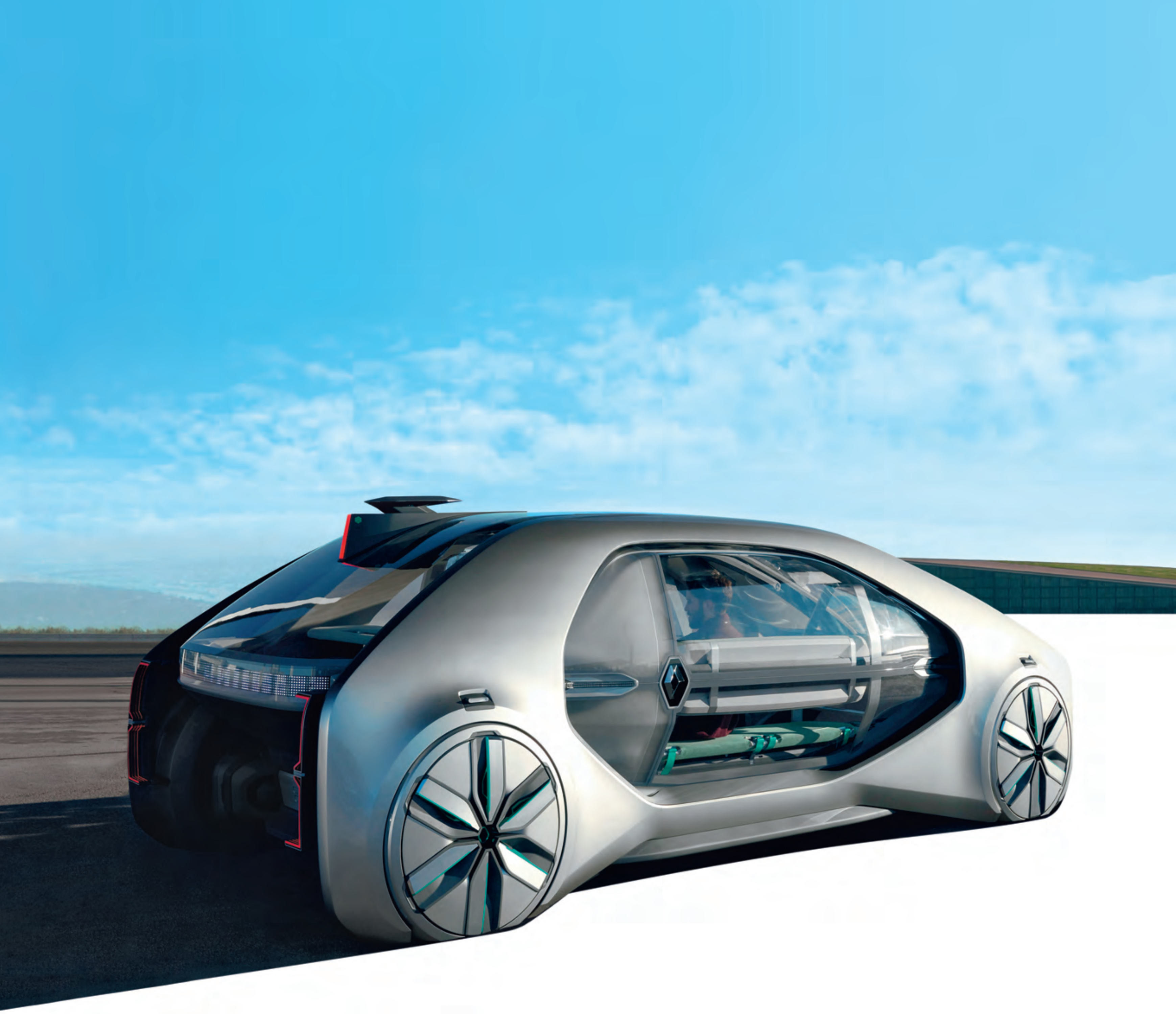
GROUPE RENAULT



REGISTRATION DOCUMENT

INCLUDING ANNUAL FINANCIAL REPORT 2018

SUMMARY

TRANSPARENCE LABEL ARGENT

This logo recognises the most transparent Registration Documents according to the criteria of the *Classement Annuel de la Transparence* (http://www.grandsprixtransparence.com).

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

2018

REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT
APPROVED BY THE BOARD OF DIRECTORS ON APRIL 3, 2019

For 120 years, passion has driven the Group to innovate tirelessly to develop mobility solutions for all. Through their skills, our employees share this passion every day in the design and reliability of our vehicles. It is why millions of individuals, professionals, and top athletes have chosen us.

This Registration document is online on the website

www.groupe.renault.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration document was filed with the French Financial Markets Authority on April 15 , 2019, in accordance with Article L. 212-13 of the AMF General Regulation. It may be used in support of a financial operation if it is supplemented by a securities note *(note d'opération)* endorsed by the AMF. This document has been prepared by the issuer and its signatories are liable therefore.

MESSAGE FROM JEAN-DOMINIQUE SENARD

Jean-Dominique Senard
Chairman of Groupe Renault

> … these challenges represent opportunities to use its know-how in the spirit of conquest and innovation that has driven it for over 120 years.

This year, Renault demonstrated its resilience and strength in the face of obstacles. I am especially proud to have joined this group at a defining moment in its history.

A defining moment, because the automotive world is currently undergoing radical changes, and it must reinvent mobility and the resulting services in a disrupted competitive environment. For Renault, these challenges represent opportunities to use its know-how in the spirit of conquest and innovation that has driven it for over 120 years.

It is also defining because Renault is writing a new page in its history. To begin this new era, we have made trust the center of our model.

First, the governance of the Group has been renewed with a requirement for gender balance and diversity of skills and profiles, all supported by a strong ethical foundation.

We then wanted to give the Alliance a new start. Its structure and organization have been rethought to ensure a balance of power and promote dialogue and fluidity. Today, a stronger, more effective Alliance can face the challenges ahead.

For Groupe Renault, this new structure is the guarantee of shared trust within the company and with our investors and all our partners. It is also the key to consolidating the Group's success, within the strategic objectives of the *Drive the Future* plan and beyond.

I am convinced that the Group is now endowed with every strength it needs to grow profitably and with respect for people.

MESSAGE FROM THIERRY BOLLORÉ

“A remarkable resilience.”

(1) With the integration of the JinBei and Huasong brands since January 1, 2018

In 2018, Groupe Renault was confronted with many difficulties: the unexpected collapse of certain markets such as Turkey and Argentina, the closing of the Iranian market, unfavorable exchange rates and more rapid changes to the energy mix. When faced with these headwinds, the company has demonstrated remarkable resilience. With 3.88 million vehicles sold, 3.3% more than in 2017 (1), we recorded record sales with revenues of €57.4 billion. We maintained our operating margin above 6% and generated positive free cash flow. We achieved this performance by being profitable in each of our regions, thus demonstrating our resilience and increasing ability to adapt.

In 2018, in line with the objectives of our *Drive the Future* strategic plan, we **strengthened our internationalization**, with more than half of our sales being made outside Europe. In Russia, AvtoVaz surpassed the objectives of its mid-term plan for 2018, with revenues up 25.5% for a margin of 6.7%. With the Lada Vesta again number one in the country's sales, the Russian manufacturer posted a 20% market share. In South America, the Kwid rose to the top of its segment in the Brazilian and Argentinean markets. In China, we are rapidly conquering the market with the integration of sales of JinBei and Huasong MPVs and medium and large vans since January 1, 2018. In Europe, the Group reaffirmed its leadership in electric vehicles with a market share of more than 22%, while the Clio, Captur, Scenic and New Duster are leaders in their respective segments.

In 2018, we prepared for the future. We focused our efforts on our cost competitiveness, generating €421 million via our *monozokuri* activities. At the same time, we launched FAST, a group-wide transformation program for greater efficiency, agility and performance. And we invested, with a Capex R&D budget at its highest level in ten years, which allowed us to get ready for the mobility of tomorrow: electric, connected, autonomous, shared.

2019 looks difficult, but we're prepared. First, we now have a new and stronger governance with the arrival of Jean-Dominique Senard as Chairman of the Board. We also developed a strong product plan with global launches such as the New Clio or Arkana, and on a local scale with the model we are about to launch in India. Futhermore, our electric range will be a reservoir of growth, especially in China, with a new EV to be revealed at the Shanghai Motor Show, and investment in JM EV, the fifth-largest electric vehicle manufacturer in China. We are continuing our financial discipline efforts, with a goal of a 15% reduction in our fixed costs over the next three years. The extension of our common platforms to new segments and the synergies generated within the Alliance will also fuel our performance.

In 2019, the world market and the European market should be stable, except in case of a "hard Brexit". The Brazilian market is expected to grow by 10% and the Russian market by 3%.

Within this context, Groupe Renault is targeting:

- increased revenues (at constant scope and exchange rates);
- a Group operating margin of around 6%;
- positive automotive operational free cash flow.

Details of all activities carried out in 2018 are presented below.

Thierry Bolloré

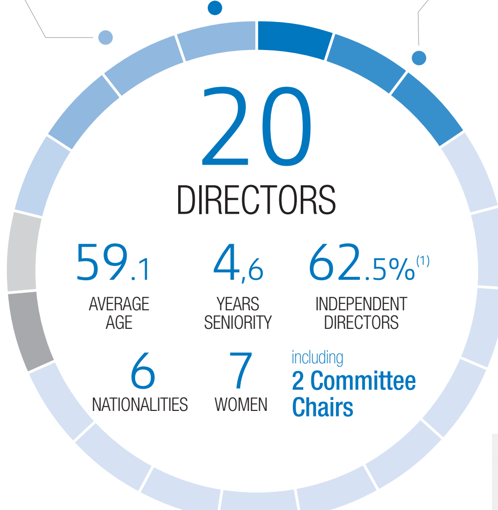
Chief Executive Officer of Groupe Renault

GOVERNANCE AND GROUP EXECUTIVE COMMITTEE

As of April 1, 2019

Overview of the Board of Directors

Jean-Dominique SENARD
Chairman of the Board



3 DIRECTORS representing employees

Eric PERSONNE

Richard GENTIL

Frédéric BARRAT

1 DIRECTOR representing employee shareholders

Benoît OSTERTAG

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

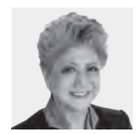
Martin VIAL

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

Thomas COURBE

Carlos GHOSN

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



Yu SERIZAWA

Yasuhiro YAMAUCHI

10 INDEPENDENT DIRECTORS appointed by the Annual General Meeting

Philippe LAGAYETTE*

Pascale SOURISSE

Catherine BARBA

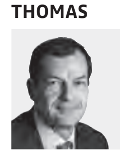
Patrick THOMAS

Pierre FLEURIOT

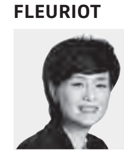
Cherie BLAIR

Marie-Annick DARMAILLAC

Miriem BENSALAH CHAQROUN



Thierry DEREZ



Olivia QIU

** Lead Independent Director*

Specialized committees

AUDIT, RISKS AND ETHICS Committee	COMPENSATION Committee	APPOINTMENTS AND GOVERNANCE Committee	INTERNATIONAL, INDUSTRIAL AND DIGITAL STRATEGY Committee
8 MEMBERS	5 MEMBERS	4 MEMBERS	9 MEMBERS
83.3% INDEPENDENT (1)	100% INDEPENDENT (1)	75% INDEPENDENT (1)	80% INDEPENDENT (1)

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

Mapping of Boards members' skills

AUTO INDUSTRY 11

Mr. Barrat, Mr. Derez, Mr. Gentil, Mr. Ghosn, Mr. Lagayette, Mr. Ostertag, Mr. Personne, Mr. Senard, Mr. Vial, Mr. Yamauchi, Ms. Sourisse

FINANCE 10

Mr. Courbe, Mr. Derez, Mr. Fleuriot, Mr. Ghosn, Mr. Lagayette, Mr. Ostertag, Mr. Personne, Mr. Senard, Mr. Thomas, Mr. Vial

DIGITAL AND INNOVATION 6

Mr. Ghosn, Mr. Senard, Mr. Yamauchi, Ms. Barba, Ms. Qiu, Ms. Sourisse

SENIOR EXECUTIVE EXPERIENCE 9

Ms. Bensalah-Chaqroun, Ms. Qiu, Ms. Sourisse, Mr. Derez, Mr. Fleuriot, Mr. Ghosn, Mr. Senard, Mr. Thomas, Mr. Yamauchi

INTERNATIONAL EXPERIENCE 9

Mr. Ghosn, Mr. Senard, Mr. Yamauchi, Ms. Barba, Ms. Bensalah-Chaqroun, Ms. Blair, Ms. Qiu, Ms. Serizawa, Ms. Sourisse

ENVIRONMENTAL, SOCIAL AND GOVERNANCE 5

Ms. Bensalah-Chaqroun, Ms. Blair, Ms. Darmaillac, Mr. Ostertag, Mr. Senard

Work of the Board of Directors

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

Overview of the Group Executive Committee

1. **Thierry Bolloré**, Chief Executive Officer of Groupe Renault
2. **Clotilde Delbos**, Group CFO, Chairman of the Board of Directors of RCI Banque
3. **José Vicente de los Mozos**, Group EVP, Manufacturing & Logistics
4. **Gaspar GASCON-ABELLAN**, Deputy Alliance EVP, Engineering
5. **Philippe GUÉRIN BOUTAUD**, Group EVP, Quality and Customer Satisfaction
6. **Ali KASSAÏ**, Group EVP, Product Planning and Programs
7. **Olivier MURGUET**, Group EVP, Sales and Regions
8. **François RENARD**, Group EVP, Global Marketing
9. **François ROGER**, Group EVP, Human Resources
10. **Véronique SARLAT-DEPOTTE**, Alliance Global EVP Purchasing, Chairman and CEO of the Alliance Purchasing Organization
11. **Laurens VAN DEN ACKER**, Group EVP, Corporate Design
12. **Frédéric VINCENT**, Group EVP, Information Systems and Transformation

12 MEMBERS

2 WOMEN

4 NATIONALITIES

LEARN MORE • 2018 Group Registration Document, Chapter 3

BUSINESS MODEL EFPD-A

Data as of end-2018

OUR RESOURCES

See Section

HUMAN 2.3.1

- **183,002** employees in 37 countries

FINANCIAL 4.2

- Shareholders' equity: **€36.1 billion**
- Financial debt: **€53.1 billion**

INTELLECTUAL 1.4

- **11,095** patents' portfolio
- **23,451** R&D engineers in **8** countries

ENVIRONMENTAL 2.2.2

- Renewable and non-renewable resources & energies

INDUSTRIAL 1.2.7.5

- **36** plants around the world

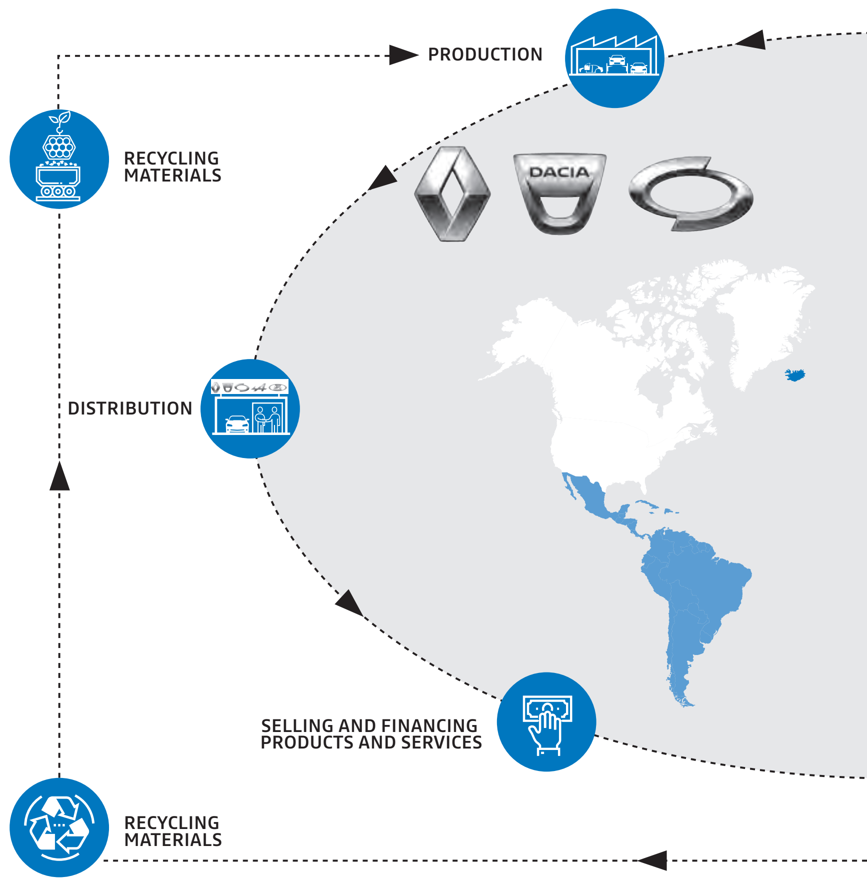
SOCIAL AND RELATIONNAL 2.1.5

- Relationships with our stakeholders (customers, employees, suppliers and partners, investors, local communities, institutions and associations...)

OUR VISION

Ensure **sustainable mobility**

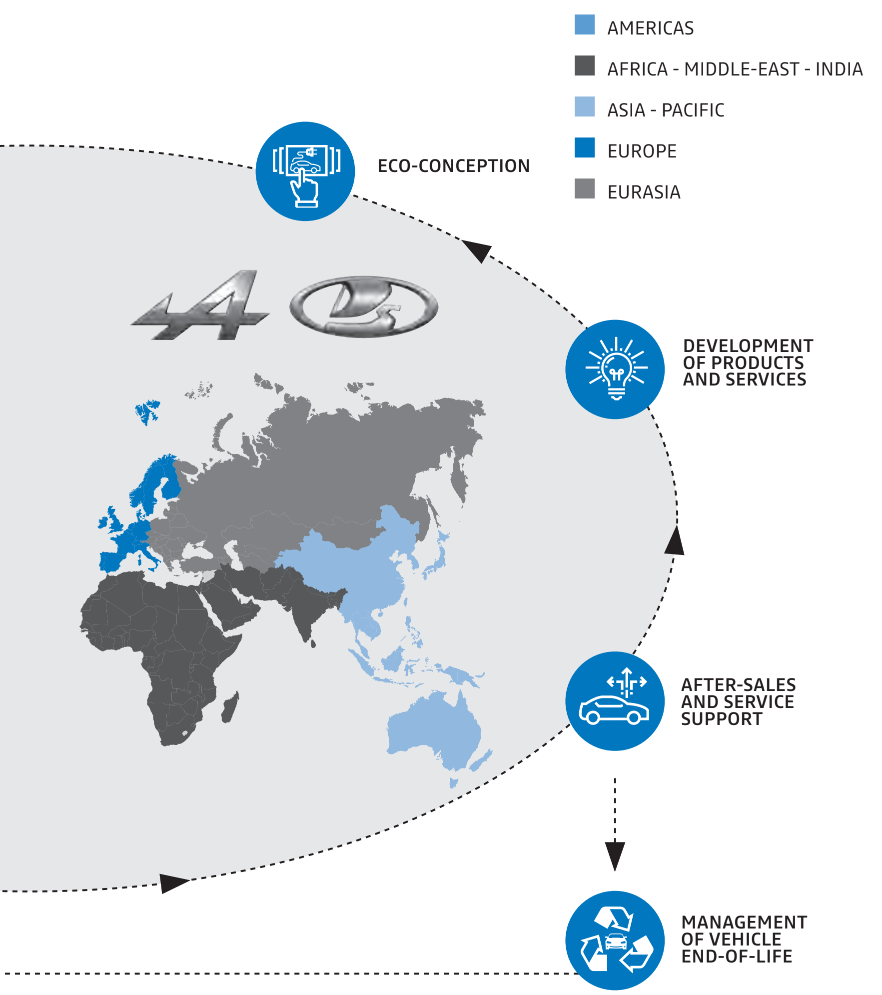
Our operations in 5 REGIONS



OUR MAIN ASSETS

	See Section
• ALLIANCE (SCALE AND TECHNOLOGIES)	1.4.4.2
• GEOGRAPHICAL DIVERSIFICATION	1.1.5.3
• RCI BANK & SERVICES	1.1.5

for all, today and tomorrow



• ELECTRICAL VEHICLES BUSINESS UNIT	1.1.4.1
• GLOBAL ACCESS LINE UP	2.3.4.1
• LCV GLOBAL BUSINESS UNIT	1.1.4.1

OUR CREATION OF SHARED VALUE

CUSTOMERS

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

SHAREHOLDERS

• Sustainable performance	1.3.1
• Attractive dividend policy	5.3.3

EMPLOYEES

• **78%** of engagement rate	2.3.1.1
• **5.1 million** hours of training delivered	2.3.1.3

ENVIRONMENTAL STANDARDS 2.2.2

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

SUPPLIERS AND PARTNERS

• More than **17,000** parts and services suppliers	2.4.2
• **816** patents filed	1.4

SOCIETY

• **8 foundations** worldwide	2.3.3.1
• **15** academic chairs funded	2.2.1.1

PRESENTATION OF THE STRATEGIC PLAN 2017-2022

DRIVE THE FUTURE

Our vision

Ensure sustainable mobility for everyone, now and in the future

ELECTRIC MOBILITY SERVICE

CONNECTED

AUTONOMOUS

ELECTRIC

Our objectives

REVENUES	OPERATING PROFIT	FREE CASH FLOW
>€70 BN (vs. €51 BN in 2016)	>7%	positive every year

Our priorities

BECOME MORE COMPETITIVE

BY 2022

>80%
OF GROUPE RENAULT VEHICLES PRODUCED ON COMMON PRODUCTION PLATFORMS

€18 BN
IN R&D INVESTMENTS
will give access to technologies worth
€50 BN

€4,2 BN
"MONOZUKURI" SAVINGS WITH THE AIM OF OPTIMIZING THE ENTIRE VALUE CHAIN

STRENGTHEN OUR GLOBAL PRESENCE

STRONG GROWTH OUTSIDE EUROPE

CHINA
VEHICLES SOLD
35,000 (2016)
550,000 (2022)

