,487)**	**17,838**
Impairment				
TOTAL NET	**12,740**	**8,585**	**(3,487)**	**17,838**
(1) Current portion (less than one year)	*12,728*			*17,827*
Long-term portion (over 1 year)	*11*			*11*

* *Net of foreign exchange revaluations.*

Loans include:

- €8,933 million in short-term investments with Renault Finance (€7,468 million in 2019);
- €8,086 million in current accounts resulting from centralized cash management agreements with Group subsidiaries (€4,463 million in 2019);
- €700 million with RCI under a cash pledge agreement; (€700 million in 2019);
- €90 million loan to RTM (€90 million in 2019).

Loans concern all Group subsidiaries.

4.4.2.10 Marketable securities

Marketable securities include €262 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	4,548,736	1,280,537	1,270,000				4,538,199
Shares allocated	322	(101)	41	(4)			258
Shares not allocated	5						5
Gross value *(€ million)*	**327**	**(101)**	**41**	**(4)**			**263**
Impairment *(€ million)*	**(1)**			**4**	**(4)**		**(1)**
TOTAL (€ MILLION)	**326**	**(101)**	**41**	**0**	**(4)**	**0**	**262**

Options exercised and shares vested principally concern a vesting of 295,310 shares awarded under Plan 23 for non-residents and 979,206 shares under Plan 24 for residents.

The impairment booked corresponds to the difference between the purchase price and the average opening price over the last month of the financial 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 prices and exercise periods specific to each plan. Until 2012, it also periodically granted stock options, with prices and exercise periods specific to each plan. 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 2020, concerning 1,440 thousand shares. The vesting period for rights to shares is three 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(1)
Options outstanding and rights not yet vested at January 1, 2020	**102,987**	**37**		**4,343,329**
Granted			-	1,443,615
Options exercised or vested rights	(471)(1)		50(2)	(1,280,066)(3)
Options and rights expired and other adjustments	(102,516)(1)	37	-	(92,604)
Options outstanding and rights not yet vested at December 31, 2020	**0**	**37**	**-**	**4,414,274**

(1) Stock options exercised or expired in 2020 were granted under Plan 20 in 2012.
(2) Price at which the shares were acquired by the Group to cover the exercise of future options.
(3) Performance shares vested were mainly awarded under Plan 23 for non-residents in 2016 and Plan 24 for residents in 2017.

B. Stock options

There were no longer any active plans at December 31, 2020. The four-year vesting period of Plan 20 expired in December 2020.

Plan	Type of plan	Grant date	Exercise price *(€)*	Options outstanding at December 31, 2020	Exercise period
Plan 20	Stock purchase options	December 13, 2012	37.43	0	December 13, 2016 – December 12, 2020
TOTAL				**0**	

C. Performance share plans

For Plans 23 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 three years with no holding period for French or foreign tax residents.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2020	Vesting date	Holding period
Plan 23	Performance shares	April 29, 2016	-	April 29, 2020*	None
Plan 24	Performance shares	February 9, 2017	- 271,300	February 9, 2020* February 9, 2021	February 9, 2020 – February 9, 2021 None
Plan 25	Performance shares	February 15, 2018	1,054,009 262,950	February 15, 2021 February 15, 2022	February 15, 2021 – February 15, 2022 None
Plan 26	Performance shares	June 12, 2019	1,392,700	June 12, 2022	None
Plan 27	Performance shares	February 13, 2020	1,433,315	February 13, 2023	None
TOTAL			**4,414,274**		

* *The performance share rights concerned by these plans expired or vested in 2020.*

4.4.2.11 Receivables and other assets

Receivables mainly comprise:

- an unbilled receivable of €198 million for performance shares (€247 million in 2019), under the reinvoicing agreement between Renault SA and Renault s.a.s introduced in 2012;
- tax receivables:

(€ million)	At start of year	Increases	Decreases	At year-end
Tax receivables				
CIR: Research Tax Credit	156	143	(172)	127
CICE: Competitiveness and Employment Tax Credit	0			0
Other tax receivables	29	6	(1)	34
TOTAL GROSS VALUES*	**185**	**149**	**(173)**	**161**
TOTAL NET	**185**	**149**	**(173)**	**161**
* *Current portion (less than one year)*	*7*			*9*
Long-term portion (over 1 year)	*179*			*152*

The increases mainly concern the Research Tax Credit receivables for the year (€143 million).

The decreases principally result from the assignment of €164 million of the 2019 Research Tax Credit receivable, and the redemption of the balance of the 2016 Research Tax Credit.

No impairment of tax receivables was recognized at the end of 2020.

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 loans (five to seven years);
- unrealized foreign exchange losses corresponding to unrealized losses on borrowings issued in yen (€4 million), which are covered by a provision, and a €177 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	12	17	(3)	26
Bond redemption premiums	20		(4)	16
Unrealized foreign exchange losses	170	98	(87)	181
TOTAL*	**202**	**115**	**(94)**	**223**
* *Current portion (less than one year)*	*177*			*201*
Long-term portion (over 1 year)	*25*			*22*

4.4.2.12 Shareholders' equity

Changes in shareholders' equity were as follows:

(€ million)	Balance at start of year	Allocation of 2019 net income	Dividends	2020 Net income	Other	Balance at year-end
Share capital	1,127					1,127
Share premium	4,782					4,782
Equity valuation difference	5,520				(3,853)	1,667
Legal and regulated reserves	113					113
Retained earnings	8,864	383				9,248
Net income	383	(383)		(139)		(139)
TOTAL	**20,789**	**0**	**0**	**(139)**	**(3,853)**	**16,798**

Non-distributable reserves amounted to €1,780 million at December 31, 2020.

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 -€3,828 million, of Dacia shares valued under the equity method for -€19 million and of Sofasa shares valued under the equity method for -€6 million euros.

Renault SA's ownership structure was as follows at December 31, 2020:

	Ownership structure		Voting rights	
	Number of shares held	% of du capital	Number	%
French State	44,387,915	15.01%	88,775,830	28.61%
Employees	14,380,361	4.86%	24,377,299	7.86%
Treasury shares	4,538,199	1.53%		
Nissan	44,358,343	15.00%		
Daimler AG	9,167,391	3.10%	15,741,908	5.07%
Other	178,890,075	60.49%	181,368,881	58.46%
TOTAL	**295,722,284**	**100%**	**310,263,918**	**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, which 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 scope of consolidation and methods.

At December 31, 2020, 797,659 redeemable shares remained in circulation, for a total of €130 million including accrued interest. These shares are listed on the Paris Stock Exchange. The market price for one redeemable shares with a par value of €153 was €373.65 at December 31, 2020 (€557 at December 31, 2019).

The 2020 return on redeemable shares, amounting to €20 million (€20 million in 2019) is included in interest and equivalent expenses.

4.4.2.14 Provisions for liabilities and charges

Provisions for liabilities and charges break down as follows:

(€ million)	At start of year	Increases	Reversals used	Reversals unused	At year-end
Foreign exchange losses	1		(1)		0
Provisions for charges*	318	44	(101)	(6)	255
Other provisions for risks	0	3			3
TOTAL	**319**	**47**	**(102)**	**(6)**	**258**
* *Of which current (less than 1 year)*	*103*				*117*
Of which long-term (over 1 year)	*216*				*141*

A liability provision of €255 million was booked at December 31, 2020 (€318 million at December 31, 2019) after it was decided to allocate free existing shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s, a €198 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s (€247 million in 2019).

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 Loans and financial debts

A. Bonds

Bonds amounted to €6,718 million at December 31, 2020 (€6,310 million at December 31, 2019).

The principal changes in bonds over 2020 were as follows:

- redemption on April 13, 2020 of a 3-year bond (EMTN 50) issued on April 11, 2017 with a nominal value of ¥7 billion and a coupon of 0.5138%;
- redemption on July 6, 2020 of a 3-year bond (Samurai 19) issued on June 29, 2017 with nominal value of ¥63.4 billion and a coupon of 0.36%;
- issuance on November 25, 2020 of a 5.5-year bond (EMTN 57) with total nominal value of €1 billion, and a coupon of 2.375%.

BREAKDOWN BY MATURITY

	December 31, 2020						
(€ million)	Total	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Nominal value	6,679	809	218	895	757	1,750	2,250
Accrued interest	39	39					
TOTAL	**6,718**	**848**	**218**	**895**	**757**	**1,750**	**2,250**

	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**

BREAKDOWN BY CURRENCY

	December 31, 2020		December 31, 2019	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	5,988	6,264	4,986	5,621
Yen	730	454	1,324	689
TOTAL	**6,718**	**6,718**	**6,310**	**6,310**

BREAKDOWN BY INTEREST RATE TYPE

	December 31, 2020		December 31, 2019	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate	6,718	6,661	6,310	6,253
Floating rate		57		57
TOTAL	**6,718**	**6,718**	**6,310**	**6,310**

B. Borrowings from credit institutions

Borrowings from credit institutions stood at €4,403 million at December 31, 2020 (€442 million at December 31, 2019) and are mainly contracted on the market.

The principal changes in bonds over 2020 were as follows:

- redemption on April 24, 2020 of a 6-year bond with a nominal value of €95 million;
- subscription on July 17, 2020 of a 3-year bond with total nominal value of €50 million;
- drawdown on August 5, 2020 of a bond covered by a French State Guarantee with value of €2 billion;
- drawdown September 22, 2020 of a bond covered by a French State Guarantee with value of €1 billion;
- drawdown on December 23, 2020 of a bond covered by a French State Guarantee with value of €1 billion.

BREAKDOWN BY MATURITY

	December 31, 2020				
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years
Nominal value	4,390	75	1,345	1,420	1,550
Accrued interest	13	13			
TOTAL	**4,403**	**88**	**1,345**	**1,420**	**1,550**

On June 2, 2020, Renault SA opened a line of credit for a maximum amount of €5 billion with a pool of five banks, with a State guarantee for 90% of the amount borrowed. The main features of this credit line were as follows:

- the maximum total amount is €5 billion, which could be drawn in whole or in part, on one or more occasions, until December 31, 2020;
- the initial maturity for each drawdown was 12 months, with the option for Renault to extend the maturity by a further three years, with a repayment profile of one-third each year;
- the interest rate of each drawdown is indexed to the 12-month Euribor for the first year, then the 6-month Euribor for any extensions;
- early repayment after extension is possible during the term of the credit, for a nominal amount of at least €500 million.

At December 31 2020, Renault SA had made three drawdowns totaling €4 billion: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020. The remaining €1 billion credit was no longer available at December 31, 2020.

For the initial recognition of the first two drawdowns, Renault SA had estimated that it would be able to repay any drawdowns without using the extension option. Due in particular to the second lockdown measures implemented in France at the end of October 2020 and the possible consequences of the second wave of the COVID-19 pandemic on the Group's liquidity, the prospect of not extending these two drawdowns was revised at the end of 2020.

In the event of an extension, the drawdowns are repayable in thirds in 2022, 2023 and 2024 on the anniversary dates of the drawdowns, with Renault SA having the option of early repayment of the remaining maturities on each repayment date.

At December 31, even though no extension option had yet been exercised by the Group, the three drawdowns are due on the balance sheet in 1 to 2 years for €1,320 million, in 2 to 3 years for €1,320 million and in 3 to 4 years for €1,360 million.

	December 31, 2019					
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Nominal value	435	95	75	25	50	190
Accrued interest	3	3				
TOTAL	**438**	**98**	**75**	**25**	**50**	**190**

BREAKDOWN BY CURRENCY

	December 31, 2020		December 31, 2019	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	4,403	4,403	438	438
TOTAL	**4,403**	**4,403**	**438**	**438**

BREAKDOWN BY INTEREST RATE TYPE

	December 31, 2020		December 31, 2019	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Fixed Rate	4,275	4,275	266	361
Floating Rate	128	128	172	77
TOTAL	**4,403**	**4,403**	**438**	**438**

C. Other loans and financial debts

Other loans and financial debts amounted to €3,942 million at December 31, 2020 (€3,214 million in 2019), and principally comprise:

- €2,624 million in borrowings from Group subsidiaries with surplus cash;
- €1,318 million in treasury notes.

No loans or financial debts are secured or have a duration of over one year.

No loans are secured by security rights (*sûretés réelles*).

4.4.2.16 Other liabilities

Changes in other liabilities were as follows:

(€ million)	At start of year	Change	At year-end
Trade payables and related accounts		3	3
Social liabilities		1	1
Tax liabilities	681	8	689
Liabilities related to other assets	5		5
Other liabilities	6	(4)	2
TOTAL*	**692**	**8**	**700**
* *Current portion (less than one year)*	*692*		*201*
Long-term portion (over 1 year)			*499*

The variation in tax liabilities is mainly due to a €8 million increase in the tax consolidation.

4.4.2.17 Unrealized gains on financial instruments

These are unrealized foreign exchange gains on hedging instruments on treasury notes in US dollars and borrowings in yen that are no longer part of the Nissan hedge.

In 2019, these amount was €10 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.

4.4.2.19 Financial instruments

Financial instruments and risk management

The corresponding commitments, (expressed in terms of notional amount and, where appropriate, in fair value) are shown below:

	2020		2019	
(€ million)	**Notional**	**Fair value**	**Notional**	**Fair value**
Interest rate swaps			95	(1)
Currency swaps	276	(12)	57	(2)
Forward purchases	638	(33)	680	(10)
Forward sales	670		689	

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 centralized 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 4.4.2.20).

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 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:

	2020		2019	
(€ million)	Total	Of which related companies	Total	Of which related companies
Commitments received				
Guarantees and deposits				
Open, unused credit lines	3,430		3,480	
TOTAL	**3,430**		**3,480**	
Commitments given				
Guarantees and deposits	830	700	830	700
Open, unused opened credit lines	484	484	487	487
TOTAL	**1,314**	**1,184**	**1,317**	**1,187**

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 covenants on credit lines opened but unused.

Contingent liabilities

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, 2020.

In the proceedings concerning the request for a preliminary ruling regarding another carmaker, the Court of Justice of the European Union (CJEU) issued its interpretative judgment on December 17, 2020. This ruling is binding for national laws. The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at December 31, 2020.