RUSSIA
Stay leader with a
30%
MARKET SHARE
in 2022

X2
LADA VOLUME
in 2022
Return profitability to match Group level

X2
SALES OUTSIDE OF EUROPE

> 50%
OF GROUP RESULTS OUTSIDE OF EUROPE

FROM EUROPEAN TO GLOBAL LEADERSHIP IN LIGHT COMMERCIAL VEHICLES

VOLUMES
+40%
by 2022

DEVELOPMENT OF RANGE OF ELECTRIC LIGHT COMMERCIAL VEHICLES

MARKET COVERAGE
X2

NEW JOINT VENTURE IN CHINA

BUILDING TOMORROW'S MOBILITY BY 2022: ELECTRIC, CONNECTED, AUTONOMOUS, SHARED

ELECTRIC VEHICLES, A CORE BUSINESS

- 8 ELECTRIC MODELS
- 12 ELECTRIFIED MODELS (>50% OF THE RANGE) BY 2022

N° 1 LIGHT COMMERCIAL VEHICLE MANUFACTURER IN EUROPE

OFFER CONNECTED, AUTONOMOUS VEHICLES

100% OF NEW VEHICLES IN KEY MARKETS TO BE CONNECTED

15 MODELS WITH AUTONOMOUS DRIVING CAPABILITIES BY 2022

NEW MOBILITY SERVICES

MOBILITY SERVICES DEVELOPED WITH RCI BANK & SERVICES AND THE ALLIANCE

"RIDE-HAILING" MOBILITY ON DEMAND, ROBOT TAXI SERVICES BY THE END OF THE PLAN

KEY FIGURES

€57 419 M

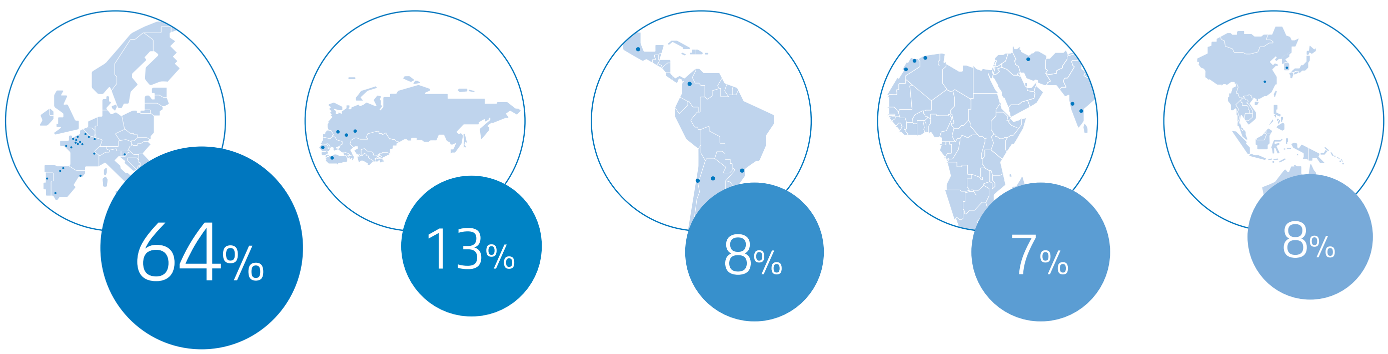
Group Renault 2018 revenues

3,884,295

vehicles sold worldwide in 2018

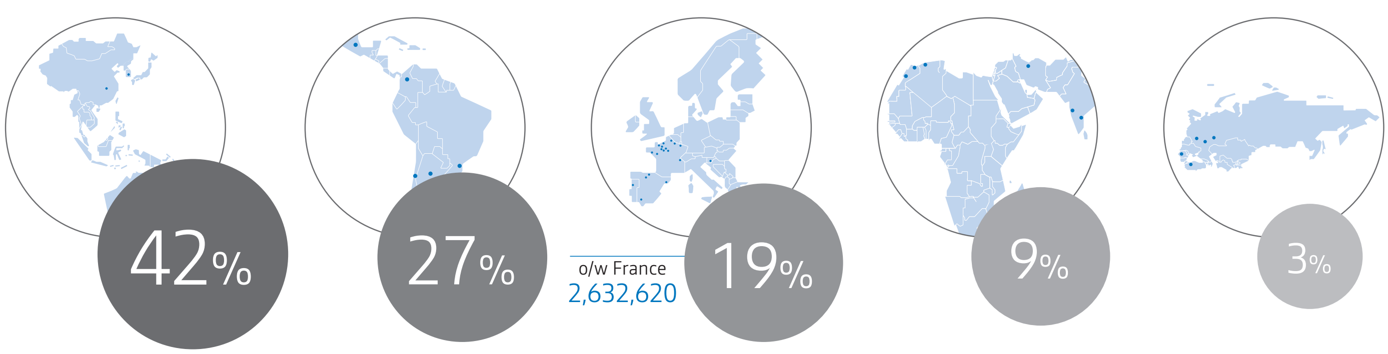
BREAKDOWN OF REVENUES BY VEHICLES SOLD WORLDWIDE IN 2018

Europe	Eurasia	Americas (without USA)	Africa - Middle-East - India	Asia-Pacific
€36,704 M	€7,562 M	€4,684 M	€3,903 M	€4,566 M€



ALL BRANDS WORLD MARKET BY REGION / 2018 - BY VOLUME

Asia-Pacific	Americas (with USA)	Europe	Africa Middle-East - India	Eurasia
39,213,810	25,315,861	17,655,734	7,794,511	2,932,751



Operating margin - €m

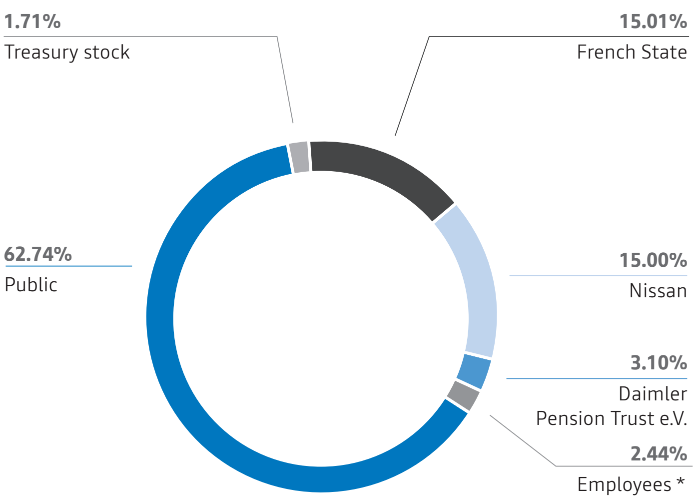
2016	3,282 (6.4% of revenue)
2017	3,854 (6.6% of revenue)
2018	3,612 (6.3% of revenue)

Automotive net cash position including AVTOVAZ - €m

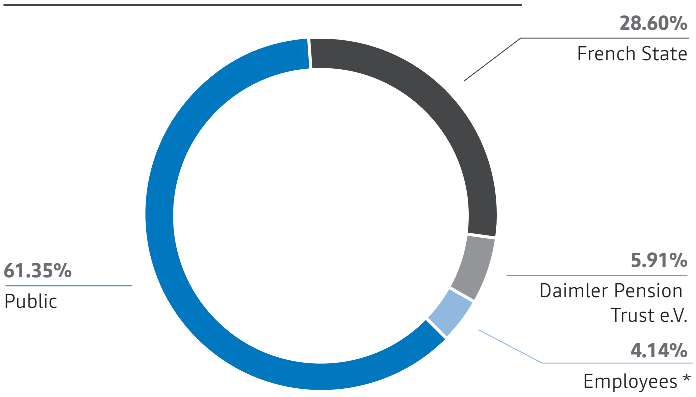
2016	2,416 (restated)
2017	3,209 (restated)
2018	3,702

Renault shareholders at December 31, 2018

OWNERSHIP STRUCTURE AS PERCENTAGE OF SHARES



BREAKDOWN OF EXERCISABLE VOTING RIGHTS [1] AS A %



CHANGE IN DIVIDEND IN MILLIONS OF EUROS

2016	2017	2018
€ 3.15	€ 3.55	€ 3,55 (2)

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

Carbon footprint per vehicle [3]

- 17.9 %

compared to 2010

(1) See Section 5.2.6.1.

(2) Proposed to the General Meeting of June 12, 2019.

(3) See Section 2.2.2.3.A.

A 5-BRAND GROUP

An automotive manufacturer since 1898, Groupe Renault is an international multi-brand group comprised of the Renault, Dacia, RSM, Alpine and Lada brands. The Group sold nearly 3.9 million vehicles in 2018, a record year, making it the largest French automotive group in the world, including sales of the Jinbei and Huansong brands which total 165,603 light commercial vehicles.

RENAULT

2,532,567 vehicles sold in 2018 (PC + LCV)

Renault, the number-one French brand in the world, is marketed in 134 countries at nearly 12,000 sales points. For 120 years, Renault has been making life easier for its customers. Sensual and warm design, European leader in electric vehicles or commitment in motorsport, it is passion that drives the brand on a daily basis.

DACIA

700,798 vehicles sold in 2018 (PC + LCV)

Dacia is sold in 44 countries in Europe and a number of countries in the AMI region. The brand has attracted almost 5.6 million customers since 2004 by offering a simple and reliable range of vehicles at a reasonable price. With iconic models such as the SANDERO and DUSTER, Dacia has a strong following, especially on social networks.

RSM

84,954 vvehicles sold in 2018 (PC + LCV)

Founded in 2000, Renault Samsung Motors is especially renowned for its quality of service. The brand was ranked the leader in customer satisfaction in 2018, for the seventeenth consecutive year in sales and the third consecutive year in after-sales.

ALPINE

2,091 vehicles sold in 2018 (PC)

Alpine was founded in 1955 by Jean Rédélé, a man with a passion for motor racing. In 2017, Alpine returned with the New Alpine A110, a car with the brand's classic features – lightness, compactness and agility – and with a promise: a pleasure to drive.

LADA

398,282 vehicles sold in 2018 (PC + LCV)

Lada has been a Groupe Renault brand since December 2016. A historic leader in the Russian market, it has the largest dealer network in the country with 300 sales points.
With a totally new design and a network in the throes of transformation, Lada has entered a new era.

Find out more at **www.groupe.renault.com**

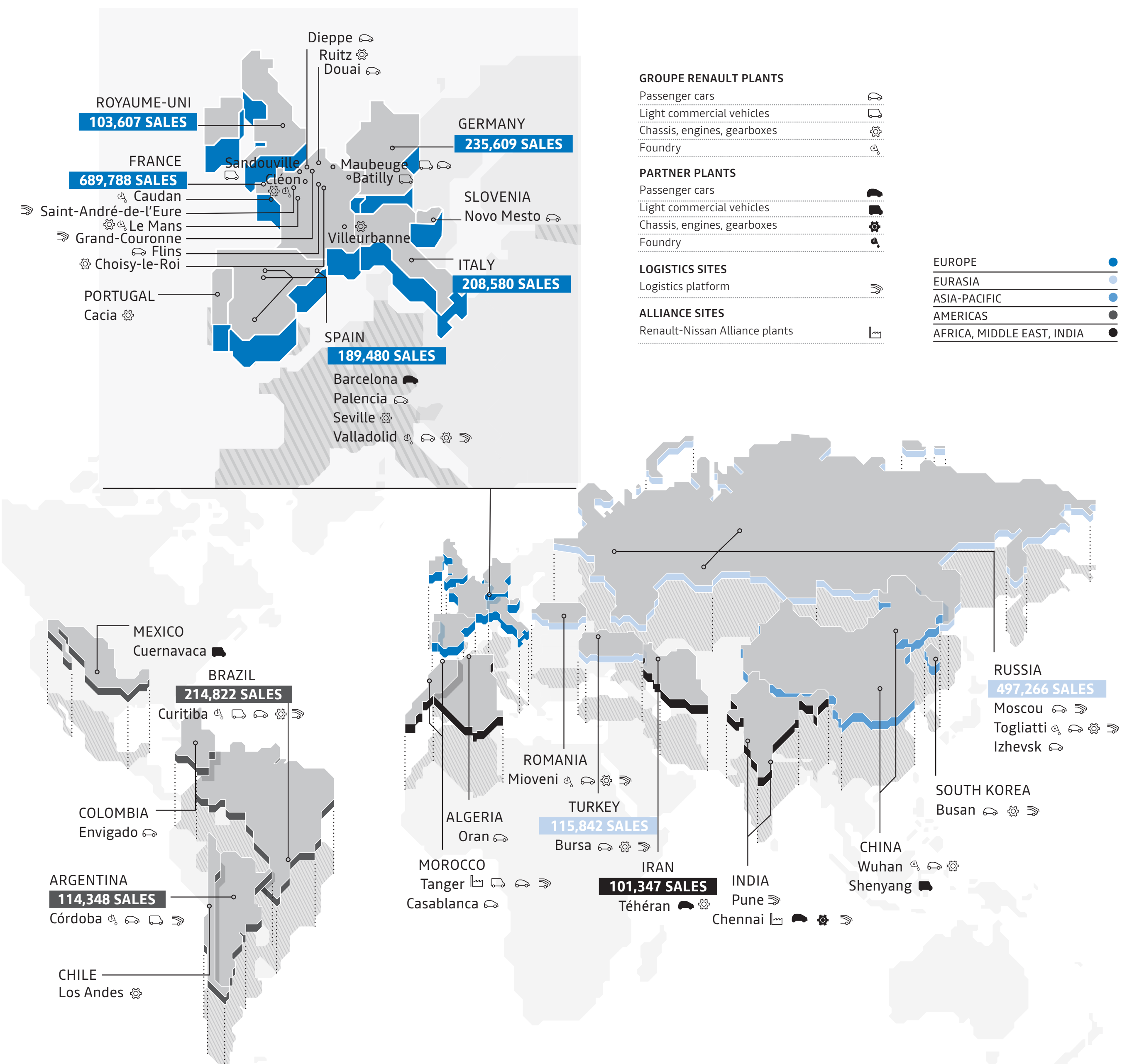
183,002 employees

A presence in more than
130 countries

N° 1
FRENCH AUTOMOTIVE MANUFACTURER IN THE WORLD IN 2018, FOR THE THIRD YEAR IN A ROW

N° 1
MANUFACTURER IN THE ELECTRIC VEHICLE SEGMENT IN EUROPE

Global production sites



GROUPE RENAULT WORLDWIDE DATA AT END-2018

IN OVER 130 COUNTRY	183,002 EMPLOYEES	€57,419 million REVENUES

GROUPE **RENAULT**

01

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 April 1, 2019

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 separate since January 24, 2019. A detailed explanation of the mode of governance is given in section 3.1.5. The Chief Executive Officer relies on the Group Executive Committee (GEC) to steer the Group's strategic management. The GEC has the support of the Operations Review Committee, which has a larger number of members.

1.1.1.1 The Group Executive Committee

The Group Executive Committee takes strategic, financial and operational decisions subject to the functions allocated at the Board of Directors' meeting.

These are reflected in the budget and Renault Plan, product planning, major investments, and plans for new strategic sites.The members of the Group Executive Committee regularly attend Board meetings.It meets once a month.

The Group Executive Committee has 12 members:

- The Chief Executive Officer;
- The EVP, Sales and Regions Groupe Renault
- The EVP, Marketing Groupe Renault
- The EVP, Information Systems, Digital and Transformation Groupe Renault,
- The Deputy Alliance EVP, Engineering,
- The EVP, Human Resources Groupe Renault,
- The EVP, Product Planning and Programs,
- The Deputy Aliance EVP, Manufacturing & Supply Chain Management operations 1 & EVP Manufacturing &Supply Chain Management Groupe Renault,
- The EVP, Quality and Total Customer Satisfaction,
- The Group Chief Financial Officer,
- The Alliance EVP, Purchasing,
- The EVP, Corporate Design Groupe Renault

1.1.1.2 Renault Operations Review

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

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

The Operations Review Committee has 29 permanent members:

- the 12 EC members ;
- The SVPs, Chairman of Europe, Eurasia, Americas, AMI-Pacific and China Regions,
- The SVP, Group Controller,
- The Alliance SVP, Product Development,
- The SVP, TdC office Group,
- The SVP, After-Sales, Groupe Renault,
- The SVP, Product Planning,
- The SVP, Electric Vehicle Groupe Renault,
- The SVP, Audit, Risks and Ethics, Groupe Renault,
- The SVP Legal and Public Affairs,
- The SVP, Mobility and Services, Groupe Renault,
- The SVP, Corporate Strategy and Business Development, Groupe Renault,
- The Special Advisor to the Chief Executive Officer, Groupe Renault,
- The SVP, Communications, Public Relations, Corporate Social Responsibility and the Renault Foundation, Groupe Renault.

The Operations Review Committee meets once a month for a full day.

1.1.2 Key figures

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

(€ million)	2018	2017	2016 (2)
Revenues	57,419	58,770	51,243
Operating profit	3,612	3,854	3,282
Share in Nissan Motors net income	1,509	2,791	1,741
Renault net income, Group share	3,302	5,114	3,419
Earnings per share *(€)*	12.24	18.87	12.57
Share capital	1,127	1,127	1,127
Shareholders' equity	36,145	33,442	30,895
Total assets	114,996	109,943	102,103
Dividends *(€)*	3.55 (3)	3.55	3.15
Automotive net cash position including AVTOVAZ	3,702	2,928	2,416
Operational free cash flow including AVTOVAZ	607	945	N/A
Total workforce at December 31, 2018	183,002 (including 48,678 AVTOVAZ)	181,344 (including 49,771 AVTOVAZ)	124,849

(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) Data at December 31, 2016 include adjustments for the allocation of the acquisition price of the AVTOVAZ group (note 3-B to the consolidated financial statements) recognized in 2017 and therefore differ from those previously reported.
(3) Proposition to be submitted to the CGM on June 12, 2019.

OPERATING MARGIN BY ACTIVITY

(€ million)	2018	2017	Change
Group operating margin	**3,612**	**3,854**	**-242**
% Group revenues	*6.3%*	*6.6%*	*-0.3 pts*
o/w **Automotive** excluding AVTOVAZ	2,204	2,749	-545
% of segment revenues	*4.3%*	*5.1%*	*-0.8 pts*
of which **AVTOVAZ**	204	55	+149
o/w Sales financing	1,204	1,050	+154

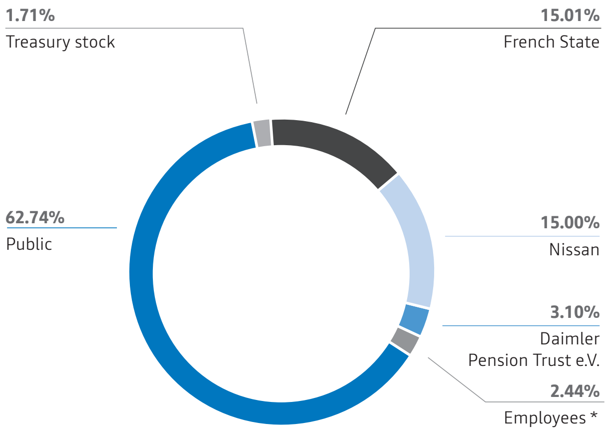
REVENUES BY ACTIVITY

(€ million)	2018	2017	Change
WORLDWIDE REGISTRATIONS* *(units)*	**3,884,295***	**3,762,077**	**+3.2%**
GROUP REVENUES	**57,419**	**58,770**	**-2.3%**
o/w Automotive excluding AVTOVAZ	51,171	53,530	-4.4%
of which AVTOVAZ	3,040	2,727	+11.5%
o/w Sales Financing	3,208	2,513	+27.7%

* *Including sales of Jinbei and Huasong.*

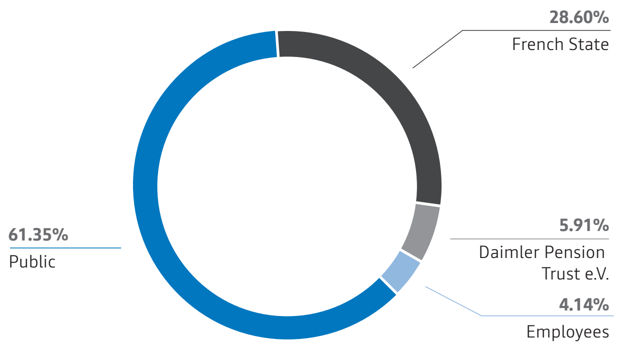
Renault shareholders at December 31, 2018

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 fund.

● BREAKDOWN OF EXERCISABLE VOTING RIGHTS* AS A %



* See section 5.2.6.1.

Groupe Renault's 15 largest markets in 2018

Worldwide sales

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

		Sales	Market share *(%)*
1	France	689,788	26.20
2	Russia	497,266	27.62
3	Germany	235,609	6.33
4	China	216,699	0.80
5	Brazil	214,822	8.70
6	Italy	208,580	9.98
7	Spain + Canary Islands	189,480	12.33
8	Turkey	115,842	18.66
9	Argentina	114,348	14.78
10	United Kingdom	103,607	3.79
11	Iran*	101,347	10.56
12	South Korea	90,369	5.06
13	Belgium-Luxembourg	88,663	12.86
14	India	82,368	2.07
15	Morocco	75,418	42.52

* *Figures for January to end of August 2018.*

1.1.3 2018 sales financing highlights

Sales financing

Benefiting from the strong growth in the world automotive market, RCI Banque once again posted an increase in its sales performance in 2018, reaching a record level of activity in financing and services. RCI Banque thus establishes itself as a true strategic partner to the Alliance brands.

In 2018, RCI Banque recorded a sharp increase in its activity with 1,798,901 contracts financed, an increase of 1.6% compared to the previous year.

The financing penetration rate stands at 40.7% compared to 39.6% in 2017. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate was as high as 42.9%, up 0.4 points compared to 2017.

In this context, RCI Banque generated €20.9 billion in new financing contracts (excluding cards and personal loans), an increase of 1.5% over one year.

Building on the dynamic trend in the automotive market and the strong growth in new and used vehicle financing, the Services business continued to grow with an increase of 11.1% in volume compared to 2017. The volume of services sold at the end of 2018 stood at 4.8 million insurance and service contracts, of which 66% were customer and vehicle use-related services.

1.1.4 The Group's main activities

The Group's activities have been organized into two main types of operating activities, in more than 130 countries:

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

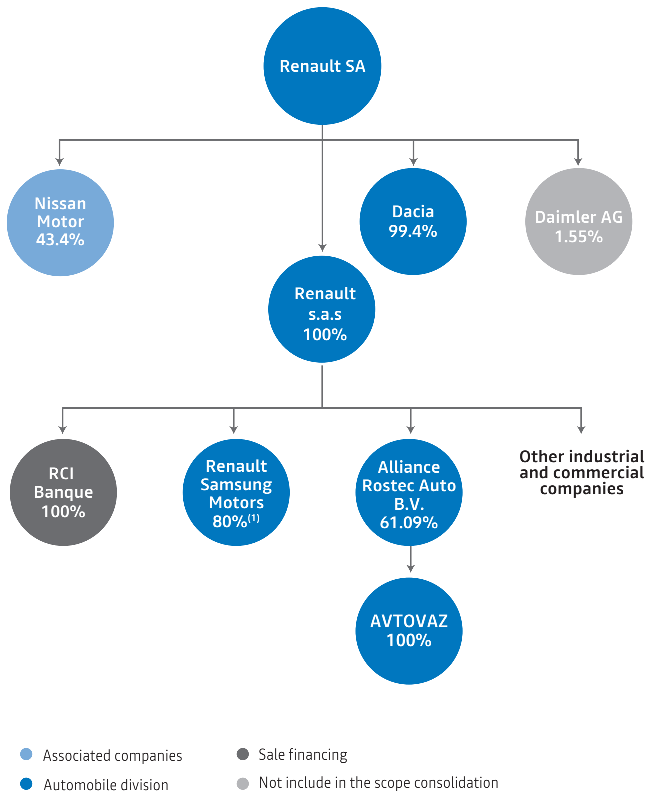
In addition, Renault has equity investments in the following two companies:

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

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

STRUCTURE OF GROUPE RENAULT

(as a % of shares issued)



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

1.1.4.1 Automotive: brands and ranges

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

The Renault brand: passion for life

It is the passion that inspires us every day, the passion that we put into our products and services so that our customers can also live their lives with passion.

We offer French Design, sensual and warm with loving attention to quality of execution and finishing and to innovative concepts that rewrite the rules of the automotive market. We offer Easy Life, the promise to make our customers' lives easier so that they can enjoy it to the full, through products and services that meet their onboard and off-board connectivity needs and intuitive equipment that will make life easier on a daily basis.

Renault, one of the few automobile brands born in the nineteenth century, celebrated its 120th birthday in 2018.

The leading French brand worldwide, Renault is established in 134 countries and distributed at 12,000 points of sale. It offers a range of more than 30 models, all countries combined. Proud of its French roots, Renault is continuing its international expansion. Renault's vehicle range is designed to meet local needs as effectively as possible in all locations. Renault unveiled its ARKANA show car this year, a crossover coupé with international ambitions and hinting at its Segment C origins; this vehicle will be sold in Russia starting in 2019.

Renault designs cars for every stage of life, to meet everyone's needs and fulfill everyone's passion. Leader in electric vehicles in Europe with its Z.E. range, Renault constantly aims to make daily electric vehicle use even easier. With the Renault PRO+, the brand is committed to simplifying the lives of its professional customers with customized solutions. Our range of RS sports vehicles transform our customers' daily lives into an exhilarating experience and supplements our commitment to Formula 1, a vector of innovation and reputation.

Renault EASY CONNECT simplifies the on-board connectivity experience, offering an ecosystem of services for serene travel and more enjoyment on board.

Renault is also committed to sustainable mobility for all and shares its vision of tomorrow's mobility: electric, connected, autonomous and shared, via the EZ-GO, EZ-PRO and EZ-ULTIMO concept-cars.

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, TWINGO, CLIO, CAPTUR and SYMBOL.

KWID was launched in October 2015 on the Indian market, in mid-2017 in Brazil, at the end of the year in Argentina and will be launched very soon in Mexico and Colombia. Over 425,600 cars have been sold. Its success is a testament to the unique, trusted product offering designed to be affordable for as many people as possible as well as to the quality of the sales strategy that accompanied the launches: a dealer network that is motivated and fully supported by modern and efficient digital tools. KWID thus confirms its very strong potential for global expansion thanks to its position in the Top 3 in India and as the leader in Brazil in Segment A.

In the small city car Segment A, TWINGO is winning points. With its exceptional agility and a unique EDC offer for the segment, TWINGO, a perfect ally for the city, has won its audience over. Thanks to momentum from iconic limited series such as "RedNight" or alluring ones such as "Limited", this year the TWINGO range still maintains its complete leadership of Segment A in France (25.6% of Segment A share FY 2018), far ahead of its competitors, the F500 (15.8% market share) and the P108 (11.5% market share). It has even earned a position in Europe, where it now ranks fifth (7.3% FY 2018 Segment A share) with an increase of 11.4% in volume. The GT version (manual transmission or EDC 110hp engine) is a hit with customers eager for extreme sensations, particularly in Germany and Belgium.

In Segment B (sedans & station wagons), since the launch of the CLIO's fourth generation, the model is the sales leader in the segment in Europe. Thanks to regular momentum in the range, volumes and segment share increased further in 2018 to reach 367ku and 11.7% of Segment B market (sedans & station wagons). In France, the CLIO is the best-selling vehicle for the sixth consecutive year, with 151.8ku. This success in Europe is supplemented by the successful launch of the CLIO in Algeria with 13.4ku, produced locally in the Oran plant, where CLIO production started in March 2018.

The station wagon version, with its attractive shooting-brake styling, remains in second place in this B-Break sub-segment in Europe (25.5% share of the B-Break sub-segment in 2018). Finally, for customers seeking for a sporty look at reasonable budget, the Pack GT-Line offers a sporty appearance with an optional exterior and interior trim pack.

In the growing B crossover sub-segment, the CAPTUR has maintained its leadership position in Europe over the long term (13.3% share of Segment B – crossover in 2018) despite a very aggressive competitive environment (2017 arrival of the VW T-Roc, Citroën C3 aircross, Hyundai Kona, Kia Stonic, Seat Arona, *etc.*). Marketed *in* more than 45 countries, the CAPTUR is a global car that is highly acclaimed by our customers and contributes significantly to the image of the Brand in the countries where it is sold.

The DUSTER is also a success in international markets thanks to its robustness, roominess, reliability and equipment tailored to the needs of different markets. The DUSTER represents a significant share of PC sales in India, Russia, Brazil, Colombia, Argentina and elsewhere, putting it at the top of C-SUV segment sales in 2018 in all these countries. This success is repeated year after year!

In an attempt to reinforce its image as the leading SUV brand in Russia, Renault has begun a new chapter in the history of its iconic Stepway range (SANDERO Stepway, LOGAN Stepway Cross Sedan and DOKKER Stepway). All of these models are equipped with the new MediaNav Evolution multimedia system with AndroidAuto® and CarPlay®. This feature gives consumers the ability to interact more easily with their smartphones via the instrument panel screen. The Stepway range is an important part of the brand strategy for Renault Russia, whose tag-line is "My country. My freedom. My Renault."

Following Russia in 2016, the KAPTUR/CAPTUR made its entry on the various markets of South 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. With more than 70,000 sales in 2018, the KAPTUR/CAPTUR confirmed its strong global expansion potential.

Renault is the first mass-market carmaker to launch a crossover coupé. The ARKANA is the perfect fusion between the elegance of a sedan and the robustness of an SUV: an innovative and pioneering concept with Renault brand features to meet new aspirations in the Russian market. This concept has international ambitions, starting with China and South Korea. The ARKANA will accordingly contribute fully to the objectives of the Drive the Future strategic plan. This crossover coupé is destined to become the flagship of the brand in Russia. Today, Renault has a record market share of 8.5% thanks to the success of the Renault KAPTUR and DUSTER. The launch of the ARKANA should allow it to achieve a 10% market share. See you in 2019 to unveil this Group jewel…

Segment C represented 27.8% of the global market in 2018 and 35.2% in Europe, where Renault is in the Top 10 (behind VW, Peugeot, BMW, Ford, Opel, Skoda, Toyota, Mercedes and Nissan) with a 5.4% segment share and more than 336,000 vehicles sold, a decrease of 14.1% from 2017.

For the past 10 years, the **C-SUV segment** has continued to grow steadily worldwide, with a +9.0% rise in 2018.

In Europe, the **C-SUV segment** increase was +12.5%, with more than 2.8 million vehicles sold, representing 45.4% of sales in the C-segment.

Based on its two main strengths (exterior design and comfort), and in an increasingly competitive market, the KADJAR sold over 134,000 units worldwide in 2018.

For the KADJAR in Europe, this means sales of over 101,000 and a segment share of 3.6% in 2018. In some major markets, it performed well, as it did in France, where the model is in the Top 4 with a segment share of 6.6% and more than 27,000 registrations.

The KADJAR is also the top Renault vehicle manufactured in China, at the Wuhan plant, for the Chinese market. It was launched in the fastest-growing segment in China, SUVs, and sold over 18,000 units in 2018.

The new KADJAR arrives in the showrooms in January 2019 with a restyling that makes its design even more modern and attractive. Its interior has also changed to offer more comfort and noticeably better quality. The new Kadjar has a new range of efficient and competitive engines (gasoline & diesel).

The **C-HATCH segment** fell 0.2% worldwide in 2018, while in Europe it decreased by 7.3%. Similarly, the **C-ESTATE segment** fell 2.6% worldwide and 9.0% in Europe. In 2018, the **HATCH+BREAK segment** accounted for 44.0% of the C-segment, in which the MEGANE is in seventh place with a segment share of 5.2% (-0.64 pt vs 2017) and more than 141,000 vehicles sold in Europe.

In 2018, the MEGANE HATCH rose to the Top 2 in France (37,490 vehicles sold), with a 15.7% segment share (+0.52 points vs 2017). The MEGANE is also among the Top 3 in Spain, with a 7.1% segment share (-1.12 points vs 2017); The MEGANE Estate is the leader in Portugal, with a 20.0% segment share (-0.82 points vs 2017), second in France (24.2% segment share, -2.93 points vs 2017) and the Netherlands (19.1% segment share, -0.25 points vs 2017).

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

With 188,034 units sold, including 141,566 in Europe, the MEGANE, in these three versions, is the largest sales volume in the Segment C for Renault.

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

With the SCENIC, Renault is holding up against its rivals **in a C-MPV segment** down 22.6% in Europe, the major market for the model. The segment represented 9.4% of Segment C in 2018.

Last year, the SCENIC attracted 93,415 customers on the continent, with a 16.0% segment share (+2.10 points vs 2017). The leader in the segment in France, Belgium and Italy, it occupies first place in the European **C-MPV** market.

In France, the SCENIC (41,636 vehicles sold) represents a segment share of 37.2% (+5.23 points vs 2017). In Italy (8,003 vehicles sold) the segment share is 18.4% (+1.13 points vs 2017) and in Belgium, the SCENIC (9,049 vehicles sold) achieved a segment share of 30.3% (+9.15 points vs 2017).

To keep increasing its attractiveness, the SCENIC has strengthened its range of engines in 2018 with the introduction of the new 1.3 TCE gasoline engine available in manual and automatic transmission. A new diesel engine also makes its appearance in manual transmissions and will soon be available in an automatic version.

The KANGOO kept its fifth place in the crew van segment in Europe in 2018 with more than 9% segment share. The KANGOO VP is marketed in 35 countries, with particular success in countries such as Morocco, where the model increased its market share in 2017. It is produced in Maubeuge (France) and at the end of 2017, celebrated the 20th anniversary of the appearance of the Ludospace with sliding side doors!

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

The Renault ESPACE meets the needs of high-end customers perfectly thanks to:

- its design: the Renault ESPACE silhouette is now a crossover with references to the world of SUVs and an elegant execution;
- its unique driving experience: the Renault ESPACE has the MULTI-SENSE system, which offers five unique driving modes. MULTI-SENSE can be coupled to a 4CONTROL four-wheel steering chassis and adjustable damping;

- the on-board experience: the Renault ESPACE offers comfort to all passengers (up to seven seats) with its wraparound seats, brightness with its panoramic windshield, and cargo volume (up to 888 dm^3).

In addition to the TCe 225 EDC FAP gasoline engine, in 2018, the Renault ESPACE introduced new powerful and efficient engines: the Blue dCi 160 EDC and the Blue dCi 200 EDC, which meet new standards for pollution control. The performance of these new engines have been hailed by the press.

The Renault ESPACE sold 12,725 vehicles in 2018 with a 14.9% market share in its category in Europe (excluding unreleased right-hand drive vehicles). It is first in that category in France, Belgium, Italy and the Netherlands. In 2018, 55% of the Renault ESPACE sales were for the INITIALE PARIS version, the most exclusive model.

The TALISMAN is in the highly competitive large prestige sedan segment (D-segment). To appeal to potential clients, whether private individuals or company executives, the TALISMAN boasts four key strengths:

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

In 2018, the Renault TALISMAN sedan and ESTATE sold (excluding right-hand drive, not sold) 20,004 units and accounted for 4.6% of their category in Europe, excluding luxury and premium brands, ranking fifth. The TALISMAN is also sold beyond the borders of Europe with 3,945 sales in 2018 in Iran, the Gulf countries, Turkey, Morocco, and sub-Saharan Africa, where it is a great success as the brand's flagship.

The Renault KOLEOS had a good commercial launch, with the help of strong product advantages:

- its design: an SUV with broad shoulders and muscular flanks, the Renault KOLEOS makes an impression with its robust front, wide wheels and imposing seats. Design is naturally the first reason for choosing Renault KOLEOS in every region where it is sold;
- its refined interior and on-board comfort: the design and the choice of quality materials meet the requirements of the segment. The Renault KOLEOS offers comfort: in the front, with heated and ventilated seats, in the rear with unequaled habitability;
- its maneuvering capabilities: Renault KOLEOS also offers all-wheel drive in the ALL Mode 4x4-i system. This all-wheel drive system provides constant monitoring of wheel-to-ground adhesion.

In 2018, the Renault KOLEOS expanded to Europe new driving aids to meet the expectations of its customers: adaptive cruise control, emergency braking with pedestrian detection in urban areas and fatigue detection alert.

Sold in over 80 countries, the Renault KOLEOS is the most international high-end vehicle with 68.3% of sales in Asia Pacific (with 32,999 in South Korea, 32,789 in China), in Europe with 19% of sales, but also in the Americas region (4.5%) and Middle-East Africa (6.2%).

Light commercial vehicles (LCVs)

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

The pick-up market represents a potential to conquer new markets and customers, as demonstrated by the ALASKAN and OROCH, which confirm the Renault offensive: 23% higher volume than in 2017. The ALASKAN is present in the Americas, in Colombia (4.5% segment share), Chile and Peru, as well as in Europe, where the model achieved a segment share of 1.4%.

The OROCH broke its sales record, with 36,604 units in 2018, up 17%. It is at the top of its segment in Argentina and Colombia, second in Chile and debuted in third place in Mexico in its first year of launch. In Brazil, with 13,140 sales, 2,365 more than in 2017, OROCH is facing stiff competition from the Fiat Toro and Strada: these two alone accounted for 37% of the 0.5t pick-up segment share.

In late 2015, Renault launched the expert Renault Pro+ brand for professional customers all over the world, by highlighting the products and services dedicated to them. The specialized Renault Pro+ network is the spearhead of the expert brand. Launched in 2009, this specialized network currently comprises 661 points of sale that meet standards tailored to business customers' expectations, demonstrating its efficiency year after year.

The Group's sales performance in 2018 was exceptional in many ways with historic PC and LCV sales records for the OROCH, ALASKAN, DOKKER, TRAFIC and MASTER! As a result, with 466,900 sales of LCVs, or 4.47% global market share (excluding North America), the Group has set a new benchmark. In non-pick-up markets in Europe, the Renault brand once again beat its sales record (306,000) and remained a solid leader with 15.6% of the LCV market. Outside Europe, the Group's LCV sales were resilient despite the falls in the Argentinean and Turkish markets, and the end to sales in Iran. Renault remains the leading non-pick-up LCV in the four main Latin American markets. International accounts for 26% of global LCV sales.

Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2 to 22 m^3 in gasoline, diesel and electric vehicles (TWIZY Cargo, ZOE Company, KANGOO Z.E. and MASTER Z.E.). Renault is the European leader in EV LCV sales with a 46.2% market share, thanks to the KANGOO Z.E., a best-seller with almost 9,000 sales (more than twice as many as 2017), and the Zoe LCV.

In the small van segment (weight <2 metric tons), the KANGOO Express remains an essential benchmark in the market. The 2018 production of the combustion and electric utility versions exceeded even 2017's. The KANGOO Z.E., the electric model, has doubled its sales, taking advantage of its new 33 kWh battery and new electric engine and has a 40.9% market share in electric LCVs.

As for 5-seat PC derivatives, which are celebrating their 20th anniversary, the KANGOO will have performed for the first three quarters in expectation of the arrival of the new Blue dCi Euro 6Dtemp diesel engines. Combined with a Turkish market, which is traditionally Ludospace-oriented, its performance in 2018 fell sharply, down 21%. Over its 10 years of existence, the KANGOO (PC + LCV combined) sold nearly 124,850 units.

In Latin America, the first-generation KANGOO had a successful run and made way for a new generation of KANGOO, which is produced in Cordoba (Argentina) and was launched in April 2018, thus reinforcing the leadership of Renault vans in South America in the long term. The very unfavorable economic situation in Argentina temporarily contradicts the very favorable reception for this new product, and Renault KANGOO achieved a 40.5% market share in a market down 17%.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive with the TRAFIC range that was completely renewed and a MASTER range that was revamped in late 2014. With nearly 213,000 units, the range of vans sold under the Renault brand had a new sales record in 2018, crossing the 200,000 unit threshold for the third year in a row. More specifically, the MASTER had a fourth consecutive record year (104,000 sales excluding Renault Trucks).

Developed in partnership with General Motors, the Renault TRAFIC's production was transferred from the Nissan plant in Barcelona to the Renault site in Sandouville, France, which has also been producing vehicles for our partners Fiat and Nissan since the second half of 2016, in addition to part of the production of Vauxhall/Opel.

Intended as a mobile office, with a robust, dynamic design that captures the Renault brand identity, the TRAFIC is larger and more comfortable with increased working length and capacity.

In 2018, the Renault TRAFIC flirted with the 100,000 annual sales milestone (97,367 units) and maintained its third place in the LCV Compact Van segment in Europe (with a 13.8% segment share).

In the large van segment, the Renault MASTER offers "made-to-measure" features and enhanced safety, 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 range of 110hp to 170hp 2.3 dCi engines. The Twin Turbo engines incorporate two series-mounted turbochargers that allow the engine to still function within optimal performance ranges and to improve CO_2 consumption and emissions.

The Renault MASTER is manufactured at the Batilly plant (France) and Curitiba plant (Brazil). It is sold in 30 different countries. In Europe, the share of the LCV Large Vans segment stood at 14.4%, up 0.7 points compared to the previous year (including sales of Renault Trucks), thus allowing the Renault MASTER to consolidate its place on the podium. Internationally, in 2018 the Renault MASTER positioned itself as a leader on strategic markets, including Brazil (47.3% segment share) and Morocco (33.1% segment share). The Master maintains its position on the podium in Australia (16.1%) and Argentina (19.1%).

The Renault MASTER also continued its international expansion, with a particularly promising launch in October 2018 in South Korea.

The Renault Z.E.: European market leader in 100%-electric vehicles with growth internationally

In 2018, the electric market continued to grow in Europe, with volumes up +45% vs 2017. The arrival of competitors and announcements made by other major manufacturers about their future launches confirm Groupe Renault's strategic choice to invest in the 100% electric vehicle market.

Groupe Renault remains a major player in the EV market and shared the top of the podium with its partner Nissan in 2018: more than one out of five electric vehicles sold in Europe is a Renault. In 2018, in an increasingly competitive market, the success of the ZOE, with a real autonomy of 300km, is confirmed by a 26% increase in registrations vs 2017. Renault maintains its leadership in Europe in terms of cumulative sales of EVs since 2010: today one out of four electric vehicles in the European fleet since 2010 is a Renault.

In the electric light commercial vehicle segment, the KANGOO Z.E. remained the undisputed leader in Europe for the eighth consecutive year with a 41% share of the electric segment. In 2017, the KANGOO Z.E. received a new battery and new engine to give it greater autonomy, which allowed it to double its sales in 2018 and approach 10,000 units produced.

Groupe Renault also continues to increase its sales internationally. In 2018, the Group sold its electric vehicles in 35 countries outside Europe. For example, thanks to the launch of the Renault Twizy in Korea, quadricycle volumes have increased by 45% globally compared to 2017.

Since the launch of the Renault electric program, the Group has sold more than 194,000 electric vehicles in Europe and more than 200,000 electric vehicles worldwide (133,000 ZOE, 38,000 KANGOO Z.E., 9,800 FLUENCE Z.E./SM3 Z.E., 26,000 TWIZY and 100 MASTER Z.E.).

Groupe Renault's good performance is part of the Alliance's overall strategy. Since 2010, the Renault-Nissan-Mitsubishi Alliance has sold over 700,000 100%-electric vehicles, a performance that has kept it in first place in the global EV market.

At the global level, the 100%-electric market has risen sharply (+77% in China and +45% in Europe vs 2017), driven mainly by the Chinese and US markets. For the first time, global sales surpassed the million mark in 2018. The largest EV market in the world is China (60% of the world market). In order to meet the growing needs of that market, in October 2018, Groupe Renault introduced the Renault K-Z.E. showcar. This sixth model in the Group's electric range will be launched in China in 2019.

The European market remains the second-largest EV market in the world, followed closely by the US market, which has doubled compared to last year. In 2018, the European market reached a new record with close to 217,000 vehicles sold. Norway is the leading European market for electric vehicles in terms of volume and market share: more than one vehicle in four sold is electric. France remains the second-largest European market for electric vehicles (it was already second-largest in 2017) and registrations increased by 27%.

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

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

To facilitate the use of electric vehicles, Renault continues to develop innovative connected services, For example, the Z.E. Pass application allows drivers to locate available charging stations and offers a roaming service that gives access to most terminals without the need for multiple subscriptions. In addition, a new service helps to plan long journeys by calculating the total travel time (journey + battery recharge) and gives directions to the most relevant charging station. The first on the market, this service will be available at the end of 2018 on smartphones via the MY Renault app.

Renault is also committed to ecosystem development that promotes – and is encouraged by – the widespread rollout of electric mobility. For example, the Group has set up solutions with its partners to reduce the carbon footprint of an ecosystem. These solutions have already been deployed on two smart islands (Porto Santo and Belle-Île-en-Mer) through three pillars: electric car-sharing vehicles, stationary solar energy storage and smart charging.

Dacia: a new record year

In 2018, Dacia turned 50. The brand is sold in 44 countries in Europe, Northwest Africa, Turkey and Israel. The philosophy of the Dacia brand is the assurance of a range of vehicles and services that are attractive and simple, reliable and well priced. Today, with iconic models such as the DUSTER and SANDERO and a strong community spirit, Dacia has already attracted over 5.6 million customers since 2004, the year in which it launched the LOGAN, Groupe Renault's first vehicle in the brand's renewal.

- the brand continues to grow (sales up +7% vs 2017) and set a new sales record of 700,798 vehicles based on its full range with the DUSTER, SANDERO, SANDERO Stepway, LOGAN, LOGAN MCV, LODGY and DOKKER;
- the brand is the leader in Romania, Bulgaria and Morocco.

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

In Europe, Dacia achieved a dual record in both volume (511,600 registrations at the end of 2018, +10.3%) and market share (2.9%, +0.3 points).

In Europe, the SANDERO ranks first in the personal PC market. The DUSTER ranks first in the PC market for SUVs sold to individuals.

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

In many countries, customers can come together to discuss and share their common values: freedom of spirit, simplicity and generosity. These community events get bigger every year. They are truly convivial moments which create a strong bond between customers and the brand.

On social networks, Dacia customers are also keen to express their commitment to the brand on Facebook. The ever-growing community celebrated reaching five million members this year with the #DaciaRoadStories digital campaign. French fans were also able to choose the design of the future Dacia SANDERO Escape Limited Series at the Paris Motor Show.

After seven years of success and more than a million models sold, the DUSTER affirmed its SUV personality with a robust exterior design. Equipment such as the multi-view camera system makes it easy to use in 4X4 mode. With its still-unbeatable price, it is designed to attract customers and continue its success story. It received several awards during the year such as the prize for 4x4 of the year in France.

With a design that was revamped at the end of 2016, the LOGAN, LOGAN MCV, SANDERO and SANDERO Stepway range had a very successful year with more than 357,700 sales, up 4%.

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

In 2018, sales of the DOKKER, the practical and versatile 5-seater crew van, and the DOKKER Van, its LCV version, continued to grow in the European and international markets. 2018 was again a record year, with over 100,000 sales, mainly in the Combispace segment in Europe, where it achieved third place.

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 2018, RSM ranked as the leader in customer satisfaction for the seventeenth consecutive year in sales, and for the third consecutive year in after-sales.
- The brand's volumes were 84,954 units in 2018 with a market share of 5.5%.

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

The SM6 sedan replaced the SM5 in the family segment. The SM6 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 was an immediate success that lasted through 2017 and 2018: SM6 achieved 24,800 sales, or an 11.4% segment share (third place), just behind by the Kia K5, which got a major facelift at the beginning of the year.

The SM5 sedan is still being marketed, and it serves as an entry-level model for the SM6. Its volumes rose sharply in 2018, climbing to fifth place with nearly 9,500 units sold.

In the large luxury sedan segment, the brand has the SM7, featuring a V6 engine and the latest technology of the Renault-Nissan Alliance. For that brand, 2018 volumes exceeded 4,800 units.

For SUVs, the range includes the QM3 (6,367 sales), derived from the Renault CAPTUR, and the QM6, launched on September 1, 2016. Sold under the Renault Samsung Motors brand, the QM6 is positioned in the D-SUV segment. In 2018, 32,999 units were sold. The QM6 ranks third in its category, with a 13% segment share in a market dominated by local players. The vehicle is produced at the Busan plant.

Whereas the QM3 is imported from Europe, all of the other RSM brand models are manufactured at the Busan plant. Illustrating the synergies of the Alliance, this plant also produces the ROGUE model for Nissan, which is exported to North America, with a total of 107,000 units in 2018 (this model shares the RSM QM6 and Renault KOLEOS platform).

Alpine: back on top

The A110 is sold in Europe, Japan and Australia. The 1,955 numbered cars in the New Alpine A110 First Edition were sold out in a few days, and several thousand orders have already been recorded for the A110 Pure and A110 Legend versions.

With competition in its DNA, in 2018, Alpine started its single-brand championship with its competition partner Signatech. The Alpine Elf Europa Cup is making stops at the finest European circuits. With Signatech once again, Alpine introduced the A110 GT4, a version made for competition, at the Geneva Motor Show. Designed and marketed by Signatech, the A110 GT4 is targeted to the most experienced drivers.

The 2016 LMP2 World Champion in FIA WEC, this year, the Signatech-Alpine-Matmut team won the Le Mans 24 Hour race in the LMP2 category, celebrating the 40th anniversary of the victory of the Alpine A442b at the 1978 Le Mans 24 Hour race in perfect style.

Lada: the transformation continues

An iconic leader on the Russian market for 50 years, Lada has been Groupe Renault’s fifth brand since the end of December 2016. The brand is designed, produced and sold by AVTOVAZ, a Groupe Renault partner since 2008, which is also the leading car manufacturer in Russia, producing cars for the Renault-Nissan-Mitsubishi Alliance for the Russian market and some export markets. With the launch of the Lada Vesta in 2015, the Russian brand Lada entered a new era with strong ambitions: a range of vehicles and services that is accessible and adapted to local conditions, new design codes and a changing network. In 2018, Lada confirmed its dynamism, introducing new models into the markets such as the Nouvelle GRANTA family, the VESTA Sedan Cross, Vesta Sport and XRAY Cross; The Lada Vesta is the best-selling vehicle in Russia. A new communication tone and style and a new signature were launched at the end of 2018 to highlight this transformation and the brand’s ambition. Lada is on track to maintain its leadership in a recovering Russian market and expanding abroad, mainly into the CIS countries, the Middle-East and Latin America.