On January 9, 2019 the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato – AGCM) fined RCI Banque €125 million, with Renault SA 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 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. On April 3, 2019 Renault's application for suspension of the payment was accepted, with arrangement of a bank guarantee. On October 21, 2020 the court cancelled the AGCM's decision in its entirety, and the AGCM filed an appeal against that ruling on December 21, 2020. No provision was recognized in connection with this matter at December 31, 2020.

Other information

4.4.2.21 Cash flow

Cash flow is determined as follows:

(€ million)	2020	2019
Net income	(139)	383
Increases to provisions and deferred charges	24	8
Net increase to provisions for risks and liabilities	(61)	(64)
Net increases to impairment provisions	(278)	268
Net profit on assets sold	436	
TOTAL	**(18)**	**595**

4.4.2.22 Workforce

Renault SA has no employees.

4.4.2.23 Directors' fees and compensation of corporate officers

The net amount of attendance fees to be paid to directors amounts to €763,374 in respect of 2020 (€1,212,748 paid for 2019).

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 2020, including the provisional variable portion, amounts to €2 million.

A total of 102,500 performance shares were awarded to corporate officers in 2020.

4.4.2.24 Information on supplier and customer invoice payment times

Under Article L. 441-6-1 of the French Commercial Code, 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	Equity excluding share capital and net income for the year	% of capital held	Book value of shares owned
INVESTMENTS				
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt FRANCE	534	3,938	100.00%	6,366
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA[(1)]	522	489	99.43%	1,103
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN [(2)]*	11,240		43.40%	6,217
Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY*	3,070		1.55%	584
RNBV Jachthavenweg 130, 1081 KJ Amsterdam NETHERLANDS	6		50.00%	12
Sofasa Carrera 49 N° 39 Envigado COLOMBIA[(3)]	1	55	27.66%	14
TOTAL INVESTMENTS				**14,296**

(1) The exchange rate used for Dacia is 4.8683 Romanian lei = 1 euro.
(2) The exchange rate used for Nissan is ¥126.49 = 1 euro.
(3) The exchange rate used for Sofasa is 4,187.00 Colombian pesos = 1 euro.

Companies *(€ million)*	Sales revenues excluding taxes 2020	Net income (loss), prior year	Dividends received by Renault SA in 2020
INVESTMENTS			
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt FRANCE	37,715	(2,487)	
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA[(1)]	3,782	61	44
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN[(2)]*			
Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY*			15
RNBV Jachthavenweg 130, 1081 KJ Amsterdam NETHERLANDS**			
Sofasa Carrera 49 N° 39 Envigado COLOMBIA[(2)]	500	(10)	9

(1) The average exchange rate used for Dacia is 4.8371 Romanian lei = 1 euro.
(2) The average exchange rate used for Sofasa is 4,210.7722 Colombian pesos = 1 euro.
* *For Daimler, this information will be available from February 18, 2021 on the Daimler website at: www.daimler.com/investors/reports-news/annual-reports/2020/.*
For Nissan, this information can be found in note 12 to Groupe Renault's 2020 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 Groupe 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 €3,828 million in 2020 due to the decline of its activity and that of its subsidiaries in the context of the pandemic ;

The value of Dacia shares valued under the equity method decreased by €19 million and the value of Sofasa decreased by €6 million.

Acquisition of investments

See note 4.4.2.8.

4.4.2.26 Five-year financial highlights

	2016	2017	2018	2019	2020
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 net of taxes					
Income before tax, amortisation, depreciation and provisions [(1)]	1,404	815	1,560	485	(212)
Income tax	81	95	91	80	100
Income after tax, amortisation, depreciation and provisions	1,382	937	1,726	383	(139)
Dividends paid	916	1,027	1,035		
EARNINGS PER SHARE *(in euros)*					
Earnings before tax, amortisation, depreciation and provisions [(1)]	4.75	2.76	5.27	1.64	(0.72)
Earnings after tax, amortisation, depreciation and provisions	4.67	3.17	5.84	1.30	(0.47)
Basic and diluted earnings per share [(2)]	5.04	3.42	6.31	1.40	(0.51)
Dilutive potential effect	0.37	0.25	0.47	0.10	(0.04)
Net dividend	3.15	3.55	3.55	0.00	
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 its approval by the Board of Directors, on January 14, 2021, Luca de Meo, CEO of Groupe Renault, presented "Renaulution", a new strategic plan which aims to shift Groupe Renault's strategy from the pursuit of volume to the creation of value, through three phases launched in parallel:

- the "Resurrection" phase, running until 2023, will focus on margin recovery and cash generation;
- the "Renovation" phase, running until 2025, will bring renewal and enrichment to the ranges, contributing to brand profitability;
- the "Revolution" phase, which will start in 2025, will switch the Group's business model to technology, energy and mobility, making Groupe Renault a frontrunner in the value chain of new mobilities.


RENAULT

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 articles of association).

Further details of the Company's corporate purpose are provided in Article 3 of the articles of association, 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

The Company articles of association, 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 articles of association

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 articles of association 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, 2020, 108,310,457 Renault shares held double voting rights, representing around 36.6% of the share capital and around 69.7% 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, 2020, the theoretical number of voting rights was 404,032,741.

In view of the 4,548,199 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, 2020 was 310,777,856.

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.

Threshold crossings in 2020

In 2020, the Company received declarations for the crossing of the legal threshold of 5% of the voting rights, alternately upwards and downwards, from BlackRock, Inc., acting on behalf of clients and funds under its management. BlackRock's most recent notification, dated August 18, 2020, indicated that it held 4.54% of the Company's share capital and 3.32 of its voting rights.

5.2 GENERAL INFORMATION RELATING TO RENAULT'S SHARE CAPITAL

5.2.1 Share capital

As at December 31, 2020, 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 during the past five years

There were no changes in capital ownership during 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 19, 2020, 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
19th resolution 2020 AGM	Issuance of ordinary shares and/or securities giving access to the share capital with preferential subscription rights for shareholders. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €350 million (about 30% of the share capital).	None
20th resolution 2020 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. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
21st resolution 2020 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 referred to in I of Article L. 411-2 of the French Monetary and Financial Code. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €60 million (about 5% of the share capital).	None
22nd resolution 2020 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. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
23rd resolution 2020 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. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
24th resolution 2020 AGM	Capital increase by incorporation of reserves, profits or premiums. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. Maximum cap for capital increases of €1 billion.	None
25th resolution 2020 AGM	Capital increase by issuance of shares reserved for employees of the Company or affiliated companies, without preferential subscription rights for shareholders. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2021 financial statements. 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 nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fifth resolutions submitted to the Annual General Meeting of June 19, 2020 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 2020 and allocation of treasury shares

As at December 31, 2020, Renault held 4,538,199 shares with a par value of €3.81, and a net carrying amount of €262,256,710.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the eighteenth resolution of the Combined General Meeting of June 12, 2019 authorized the Company to trade in its own shares so as to allow it to benefit from the opportunities granted by applicable law. The authorization was granted until December 12, 2020. A new share buyback program was authorized by the Annual General Meeting of June 19, 2020, rendering the program authorized on June 12, 2019 ineffective from the date of said meeting.