- thanks to a favorable environment and the success of its renewed range, Lada sales increased by 18.7% to some 398,000 vehicles, of which 360,000 were sold on the Russian market and 38,000 internationally;
- the Lada brand is the leader in the Russian automotive market with a market share of 20.0% (20.8% in the PC market), an improvement of 0.5 points compared to 2017, the highest in the last seven years;
- this growth is driven by the success of its models, with four Lada vehicles among the Top 10 most sold vehicles in Russia and the Lada Vesta and Lada GRANTA in the Top 3;
- Lada can rely on Russia’s largest network with around 300 points of sale, nearly 80% of which have adopted the brand’s new visual identity;
- in export, Lada is expanding in its historical markets with the help of its new models: the brand has registered record market shares in Belarus (20.2%, +9.8 points vs 2017) and Kazakhstan (22.6%, +4.1 points) where it regained its leading position;
- AVTOVAZ also produced around 116,000 units for the Alliance (+8% vs 2017): the Renault LOGAN, LOGAN Stepway, SANDERO, SANDERO Stepway; The Nissan ALMERA and Datsun ON-DO and MI-DO.

1.1.4.2 Internationalization of the Group

INTERNATIONAL SALES OF THE GROUP

Sales excluding Europe *(%)*

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017 (1)	2018 (2)
Group sales internationally *(%)*	33.8%	37.4%	43.1%	50.1%	50.5%	46.0%	42.5%	43.3%	49.2%	50.6%
Group sales internationally *(volume)*	779,676	983,682	1,172,696	1,277,229	1,326,288	1,247,101	1,194,735	1,379,999	1,850,253	1,963,553

(1) Including the Ladarand from 2017.
(2) Including the Jinbei & Huasong & Jinbei & Huasong brands from 2018.

ALL BRANDS WORLD MARKET BY REGION IN 2018

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

	In volume	In % of the TAM Worldwide PC + LCV
TOTAL EUROPE	**17,655,734**	**19.0%**
France	2,632,620	2.8%
G9	15,023,114	16.2%
TOTAL INTERNATIONAL	**75,256,933**	**81.0%**
Africa – Middle-East – India	7,794,511	8.4%
Eurasia	2,932,751	3.2%
Americas	6,020,748	6.5%
Asia – Pacific	39,213,810	42.2%
North America	19,295,113	20.8%
TOTAL WORLDWIDE	**92,912,667**	**100.0%**

GROUPE RENAULT SALES WORLDWIDE BY REGION

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

	2018	Change	2017
TOTAL EUROPE	**1,920,742**	**0.5%**	**1,911,824**
France	689,788	2.4%	673,868
G9	1,230,954	-0.6%	1,237,956
TOTAL INTERNATIONAL	**1,963,553**	**6.1%**	**1,850,253**
Africa – Middle-East – India	448,959	-15.6%	532,118
Eurasia	747,602	2.0%	732,795
Asia – Pacific	329,744	68.3%	195,920
Americas	437,248	12.3%	389,420
TOTAL WORLDWIDE	**3,884,295**	**3.2%**	**3,762,077**

GROUPE RENAULT SALES WORLDWIDE BY BRAND

In volume of PC + LCV

	2018	2017	Change
Renault			
Passenger cars	2,124,364	2,264,823	-6.2%
Light commercial vehicles	408,203	406,968	+0.3%
TOTAL RENAULT	**2,532,567**	**2,671,791**	**-5.2%**
Dacia			
Passenger cars	655,172	609,684	+7.5%
Light commercial vehicles	45,626	45,131	+1.1%
TOTAL DACIA	**700,798**	**654,815**	**+7.0%**
Renault Samsung Motors			
Passenger cars	84,954	99,846	-14.9%
Alpine			
Passenger cars	2,091	7	+++
Lada			
Passenger cars	385,069	324,739	+18.6%
Light commercial vehicles	13,213	10,879	+21.5%
TOTAL LADA	**398,282**	**335,618**	**+18.7%**
Jinbei & Huasong			
Passenger cars	13,416	0	0
Light commercial vehicles	152,187	0	0
TOTAL JINBEI & HUASONG	**165,603**	**0**	**0**
Groupe Renault			
Passenger cars	3,265,066	3,299,099	-1.0%
Light commercial vehicles	619,229	462,978	+33.7%
TOTAL GROUPE RENAULT	**3,884,295**	**3,762,077**	**+3.2%**

Europe Region sales

MARKET ALL BRANDS EUROPE REGION

By volume of PC + LCV registrations

	2018	2017	Change
Germany	3,724,752	3,715,174	0.3%
United Kingdom	2,734,276	2,910,405	-6.1%
France	2,632,620	2,549,402	3.3%
Italy	2,090,668	2,166,151	-3.5%
Spain + Canary Islands	1,536,545	1,434,593	7.1%
Belgium-Luxembourg	689,633	685,174	0.7%
Poland	599,065	546,763	9.6%
Netherlands	523,247	487,939	7.2%
Sweden	410,503	435,033	-5.6%
Austria	384,904	393,668	-2.2%
Switzerland	336,163	348,886	-3.6%
Czech Republic	281,662	290,706	-3.1%
Portugal	267,701	260,844	2.6%
Denmark	253,187	258,673	-2.1%
Ireland	151,163	155,539	-2.8%
Norway	186,616	196,103	-4.8%
Hungary	159,649	136,465	17.0%
Finland	136,699	134,583	1.6%
Greece	110,554	94,852	16.6%
Slovakia	107,233	103,689	3.4%
Slovenia	85,571	83,041	3.0%
Baltic States	86,941	78,733	10.4%
Croatia	68,996	59,304	16.3%
Other Balkans	53,059	46,740	13.5%
Iceland	19,871	23,496	-15.4%
Greek Cyprus	15,372	15,148	1.5%
Malta	9,084	8,586	5.8%
TAM EUROPE	**17,655,734**	**17,619,690**	**0.2%**

RENAULT BRAND SALES [(1)] AND MARKET SHARES

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

	2018				2017		
Renault markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Ranking**	**Sales**	**Market share**	**Ranking**
Germany	158,181	4.2	-0.1	8	160,340	4.3	8
Other Balkans	4,123	7.8	-0.2	2	3,743	8.0	3
Austria	22,684	5.9	-0.1	4	23,750	6.0	4
Belgium-Luxembourg	66,771	9.7	-0.2	2	67,522	9.9	1
Greek Cyprus	84	0.5	-2.1	27	397	2.6	11
Croatia	7,738	11.2	+1.4	2	5,837	9.8	2
Denmark	16,413	6.5	-0.9	5	19,152	7.4	4
Spain + Canary Islands	124,349	8.1	-0.9	2	129,458	9.0	1
Finland	4,123	3.0	-1.1	12	5,530	4.1	11
France	547,026	20.8	-1.0	1	554,505	21.8	1
Greece	4,413	4.0	+0.1	11	3,652	3.9	12
Hungary	8,783	5.5	+0.3	8	7,119	5.2	8
Ireland	10,629	7.0	-0.4	6	11,556	7.4	6
Iceland	999	5.0	-0.5	7	1,290	5.5	6
Italy	142,155	6.8	-0.2	4	152,663	7.0	4
Malta	528	5.8	+0.1	8	492	5.7	8
Norway	5,215	2.8	+0.6	12	4,261	2.2	16
Baltic States	6,304	7.3	+0.5	5	5,277	6.7	5
Netherlands	48,180	9.2	-1.1	2	50,110	10.3	2
Poland	36,831	6.1	-0.5	6	36,508	6.7	5
Portugal	39,656	14.8	+0.3	1	37,823	14.5	1
Czech Republic	12,556	4.5	-0.1	7	13,376	4.6	6
United Kingdom	79,216	2.9	-0.2	13	90,051	3.1	12
Slovakia	5,306	4.9	+0.1	7	5,040	4.9	6
Slovenia	13,051	15.3	+0.5	2	12,272	14.8	2
Sweden	19,425	4.7	-0.3	7	21,815	5.0	6
Switzerland	16,535	4.9	-0.2	7	17,726	5.1	7
TOTAL RENAULT	**1,401,274**	**7.9**	**-0.2**	**2**	**1,441,265**	**8.2**	**2**

(1) Excluding sales to governments.

DACIA BRAND SALES [(1)] AND MARKET SHARES

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

	2018			2017	
Dacia markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share**
Germany	74,525	2.0	+0.3	64,918	1.7%
Other Balkans	4,211	7.9	+0.2	3,601	7.7%
Austria	10,391	2.7	+0.2	9,799	2.5%
Belgium-Luxembourg	21,781	3.2	+0.1	20,868	3.0%
Greek Cyprus	3	0.0	-0.6	95	0.6%
Croatia	3,376	4.9	+0.2	2,760	4.7%
Denmark	3,157	1.2	-0.5	4,460	1.7%
Spain + Canary Islands	65,102	4.2	+0.3	56,301	3.9%
Finland	2,085	1.5	+0.1	1,879	1.4%
France	141,606	5.4	+0.7	119,356	4.7%
Greece	1,418	1.3	+0.4	803	0.8%
Hungary	9,713	6.1	-0.2	8,556	6.3%
Ireland	3,721	2.5	+0.1	3,731	2.4%
Iceland	715	3.6	+0.5	739	3.1%
Italy	66,330	3.2	+0.2	63,437	2.9%
Malta	119	1.3	-0.7	171	2.0%
Norway	263	0.1	+0.1	110	0.1%
Baltic States	2,169	2.5	-0.4	2,260	2.9%
Netherlands	4,978	1.0	-0.1	5,035	1.0%
Poland	27,083	4.5	+0.1	23,956	4.4%
Portugal	6,849	2.6	-0.1	6,900	2.6%
Czech Republic	16,069	5.7	+0.4	15,382	5.3%
United Kingdom	24,249	0.9	+0.0	25,211	0.9%
Slovakia	5,095	4.8	+0.3	4,583	4.4%
Slovenia	3,139	3.7	-1.6	4,341	5.2%
Sweden	4,634	1.1	-0.1	5,523	1.3%
Switzerland	8,812	2.6	+0.0	8,979	2.6%
TOTAL DACIA	**511,593**	**2.9**	**+0.3**	**463,754**	**2.6%**

(1) Excluding sales to governments.

ALPINE BRAND SALES

In volume of PC

Alpine Markets	2018	2017
Germany	218	0
Austria	46	0
Belgium-Luxembourg	86	0
Spain + Canary Islands	27	0
France	1,156	7
Italy	35	0
Baltic States	1	0
Netherlands	52	0
Poland	16	0
Portugal	14	0
Czech Republic	2	0
United Kingdom	142	0
Switzerland	148	0
TOTAL ALPINE	**1,943**	**7**

LADA BRAND SALES

In volume of PC + LCV

Lada market	2018	2017
Germany	2,685	2,832
Other Balkans	654	475
Austria	248	235
Belgium-Luxembourg	25	42
Croatia	4	2
Spain + Canary Islands	2	1
Finland	9	13
Hungary	879	1,065
Italy	60	36
Baltic States	441	165
Poland	17	30
Czech Republic	102	232
Slovakia	652	528
Slovenia	12	3
Sweden	6	0
Switzerland	5	24
TOTAL LADA	**5,801**	**5,683**

Sales Africa – Middle-East – India Region

MARKET ALL BRANDS AMI REGION

By sales volume PC + LCV

Principal markets	2018	2017	Change
India	3,983,507	3,675,139	8.4%
Iran	959,628	1,429,172	-32.9%
South Africa + Namibia	525,358	533,828	-1.6%
Saudi Arabia	411,495	523,102	-21.3%
Israel	269,880	286,472	-5.8%
Pakistan	256,044	239,725	6.8%
Morocco	177,361	168,593	5.2%
Egypt	180,000	128,941	39.6%
Dubai	160,800	180,350	-10.8%
Algeria	127,300	101,183	25.8%
Kuweit	102,500	101,523	1.0%
TAM AFRICA – MIDDLE-EAST – INDIA	**7,794,511**	**8,006,628**	**-2.6%**

RENAULT BRAND SALES (1) AND MARKET SHARES

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

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Iran	101,347	10.6	-2.4	184,580	12.9%
India	82,368	2.1	-1.0	112,489	3.1%
Algeria	37,505	29.5	-1.3	31,146	30.8%
Morocco	25,769	14.5	+0.5	23,689	14.1%
South Africa + Namibia	25,500	4.9	+0.6	22,632	4.2%
Egypt	18,503	10.3	+2.9	9,500	7.4%
Overseas departments*	13,155	17.0	-0.1	12,509	17.2%
Israel	11,904	4.4	-0.4	13,786	4.8%
Saudi Arabia	6,195	1.5	+1.0	2,575	0.5%
Tunisia	4,503	8.7	+1.6	4,511	7.1%
TOTAL RENAULT	**348,166**	**4.5**	**-1.0**	**438,364**	**5.5%**

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

DACIA BRAND SALES (1) AND MARKET SHARES

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

	2018			2017	
Dacia principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Morocco	49,649	28.0	+0.2	46,851	27.8%
Algeria	33,432	26.3	-4.2	30,776	30.4%
Overseas departments*	6,650	8.6	+0.3	6,086	8.3%
Israel	4,622	1.7	+0.1	4,638	1.6%
Tunisia	1,055	2.0	-0.7	1,776	2.8%
Lebanon	648	1.8	+0.3	615	1.5%
Mayotte	343	19.8	-2.2	340	22.0%
TOTAL DACIA	**96,889**	**1.2**	**+0.1**	**92,211**	**1.2%**

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

(1) By sales volume + Brokers.

LADA BRAND SALES AND MARKET SHARES

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

Lada market	2018	2017
Egypt	2,001	1,003
Lebanon	422	531
Cuba	344	0
Tunisia	200	0
Jordan	123	9
TOTAL LADA	**3,090**	**1,543**

JINBEI & HUASONG BRAND SALES

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

Jinbei & Huasong principal markets	2018	2017
Egypt	504	0
Cuba	287	0
TOTAL JINBEI & HUASONG	**814**	**0**

Sales Eurasia Region

MARKET ALL BRANDS EURASIA REGION

By sales volume PC + LCV

Principal markets	2018	2017	Change
Russia	1,800,351	1,595,737	12.8%
Turkey	620,937	956,194	-35.1%
Romania	182,124	149,370	21.9%
Ukraine	86,613	87,634	-1.2%
Uzbekistan	61,400	58,800	4.4%
Kazakhstan	58,276	46,840	24.4%
Belarus	51,767	34,809	48.7%
Bulgaria	42,907	38,394	11.8%
TAM EURASIA	**2,932,751**	**2,992,872**	**-2.0%**

RENAULT BRAND SALES AND MARKET SHARES

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

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Russia	137,062	7.6	-1.0	136,682	8.6%
Turkey	85,839	13.8	+0.2	130,276	13.6%
Romania	14,853	8.2	-0.1	12,292	8.2%
Belarus	11,310	21.8	-8.2	10,451	30.0%
Ukraine	11,025	12.7	+0.3	10,890	12.4%
Bulgaria	4,607	10.7	-1.7	4,770	12.4%
TOTAL RENAULT	**267,538**	**9.1**	**-1.2**	**308,430**	**10.3%**

DACIA BRAND SALES AND MARKET SHARES

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

	2018			2017	
Dacia principal markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share**
Romania	54,593	30.0	+1.0	43,262	29.0%
Turkey	29,918	4.8	-0.2	48,370	5.1%
Bulgaria	5,170	12.0	-0.1	4,674	12.2%
Moldova	1,157	18.1	-1.4	1,096	19.5%
TOTAL DACIA	**90,838**	**3.1**	**-0.2**	**97,402**	**3.3%**

LADA BRAND SALES AND MARKET SHARES

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

	2018			2017	
Lada principal markets	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share**
Russia	360,204	20.0	+0.5	311,588	19.5%
Kazakhstan	13,192	22.6	+4.1	8,684	18.5%
Belarus	10,464	20.2	+9.8	3,625	10.4%
Uzbekistan	2,651	4.3	+3.3	580	1.0%
Azerbaijan	1,159	29.0	-17.8	935	46.8%
Ukraine	575	0.7	-0.2	771	0.9%
Bulgaria	415	1.0	+0.1	325	0.8%
TOTAL LADA	**389,026**	**13.3**	**+2.3**	**326,963**	**10.9%**

JINBEI BRAND SALES

By sales volume PC

Jinbei Market	2018	2017
Armenia	200	0
TOTAL JINBEI	**200**	**0**

Sales Asia – Pacific Region

MARKET ALL BRANDS ASIA-PACIFIC REGION

By sales volume PC + LCV

Principal markets	2018	Change	2017
China	27,007,879	-1.8%	27,496,812
Japan	5,167,111	0.9%	5,121,638
South Korea	1,784,614	1.3%	1,762,094
Australia	1,121,396	-3.5%	1,161,614
Indonesia	1,051,234	6.6%	986,299
Thailand	1,047,208	20.2%	871,503
Malaysia	603,411	4.6%	576,636
Taiwan	417,657	-3.9%	434,657
Philippines	408,967	-12.8%	468,981
Vietnam	242,474	14.4%	211,998
New Zealand	156,346	1.1%	154,655
Singapore	93,479	-19.5%	116,127
Hong Kong	39,324	-6.2%	41,906
Myanmar	14,409	104.5%	7,047
Brunei	13,000	1.6%	12,800
TAM ASIA – PACIFIC	**39,213,810**	**-0.6%**	**39,469,788**

RENAULT BRAND SALES AND MARKET SHARES

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

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
China	52,734	0.2	-0.1	70,941	0.3%
Australia	10,018	0.9	-0.0	10,812	0.9%
Japan	7,130	0.1	-0.0	7,119	0.1%
South Korea	5,415	0.3	+0.3	691	0.0%
Malaysia	902	0.1	+0.1	573	0.1%
Singapore	811	0.9	-0.1	1,096	0.9%
Tahiti	659	9.8	+2.1	477	7.6%
TOTAL RENAULT	**79,157**	**0.2**	**-0.0**	**93,441**	**0.2%**

DACIA BRAND SALES AND MARKET SHARES

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

Dacia markets	2018	2017
New Caledonia	784	895
Tahiti	665	523
TOTAL DACIA	**1,449**	**1,418**

RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC

	2018			2017	
Renault Samsung Motors market	**Sales**	**Market share** *(%)*	**Change in share** *(pts)*	**Sales**	**Market share**
South Korea	84,954	5.5	-1.1	99,846	6.5%
TOTAL RENAULT SAMSUNG MOTORS	**84,954**	**0.3**	**-0.0**	**99,846**	**0.3%**

ALPINE BRAND SALES

By sales volume PC

Alpine Markets	2018	2017
Japan	116	0
Australia	32	0
TOTAL ALPINE	**148**	**0**

LADA BRAND SALES

By sales volume PC

Lada market	2018	2017
China	0	1,215
TOTAL LADA	**0**	**1,215**

JINBEI & HUASONG BRAND SALES

By sales volume PC + LCV

Jinbei & Huasong Markets	2018	2017
China	163,965	0
Myanmar	67	0
Laos	4	0
TOTAL JINBEI & HUASONG	**164,036**	**0**

Sales Americas Region

MARKET ALL BRANDS AMERICAS REGION

By sales volume PC + LCV

Principal markets	2018	Change	2017
Brazil	2,468,434	+13.6%	2,172,738
Mexico	1,421,458	-7.1%	1,530,317
Argentina	773,641	-10.4%	863,824
Chile	417,205	+13.1%	369,029
Colombia	245,622	+7.9%	227,662
Peru	147,916	-9.3%	163,000
Ecuador	130,783	+31.6%	99,345
Porto Rico	90,000	-0.7%	90,650
TAM AMERICAS	**6,020,748**	**2.7%**	**5,860,627**

RENAULT BRAND SALES AND MARKET SHARES

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

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Brazil	214,822	8.7	+1.0	167,147	7.7%
Argentina	114,348	14.8	+1.4	115,242	13.3%
Colombia	49,588	20.2	-0.7	47,514	20.9%
Mexico	27,784	2.0	-0.0	30,199	2.0%
Chile	13,503	3.2	-0.7	14,489	3.9%
Uruguay	5,536	12.5	+3.5	4,902	9.0%
Peru	5,014	3.4	+1.0	3,892	2.4%
Ecuador	2,295	1.8	-0.2	1,945	2.0%
Bolivia	1,773	5.2	-2.0	2,364	7.3%
TOTAL RENAULT	**436,330**	**7.2**	**+0.6**	**389,206**	**6.6%**

LADA BRAND SALES

By sales volume PC + LCV

Lada principal markets	2018	2017
Chile	185	0
Bolivia	180	213
TOTAL LADA	**365**	**214**

JINBEI BRAND SALES

By sales volume PC

Jinbei principal markets	2018	2017
Bolivia	222	0
Peru	178	0
TOTAL JINBEI	**553**	**0**

Groupe Renault worldwide electric vehicle sales

	2018	2017	Change
ZOE	40,508	31,916	+26.9%
Kangoo Z.E.	9,021	4,381	+105.9%
Master Z.E.	102	0	+100.0%
Fluence Z.E.	6	33	-81.8%
SM3 Z.E.	1,235	2,014	-38.7%
TOTAL Z.E.	**50,872**	**38,344**	**+32.7%**

Worldwide Twizy sales

	2018	2017	Change
TWIZY	**3,916**	**2,599**	**+50.7%**

1.1.4.3 Business-to-business powertrain activity

The powertrain business is an important sector in implementing effective industrial R&D synergies with Renault's partners, including the Nissan-MMC Alliance partners. A dedicated department oversees this BtoB powertrain activity, both in respect of exchanges of powertrain parts with partners, and for related engineering activities. The aim of these synergies is to pool development costs, to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault.

In addition to the Alliance with Nissan and MMC that enables the companies to share a common range of products, an industrial system and a supplier network, this BtoB activity seeks to promote and offer Renault's powertrain units in the context of automotive cooperations or third-party sales. They enable our partners to benefit from Renault technology and give Renault access, where useful, to its partners' developments and manufacturing capacity. This activity also serves as a basis on which to identify and set up one-off cooperation projects and to evaluate our competitiveness and level of quality compared to our competition.

Advantages

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

Nissan, Renault's partner in the Alliance, has risen from eighth place in the manufacturers' rankings in 2013 to fourth place in 2014 for average certified CO_2 emissions in its European range of passenger cars. This is mainly due to the deployment of the latest generation of Renault engines. After the partnership agreement signed in 2010 between the Renault-Nissan Alliance and the Daimler group, Renault's range of diesel engines also enable Mercedes to offer versions of its A, B and C Class vehicles emitting less than 100g of CO_2/km in New European Driving Cycle (NEDC). For the past seven years, Groupe Renault has featured in the top three highest performing manufacturers in Europe for certified CO_2 emissions and fuel consumption, with average emissions of 112.4g of CO_2/km at the end of 2018 [(1)], and diesel or gasoline engines emitting less than 100g of CO/km in NEDC cycle on nine models in its passenger car range.

The organization

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

1.1.4.4 Main manufacturing sites

To meet the demands of our customers, Groupe Renault relies on an industrial footprint consisting of 41 industrial sites. In 2018, utilization rates for production capacity, undergoing change since 2017, amounted to 106% globally and 99% in the Europe Region, based on a standard figure of 3,760 hours per year (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year).

Utilization rates for production capacity are calculated using the Harbour method, *i.e.*, on the basis of two teams.

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

In 2018, for example:

- Renault-Nissan vehicles are produced by AVTOVAZ in Russia;
- Flins, Batilly, Sandouville, Moscow, Busan and Curitiba LCV) are Renault plants producing vehicles for Nissan, with Cordoba now also joining the list;
- the Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler;
- Sandouville and Batilly are two vehicle assembly plants that produce vehicles for other partners including Opel, RVI and Fiat;
- finally, in India, Renault and Nissan share a plant common to both.

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

- for Nissan and Daimler, diesel engines are produced in the Renault plants in Cléon and Valladolid and gasoline engines in Valladolid and Pitesti;
- in Europe, Nissan's Sunderland plant produces engines for Renault. In Japan, Nissan's Yokohama plant also produces a gasoline engine for Renault;
- gearboxes are assembled for Daimler and Nissan in Cléon, for Nissan in Pitesti, Seville, Cacia and Los Andes;
- AVTOVAZ assembles engines and gearboxes for Renault and Nissan.

(1) Provisional data, for further details see section 2.2.2.3.A.