In February 2020, Renault acquired 1,270,000 of its own shares as part of the share buyback program approved by the Annual General Meeting of June 12, 2019.

The 4,538,199 shares held directly or indirectly by Renault as at December 31, 2020, 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) must not have any effect on the share capital structure. Shares acquired under a free performance share award shall therefore 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, 2020: 1.53%.

Number of shares canceled over the 24 months preceding December 31, 2020: 0.

Number of shares held in the portfolio as at December 31, 2020: 4,538,199.

Net carrying amount of the portfolio as at December 31, 2020: €262,256,710.

Portfolio value as at December 31, 2020 [2]: €162,285,996.

TRADING BY RENAULT IN ITS OWN SHARES IN 2020 AS PART OF THE PROGRAM AUTHORIZED BY THE COMBINED GENERAL MEETING OF JUNE 12, 2019

	Total gross flows at December 31, 2020		Long and short positions at December 31, 2020	
	Buy	Sell	Open buy positions	Open sell positions
Number of shares	1,270,000	0	Nil	Nil
Average selling, purchase or exercise price	32.24	0	Nil	Nil
AMOUNT	**40,943,490**	**0**	**NIL**	**NIL**

Description of the share buyback program submitted for authorization to the Annual General Meeting of April 23, 2021

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 section 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 23, 2021.

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 €35.76 at December 31, 2020.

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, 2020, 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, 2020

OWNERSHIP STRUCTURE AND EXERCISABLE VOTING RIGHTS FOR THE LAST THREE FINANCIAL YEARS

	12/31/2020			12/31/2019			12/31/2018		
	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%	28.57%	44,387,915	15.01%	28.69%	44,387,915	15.01%	28.60%
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%	5.07%	9,167,391	3.10%	5.09%[2]	9,167,391	3.10%	5.91%[2]
Employees[3]	10,286,922	3.48%	5.30%	8,605,324	2.91%	4.63%	7,210,603	2.44%	4.14%
Treasury stock	4,538,199	1.53%	-	4,548,736	1.54%	-	5,058,961	1.71%	-
Free float	182,983,514	61.88%	61.06%	184,654,575	62.44%	61.59%	185,539,071	62.74%	61.35%
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 change in the percentage of voting rights of the Daimler group between 2018 and 2019 is the result of the loss of double voting rights attached to Renault shares following a transfer of Renault shares between subsidiaries of the Daimler group (for details, see section 5.2.6.1 of the 2019 Universal registration document).
(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, 2020, this was distributed as follows:

- the French State held 15.01% of the share capital corresponding to 22.00% of theoretical voting rights and 28.61% 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 compared to December 31, 2019). 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.;
- the Daimler group, through its subsidiaries Daimspain, Daimspain DAG and Daimspain DT, holds 3.10% of the capital and 5.07% of the exercisable voting rights in Renault;
- Renault's employees and former employees own 3.48% of the share capital, including 2.91% via FCPE mutual funds under collective management and 0.57% by employee beneficiaries of free share allocations since the 2016 plan;
- treasury stock represented 1.53% of the share capital. Under French law, such shares do not carry voting rights;
- the free float represented 61.88% of the share capital (compared with 62.44% as at December 31, 2019); 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, 2020.

This gave an estimated breakdown of the public ownership's interest by category of major shareholder. At that date:

- the institutional shareholders owned 44.15% of Renault's share capital, it being stated that:
  - French institutional investors held 11.42% of the share capital,
  - foreign institutional investors held 32.73% of the share capital, and
  - the 10 largest French and foreign institutional investors held approximately 18.62% of the share capital;
- the remaining public ownership in the capital i.e., 17.73% was held primarily by individual shareholders.

5.2.6.2 Shareholder agreements on shares and voting rights of the Company

Absence of in concert 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 in concert 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. 22-10-11 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

Accounts	Voting conditions	Percentage of voting rights exercisable		Quorum less than or equal to 70%		Quorum greater than 70%	
				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

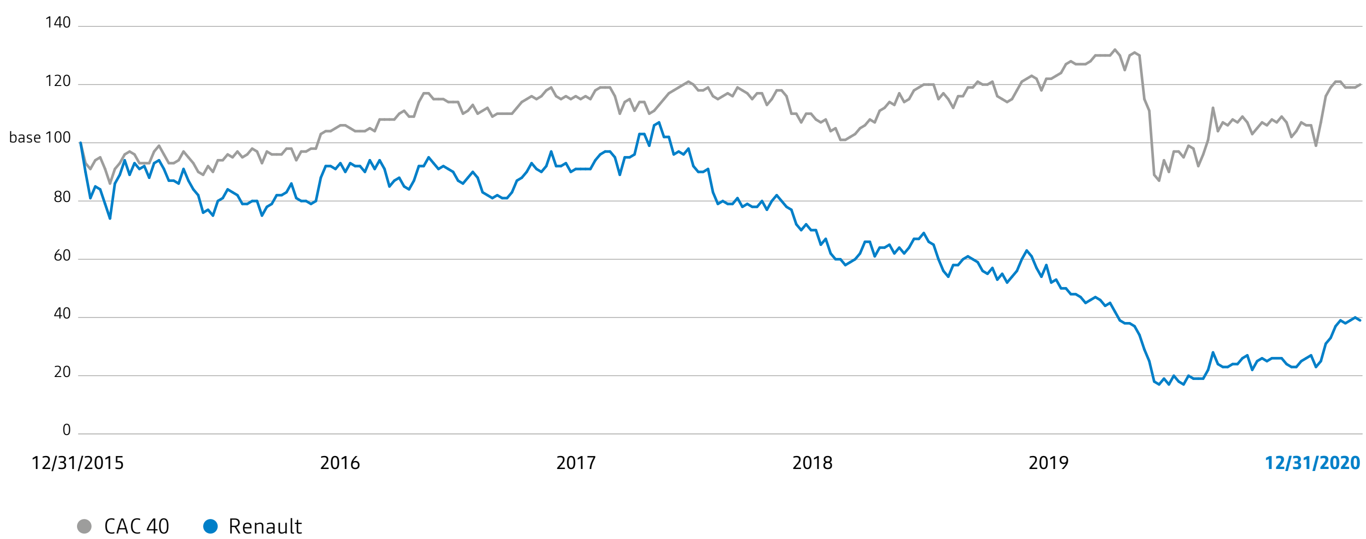
Renault has been listed on the Paris Stock exchange (Euronext) since November 17, 1994, when the Company was partially privatized. The issue price was FRF165 (€25.15). The Renault share has been one of the shares which compose the CAC 40 index since February 9, 1995.

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 2.6.5 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

	2020	2019	2018	2017	2016
Year high *(€)*	42.81	63.87	98.75	90.18	90.00
Year low *(€)*	14.55	41.20	53.68	74.27	65.36
Closing price *(€)*	35.76	42.18	54.55	83.91	84.51
Change during the year *(%)*	-15.22	-22.68	-34.99	-0.71	-8.77
CAC change during the year *(%)*	-7.14	+26.37	-10.95	+9.26	+4.86
DJES Auto change during the year *(%)*	3.71	+15.09	-28.10	+13.9	-3.94
Number of shares exchanged during the year	638,440,377	337,682,451	301,791,893	240,164,421	257,321,509
Market capitalization *(€ million)*	10,575	12,474	16,132	24,814	24,991

Source: Reuters.