Production by plant and Region

FRANCE	2018
Batilly (Sovab)	
Renault MASTER	96,346
Master Z.E.	307
Nissan NV400	6,945
Others	39,021
Caudan (Fonderie de Bretagne)	
Iron foundry (tons)	18,600
Choisy-le-Roi	
ES transmissions	29,350
ES engines	34,660
Cléon	
Transmissions	372,759
Engines	686,798
Electric engine	73,775
Aluminum foundry (tons)	19,297
Dieppe	
Clio RS	3,932
Alpine	3,304
Douai	
ESPACE	10,771
Scenic	89,968
TALISMAN	18,900
Flins	
Clio	73,966
ZOE	49,472
Nissan MICRA	72,606
Le Mans	
Rear suspensions	1,556,243
Front suspensions	806,041
Iron foundry (metric tons)	111,263
Maubeuge	
Kangoo/Citan	148,941
Kangoo Z.E.	9,565
Ruitz (STA)	
Automatic gearboxes	110,007
Sandouville	
Renault TRAFIC	94,003
Nissan NV300	6,310
Others	25,914
Villeurbanne	
Front suspensions	306,651

Production by plant and Region	2018
EXCLUDING FRANCE	
SPAIN	
Palencia	
MEGANE	85,161
MEGANE station wagon	57,243
KADJAR	114,632
Seville	
Transmissions	1,093,276
Valladolid	
Twizy	5,304
Captur	229,741
Others	47
Valladolid Motores	
Engines	1,438,202
Barcelona (Nissan group plant)	
Alaskan	1,760
PORTUGAL	
Cacia	
Transmissions	697,418
SLOVENIA	
Novo Mesto	
Clio	73,395
Twingo/Smart	135,962
Others	13
AFRICA, MIDDLE-EAST, INDIA	
ALGERIA	
Oran	
Logan	23,837
Sandero	33,302
Clio	13,458
INDIA	
Chennai [Nissan group plant]	
Duster	11,270
Kwid	76,190
Lodgy	1,194
Captur	1,608
IRAN	
Teheran – Iran Khodro – Pars Khodro [partner plants]	
Logan/Logan pick-up/Sandero	91,000
Teheran – ACI Pars	
Front suspensions	69,446
Rear suspensions	70,715
MOROCCO	
Casablanca (SOMACA)	
Logan	29,689
Sandero	53,745
Tangiers	
Lodgy	33,483
Sandero	168,686
Dokker	96,627
Logan MCV	19,856

Production by plant and Region	2018
EURASIA	
ROMANIA	
Mioveni (Dacia)	
Logan	33,841
Logan MCV	22,354
Sandero	42,146
Duster	4,582
New Duster	232,338
Transmissions	440,339
Engines	561,192
Front suspensions	409,093
Aluminum foundry (metric tons)	27,442
RUSSIA	
Moscow	
Kaptur	34,334
Duster	47,151
Nissan Terrano	16,253
Togliatti (AVTOVAZ)	
Logan	38,505
Sandero	37,950
Lada X-RAY	40,421
Lada LARGUS	58,624
Lada KALINA	18,393
Lada GRANTA	108,047
Lada PRIORA	7,224
Lada 4X4	41,161
Nissan Almera	15,847
Datsun MI-DO	2,746
Datsun ON-DO	20,829
Izhevsk (AVTOVAZ)	
Lada VESTA	131,310
TURKEY	
Bursa (Oyak-Renault)	
Clio	241,294
Clio station wagon	50,747
Fluence	44,521
Others	333
Transmissions	239,574
Engines	603,415
Rear suspensions	336,888
Front suspensions	336,888

Production by plant and Region	2018
ASIA-PACIFIC	
SOUTH KOREA	
Busan (Renault Samsung Motors)	
Talisman/SM6	26,198
Fluence/SM3	5,085
SM3 Z.E.	1,212
Latitude/SM5	10,002
Koleos/QM6	61,234
SM7	4,869
Nissan Rogue	107,251
Engines	89,214
CHINA	
Wuhan – DRAC [partner plant]	
Kadjar	16,459
Koleos	31,299
Shenyang – RBJAC [partner plant]	
Jinbei Haise/Grand Haise/Granse/F50 /Huasong 7	42,468
AMERICAS	
ARGENTINA	
Córdoba	
Logan	11,330
Sandero	15,979
Dokker	12,697
Nissan Navara	5,110
Others	105
Planta Fundicion Aluminio (PFA)	
Aluminum foundry (metric tons)	3,314
BRAZIL	
Curitiba	
Master	11,354
Duster	32,634
Duster Pick-up	39,827
Logan	25,059
Sandero	57,396
Captur	42,044
Kwid	92,560
Engines	297,052
CHILE	
Los Andes (Cormecanica)	
Transmissions	322,147
COLOMBIA	
Envigado (Sofasa)	
Logan	14,734
Sandero	24,611
Duster	29,909
MEXICO	
Cuernavaca (Nissan group plant)	
Alaskan	212

1.1.4.5 Groupe Renault distribution 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.

The secondary network includes mainly small dealers, independent of Groupe Renault, and bound contractually to the primary network, most often via an agency contract, or authorized distribution or repair center contract.

The main developments in our network have focused on strengthening customer satisfaction, brand differentiation and adaptation for the marketing of new vehicles. This is especially true for our range of electric vehicles with the wider rollout of Expert Sites. At the same time, the transformation of the network made necessary by changes in customer needs and the digitization of services is underway and its deployment will be based on the 2022 strategy:

- hub organization that enables the pooling of back office services, implementation of separate formats and online commerce;
- the implementation of methods and standards with a Kaizen approach at our dealerships that makes customers the center of our processes and incorporates digital tools.

	2018		2017	
Number of Renault sites	**Worldwide**	**o/w Europe**	**Worldwide**	**o/w Europe**
Primary network	5,482	2,526	5,484	2,542
o/w RRG dealers and branches	*250*	*161*	*208*	*197*
o/w Renault Pro+ specialized dealerships	*661*	*511*	*647*	*497*
Secondary network	6,145	5,832	6,301	5,993
TOTAL SITES	**11,627**	**8,358**	**11,785**	**8,535**

	2018		2017	
Number of Dacia sites	**Worldwide**	**o/w Europe**	**Worldwide**	**o/w Europe**
Primary network	2,878	2,485	2,755	2,383

	2018		2017
Number of Alpine sites	**Worldwide**	**Europe**	**Europe**
Primary network	75	59	56

	2018	2017
Number of Renault Samsung Motors sites	**Korea**	**Korea**
Primary network	664	670

	2018		2017	
Number of Lada sites	**Worldwide**	**o/w Russia**	**Worldwide**	**o/w Russia**
Primary network	606	299	650	315

1.1.4.6 Renault Retail Group (RRG)

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

RRG represents 20% of Groupe Renault revenues and 10% of its payroll (excluding AVTOVAZ).

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 and Renault Minute bodywork), short-term rental (Renault Rent), Mobility services (Renault Mobility), financing and brokerage.

RRG has over 200 sales and service outlets in 13 European countries: Austria, Belgium, the Czech Republic, France, Germany, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the United Kingdom.

In 2018, in line with Groupe Renault's network strategy, RRG deployed a lean management approach, which aims to improve productivity, in terms of both quality and time, thereby reducing costs while enhancing customer satisfaction and business performance. This resulted in the extension of reception and production opening hours, with a two-shift organization in some workshops.

2018	Revenues *(€ billion)*	NV sales	UV sales
TOTAL	**9.5**	**324,483**	**215,627**
France	5.7	183,433	147,830
Europe	3.8	141,050	67,797

	2018		2017	
Number of Renault Retail Group sites	Worldwide	o/w Europe	Worldwide	o/w Europe
o/w RRG dealers and branches		190		197

Renault Pro+: the expert brand and its specialized market

In late 2015, Renault launched the expert Renault Pro+ brand for professional customers all over the world, by highlighting the products and services dedicated to them.

The specialized Renault Pro+ network is the spearhead of the expert brand. Launched in 2009, this specialized network currently comprises 661 points of sale that meet standards tailored to business customers' expectations.

Renault Pro+ specialized dealerships are bound by a triple customer pledge based on:

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

1.1.4.7 Automotive cash flow management

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

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

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

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

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

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

Renault Finance

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

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

1.1.4.8 Nissan, AVTOVAZ, partnerships and collaborative projects

Nissan

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

Nissan's market capitalization at December 31, 2018 was ¥3,714 billion (€29,513 million), based on a closing price of ¥880 per Nissan share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2018, the market value of the shares held by Renault totaled €12,809 million, based on a conversion rate of ¥125.85 for €1.

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

AVTOVAZ

In Russia, AVTOVAZ continued its commercial and financial recovery, ahead of its medium-term plan and made a positive contribution to the results of Groupe Renault:

- a contribution of €3.04 billion to revenues (compared with €2.73 billion in 2017);
- a contribution of €204 million to operating profit (compared with €55 million in 2017).

These results are the fruit of the medium-term plan approved by AVTOVAZ shareholders in 2016, which aims to achieve a return to growth and profitability. The plan's objectives included market share in Russia of at least 20% (PC), in a market expected to grow after several years of decline, cost cutting, notably through increased local integration, a revival of exports and the development of new vehicle and engine ranges. Against this backdrop, the new special investment contract (SPIC) signed by AVTOVAZ with the Russian authorities in December 2018, together with Lada Izhevsk, Renault Russia, Nissan Motor Manufacturing Russia (NMGR) and Mitsubishi Motors Russia (NMR), will cover the launch of new models and the modernization of AVTOVAZ's plants in the coming years. At the same time, several transactions were carried out in 2018, putting the final touches to a financial restructuring process dating back to the end of 2016. They also saw all outstanding AVTOVAZ shares bought out in the second half of the year.

A RUB 61.4 billion AVTOVAZ capital increase reserved for Alliance Rostec Auto b.v. was finalized in April 2018. Renault and its Russian partner Rostec subscribed to the Alliance Rostec Auto b.v. capital increase in the amount of RUB 30.7 billion each, released by offsetting operating receivables and loans from Renault and Rostec in respect of AVTOVAZ.

Following the closed subscription, Alliance Rostec Auto b.v. held more than 75% of AVTOVAZ's capital, and a mandatory buyout was accordingly launched in early July 2018, closing in September 2018.

As the mandatory buyout left Alliance Rostec Auto b.v. holding more than 95% of the share capital of AVTOVAZ (96.64%), a squeeze-out was subsequently initiated on September 28, 2018, in accordance with the applicable Russian securities regulations. The squeeze-out was closed in December 2018, leaving Alliance Rostec Auto b.v. holding 100% of AVTOVAZ's share capital. As the AVTOVAZ shares are no longer traded, the process of delisting it from the Moscow Stock Exchange was started in early 2019. As a result of these transactions, Renault owned 61.09% of the shares in the capital of Alliance Rostec Auto b.v., which in turn held 100% of AVTOVAZ, as of December 31, 2018. In the consolidated financial statements, Renault's stake in Alliance Rostec Auto b.v. was 67.61% as of December 31, 2018, as a result of the capital increase scheduled for early 2019 in accordance with the shareholders' resolutions of November 28, 2018.

Strategic cooperation between Renault-Nissan Alliance and Daimler AG

See paragraph "Cooperation with Daimler" in section 1.2.7.

Supplier relations and support

A long-lasting and effective relationship with its suppliers is essential to Groupe Renault's business. Any failure in this relationship, be it related to the quality of the parts delivered, a logistical problem, a project lag, or the deterioration of the financial health, can have a considerable impact both on the production of Renault plants and on the progress of projects.

Purchasing processes are, therefore, a strategic issue for Groupe Renault and, in a number of significant areas, key to its long-term future:

- supporting the implementation of the Purchasing strategy devised in accordance with the Group's strategic guidelines;
- measuring and managing suppliers' achievement of QCDW (Quality, Cost, Delivery, Weight) targets;
- selecting suppliers and developing a robust and sustainable relationship that is of mutual benefit, while still ensuring Groupe Renault maintains its competitive edge;
- contributing to the Groupe Renault brand image by supplying high-quality goods and services, the international development of its suppliers and the quality of the relationship with those same suppliers.

It is essential that carmakers and suppliers work closely together to create value together. Groupe Renault's objective is to build performance as part of an equitable, educational, long-term partnership with suppliers.

To this end, Groupe Renault has put in place a policy to support suppliers worldwide, which involves:

- sharing best industrial practices (regular meetings, expert assignments);
- optimizing processes in order to help suppliers cut costs without reducing their margins;
- quality management support with the establishment of a Renault expert contact for each supplier to reinforce the level of quality requirements on the ground with regard to our suppliers, to ensure optimal follow-up and better responsiveness;
- offering suppliers an opportunity to grow with the Group. Renault's manufacturing facilities in other countries and partnerships create opportunities for suppliers to expand into new markets or increase their volumes;
- cooperation on innovation. Beyond the research and advanced studies conducted internally and with Nissan, Renault works with suppliers on new joint innovations, sharing its strategic aims right from project design;
- raising suppliers' awareness of CSR.

As part of stronger relations with suppliers, Renault, Nissan and Mitsubishi have implemented a joint selection process whose goal is to enable suppliers recognized as the most efficient and reliable to be granted Alliance Growth Partners (AGP) status.

This status allows them to access information about the Alliance's medium-term strategy for innovation, new products and international development to best support the growth of the Company.

Finally, as part of its supplier development and recognition plan, Renault awards "Supplier Trophies" each year. These trophies reward particularly high-performing suppliers in five priority categories for Renault: quality, innovation, responsible purchasing, design and the service provided to manufacturing. In 2018, 12 suppliers won awards for their outstanding achievements in one of these three areas:

- Responsible purchasing: Hankook Tire Co., Ltd,, LTD, HP, Henkel;
- Quality: CTR CMS CO, Calsonic, Tower Autoaruja, Kiriu-Samick Co., Ltd, Azaki Europe Limited;
- Best service provided to manufacturing: Euro Auto Plastic Systems, EAPS. Innovation: Faurecia, IAV Group. Design: groupe D3.

New Mobilities and Services

In 2017, implementation of the **Zity** platform, the result of a close collaboration between Renault and the Spanish infrastructure operator "Ferrovial Servicios": the objective is to meet the expectations of the people of Madrid and support the development of new urban mobility habits by them. Inaugurated at the end of 2017, the service already passed the 100,000 user mark in July 2018. The service gives access to a fleet of 500 Renault ZOE spread over most of the urban area. These 100% electric cars are equipped with the intuitive connected navigation system R-Link and driving or parking assistance. Their battery gives them autonomy of about 300 kilometers of actual use. To locate an available vehicle and reserve and open it, the user needs only a smartphone equipped with the dedicated application.

In 2017, Groupe Renault acquired **Power Vehicle Innovation** (PVI), a company based in Gretz Armanvilliers (France), which employs 94 people on its site. The acquisition of PVI allows Renault to accelerate the implementation of new technologies, especially in the conversion of electric light commercial vehicles, like the new MASTER Z.E., a light commercial vehicle developed in synergy with PVI.

In November 2018, Groupe Renault announced the acquisition of **Carizy**, a service company specializing in intermediation between private individuals in the sale of used vehicles. It employs about 30 people. This acquisition enables the Group to integrate the necessary know-how and skills to quickly establish itself in the consumer to consumer (C2C) market. Carizy's expertise complements the long-standing expertise of Renault and its sales network in the sale of used cars business-to-business (B2B) and business-to-consumer (B2C).

In January 2018, Renault-Nissan-Mitsubishi announced the launch of **Alliance Ventures BV**, based in Amsterdam (the Netherlands), a venture capital fund to develop open innovation and new mobilities over the next five years. An investment of almost $1 billion over five years is planned. Alliance Ventures will invest in start-ups that can bring new advanced technologies to the Alliance and enable it to develop new activities while ensuring a fair financial return. The fund will invest at each stage of development of a start-up, acting as an incubator for new entrepreneurs in the automotive industry or enabling the establishment of new partnerships.

The new entity is financed jointly by Renault (40%), Nissan (40%) and Mitsubishi Motors (20%). The initial investment is $200 million.

The first transaction by Alliance Ventures is an investment in Ionic Materials, a promising US company that develops materials for cobalt-free batteries. Alliance Ventures has most recently announced its participation in fundraising efforts for (i) Coord, a US mobility data management platform; (ii) WERIDE.AI, China's leading autonomous driving company, (iii) Transit, a multi-modal carrier application company, (iv) Enevate Corporation, which specializes in the design of lithium-ion batteries.

In December 2017, Groupe Renault and the **Challenges** Group decided to join forces to meet the challenges of publishing services for connected, autonomous cars and problems surrounding innovative distribution of print media. Groupe Renault acquired 40% of the capital of the Challenges Group.

Renault Digital

On January 1, 2017, Renault Digital, a wholly-owned subsidiary of Groupe Renault, was created. This entity's main missions are to conduct or support the Group's digital projects, exploit the full value of the data generated by the activity, strengthen employee skills and attract digital talent, and inform employees about smarter approaches to work. Renault Digital teams mobilized more than 300 full-time equivalents in 2018.

Renault Venture Capital

In July 2017, a company was created with an initial capital allocation of €20 million, a wholly-owned subsidiary of Renault s.a.s. whose purpose is to acquire minority stakes in start-ups or other companies. 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. These will make it possible to establish privileged relations with start-ups. This activity, which is an ideal complement to Research and Development carried out internally, will create an image of proactivity focused on open innovation and joint development and will allow faster decision-making.

In October 2018, Groupe Renault invested in the French start-up **Akoustic Arts**, which specializes in directional sound and employs a dozen people.

Light commercial vehicles

Renault has several agreements with General Motors Europe/Opel, Nissan, Renault Trucks, Daimler and more recently Fiat.

Renault and General Motors Europe signed a framework agreement in 1996 that included a commitment to work together. The aim was for the two manufacturers to increase their market presence in Europe and share development costs.

In compact vans, under the partnership with GM Europe, the production of the latest generation of TRAFIC started in April 2014 in the Sandouville plant and of the Opel/Vauxhall VIVARO in the GM Europe plant in Luton in September 2014. The marketing of the TRAFIC and Vivaro began in September 2014.

In March 2017, General Motors and Peugeot SA agreed that Peugeot would take over GM's European operations (Opel Vauxhall). This transaction took place in two stages: the transfer of assets, including the contracts with Renault, as well as the Luton (United Kingdom) plant that produces Opel/Vauxhall VIVARO compact vans, to a new entity, Opel Automobile, on June 30, 2017; followed by the sale of Opel Automobile (and its contractual obligations with Renault) to Peugeot SA on August 1, 2017, which constitutes a change of control for that entity.

In 2018, Peugeot SA announced its decision to stop production of the Opel/Vauxhall VIVARO in Luton by mid-2019. An agreement to terminate cooperation was signed to that effect.

In July 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 new generation of TRAFIC vehicles, the Talento. Production started in May 2016 and sales began in July 2016. This vehicle is distributed by Fiat across its network and under its brand name.

Under the Renault-Nissan Alliance, an agreement was signed with Nissan for the manufacturing at the Sandouville plant of a new compact van developed by Renault based on the newest generation of TRAFIC vehicles, the NV300. This vehicle is in continuity with the distribution agreement with Nissan for the PRIMASTAR, a compact van based on the previous generation of TRAFIC vehicles signed with Nissan in 2003. Production and sale of the NV300 started in 2016.

The offering in the large vans segment was renewed in 2010, with the launch of the new range of the Renault MASTER and Opel/Vauxhall Movano, both manufactured by Renault at its Batilly plant in France. Movano was sold to Opel/Vauxhall as part of a supply agreement signed at the end of 2007.

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

Finally, as part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the New Renault MASTER called the NV400. This vehicle has been sold by Nissan since end-2011.

On the van segment, as part of the strategic cooperation between the Renault-Nissan Alliance and Daimler announced on April 7, 2010, Renault and Daimler studied the development of a light commercial vehicle called the CITAN. This new urban LCV by Mercedes-Benz was developed by Renault on the basis of the KANGOO platform and is built exclusively at the Renault plant in Maubeuge (France). CITAN has been sold by Mercedes since fall 2012.

In addition, under the Renault-Nissan Alliance, an agreement was reached for the development and sale of a small van based on the current Renault KANGOO, called the NV250. This vehicle will be manufactured by Renault at the Maubeuge plant and marketed by Nissan from the end of 2019 to replace the NV200.

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

Accelerating international expansion

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

In Turkey

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

In China

Renault continued its activity in China in 2018. The product range includes the CAPTUR, which has been imported since June 2015, the KADJAR, produced in China and launched in March 2016, the KOLEOS, produced and launched in November 2016, and the ESPACE, imported since December 2017. The production site of the Dongfeng Automotive Company (DRAC), a Renault company jointly owned (50/50) by Dongfeng and Renault, has a capacity of 150,000 units. It is located in Wuhan, the capital of Hubei Province.

In September 2017, Renault, Dongfeng and Nissan created a new joint venture (eGT). Renault holds 25% of eGT's shares, Nissan 25% and Dongfeng the remaining 50%. This new company is based in Shiyan (Hubei Province) and is dedicated to developing an electric vehicle for China. The launch of K-Z.E. for 2019 in China was announced at the 2018 Paris Motor Show.

Finally, in December 2017, Renault signed a joint venture agreement with CBA (China Automotive Holding Limited), which led to the creation of a joint venture (owned 49% by Renault) for the production of light commercial vehicles at the Shenyang site. This company, RBJAC (Renault Brillance Jinbei Automotive Company), markets vehicles under the Jinbei brand. The new industrialization project for the MASTER in Shenyang is underway, with a rollout scheduled for the end of 2020.

In India

In Chennai, the Alliance continues to build its joint production site as part of a joint venture with Nissan (JV RNAIPL). Production started in 2010 with the Nissan MICRA, followed by the production launches of the FLUENCE, KOLEOS, PULSE, SCALA and DUSTER for Renault. In 2015, Renault started production of the LODGY, then the KWID. In 2018, Renault sold nearly 83,900 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. Production by our partners reached 75,100 vehicles in 2018. Renault based its activities on the X90 platform: TONDAR (Iranian name of LOGAN), TONDAR pick-up and SANDERO. Since the start of manufacturing in 2007, the cumulative production of those vehicles was 794,500 units.

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

On August 7, 2017, Groupe Renault announced the signing of a joint-venture with IDRO, an industrial investment and renovation fund in Iran, and PARTO NEGIN NASEH Co, a holding company of NEGIN Khodro, the importer of Renault products into Iran. This agreement did not enter into force as planned in 2018 due to the international climate and was therefore not implemented.

In South Africa

Following the cooperation agreement signed in May 2007 with Nissan, vehicles of the LOGAN range (pick-up and SANDERO) have been assembled locally in the Rosslyn factory since 2009. The pick-up is assembled by Nissan, which sells the vehicle under its own brand name.

In 2013, Renault s.a.s. signed an agreement with its historic South African commercial partner, Imperial group, to transfer the majority of the shares in their joint subsidiary, Renault South Africa. Since December 2013, Renault s.a.s. has had a 40% stake in the subsidiary and Imperial group 60%. This enabled the acceleration of Groupe Renault's expansion in this country from a 3.0% market share in 2014 to a 4.8% share in 2018.

In 2018, the release of the Kwid, imported from India, allowed Renault to sell 25,500 vehicles in South Africa.

In Morocco

In 2018, Groupe Renault consolidated its leading position in Morocco and became the second-largest company in the Kingdom. The two plants in Tangiers and Somaca produced over 400,000 vehicles in 2018. Export volumes reached 333,100 vehicles and locally, 75,400 vehicles were sold. Thanks to the success of the two Dacia and Renault brands, the Group recorded a record 42.5% market share at December 31, 2018.

An agreement was signed with the State at the end of October 2018 to double SOMACA's annual production capacity (Dacia Logan and Sandero) by 2022 and reach 160,000 vehicles per year. Since the signing of the Ecosystem Convention with the Moroccan Government in 2016, the base of local suppliers has doubled. The local integration rate reached 50% in 2018. The commitment is 65% in 2023.

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%).

Four years after production began, the Oran plant continues to grow at an accelerated pace. Initially planned for production of 25,000 units per year, its capacity has been increased with the industrialization of a third CLIO IV car marketed since April 2018. The plant produced 70,000 vehicles in 2018.

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 2.2.2.

1.1.5 Sales financing

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

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

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

Our vision is to:

Make mobility easier for everyone, which is the reason we create personalized services;

Innovate to better serve our customers.

1.1.5.1 Customized offers for each of type of customer

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

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

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

1.1.5.2 Savings bank activity: a pillar of corporate refinancing

The Savings business was launched in 2012 and now operates in four markets, namely France, Germany, Austria and the United Kingdom. Savings deposits are a key instrument in the diversification of the Group's sources of refinancing for its operations. Deposits collected came €15.9 billion, or approximately 34% of net assets at the end [(1)] of December 2018.

1.1.5.3 Over 3,500 employees active in five regions

Our employees work in 36 countries in five major regions of the world: Europe; Americas; Africa – Middle-East – India; Eurasia; Asia-Pacific.