The average share price in the last 30 trading days of 2020 was €35.27 (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, 2020.

Remuneration

The gross amount of remuneration on participating shares paid on October 24, 2020 in respect of 2019 was €24.68 (€10.29 for the fixed portion and €14.39 for the variable portion).

The remuneration on participating shares for financial year 2020, payable on October 25, 2021, is €21.53, comprising €10.29 for the fixed portion and €11.24 for the variable portion (based on consolidated revenues of €43,474 million for 2020 and revenues restated at constant Group structure and consolidation methods of €55,644 million for 2019).

TRADING VOLUMES AND PRICES OF RENAULT PARTICIPATING SHARES OVER THE PAST THREE YEARS

	2020	2019	2018
Year high *(€)*	563.00	607.95	768.99
Year low *(€)*	320.00	535.00	600.01
Closing price *(€)*	373.65	557.00	601.02
Number of shares exchanged during the year	82,534	59,948	59,586

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, 2020, the number of participating shares outstanding was 60,269. At the closing price of €231, Diac's participating shares represented a total of €13,922,139 (€9,188,009 at the issue par value of €152.45).

In the course of 2020, the share price fluctuated between €209 at its lowest and €245 at its highest.

5.3.3 Dividends

Given the consequences of the health crisis on the Group's debt, the Board of Directors, at its meeting of February 18, 2021, proposed not to pay dividends for 2020, a proposal that will be submitted to the vote of the Annual General Meeting of April 23, 2021. The Group will draft a new dividend policy as soon as the financial situation improves.

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 31	Dividend per share *(€)*	Payable date
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
2019	295,722,284	0.00*	

* *The Board of Directors, at its meeting of February 13, 2020, proposed the payment of €1.10 per share in respect of the 2019 financial year. At its meeting of April 9, 2020, the Board of Directors of Renault decided to withdraw the proposal to pay this dividend, which was approved by the Annual General Meeting of June 19, 2020 (third resolution).*

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 2.1.4 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 2021 financial calendar

February 19 (before market opening)	2020 annual results
April 22 (before market opening)	2021 first quarter revenues
April 23 (afternoon)	2021 Annual General Meeting
July 30 (before market opening)	2021 first half-year results
October 22 (before market opening)	2021 first quarter revenues

5.4.4 Contacts

Shareholder Relations department

E-mail: communication.actionnaires@renault.com

Shareholder hotline within France (free call and service)**:**
0800 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: https://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: 0800 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 Universal 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

ANNUAL GENERAL MEETING OF RENAULT ON APRIL 23, 2021

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, 2020)

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, 2020, 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, 2020)

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, 2020, as presented, as well as the transactions disclosed in those financial statements and summarized in those reports.

Third resolution

(Allocation of financial result for the financial year ended December 31, 2020)

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 loss for the financial year ended December 31, 2020 in the amount of €138,815,198.80 as follows:

Loss for the 2020 financial year	€(138,815,198.80)
Allocation to the statutory reserve	-
Balance	€(138,815,198.80)
Retained earnings at December 31, 2020	€9,247,714,324.43
Distributable profit for the 2020 financial year	€9,108,899,125.63
Dividends drawn from distributable profit	€0
Balance of retained earnings after allocation	€9,108,899,125.63

Accordingly, the entire loss for the year ended December 31, 2020 will be allocated to the "retained earnings" item which will amount, after allocation, to €9,108,899,125.63.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, the amount of dividends distributed in respect of the previous three financial years, the amount of income distributed in respect of these same financial years 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 2017	Financial year 2018	Financial year 2019
Dividend per share	€3.55	€3.55	€0
Amount of income distributed that is eligible for the 40% tax deduction	€3.55	€3.55	€0
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

(Renewal of Ms Yu Serizawa's term of office as director appointed upon proposal of Nissan)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, renews Ms Yu Serizawa's term of office as director appointed upon proposal of Nissan for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Seventh resolution

(Renewal of Mr Thomas Courbe's term of office as director appointed upon proposal of the French State)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, renews Mr Thomas Courbe's term of office as director appointed upon proposal of the French State for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Eighth resolution

(Renewal of Ms Miriem Bensalah-Chaqroun's term of office as independent director)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, renews Ms Miriem Bensalah-Chaqroun's term of office as director for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Ninth resolution

(Renewal of Ms Marie-Annick Darmaillac's term of office as independent director)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, renews Ms Marie-Annick Darmaillac's term of office as director for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Tenth resolution

(Appointment of Mr Bernard Delpit as independent director)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, appoints Mr Bernard Delpit as director for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Eleventh resolution

(Appointment of Mr Frédéric Mazzella as independent director)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, appoints Mr Frédéric Mazzella as director for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Twelfth resolution

(Appointment of Mr Noël Desgrippes as director representing employee shareholders)

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report, appoints Mr Noël Desgrippes, with Ms Christine Giry as substitute, as director representing employee shareholders for a term of four financial years, *i.e.* until the Annual General Meeting of 2025 called to approve the financial statements for the financial year ending on December 31, 2024.

Thirteenth resolution

(Approval of the information relating to the compensation of directors and corporate officers mentioned in Article L. 22-10-9 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. 22-10-34 of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code disclosed therein, as contained in sections 3.2.2 and 3.2.3 of the Company's 2020 Universal registration document.

Fourteenth 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, 2020 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' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2020 or awarded for that year to Mr Jean-Dominique Senard as Chairman of the Board of Directors, as described in section 3.2.2.1 of the Company's 2020 Universal registration document.

Fifteenth 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, 2020 to Mr Luca de Meo 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' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2020 or awarded for that year to Mr Luca de Meo as Chief Executive Officer as described in section 3.2.2.2 of the Company's 2020 Universal registration document.

Sixteenth 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, 2020 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' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the overall compensation and benefits of any kind paid during the year ended December 31, 2020 or awarded for that year to Ms Clotilde Delbos as interim Chief Executive Officer, as described in section 3.2.2.3 of the Company's 2020 Universal registration document.

Seventeenth resolution

(Approval of the compensation policy for the Chairman of the Board of Directors for the 2021 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. 22-10-8 of the French Commercial Code, the compensation policy for the Chairman of the Board of Directors, as set out in section 3.2.4.1 of the Company's 2020 Universal registration document.

Eighteenth resolution

(Approval of the compensation policy for the Chief Executive Officer for the 2021 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. 22-10-8 of the French Commercial Code, the compensation policy for the Chief Executive Officer, as set out in section 3.2.4.2 of the Company's 2020 Universal registration document.

Nineteenth resolution

(Approval of the compensation policy for directors for the 2021 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. 22-10-8 of the French Commercial Code, the compensation policy for directors, as set out in section 3.2.4.3 of the Company's 2020 Universal registration document.

Twentieth 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. 22-10-62 *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 on 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 twenty-first 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 €2,957,222,800, 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, 2020, 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

Twenty-first resolution

(Authorization granted to the Board of Directors to reduce the Company's share capital by cancelling treasury shares)

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. 22-10-62 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 Shareholders' Ordinary General Meeting pursuant to the provisions of Article L. 22-10-62 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.

3 - Ordinary General Meeting

Twenty-second 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.


RENAULT

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

Person responsible for the information

Luca de Meo, Groupe Renault 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 Cross-reference table 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 15, 2021

Luca de Meo

Groupe Renault Chief Executive Officer

7.2 HISTORICAL INFORMATION ON FINANCIAL YEARS 2018 AND 2019

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 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 324-327, 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 not relevant for the investor or covered elsewhere in the registration document.

7.2.2 For financial year 2019

The 2019 Universal registration document was filed with the French Financial Markets Authority on March 19, 2020.

The consolidated financial statements appear in Chapter 4, on pages 338 to 416, and the statutory auditors' report on the consolidated financial statements appears in Chapter 4, on page 334-337, of the same document.

The financial information appears in section 1.3.2, on pages 73 to 77, of the same document.

The other parts of this document are either not relevant for the investor or covered elsewhere in the Universal registration document.

7.3 STATUTORY AUDITORS

KPMG S.A.

represented by Bertrand Pruvost

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 term was renewed at the Combined General Meeting of June 19, 2020 for a further period of six years and will expire after the Annual General Meeting called to approve the 2025 financial statements.

MAZARS

represented by Loïc Wallaert

61, rue Henri Regnault
92075 Paris La Défense

MAZARS was appointed by the Combined General Meeting of June 19, 2020, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2025 financial statements.

7.3.1 Statutory auditors' fees

TABLE OF FEES OF THE STATUTORY AUDITORS AND THEIR NETWORKS

	Mazars		Mazars Network		
€ million	Amount	%	Amount	%	Total 2020
Certification of parent company and consolidated financial statements and half-yearly limited review					
• Renault SA and Renault s.a.s	2.16	76%			2.16
• Fully consolidated subsidiaries	0.66	23%	3.09	99%	3.75
SUB-TOTAL A	**2.83**	**99%**	**3.09**	**99%**	**5.91**
Services other than certification of financial statements required by law and additional services					
• Renault SA and Renault s.a.s	0.02	1%			0.02
• Fully consolidated subsidiaries					
SUB-TOTAL B	**0.02**	**1%**	**0.00**	**0%**	**0.02**
Services other than the certification of financial statements provided at the request of the entity					
• Renault SA and Renault s.a.s					
• Fully consolidated subsidiaries			0.02	1%	0.02
SUB-TOTAL C	**0.00**	**0%**	**0.02**	**1%**	**0.02**
Services other than the certification of financial statements					
SUB-TOTAL D = B+C	**0.02**	**1%**	**0.02**	**1%**	**0.04**
TOTAL E = A+D	**2.84**	**100%**	**3.11**	**100%**	**5.95**

Services other than the certification of financial statements provided by Mazars during the year to your Company and the entities that it controls involve:
(i) a comfort letter for bond issues;
(ii) tax services consistent with our audit engagement.

	KPMG SA		KPMG Network		
€ million	Amount	%	Amount	%	Total 2020
Certification of parent company and consolidated financial statements and half-yearly limited review					
• Renault SA and Renault s.a.s	2.16	62%			2.16
• Fully consolidated subsidiaries	0.92	27%	3.02	90%	3.94
SUB-TOTAL A	**3.08**	**89%**	**3.02**	**90%**	**6.10**
Services other than certification of financial statements required by law and additional services					
• Renault SA and Renault s.a.s	0.10	3%			0.10
• Fully consolidated subsidiaries	0.05	1%	0.01	0%	0.06
SUB-TOTAL B	**0.15**	**4%**	**0.01**	**0%**	**0.16**
Services other than the certification of financial statements provided at the request of the entity					
• Renault SA and Renault s.a.s	0.20	6%			0.20
• Fully consolidated subsidiaries	0.03	1%	0.34	10%	0.36
SUB-TOTAL C	**0.23**	**7%**	**0.34**	**10%**	**0.56**
Services other than the certification of financial statements					
SUB-TOTAL D = B+C	**0.38**	**11%**	**0.34**	**10%**	**0.73**
TOTAL E = A+D	**3.47**	**100%**	**3.36**	**100%**	**6.83**

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) assignments to certify information relating in particular to CSR;
(iii) agreed procedures.

7.4 CROSS-REFERENCE TABLES

7.4.1 Headings required by Annex 1 of regulation (EU) no. 2019/980

This Universal registration document 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 Universal registration document of information included in the December 31, 2020 annual financial report.

Information required by annexes 1 and 2 of delegated regulation (EU) no. 2019/980 of March 14, 2019 in accordance with the Universal registration document outline.

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1 Persons responsible, information from third parties, reports by experts and approval by the competent authority		
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1-2 Declaration by the persons responsible	464	7.1
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1-4 Certification related to information from a third party	N/A	N/A
1-5 Declaration by the competent authority	1	
2 Statutory Auditors		
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3 Risk factors		
3-1 description of the significant risks that are specific to the issuer, broken down into a limited number of categories, in a section entitled “Risk factors”.	101 *et seq*; 138; 139; 141 *et seq*	1.5.2; 2.1.5; 2.1.6; 2.1.6.2
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4-2 Place, registration number and LEI	442	5.1
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5 Business overview		
5-1 Principal activities	21 *et seq*; 53 *et seq*; 71 *et seq*	1.1.3; 1.1.4; 1.3
5-1-1 Nature of operations	21 *et seq*; 53 *et seq*; 71 *et seq*	1.1.4; 1.1.5; 1.3
5-1-2 New products and services	83 *et seq*; 89 *et seq*	1.4.1; 1.4.2
5-2 Principal markets	10; 19; 31 *et seq*	Summary; 1.1.2; 1.1.3.2
5-3 Major events	71 *et seq*; 427	1.3; 4.4.2.1
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5-7-4 Environmental issues that may affect the utilization of property, plant and equipment	118 *et seq*; 149 *et seq*	1.6.2; 2.2
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6-1 Brief description of the Group	21 *et seq*; 60 *et seq*	1.1.3; 1.1.6.2
6-2 List of significant subsidiaries	60 *et seq*; 412 *et seq*; 439	1.1.6.2; 4.2.6.6 (note 31); 4.4.2.25

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7-1-1 Change in results and financial condition including key performance indicators of a financial nature, and of a non-financial nature, if any	10; 19; 53; 338 *et seq*; 423 *et seq*	Summary; 1.1.2; 1.1.4.3; 4.2; 4.4
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7.4.2 Cross-reference table for the management report and the report on corporate governance