Business activity

RCI Bank and Services saw a further increase in its sales performance in 2018 and continues to implement its ambitions. This makes RCI Bank and Services a reliable strategic partner of the Alliance brands.

With 1,798,901 contracts financed in 2018, an increase of 1.6% over last year, RCI Bank and Services generated €20.9 billion in new financing.

The Group's vehicle financing penetration rate stands at 40.7%, up 1.1 points compared to 2017. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 42.9%, versus 42.6% in 2017.

UV Financing activity continues to grow sharply with 355,274 applications funded, an increase of 11.1% compared to 2017.

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

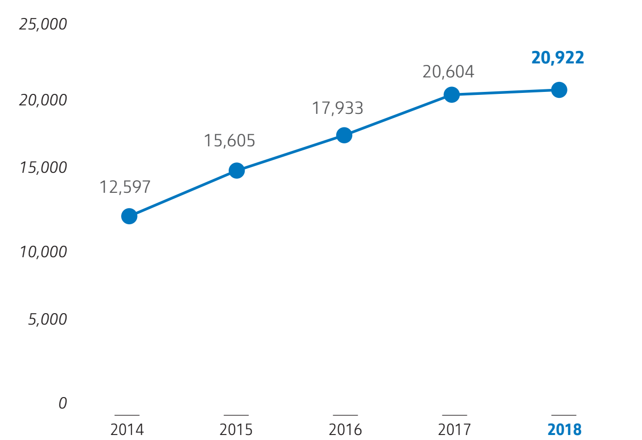
Average performing assets (APA) [1] stand at €44.4 billion, an increase of 12.0% compared to 2017. Of this amount, €34.0 billion was directly related to the Customers business, up 13.6%.

Supported by growth in new and used vehicle financing, Services activity is intensifying, with volumes up 11.1% over the last twelve months. The number of services sold in 2018 represents 4.8 million insurance and service contracts, of which 66% were customer and vehicle use-related services.

NEW FINANCING CONTRACTS

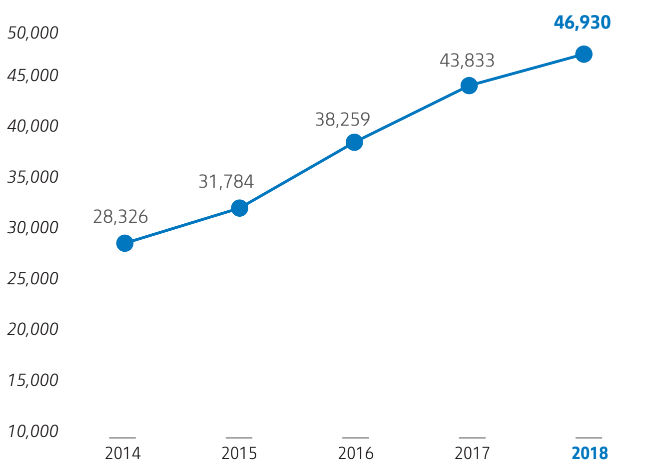
(excluding personal loans and credits cards)

(€ million)



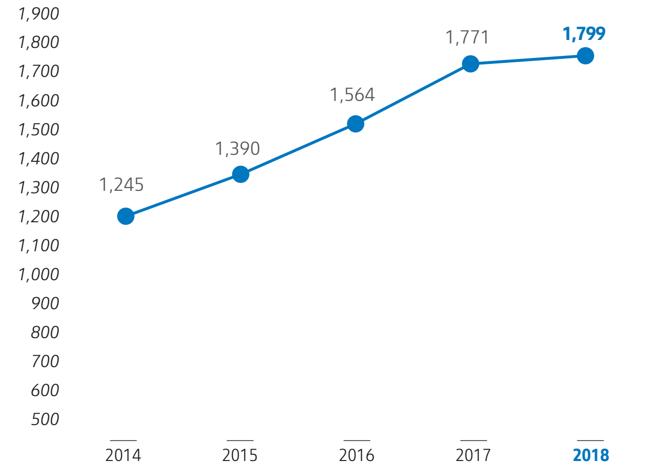
NET ASSETS AT END* 2018

(€ million)



TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS

(thousands)



Source: Group Performance Summary

The Europe Region posted a financing penetration rate of 44.9%, compared to 43.3% last year, and saw a 2.4%increase in the number of new and used vehicle financing contracts compared to 2017.

In an uncertain economic environment (mainly in Argentina), the financing penetration rate in the Americas Region was 35.0%, down 3.8 points from 2017. However, Colombia, a subsidiary that entered the scope of consolidation last year, posted a high penetration rate of 47.5%.

The Asia-Pacific Region has the highest Funding financing penetration rate among RCI group Regions (56.8%). Accordingly more than half of new vehicles sold by Renault Samsung Motors were financed by RCI Banque, which posted excellent commercial performance.

Supported by the sales momentum of the subsidiaries of the Africa – Middle-East – India Region, the financing penetration rate continued to rise to 27.8%, an increase of 6.0 percentage points compared to 2017.

The Eurasia Region financing penetration rate stood at 27.0%, benefiting in particular from the good performance of Turkey, which saw its Financing penetration rate increase by 1.7 points to 28.3%.

(1) *Average Performing Assets: APA are average loans outstanding plus assets related to operating lease activities. For customers, this is the average of the performing assets at the end of the month. For the network, this is the average of daily performing assets.*

Earnings

Net banking income (NBI) reached €1,930 million, an increase of 18.6% compared to the end of December 2017. This growth can be explained by the increase in Financing activities (increase in average productive assets (APA) of 12.0%) and by the increase in Services activities (+16.8% compared to the previous year over the same period).

Operating expenses amounted to €563 million, or 1.27% of APA, down 5 basis points compared to the previous year. The operating ratio remains at a significantly low level compared to the market (29.2%), demonstrating the Group's ability to control its operating expenses while supporting its strategic projects and business growth.

The total cost of risk is 0.33% of APA, which is under control after a low point of 0.11% in 2017, thus confirming a robust policy of acceptance and recovery.

Cost of risk for Retail Customer business (financing of individuals and businesses) remains under control at 0.51% of APA in 2018, compared to a historic low of 0.19% in 2017. Since the transition to IFRS 9, the cost of risk includes a provision for performing loans and off-balance sheet commitments. The application of this standard in 2018 led to an increase in the cost of risk, due in particular to the growth of outstandings.

For the Dealer Networks business (dealer financing), the cost of risk is negative, as in 2017, at -0.33% of APA in 2018, compared with -0.15% the previous year. New reversals of provisions were recorded for those outstandings, which remained stable in amount and of good quality.

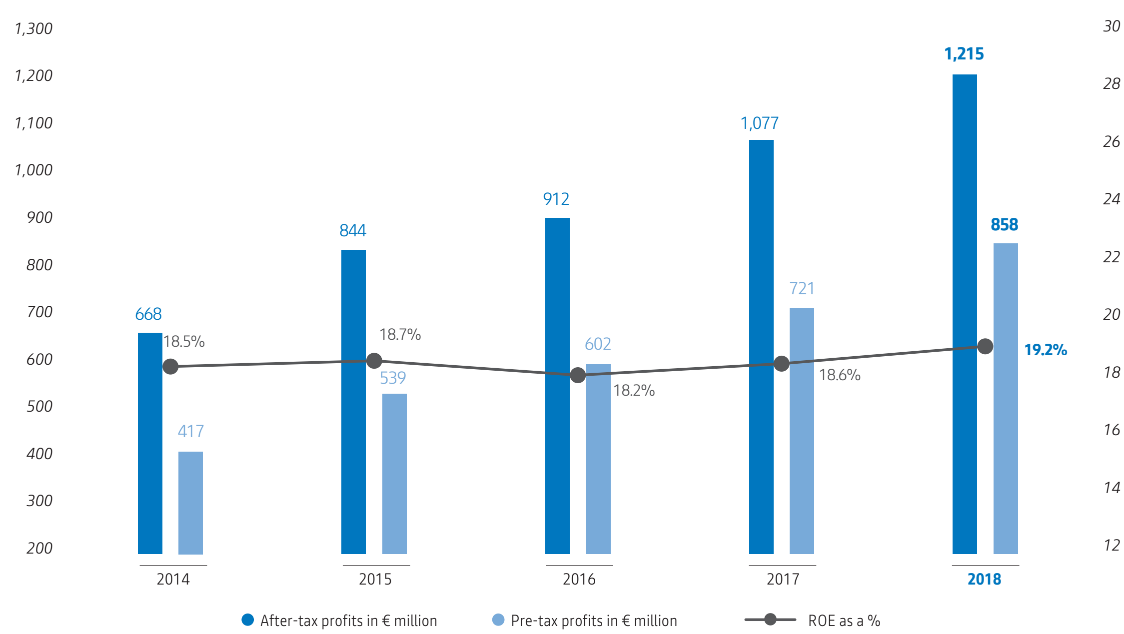
Pre-tax income stood at €1,215 million, up 12.8% from the same period last year, despite a negative exchange rate effect of €48 million, due mainly to the devaluation of the Brazilian real and Argentine peso.

Consolidated net income (parent company shareholders' share) reached €858 million at the end of December, compared with €721 million in 2017.

On January 9th 2019, the Italian competition authority (Autorità Garante della Concorrenza e del Mercato, AGCM) pronounced penalties against the main financing captives in the automotive industry operating in Italy for the exchange of commercial information. The total amount of fines imposed by the AGCM is €678 million. The amount notified against the Italian branch of RCI Banque amounted to €125 million. This amount is not provisioned in the 2018 financial statements. RCI Banque disputes this decision and will appeal to the Administrative Court.

RESULTS

(€ million)



** ROE 2014 excluding non-recurring items (-€77 million).*

The balance sheet

Good commercial performances, especially in Europe, drove historic growth in net assets at the end of December 2018 to €46.9 billion, compared to €43.8 billion at the end of December 2017 (+7.1%).

Consolidated equity amounted to €5,307 million against €4,719 million at December 31, 2017 (+12.5%).

Solvency

The Core Tier One solvency ratio was 15.5% at the end of December 2018, against 15.0% at the end of December 2017.

Financial policy

In 2018 the European Central Bank maintained its key interest rate unchanged and announced it should be kept at that level at least until the summer of 2019. At the same time, the ECB gradually reduced its asset purchase program, down from €30 billion per month in the first part of the year to €15 billion from October, and ended it in December. From 2019, it will reinvest proceeds from maturing securities to maintain favorable liquidity conditions.

In the United States, Jerome Powell, the new Chairman of the Federal Reserve, raised its key interest rates four times, thereby taking the Fed Funds' target range to 2.25-2.50%. In the United Kingdom, the Bank of England, which in November 2017 initiated its first monetary tightening in a decade,raised its official interest rate to 0.75% in July.

The anticipated global economic slowdown and the end of the central banks' accommodating monetary policies gradually altered the macro-economic climate that prevailed at the beginning of the year. The trade war between the United States and China, the United Kingdom's breakaway from the European Union and the budgetary negotiations between Italy and Brussels also contributed to heightened volatility. Against this backdrop the markets reverted to risk aversion mode in the second half of the year, evidenced by a fall in equities markets [(1)] and widening credit spreads [(2)].

After a peak of 0.50% in February, the 5-year swap rate ended down 12bp at 0.20%.

RCI Banque issued the equivalent of €2.9 billion in public bond format, making a number of successive issues. The first was a five-year floating rate issue for €750 million, the second a dual tranche issue for €1.3 billion (three-year fixed rate €750 million, seven-year floating rate €550 million), and the third an eight-year fixed rate bondfor €750 million.At the same time,the company issued a five-year fixed rate CHF125 million bond,a transaction that enabled it to both diversify its investor base and fund assets in that currency.

Three private format placements, one two-year and one three-year, were also made for a total of €600 million.

On the secured funding segment, RCI Banque sold a public securitization backed by auto loans in France for €722.8 million, split between €700 million of senior securities and €22.8million of subordinated securities.

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

In addition, the group's entities in Brazil, South Korea, Morocco, Argentina and for the first time Columbia also tapped their domestic bond markets.

Retail customer deposits have increased by €0.9 billion since December 2017 and at 31 December 2018 totaled €15.9 billion, representing 34% of net assets at the end of December, in line with the company's goal of collecting retail deposits equivalent to approximately one third of the financing granted to its customers.

These resources, to which should be added,based on the European scope, €4.4 billion of undrawn committed credit lines,€3.8 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA) and €0.4 billion of financial assets, enable RCI Banque to maintain the financing granted to its customers for almost 12 months without access to external sources ofliquidity.

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

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

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

At 31December2018, a 100-basis point rise in rates would have an impact on the group's net interest income (NII) of:

- +€3.4 million in EUR;
- +€1.4 million in MAD;
- +€0.8 million in GBP;
- +€0.3 million in KRW;
- -€0.4 million in BRL;
- -€0.4 million in CZK;
- -€0.7 million in CHF.

The absolute sensitivity values in each currency totaled €7.8 million.

The RCI Banque group's consolidated foreign exchange position totaled €9.2 million.

(1) Euro Stoxx 50 down 15%
(2) Iboxx EUR Non-Financial up 56 bp, Iboxx Auto up 95 bp

1.1.6 Main Group subsidiaries and detailed organization chart (1)

1.1.6.1 The main subsidiaries

Renault s.a.s.

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

Wholly-owned subsidiary of Renault.

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

Revenues at December 31, 2018: €45,840 million.

Workforce at December 31, 2018: 32,192 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 2018: €20.97 billion.

Total balance sheet (consolidated) at December 31, 2018: €53,394 million.

Workforce at December 31, 2018: 3,537 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, 2018: €4,501 million.

Workforce at December 31, 2018: 7,975 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, 2018: €7,597 million.

Workforce at December 31, 2018: 11,268 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, 2018: €2,580 million.

Workforce at December 31, 2018: 313 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, 2018: €3,218 million.

Workforce at December 31, 2018: 419 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, 2018: €2,923 million.

Workforce at December 31, 2018: 234 people.

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

Revoz

Belokranska Cesta 4
8000 Novo Mesto (Slovenia)

100% owned by Renault s.a.s.

Business: Manufacturing of Renault vehicles. Plant in Novo Mesto.

Revenues at December 31, 2018: €1,772 million.

Workforce at December 31, 2018: 3,115 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, 2018: €6,512 million.

Workforce at December 31, 2018: 29 people.

Renault UK

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, 2018: €1,439 million.

Workforce at December 31, 2018: 184 people.

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, 2018: €1,334 million.

Workforce at December 31, 2018: 197 people.

Renault do Brasil

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

99 92% owned by Groupe Renault.

Business: Manufacturing and marketing of Renault vehicles.

Revenues at December 31, 2018: €2,961 million.

Workforce at December 31, 2018: 7,034 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, 2018: €1,007 million.

Workforce at December 31, 2018: 2,688 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 in Busan.

Revenues at December 31, 2018: €4,278 million.

Workforce at December 31, 2018: 4,338 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, 2018: €990 million.

Workforce at December 31, 2018: 686 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, 2018: €814 million.

Workforce at December 31, 2018: 847 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, 2018: €2,754 million.

Workforce at December 31, 2018: 6,908 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 in Bursa.

Revenues at December 31, 2018: €3,549 million.

Workforce at December 31, 2018: 7,404 people.

Dacia

Str. Uzinei nr 1
115400 Mioveni (Romania)

99.43% owned by Renault.

Business: Manufacturing and marketing of Renault and Dacia vehicles.
Plant in Mioveni.

Revenues at December 31, 2018: €5,302 million.

Workforce at December 31, 2018: 15,135 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, 2018: €1,742 million.

Workforce at December 31, 2018: 3,803 people.

Renault India Private Limited

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

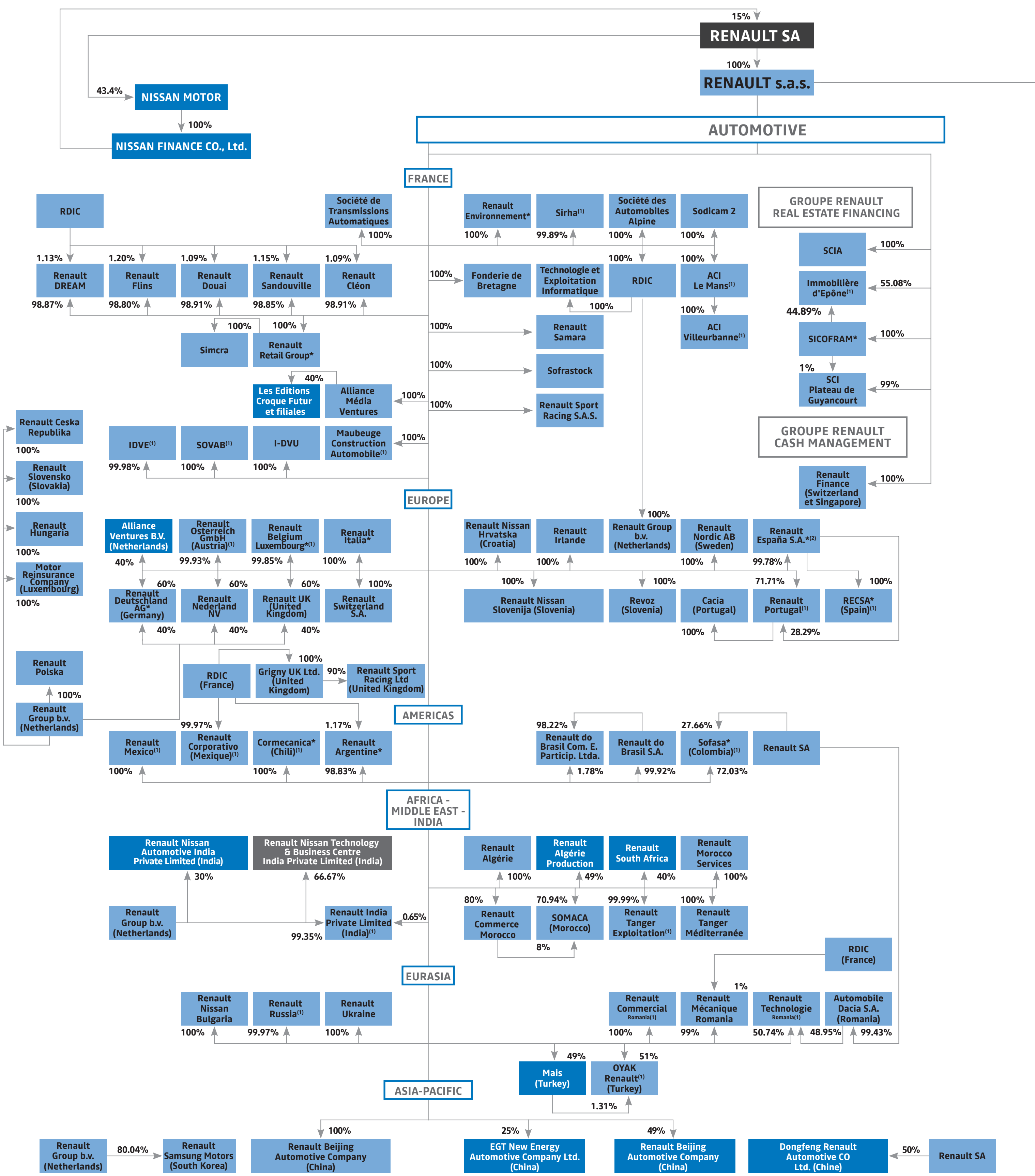
100% owned by Groupe Renault.

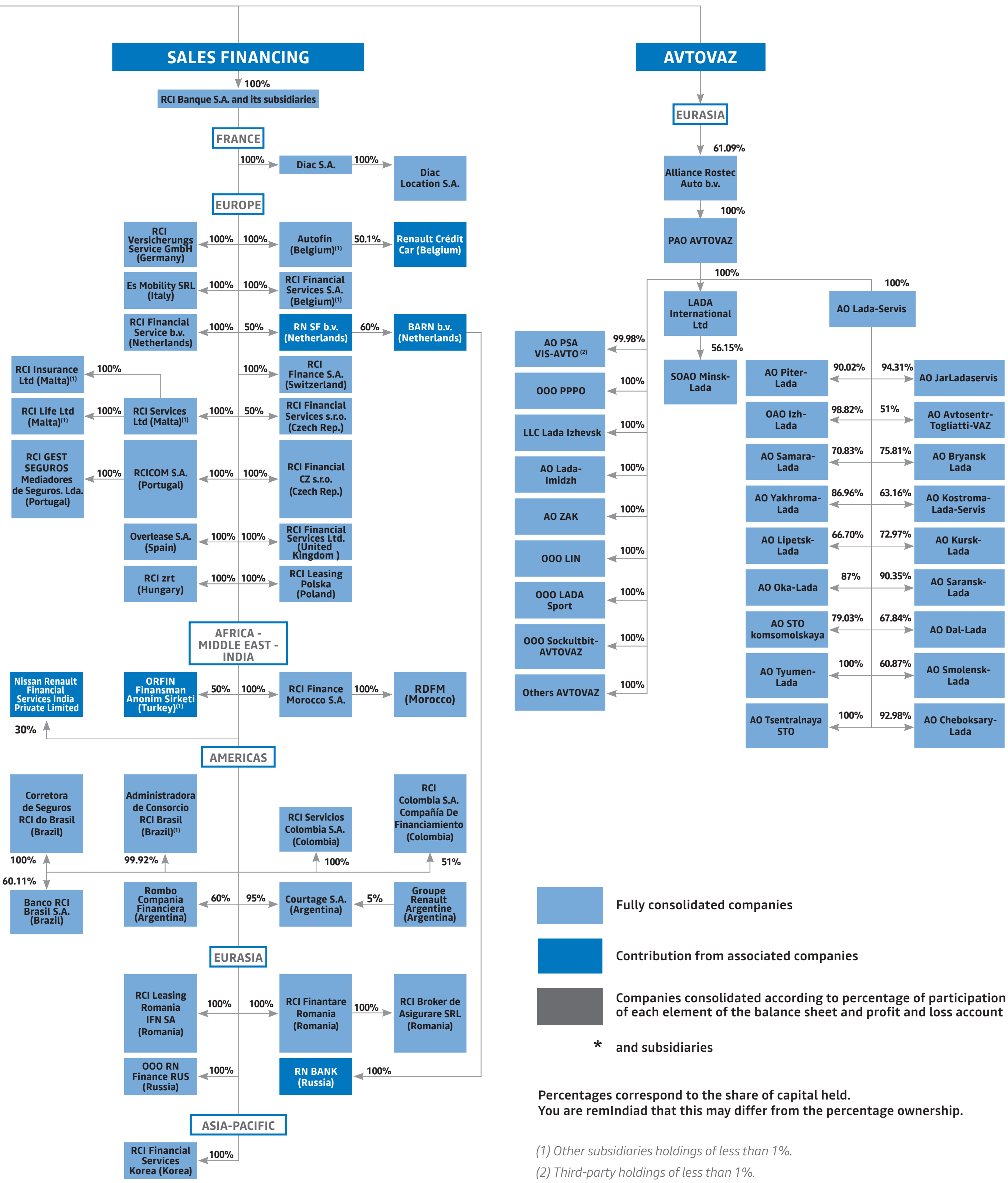
Business: Marketing of Renault vehicles.

Revenues at December 31, 2018: €770 million.

Workforce at December 31, 2018: 248 people.

1.1.6.2 Detailed organization chart of the consolidated Group as of December 31, 2018





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: manufacture of vehicles and working of automotive patents: the first direct-drive transmission. It achieved international renown with its racing victories and became specialized in manufacturing passenger cars and taxis.
- During the First World War: **production of trucks, light tanks and aircraft engines.**

1945

PRODUCTION
4 CV

The Company was nationalized and **became the Régie Nationale des Usines** Renault and concentrated on producing the 4CV.

1972

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

THE 1980'S

A diversification strategy at industrial, financial and service levels, with its industrial and commercial establishments expanding internationally. A restructuring and refocus on its basic businesses were the consequence of the difficulties experienced by the Company in 1984.

1987 : the Company became profitable once again.

THE 1990'S

1990 : a public limited company and a close cooperation agreement is signed with the Volvo group.

1991 : cross-shareholding in the cars and heavy trucks businesses. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.

Novembre 1994 : the French government opened Renault to outside capital, a first step towards privatization, which took place in July 1996.

1998 : inauguration of the Technocentre in Guyancourt (Engineering and design), and the Curitiba plant in Brazil.