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1.2	Key financial performance indicators	Article L. 225-100-1, I., 2° of the French Commercial Code	Introductory handbook Chapter 1, section 1.1.2	14, 15, 19
1.3	Key extra-financial performance indicators relating to the specific activity of the company and the group, in particular information relating to environmental and personnel issues.	Article L. 225-100-1, I., 2° of the French Commercial Code	Chapter 2, section 2.1.6	139
1.4	Significant events occurring between the financial year closing date and the preparation date of the management report	Articles L. 232-1, II. and L. 233-26 of the French Commercial Code	Chapter 1, section 1.7	123
1.5	Identity of the main shareholders and holders of voting rights at annual general meetings, and changes made during the financial year	Article L. 233-13 of the French Commercial Code	Chapter 5, sections 5.1.2.5 and 5.2.6.1	443, 447
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	Chapter 1, sections 1.1.3.4, 1.1.3.5 and 1.1.3.6	43, 48, 49
1.7	Significant stakes acquired in companies headquartered within France	Article L. 233-6 par. 1 of the French Commercial Code	Chapter 4, section 4.2.6.2. Note 3-A	366
1.8	Disposal of cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	Chapter 1, section 1.2.2	64
1.9	Foreseeable development of the company and group position and future prospects	Articles L. 232-1, II and L. 233-26 du French Commercial Code	Chapter 1, section 1.3	71
1.10	Research and development activities	Articles L. 232-1, II and L. 233-26 du French Commercial Code	Chapter 1, section 1.4	83
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1.12	Information on supplier and customer invoice payment times	Article D. 441-4 of the French Commercial Code	Chapter 4, section 4.4.2.24	437
1.13	Amount of inter-company loans granted and statutory auditors' statement	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	Chapter 4, sections 4.4.2.9 and 4.4.2.15	429, 432
2	**Internal control and risk management**			
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2.2	Information on the financial risks related to the effects of climate change and presentation of the measures taken by the company to reduce them by implementing a low-carbon strategy in all aspects of its activity.	Article L. 22-10-35, 1° of the French Commercial Code	Chapter 1, section 1.5.2	101
2.3	Main characteristics of the internal control and risk management procedures implemented by the company and the group relating to the preparation and processing of accounting and financial information	Article L. 22-10-35, 2° of the French Commercial Code	Chapter 1, section 1.5.1 Chapter 4, section 4.2.6.2 Note 2-X, section 4.2.6.5 Note 25	95, 365, 400
2.4	Information on the objectives and policy concerning the coverage of each main category of transactions and on exposure to price, credit, liquidity and cash risks, including the use of financial instruments.	Article L. 225-100-1., 4° of the French Commercial Code	Chapter 1, section 1.5.2	101
2.5	Anti-corruption system	Law No. 2016-1691 of December 9, 2016 known as "Sapin 2"	Chapter 2, section 2.1.6.1, 2.5.1.3, 2.5.2.1	139, 230, 231
2.6	Vigilance plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	Chapter 2, section 2.1.5	138
3	**Report on corporate governance**			
	Compensation information			
3.1	Compensation policy for corporate officers	Article L. 22-10-8, I., paragraph 2 of the French Commercial Code	Chapter 3, section 3.2.4	322
3.2	Compensation and benefits of any kind paid during the financial year or allocated for the financial year to each corporate officer	Article L. 22-10-9, I., 1° of the French Commercial Code	Chapter 3, sections 3.2.2 and 3.2.3, Chapter 4, section 4.2.6.6, Note 27-A	305, 320, 408
3.3	Relative proportion of fixed and variable compensation	Article L. 22-10-9, I., 2° of the French Commercial Code	Chapter 3, section 3.2.2	305
3.4	Use of the possibility of requesting the return of variable compensation	Article L. 22-10-9, I., 3° of the French Commercial Code	N/A	
3.5	Commitments of any kind made by the company for the benefit of its corporate officers, corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or after the exercise of these	Article L. 22-10-9, I., 4° of the French Commercial Code	Chapter 3, section 3.2.2	305
3.6	Compensation paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.	Article L. 22-10-9, I., 5° of the French Commercial Code	Chapter 3, section 3.2.2	305

07

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3.7 Ratios between the level of compensation of each Chief Executive Officer and the average and median compensation of the company's employees	Article L. 22-10-9, I., 6° of the French Commercial Code	Chapter 3, section 3.2.3	320
3.8 Annual change in compensation, company performance, average compensation of company employees and the aforementioned ratios over the five most recent financial years	Article L. 22-10-9, I., 7° of the French Commercial Code	Chapter 3, section 3.2.3	320
3.9 Explanation of the manner in which the total compensation complies with the adopted compensation, including the manner in which it contributes to the long-term performance of the company and how the performance criteria have been applied	Article L. 22-10-9, I., 8° of the French Commercial Code	Chapter 3, section 3.2.2	305
3.10 Method in which the vote of the last ordinary general meeting provided for in I of Article L. 22-10-34 of the French Commercial Code was taken into account.	Article L. 22-10-9, I., 9° of the French Commercial Code	N/A	
3.11 Any gap in the implementation procedure of the compensation policy and any exceptions	Article L. 22-10-9, I., 10° of the French Commercial Code	Chapter 3, sections 3.2.2 and 3.2.4.2	305, 323
3.12 Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with the gender balance of the Board of Directors).	Article L. 22-10-9, I., 11° of the French Commercial Code	Chapter 3, section 3.1.2 Chapter 2, section 2.3.	262, 186
3.13 Allocation and retention of options by corporate officers	Article L. 225-185 of the French Commercial Code	Chapter 3, sections 3.2.2.5, 4.2.6.2 Note 2-R, 4.2.6.4 note 18-G and, 4.4.2.10	318, 363, 385, 429
3.14 Allocation of free shares to Chief Executive Officers and retention thereof	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	Chapter 3, sections 3.2.2.5 and 3.2.4, 4.2.6.2 Note 2-R, 4.2.6.4 note 18-G and, 4.4.2.10	318, 322, 363, 385, 429
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3.15 List of all offices and positions exercised in any company by each of the corporate officers during the financial year	Article L. 225-37-4, 1° of the French Commercial Code	Chapter 3, section 3.1.3	268
3.16 Agreements entered into between a senior executive or a significant shareholder and a subsidiary	Article L. 225-37-4, 2° of the French Commercial Code	Chapter 3, section 3.1.4.3 Chapter 4, section 4.3.2	284, 420
3.17 Summary table of current delegations of authority granted by the annual general meeting relating to capital increases	Article L. 225-37-4, 3° of the French Commercial Code	Chapter 5, section 5.2.4.2	445
3.18 Senior management procedures	Article L. 225-37-4, 4° of the French Commercial Code	Chapter 3, section 3.1.1	258
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3.20 Application of the principle of balanced representation of women and men on the Board	Article L. 22-10-10, 2° of the French Commercial Code	Chapter 3, section 3.1.2	262
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3.22 Reference to a corporate governance code and application of the "comply or explain" principle	Article L. 22-10-10, 4° of the French Commercial Code	Chapter 3, section 3.1.8	301
3.23 Special conditions for shareholders to attend the annual general meeting	Article L. 22-10-10, 5° of the French Commercial Code	Chapter 3, section 3.1.10 Chapter 5, section 5.1.2.2	302, 443
3.24 Procedure for evaluating current agreements - Implementation	Article L. 22-10-10, 6° of the French Commercial Code	Chapter 3, section 3.1.9	302
3.25 Information with the potential to affect public takeover bids or share exchange offers: company share capital structure; statutory restrictions on the exercise of voting rights and share transfers, or clauses in agreements brought to the attention of the company pursuant to Article L. 233-11; direct or indirect holdings in the company's share capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12; list of holders of any securities with special control rights and a description of these - control mechanisms provided for in a possible employee shareholding system, when the control rights are not exercised by the latter; agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights; rules applicable to the appointment and replacement of members of the Board of Directors and the amendment of the company's articles of association; powers of the Board of Directors, in particular with regard to the issue or buyback of shares; agreements entered into by the company that are amended or terminated in the event of a change in control of the company, unless such disclosure, excluding cases with a legal obligation to disclose, would seriously harm its interests; agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a public takeover bid or exchange offer.	Article L. 22-10-11 of the French Commercial Code	Chapter 3, section 3.1.10 Chapter 5, sections 5.1.2 and 5.2 Chapter 5, section 5.2.6.3 Chapter 3, section 3.1.2	302, 442, 444, 262

Topic		Reference texts	Section	Page
4	**Shareholders and capital**			
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4.2	Purchase and sale by the company of its treasury shares	Article L. 225-211 of the French Commercial Code	Chapter 5, sections 5.2.5.2 and 5.2.5.3	445, 446
4.3	Statement of employee shareholding on the last day of the financial year (proportion of capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	Chapter 5, section 5.2.6.1	447
4.4	Mention of potential adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	N/A	
4.5	Information on transactions by senior executives and related persons on the company's securities	Article L. 621-18-2 of the French Monetary and Financial Code	Chapter 3, sections 3.3	331
4.6	Amounts of dividends distributed in respect of the three previous financial years	Article 243 *bis* of the French General Tax Code	Chapter 5, section 5.3.3	452
5	**Extra-Financial Performance Declaration (EFPD)**			
5.1	Business model (or commercial model)	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	Introductory handbook	9
5.2	Description of the main risks related to the business of the company or group, including, where relevant and proportionate, risks created by business relationships, products or services	Articles L. 225-102-1 and R. 225-105, I. 1° of the French Commercial Code	Chapter 2, section 2.1.6.2	141
5.3	Information on the way in which the company or group takes into account the social and environmental consequences of its activity, and the effects of this activity in terms of respect for human rights and the fight against corruption (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the business of the company or group)	Articles L. 225-102-1, III, R. 225-104 and R. 225-105, I. 2° of the French Commercial Code	Chapter 2, section 2.1.6.1	139
5.4	Results of policies applied by the company or group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I. 3° of the French Commercial Code	Chapter 2, Section 2.6	236
5.5	Corporate social information (employment, work organization, health and safety, labor relations, training, equal treatment)	Articles L. 225-102-1 and R. 225-105, II. A. 1° of the French Commercial Code	Chapter 2, section 2.1.6.3	144
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	Articles L. 225-102-1 and R. 225-105, II. A. 2° of the French Commercial Code	Chapter 2, section 2.1.6.3	144
5.7	Societal information (societal commitments in favor of sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II. A. 3° of the French Commercial Code	Chapter 2, section 2.1.6.3	144
5.8	Anti-corruption information	Articles L. 225-102-1 and R. 225-105, II. B. 1° of the French Commercial Code	Chapter 2, section 2.1.2, 2.1.3 and 2.5.1.3, 2.1.6.1, 2.1.6.2	128, 128, 230, 139, 141
5.9	Information on actions in favor of human rights	Articles L. 225-102-1 and R. 225-105, II. B. 2° of the French Commercial Code	Chapter 2, section 2.1.3	128
5.10	Specific information: - the company's policy to prevent the risk of technological accidents; - the company's ability to cover its civil liability in respect of property and persons as a result of the operation of such facilities; - resources planned by the company to ensure the compensation of victims in the event of a technological accident involving its liability.	Article L. 225-102-2 of the French Commercial Code	Chapter 2, section 2.4.2	214
5.11	Collective agreements signed within the company and their impact on the company's business performance as well as employee working conditions	Articles L. 225-102-1, III and R. 225-105 of the French Commercial Code	Chapter 2, section 2.4.1.4	211
5.12	Statement by the independent third party on the information contained in the EFPD	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	Chapter 2, section 2.6.6.	252
6	**Other information**			
6.1	Additional tax information (total amount of certain expenses not fiscally deductible)	Articles 223 *quater* and 223 *quinquies* of the French General Tax Code	N/A	
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6.3	Earnings for the financial year and their proposed appropriation	Articles 223 *quater* and 39-4 of the French General Tax Code; Articles 223 *quinquies* and 39-5	Chapter 6	455
6.4	Information on the use of the CICE	CGI, Article 244 *quater* C	N/A	
6.5	Options granted, subscribed or purchased during the financial year by the corporate officers and each of the top ten employees of the company who are not corporate officers, and options granted to all beneficiary employees, by category	L. 225-184 of the French Commercial Code	Chapter 3, sections 3.2.2.5 and 3.2.5.3	318, 329

7.4.3 Cross-reference table of the annual financial report

To facilitate the reading of this document, the cross-reference table below makes it possible to identify, in this Universal registration document, the information constituting the annual financial report (as of December 31, 2020) to be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation.

Topic	Page nos.	Chapter nos.
1 Financial statements	4.4	423 *et seq.*
2 Consolidated financial statements	4.2	338 *et seq.*
3 Management report (minimum information within the meaning of Article 222-3 of the AMF General Regulation)	See cross-reference table in the management report	469 *et seq.*
4 Declaration by the persons responsible for the annual financial report	7.1	464
5 Statutory auditors' report on the parent company and consolidated financial statements	4.3.1 and 4.1	416 and 334

GLOSSARY

A

Alliance: Renault, Nissan, Mitsubishi and AVTOVAZ are members of the Alliance (a legal structure described in Section 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 synergies between the two companies within the framework of the Alliance.

CVT: Continuously Variable Transmission. A gearbox technology that enables 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 NO_x 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 make investments in associated companies.

The FCF for Automotive sectors is an indicator defined by Groupe Renault 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 segments' 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 14 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: The Group Executive Committee, which is in charge of the Company's strategic directions and decisions, was renamed Board of Management (BoM) in January 2021.

Groupe Renault: building on its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, the Groupe Renault relies on the complementarity of its five brands – Renault, Dacia, Lada, Alpine and Mobilize – and offers its customers sustainable and innovative mobility solutions. With operations in more than 130 countries, it now has more than 170,000 employees and sold 2.95 million vehicles in 2020.

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 open eco-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 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.

P

PGE: State-guaranteed loan (*Prêt garanti par l'État*).

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.

ROCE (Return On Capital Employed): is an indicator that measures the profitability of invested capital

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 brands 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

GRWC: Groupe Renault Works Council

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

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

teq CO_2: 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 version of the 2020 universal registration document on the finance page of our website :

www.group.renault.com/finance/

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The digital version of this document is conform to Web content accessibility standards, WCAG 2.1, and is certified ISO 14289-1. Its design enables people with motor disabilities to browse through this PDF using keyboard commands. Accessible for people with visual impairments, it has been tagged in full, so that it can be transcribed vocally by screen readers using any computer support. It has also been tested in full and validated by a visually-impaired expert.

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Photo credits:
Cover and inside back cover (Megane e-vision):
CG Watkins, ADDITIVE
Gamme E-TECH : Lacen Studio, Publicis Conseil
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Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

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