1999 : a historic Alliance with Nissan was signed on March 27 in Tokyo and took a 51% ownership interest in the Romanian manufacturer Dacia.

1999
long lasting alliance with
NISSAN

2000

80.1% stake in Dacia and Samsung in South Korea taken over.

2002

Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic structure. Renault raised its stake in Nissan from 36.8% to 44.4%. At the same time, Nissan took a 15% ownership interest in Renault.

2003

The year of the MEGANE II, with five different bodies (SCENIC II, GRAND SCENIC, MEGANE Hardtop Convertible, MEGANE Four door sedan and MEGANE ESTATE) were added to the two models launched in 2002, **seven models were launched in 17 months and became the bestselling car in Europe.**

2008

An additional action plan was set up following the financial and economic crisis, with particular emphasis on controlling stocks and reducing costs and investments. New business locations planned by the Renault-Nissan Alliance in Tangiers (Morocco) and in Chennai (India) were deferred or put on hold. Renault is supported by its subsidiary Avtoframos, which produces LOGAN and sells a range of imported Renault vehicles, and also its strategic partnership with AVTOVAZ.

2009

Management of the crisis included the setting up of the Renault Volontariat **plan as well as implementation of a social contract** (part-time working and wages maintained), to reach a positive free cash flow.

2010

- More than 2,625,000 units (passenger cars+LCVs) sold.
- **The DeZir concept-car is presented in Paris,** giving concrete expression to the Group's new strategy on design, based on the life-cycle. 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.

2011

- 2.72 million units sold, the commitment to an Operational free cash flow of €500 million was met and the net debt position was at the 1998 level.
- Supplies were severely disrupted by the earthquake and tsunami in Japan.
- The sovereign debt crisis in the Euro zone and attempted fraud, which resulted in an overhaul of Renault's governance.
- The Renault 2016 strategic plan Drive the Change was launched.

2012

- 2.5 million vehicles (-6.3% compared to 2011).
- For the first time in its history, the Group sold as many vehicles outside Europe as within Europe. Brazil and Russia are now the Group's second and third biggest markets.

- 11th title of World Champion of Formula-1 manufacturers.
- Launch of the CITAN (Daimler), the small light commercial vehicle, and signature of an agreement to take control of AVTOVAZ in Russia strengthened partnerships.

2013

100 %

- The Group sold **2,628,208 vehicles** in 2013 against 2,548,622 in 2012.
- In 2013, CLIO IV was the third biggest selling vehicle in Europe, and the top seller in France. CAPTUR, Renault's urban crossover, was released and was number one in its category in France and Europe.
- The ZOE, an all-electric car, was launched. Renault led sales of electric vehicles in Europe.
- DUSTER, voted car of the year in India, is the Group's best-selling vehicle since it was launched in 2010.
- A contract for a new dynamic of growth and social development at Renault in France was signed in March.
- ALPINE returned to the Le Mans 24 Hours race and, for the 12th time, Renault was world champion of the Formule-1 engine manufacturers, the unveiling of the new Renault Energy F1-2014 electrified Power Unit.

2014

- 2.7 million units for Groupe Renault in 2014, increasing 3.2% from 2013.
- **China** – On December 16, 2013, Carlos Ghosn, Chairman and CEO of Renault, and Xu Ping, Chairman of Dongfeng Motor, signed an agreement to set up Dongfeng Renault Automotive Company (DRAC).
- **Malaysia** – Development of manufacturing facilities: Renault and Tan Chong Motors signed a local assembly agreement.
- **Car-sharing** – Renault and Bolloré signed an agreement to promote the development of electric vehicles.
- **FIA Formula-E Championship** – Motor sports are entering a new era with the very first FIA Formula-E race held in the streets of Beijing in China.
- **EOLAB** – with consumption of 1 l/100km in mixed NEDC (22g of CO_2/km)*, EOLAB is a reflection of Renault's constant desire to further reduce the environmental footprint of its vehicles.
- **ALPINE** – ELMS/ALPINE A450B. The Signatech-ALPINE team won its second consecutive title at the European Le Mans Series, ALPINE is continuing to prepare the Berlinette of the twenty-first century, which will be marketed in 2016.

2015

- 2.8 million units for Groupe Renault in 2015 increasing 3.3% from 2014.
- **The strategic partnership between Daimler and the Renault-Nissan Alliance celebrates its fifth anniversary.** The number of joint projects has risen from three to 13 in Europe, Asia and the Americas.
- **ALPINE celebrates 60 years** of motorsport passion by unveiling its new ALPINE Celebration show car, developed specially for the Le Mans race.
- First title in the history of 100% ELECTRIC automotive sports, the e.dams-Renault team wins the first Formula-E Championship.
- The Renault-Nissan Alliance publishes the record amount of synergies generated in 2014: €3.8 billion.
- In a little over 10 years, Dacia has won over 3,500,000 customers in Europe and the Mediterranean Region.
- Renault-Nissan Alliance at COP21, during the event, 200 electric Alliance vehicles transported nearly 8,000 participants and avoided the discharge of 18 metric tons of CO_2 into the atmosphere.

2016

- Two years after the creation of the joint-venture, Dongfeng Renault Automotive Company opens the Wuhan plant, which manufactures the KADJAR and the New KOLEOS.
- Renault announces the production of the KWID in Brazil in a version adapted by Renault Technology Americas and Renault Design Latin America.
- After Silicon Valley, Renault continues its strategy of innovation and opens a Renault Open Innovation Lab in Tel Aviv. The purpose of this initiative is to promote electric vehicles and promote creativity based on sustainable mobility.
- After DeZir in 2010, Renault unveils TreZor, its new concept-car. This electric coupé is an expression of Renault's design maturity, which is the biggest reason people buy the brand's cars in Europe.
- The Renault-Nissan Alliance and Microsoft Corp. have signed a global partnership agreement to develop the technologies of tomorrow and advance connected driving experiences around the world.
- Nissan is finalizing its 34% stake in Mitsubishi Motors Corporation (MMC). The arrival of a new member, alongside Renault and Nissan, is an important step for the Alliance.
- On December 28, AVTOVAZ became fully consolidated within Renault's accounting scope.

2017

- **Groupe Renault has consolidated sales of the Lada brand since January 1, 2017**
- Renault plant of the future, the industry revolution 4.0 to support operators, manufacture connected vehicles and strengthen the customers' place in the plant.
- Joint venture with oktal Groupe Renault accelerates its development of autonomous vehicles by investing in "Autonomous Vehicle Simulation".
- Groupe Renault and Sanef cooperate to develop advanced solutions for autonomous vehicles.
- Three seasons of FORMULA E and three titles for Renault in the FIA Formula E championship.
- eGT New Energy Automotive Co. Ltd, a new joint venture (Renault 25%, Nissan 25% Dongfeng 50%) to develop zero-emission mobility in China.
- Concept-Car SYMBIOZ, Renault's vision for the automobile and its place in society by 2030.
- "Drive the future 2017-2022" the new strategic plan for Groupe Renault.
- 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.

1.2 THE ALLIANCE

1.2.1 Overview

1.2.1.1 Twenty years of cooperation

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

In 2018, the Alliance achieved significant growth, with 10.76 million vehicles sold worldwide, and remains no. 1 worldwide in terms of sales of passenger cars and light commercial vehicles. The Alliance is also the manufacturing leader of 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.*) through the identification of synergies and the implementation of common solutions in the interest of its members.

The "Alliance 2022" mid-term plan launched in September 2017 aims to double the annual amount of synergies from €5 billion in 2016 to more than €10 billion in 2022. It is based in particular on:

- four common platforms on which over nine million vehicles will be produced;
- a greater proportion of common engines – from one-third in 2016 to three-quarters of engines shared in 2022;
- the sharing of electrification, connectivity and autonomous driving technologies;
- 12 new 100% electric models with shared platforms and components;
- 40 new vehicles with autonomous driving technologies;
- the ambition to become an on-demand mobility services operator using robo-vehicles.

1.2.1.2 Founding principles of the Alliance

The success and sustainability of the Alliance are based on principles of trust, fairness, transparency and mutual respect among its members.

The Alliance ensures a strict balance between partners and the preservation of their respective interests.

It strives to develop "win-win" solutions, always determined by consensus since the beginning of the partnership and to maximize synergies while preserving each partner's brand identity and corporate culture.

Since 1999, the Alliance has never deviated from these founding principles.

1.2.1.3 Founding objectives of the Alliance

Since 1999, the Alliance has pursued a strategy of sustainable and profitable growth with three long-term objectives:

- to rank in the top three automotive groups for quality and attractiveness of its products and services in each region of the world and range segment;
- to rank in the top three automotive groups in key technologies, each partner being a leader in specific fields of excellence; and
- to rank in the top three automotive groups by operating profit, thanks to a high operating margin and sustained growth.

1.2.2 History

1.2.2.1 Creation of the Alliance

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.

1.2.2.2 Strengthening of the Alliance

Entry into force of the RAMA

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 master agreement, the "Alliance Master Agreement" (the "**AMA**"), which was reiterated and updated on March 28, 2002 in the "Restated Alliance Master Agreement" (the "**RAMA**").

Reciprocal acquisitions of stakes by Renault and Nissan

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

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

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

Creation of Renault-Nissan b.v.

Renault-Nissan b.v. ("**RNBV**") was formed on March 28, 2002 in application of the RAMA.

This Amsterdam-based company has been owned equally by Renault and Nissan since 2002. It coordinates the common activities on a global scale and contributes to the preparation of the Alliance's strategy and mid and long-term planning (see section 1.2.3.2 "Powers of RNBV").

1.2.2.3 Deepening of the Alliance

Combination of the roles of Chairman and Chief Executive Officer of Renault and of Nissan in 2005

In 2005, Mr Carlos Ghosn became Chairman and Chief Executive Officer of Renault, while remaining Chairman and Chief Executive Officer of Nissan.

On April 1, 2017, Mr Hiroto Saikawa succeeded Carlos Ghosn as Chief Executive Officer of Nissan. Mr Carlos Ghosn remained Chairman of Nissan from April 1, 2017 to November 22, 2018.

Intensification of the partnership

On April 15, 2009, it was decided to accelerate and intensify the partnership between Renault and Nissan.

Alliance Directors and Managing Directors of both Renault and Nissan were appointed by RNBV to share best practices within the Alliance and complete the search for synergies.

1.2.2.4 Consolidation of the Alliance

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

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

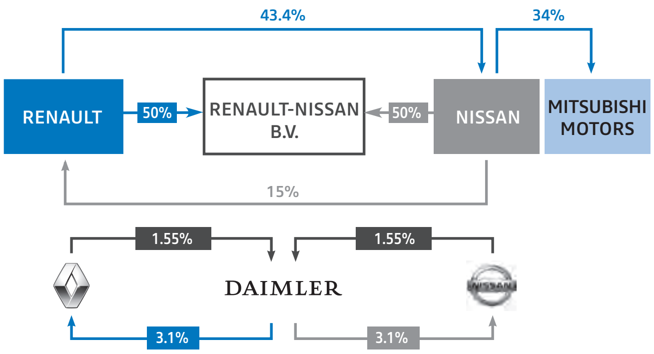
  This agreement is described in section 5.2.6.2 "Shareholders' agreements on shares and voting rights of the Company;" and
- a third amendment to the RAMA signed on December 11, 2015 between Renault and Nissan that enshrines in particular the constant practice of non-interference of Renault in the governance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

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

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

1.2.2.5 Expansion of the Alliance to Mitsubishi Motors

Acquisition by Nissan of a stake in Mitsubishi Motors



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.

Integration of Mitsubishi Motors within the Alliance

The process of integrating Mitsubishi Motors within the Alliance has begun.

As part of the strengthening of the convergence within the Alliance, Mitsubishi Motors joined as from April 2018 the Purchasing, Business Development and Quality and Total Customer Satisfaction converged functions. Mitsubishi Motors will also gradually participate in other converged functions within the Alliance as from 2019.

1.2.2.6 A "new start" for the Alliance

On March 12, 2019, Mr Jean-Dominique Senard, Chairman of the Board of Directors of Renault, Mr Thierry Bolloré, Chief Executive Officer of Renault, Mr Hiroto Saikawa, Chief Executive Officer of Nissan, and Mr Osamu Masuko, Chief Executive Officer of Mitsubishi Motors, signed a letter of intent in which they committed to a "new beginning" for the Alliance with the creation of an Alliance Operational Board comprised of four main members: the Chairman of the Board of Directors of Renault (who will chair the Alliance Board), the Chief Executive Officer of Renault, the Chief Executive Officer of Nissan and the Chief Executive Officer of Mitsubishi Motors.

1.2.2.7 Strategic cooperations of the Alliance

The Alliance has also entered into strategic cooperations with other manufacturers, including Daimler (see section 1.2.6 "Strategic cooperations").

1.2.3 Functioning of the Alliance in 2018

1.2.3.1 Role of 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. They are described in section 1.2.3.2 "Powers of RNBV" below.

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 and which missions are described in section 1.2.4 "Synergies – A way to measure the benefits of the cooperation".

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 (see sections 1.2.4 "Synergies – A way to measure the benefits of cooperation" below).

1.2.3.2 Powers of RNBV

Delegation of certain powers to RNBV

In accordance with the RAMA and Article 15 of the Renault s.a.s. by-laws, Renault and Nissan have delegated certain powers to RNBV pursuant to a management agreement signed on April 17, 2002 for an initial period of 10 years (the "Management Agreement").

In April 2012, the Management Agreement was renewed for another 10-year period pursuant to an agreement entitled Renewal Agreement of the Management Agreement the provisions of which are identical to those of the Management Agreement (**the "Renewal Agreement of the Management Agreement"**). Renault shareholders were informed of this at Renault's 2012 annual shareholders' general meeting.

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

List of powers delegated to RNBV

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.

1.2.3.3 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.

Composition of the RNBV Management Board

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 currently comprised 10 members on 2018, December 31:

- 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.

The R Members may be dismissed at any time by Renault and the N Members, including the Vice-Chairman of the Management Board, may be dismissed at any time by Nissan.

Composition of the Management Board as at December 31, 2018

	Position	Vote
Carlos Ghosn Chairman and CEO of Renault Chairman of Nissan (until November 22, 2018)	Chairman of the Management Board	4
Hiroto Saikawa Chief Executive Officer of Nissan	Vice-Chairman of the Management Board	4
Bruno Ancelin Renault EVP, Product Planning & Programs	Member of the Management Board	1
Thierry Bolloré Chief Competitive Officer of Renault Group Group Chief Operating Officer (starting February 19, 2018)	Member of the Management Board	1
Jean-Christophe Kugler EVP, Europe Region, Renault	Member of the Management Board	1
Mouna Sepehri EVP, Renault CEO Office	Member of the Management Board	1
Philippe Klein Chief Planning Officer of Nissan	Member of the Management Board	1
José Muñoz Chief Performance Officer of Nissan	Member of the Management Board	1
Hari Nada Chief Competitive Officer of Nissan	Member of the Management Board	1
Yasuhiro Yamauchi Chief Competitive Officer of Nissan	Member of the Management Board	1

Composition of the RNBV Management Board as at April 1, 2019

	Position	Vote
Thierry Bolloré Chief Executive Officer of Renault	Chairman of the Management Board	4
Hiroto Saikawa Chief Executive Officer of Nissan	Vice-Chairman of the Management Board	4
Bruno Ancelin EVP, Product Planning & Programs, Renault	Member of the Management Board	1
Gaspar Gascon Abellan EVP, Alliance Engineering, Renault	Member of the Management Board	1
Olivier Murguet Renault EVP, Sales and Regions	Member of the Management Board	1
Mouna Sepehri Special Advisor to Renault Chief Executive Officer	Member of the Management Board	1
Hiroshi Karube Chief Financial Officer of Nissan	Member of the Management Board	1
Philippe Klein Chief Planning Officer of Nissan	Member of the Management Board	1
Hari Nada Chief Competitive Officer of Nissan	Member of the Management Board	1
Yasuhiro Yamauchi Chief Competitive Officer of Nissan	Member of the Management Board	1

Functioning/powers of the RNBV Management Board

Pursuant to the RNBV Articles of Association, the Management Board meets regularly and makes all decisions within the powers conferred to it.

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 members of the Executive Committees of both companies are regularly invited to contribute to the work of the RNBV Management Board as part of the Alliance Operation Committee (AOC).

Activities of the RNBV Management Board in 2018

With the support of the dedicated Alliance teams, the RNBV Management Board has carried out work in areas relating to the powers delegated to it, and in particular relating to:

- the strengthening of the convergence;
- the common platforms plan;
- the shared powertrain parts plan (engines, transmissions and other parts);
- the Renault and Nissan vehicle product plans; and
- the financial policy principles on hedging and exchange rates.

1.2.3.4 A consensual decision-making process

RNBV is the governance structure of the Alliance within which decisions are made in areas of common interest to the Alliance between Renault and Nissan.

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.

1.2.3.5 Example: preparation and approval of Renault's mid-term strategic plan

Renault's mid-term strategic plan presented on October 6, 2017 was prepared at the initiative and under the responsibility of the Renault Planning Department. It was created based on contributions made by the Renault teams in the main functions of the Company and the Group's various regions and business units. This work was first presented to the Group Executive Committee (**"GEC"**) of Renault over several meetings held since the work began in early 2016. At the same time, with regards to Alliance-related matters, particularly those relating to Renault and Nissan converged functions (mainly advanced research, purchasing, and cross-manufacturing), the preparation of the plan was driven by Renault and Nissan joint teams.

Matters falling under the competence of RNBV and requiring decisions common to both groups were reviewed and approved by the Management Board of RNBV.

Based on these contributions, the Renault GEC then prepared and drew up a final version of Renault's mid-term strategic plan.

After it was approved by the Renault GEC, the plan was approved by the RNBV Management Board with regard to aspects relating to the Alliance that fall under its competence.

The plan was then reviewed by Renault's International and Industrial Strategy Committee in anticipation of the meeting of the Renault Board of Directors.

Finally, based on all of that work and those decisions, the Renault Board of Directors reviewed and definitively approved the plan.

1.2.3.6 A new Alliance Operating Board starting March 2019

A letter of intent signed on March 12, 2019, announced the creation of a new Alliance Board that will be 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 will comprise four members, appointed by Renault (two members, including the Chairman of the Alliance Board), by Nissan (one member), and by Mitsubishi Motors (one member). Mr Jean-Dominique Senard, Chairman of the Board of Directors of Renault, will chair the new Alliance operating Board, which will also have as members Mr Hiroto Saikawa, Chief Executive Officer of Nissan, Mr Thierry Bolloré, Chief Executive Officer of Renault, and Mr Osamu Masuko, Chief Executive Officer of Mitsubishi Motors.

The operational decisions of the Alliance Board will be made by all members by consensus, in accordance with the Alliance's "win-win" principal.

The Alliance Board will meet monthly, and as often as the Alliance's interest requires, in Paris or Tokyo.

This new Alliance Board will oversee Alliance operations and governance issues involving Renault, Nissan and Mitsubishi Motors. In practice, the Board will replace RNBV in its governance functions. In any event, RNBV will continue to exist, and will support the Alliance Board, particularly for decisions and proposals that are delegated to RNBV pursuant to the RAMA, Management Agreements and the by-laws of Renault s.a.s. and RNBV, which will remain in force and unchanged.

The new Alliance Board may be assisted by specific operating committees that will make recommendations on new sources of value creation between the three automakers.

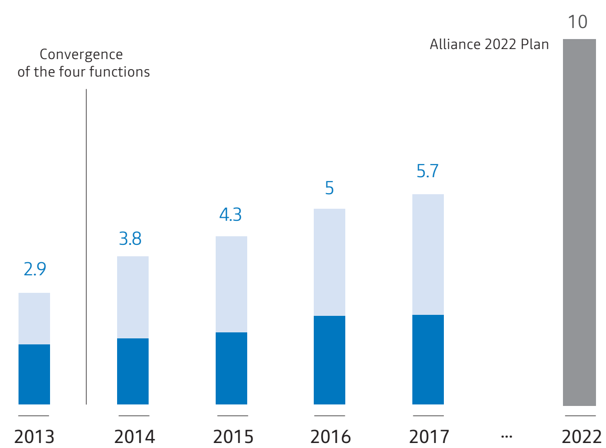
1.2.4 Synergies – A way to measure the benefits of the cooperation

One of the key ways to measure the effectiveness of the cooperation within the Alliance is to evaluate synergies. These synergies result from revenue increases, cost reductions and cost avoidance. Only new synergies – not cumulative synergies – are evaluated each year.

The Alliance synergies are reported by the pilots of the CCTs and validated by the management controllers. The impact on the member companies' income statements is reported during the Alliance Management Board meetings.

In June 2018, the Alliance announced synergies of €5.7 billion for the 2017 financial year, a 14% increase compared to 2016. Purchasing, Engineering, and Manufacturing were the top contributors to synergies.

As part of the "Alliance 2022" Mid-Term Plan, the Alliance aims to increase annual synergies to over €10 billion by the end of the plan.



1.2.5 Changes in convergence

On March 1, 2018, the Alliance announced the launch of projects to accelerate the convergence within nine key functions, in order to identify new opportunities that would allow to achieve the target of €10 billion in annual synergies by the end of the Alliance 2022 plan. These functions are: engineering; manufacturing; production engineering and supply chain management; purchasing, quality and total customer satisfaction; aftersales; business development; talents; LCV business and CEO Office.

Within this framework, a strengthened organization of the converged functions has been in place since April 1, 2018. It enables optimized expenditure, maximized pooling, technology and resource sharing and simplified decision-making processes. It accordingly plays a role in strengthening the performance and growth of the Alliance member companies, whilst complying with the autonomy and separate strategies of Groupe Renault, Nissan and Mitsubishi Motors.

1.2.6 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 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 Thierry Bolloré, Chief Executive Officer of Renault, Mr Hiroto Saikawa, Chief Executive Officer of Nissan, and Mr Dieter Zetsche, Chairman of the Management Board of Daimler, and composed of the senior executives of Renault, Nissan, Mitsubishi Motors and Daimler. This committee, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. No specific areas of potential collaboration are excluded. When teams suggest projects that could benefit all partners, they then launch feasibility studies. If senior executives and Board members of all companies agree, then the project is approved.

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

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

- in addition to the thermal versions of Twingo and Smart, an electric version of the Smart 2 and 4-seater was launched in 2017. The new 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;
- Renault developed a small light commercial vehicle based on Kangoo for Daimler. This vehicle has been manufactured in the Maubeuge Renault plant since 2012;
- the Alliance and Daimler are jointly developing a new direct-injection turbocharged small gasoline engine family (1l and 1.3l). The new engines will feature state-of-the-art technology in a compact package and will offer a significant improvement in fuel economy, as well as low emissions. The new engines debuted in Daimler, Renault and Nissan vehicles in late 2017;
- the Mercedes-Benz one-ton pick-up, which shares its architecture with the Nissan NP300 NAVARA and the Renault ALASKAN, is built by Nissan in its Barcelona plant;
- the Q30 and QX30, high-end compact vehicles marketed under the Infiniti brand and based on Daimler architecture, are manufactured at the Nissan plant in Sunderland, United Kingdom. Production of the Q30 began in November 2015 and of the QX30 in early 2016;
- early 2018, the production of Infiniti QX50 compact premium segment vehicles and Mercedes-Benz Class A started at the shared plant in Aguascalientes (COMPAS) as a joint venture.

1.2.7 Alliance sales performance & financial indicators

1.2.7.1 2018 Alliance sales

Renault-Nissan-Mitsubishi, the world's largest automotive alliance, sold a total of 10,756,875 units in 2018. The Alliance maintained its position as the world leader in volume sales of passenger cars and light commercial vehicles.

In 2018, sales increased by 1.4% compared to the previous year in the context of strong demand for vehicles such as Renault CLIO, CAPTUR and SANDERO; Nissan X-Trail/ ROGUE and SENTRA/ SYLPHY; and Mitsubishi ECLIPSE Cross and XPANDER.

The production and sale of vehicles that use Common Module Family (CMF) architecture – a key pillar of the Alliance 2022 mid-term plan – also accelerated in 2018. This plan includes the international marketing of the Renault KWID and the increased production of the Nissan FRONTIER van, whose architecture is shared with Renault and Mercedes.

2018 was also marked by strong demand for light commercial vehicles, with a sharp increase in sales of Renault KANGOO, MASTER and TRAFIC; Nissan NAVARA and TERRA, and Mitsubishi TRITON. The optimization of synergies, thanks to cross-development and cross-manufacturing, is at the heart of the Alliance's strategy to support the increase in market share and sales volume of light commercial vehicles worldwide.

In 2018, the Alliance maintained its leadership in the zero-emission vehicle segment, with cumulative sales of 724,905 electric vehicles since 2010, driven by demand for the Renault ZOE and Nissan LEAF, among others.

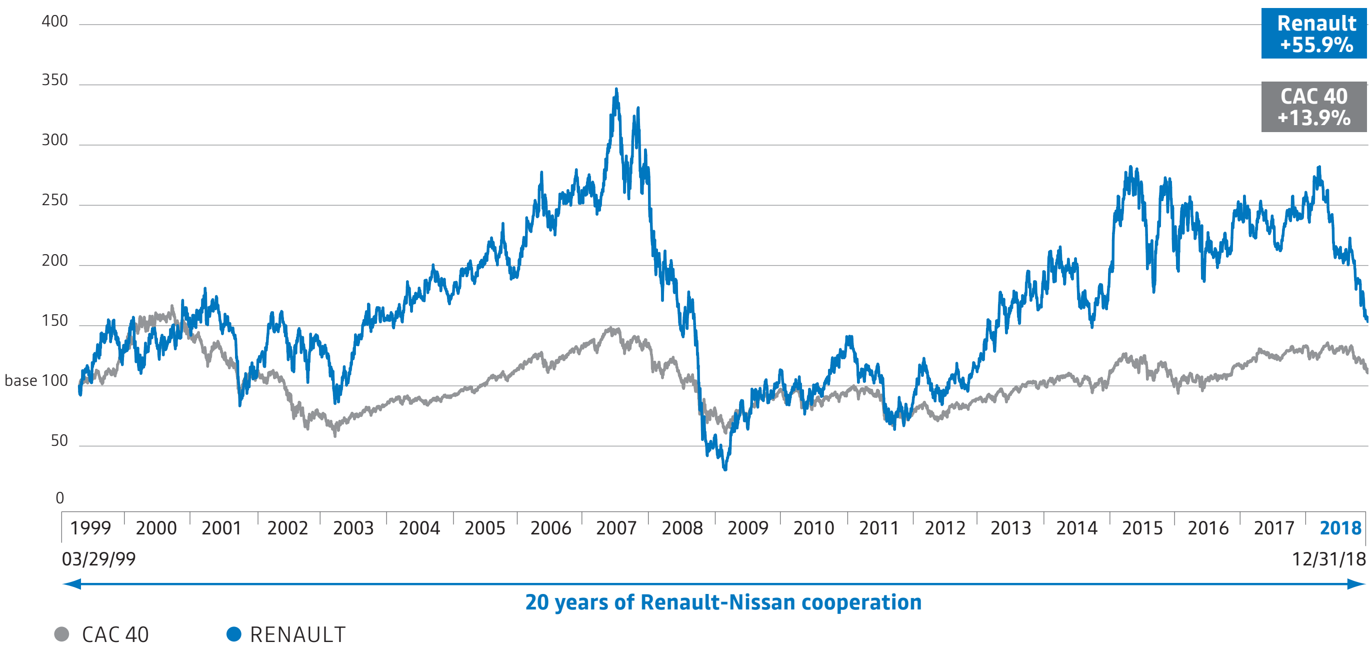
Groupe Renault sales increased by 3.2% to 3,884,295 units in 2018. In the same year, Nissan sold 5,653,683 vehicles worldwide, a decrease of 2.8% over the previous year. Mitsubishi Motors sold 1,218,897 units worldwide, an 18% increase over 2017.

TOP 10 ALLIANCE MARKETS

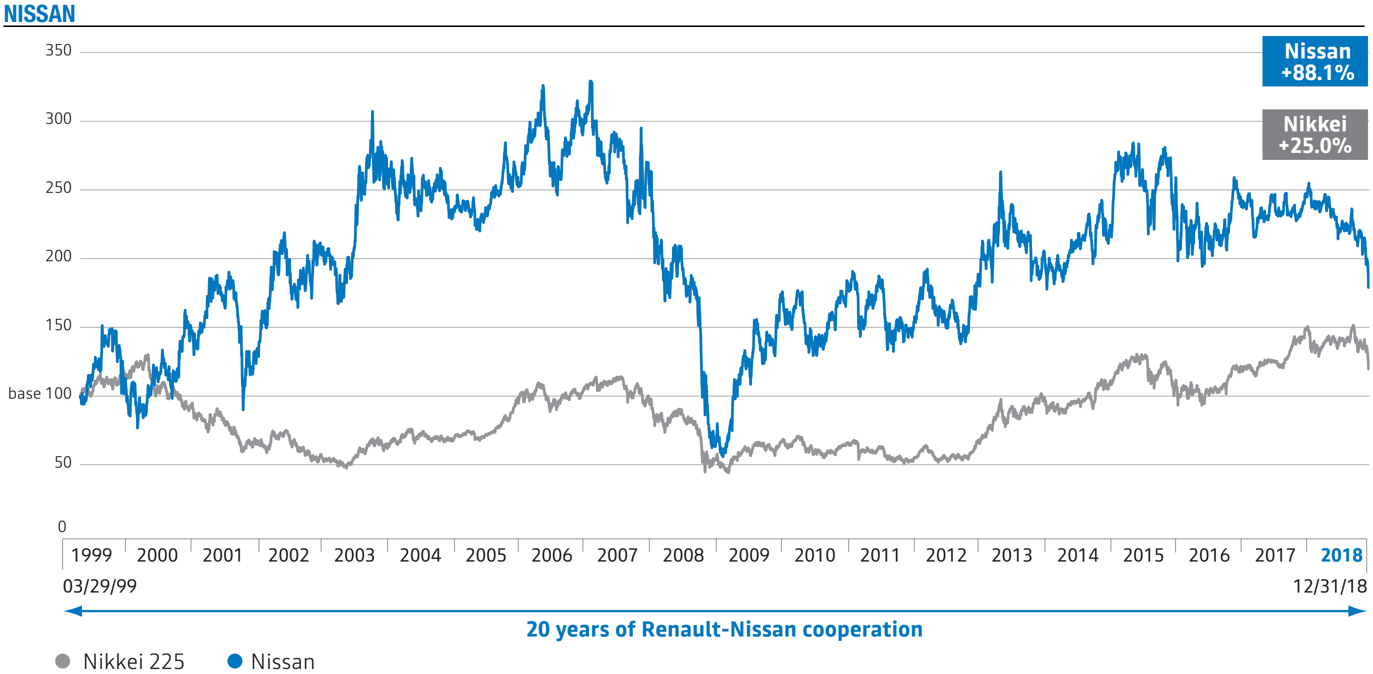
Country	Sales
China	1,920,541
United States	1,611,952
France	763,984
Japan	727,823
Russia	648,795
Mexico	355,968
Germany	343,656
Brazil	334,469
Italy	277,941
Spain	275,884

1.2.7.2 Renault and Nissan shares since the creation of the Alliance in 1999

RENAULT



NISSAN



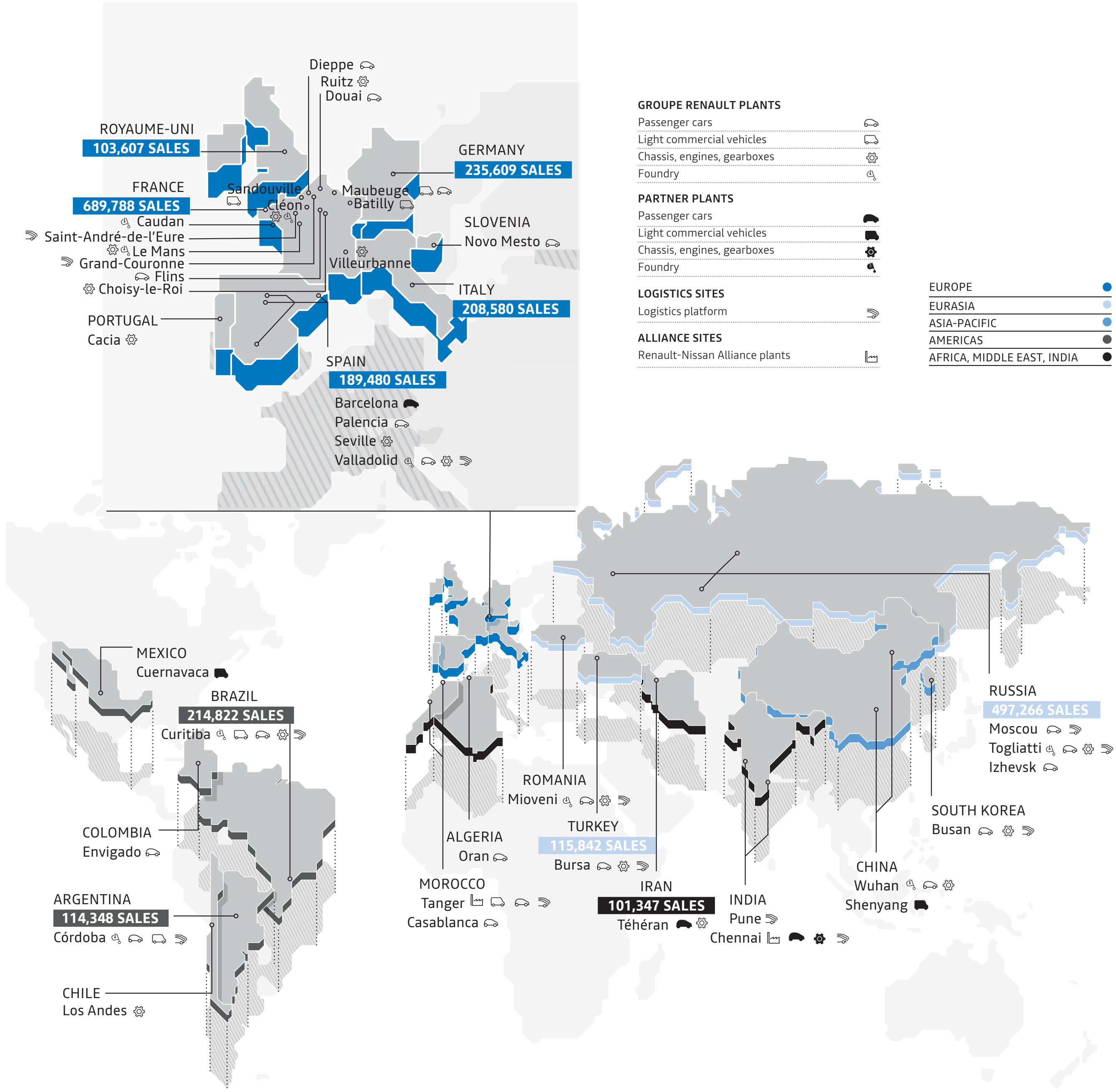
STOCK MARKET CAPITALIZATION OF AUTOMOTIVE MANUFACTURERS IN MARCH 1999 AND DECEMBER 2018

(€ million)	March 29, 1999	Ranking		Dec. 31, 2018
Toyota	96,736	1	Toyota	166,665
Daimler	81,541	2	VW	69,280
Ford	59,848	3	Daimler	49,116
GM	52,518	4	BMW	46,014
Honda	39,961	5	Honda	41,806
VW	22,159	6	GM	41,301
BMW	16,277	7	Nissan	29,513
Fiat	13,522	8	Ford	26,147
Nissan	9,049	9	Hyundai	23,394
Renault	8,393	10	FCA	19,653
PSA	6,615	11	PSA	16,871
Hyundai	678	12	Renault	16,132

1.2.7.3 Value of joint operations

Total purchases and sales by Renault from Nissan in 2018 amounted to an estimated €4,162 million and €2,184 million respectively (note 12 J of the Renault consolidated financial statements).

1.2.7.5 Global production sites



1.2.8 Nissan 2018 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 totals 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.

1.2.8.1 Nissan 2018 financial year after nine months

Nissan's net income for the nine months ended December 31, 2018 fell by 45.2% to ¥316.7 billion. Operating profit reached ¥313.7 billion for the period, representing a 3.7% margin on net revenues of ¥8.58 trillion. Globally, Nissan sold 4.02 million vehicles in the first nine months of the 2018 financial year, a 2.1% increase compared to last year.

1.2.8.2 Nissan's contribution to Renault's 2018 consolidated net income

Nissan's contribution to Renault's earnings in 2018 was €1,509 million, compared to €2,791 million in 2017, 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 - 2018

KEY FIGURES

	2018 [1]	2017 restated	Change
Worldwide Group sales [2] *(vehicles)*	3,884,295	3,762,077	+3.2%
Group revenues *(€ million)*	57,419	58,770	-1,351
Group operating profit *(€ million)*	3,612	3,854	-242
(% revenues)	6.3%	6.6%	-0.3 pt
Group operating income *(€ million)*	2,987	3,806	-819
Contribution from associated companies *(€ million)*	1,540	2,799	-1,259
o/w Nissan (€ million)	1,509	2,791	-1,282
Net income [3] *(€ million)*	3,451	5,308	-1,857
Net income, Group share [3] *(€ million)*	3,302	5,212	-1,910
Earnings per share [3] *(€)*	12.24	19.23	-6.99
Automotive including AVTOVAZ operational free cash flow [4] *(€ million)*	607	945	-338
Automotive including AVTOVAZ net cash position [3] *(€ million)*	3,702	3,209	+493
Sales Financing, average performing assets *(€ billion)*	44.4	39.6	+12.0%

(1) Application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" as of January 1, 2018.
(2) 2018 Group registrations include Jinbei & Huasong sales.
(3) The figures for the year 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.
(4) Automotive operational free cash flow including AVTOVAZ: 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 2018, **Groupe Renault** sales increased by 3.2% while integrating the Jinbei and Huasong brands since January 1, 2018. At 2017 scope, Groupe Renault volumes declined by 1.2% in a world market down 0.3%, with stable sales in Europe, (+0.5%).

Groupe Renault is the European leader in the **electric vehicle** segment with a 22.2% market share.

In the **light commercial vehicle** segment, the Group grew by 33.7% (619,229 vehicles). Excluding Jinbei and Huasong, sales increased by 0.9% to 467,042 vehicles.

Groupe Renault is pursuing its **Drive the Future** plan by expanding internationally, now representing 50.6% of total sales (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei, Huasong brands, and despite the decline in sales in Turkey and India and the cessation of sales in Iran due to the application of American sanctions.

Group revenues reached €57,419 million (-2.3%), including €3,040 million for AVTOVAZ (+11.5%). Excluding currency impact, Group revenues increased by 2.5%.

Automotive excluding AVTOVAZ revenues decreased -4.4% to €51,171 million, including the negative impact from the change in interest rate subsidies allocation between the Automotive excluding AVTOVAZ segment and Sales Financing of €555 million. This change mainly reflects a negative currency effect of -4.1 points, lower volumes (-0.5 points) and sales to partners (-1.8 points). The downturn in sales to partners was mainly the result of the closure of the Iranian market and the decline in European demand for diesel. In contrast, the price effect was positive at +1.4 points thanks to price increases in emerging countries as well as Europe. The model mix was slightly negative at -0.2 points. The "Others" effect (+0.8 points), including the aforementioned change in allocation, was due in particular to the strong performance of the used vehicle and spare parts activities, and lower sales with buy-back commitments.

The **Group's operating margin** amounted to €3,612 million and represented 6.3% of revenues.

Automotive excluding AVTOVAZ operating margin was down €545 million to €2,204 million, which represented 4.3% of revenues compared to 5.1% in 2017. In addition to a negative volume effect of -€329 million, this decrease was largely explained by an unfavorable environment, both in respect of currency, with an impact of -€526 million, and raw materials (-€356 million). To offset these negative effects, the Group pursued its cost management policy resulting in a positive +€421 million from Monozukuri [1] and price increases leading to a positive mix/price/enrichment effect of +€261 million.

The **AVTOVAZ operating margin contribution** rose to €204 million, compared to €55 million in 2017, and marked a new stage in the company's recovery thanks to the success of its recently launched models in a recovering market and efforts to streamline costs. In addition, AVTOVAZ benefited in 2018 from positive non-recurring effects.

(1) Monozukuri: purchasing performance (excluding raw materials), warranty, R&D expenses, manufacturing and logistics costs.

Sales Financing contributed €1,204 million to the Group's operating margin, compared to €1,050 million in 2017. This rise of nearly 15% was notably due to the good commercial performance in recent years.

Other operating income and expenses amounted to -€625 million (compared to -€48 million in 2017). This sharp deterioration stemmed mainly from two factors: on the one hand, the consequences of the Argentinean crisis for more than €200 million, and on the other hand, provisions notably relating to the early retirement program in France, for nearly €300 million.

The Group's **operating income** came to €2,987 million, compared to €3,806 million in 2017.

Financial income amounted to -€353 million, compared to -€391 million in 2017 (after taking into account the change in the accounting method for redeemable shares). Improvements in the Group's funding cost allowed it to absorb a €31 million expense relating to the application of accounting rules linked to Argentina's hyperinflation situation.

The **contribution of associated companies**, primarily Nissan, came to €1,540 million, compared to €2,799 million in 2017. In 2017. Nissan's contribution included a non-recurring income of €1,021 million linked to the USA tax reform voted at the end of 2017 and sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed an expense of €723 million.

Net income amounted to €3,451 million, and net income, Group share, to €3,302 million (€12.24 per share compared to €19.23 per share in 2017).

Automotive operational free cash flow, including AVTOVAZ for €115 million, was positive at €607 million after taking into account a positive change in working capital requirements excluding AVTOVAZ for €781 million and an increase in total investments excluding AVTOVAZ for €784 million.

At December 31, 2018, total inventories (including the independent network) represented 70 days of sales, compared to 57 days at end December 2017. This sharp rise primarily reflected the weak sales in the fourth quarter of 2018.

A **dividend** of €3.55 per share, stable with last year, will be submitted for approval at the Shareholders' Annual General Meeting.

Outlook 2019

In 2019, both the Global and European markets are expected to be stable [(1)] compared to 2018. The Russian market is expected to grow by at least 3% and the Brazilian market by 10%.

Within this context, Groupe Renault is aiming to:

- increase revenues (at constant exchange rates and perimeter) [(2)];
- achieve a Group operating margin of around 6%;
- generate a positive Automotive operational free cash flow.

1.3.1 Sales performance

Overview

- In 2018, worldwide sales of passenger cars and light commercial vehicles (PC+LCV) by **Groupe Renault** increased by 3.2%, with 3.88 million vehicles sold while integrating the Jinbei and Huasong brands since January 1, 2018 (165,603 vehicles). At 2017 scope, Groupe Renault volumes declined by 1.2% in a world market down 0.3%.
- The **Renault brand** registred 2,532,567 sales in 2018 (-5.2%). **Dacia** sales were up 7.0% at 700,798 vehicles. **Lada**'s sales increased by 18.7% to 398,282 registrations and **Renault Samsung Motors**' sales fell by 14.9% to 84,954 vehicles.
- **In Europe**, sales were stable (+0.5%) in a market that grew by 0.2%. The Dacia brand posted a new sales record in Europe (+10.3%) and a record market share of 2.9% (+0.3 points). This increase is linked to the performance of the New Duster launched at the beginning of the year and Sandero.
- In the **electric vehicle segment**, Renault is the European leader with a 22.2% market share. ZOE saw its volumes increase by 26.1% (39,458 vehicles) and Kangoo Z.E. by 105.1% (8,747 vehicles).
- In the **light commercial vehicle segment**, the Group grew by 33.7% (619,229 vehicles). Excluding Jinbei and Huasong, sales increased by 0.9% to 467,042 vehicles. The Renault brand reached a new record high in 2018 despite the decline in Turkey and Argentina, two important markets for this segment.
- **Groupe Renault** is pursuing its **Drive the Future** plan by expanding internationally, with sales now representing 50.6% of total (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei and Huasong brands, and despite the decline in sales in Turkey, India and the cessation of sales in Iran due to the application of American sanctions.
- The sales of the **Jinbei and Huasong** brands are taken into account as of January 1, 2018 following the creation of a Joint Venture with Brilliance China Automotive Holdings Limited and amounted to 165,603 vehicles in 2018.
- In 2018, the number of new financing contracts by **RCI Banque** was up 1.6% compared to 2017.

(1) Excluding "hard Brexit".
(2) In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year and excluding significant changes in perimeter that occurred during the year.

The Groupe Renault's top 15 markets

Sales		Ranking 2017	Volumes 2018 (1) *(units)*	PC +LCV market share 2018 *(%)*	Change in market share on 2017 *(points)*
1	France	1	689,788	26.2	-0.2
2	Russia	2	497,266	27.6	-0.5
3	Germany	3	235,609	6.3	+0.2
4	China (2)	14	216,699	0.8	+0.5
5	Brazil	8	214,822	8.7	+1.0
6	Italy	4	208,580	10.0	-0.0
7	Spain	5	189,480	12.3	-0.6
8	Turkey	7	115,842	18.7	-0.0
9	Argentina	10	114,348	14.8	+1.4
10	United Kingdom	9	103,607	3.8	-0.2
11	Iran	6	101,347	10.6	-2.4
12	South Korea	12	90,369	5.1	-0.6
13	Belgium-Luxembourg	13	88,663	12.9	-0.0
14	India	11	82,368	2.1	-1.0
15	Morocco	15	75,418	42.5	+0.7

(1) Preliminary figures as of end-December 2018 (excluding Twizy).
(2) Including Jinbei & Huasong.

1.3.1.1 Automotive

Group sales worldwide by Region

Passenger cars and light commercial vehicles *(units)* (3)	2018 (1)	2017 (2)	Change *(%)*
GROUP	**3,884,295**	**3,762,077**	**+3.2**
EUROPE REGION	**1,920,742**	**1,911,824**	**+0.5**
Renault	1,401,376	1,442,350	-2.8
Alpine	1,943	7	+++
Dacia	511,622	463,784	+10.3
Lada	5,801	5,683	+2.1
AFRICA – MIDDLE-EAST – INDIA REGION	**448,959**	**532,118**	**-15.6**
Renault	348,166	438,364	-20.6
Dacia	96,889	92,211	+5.1
Lada	3,090	1,543	+++
Jinbei & Huasong	814	-	-
EURASIA REGION	**747,602**	**732,795**	**+2.0**
Renault	267,538	308,430	-13.3
Dacia	90,838	97,402	-6.7
Lada	389,026	326,963	+19.0
Jinbei & Huasong	200	-	-
AMERICAS REGION	**437,248**	**389,420**	**+12.3**
Renault	436,330	389,206	+12.1
Lada	365	214	+70.6
Jinbei & Huasong	553	-	-
ASIA – PACIFIC REGION	**329,744**	**195,920**	**+68.3**
Renault	79,157	93,441	-15.3
Alpine	148	-	-
Dacia	1,449	1,418	+2.2
Renault Samsung Motors	84,954	99,846	-14.9
Lada	-	1,215	---
Jinbei & Huasong	164,036	-	-

(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Europe

In Europe, sales were stable (+0.5%) in a market that grew by 0.2%. The Group's growth comes mainly from the B-segment (CLIO, CAPTUR, Sandero), and New Duster. CLIO remains the second best-selling vehicle in Europe and CAPTUR the first crossover in its class.

The **Dacia** brand posted a new sales record in Europe with 511,622 vehicles sold (+10.3%) and a record market share of 2.9% (+0.3 points). This increase is linked to the performance of the New Duster launched at the beginning of the year and Sandero.

In the **electric vehicle segment**, Renault is the European leader with a 22.2% market share. ZOE saw its volumes increase by 26.1% (39,458 vehicles) and Kangoo Z.E. by 105.1% (8,747 vehicles).

Outside Europe

Groupe Renault is pursuing its **Drive the Future** plan by expanding internationally, with sales now representing 50.6% of total sales (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei and Huasong brands, and despite the decline in sales in Turkey, India and the cessation of sales in Iran due to the application of American sanctions.

In **Russia**, the Group's second largest country in terms of sales volume, the market grew by 12.8%. The Group is the leader, with more than one car in four sold being a Lada or a Renault. Sales increased by 10.9%. **Renault** brand volumes were stable with 137,062 vehicles sold, pending the arrival of Arkana in 2019.

Lada recorded a 15.6% increase of its sales to 360,204 vehicles, with a 20% market share (+0.5 points) thanks to the successful renewal of its range. Lada Vesta has become the best-selling vehicle in Russia.

In **Brazil**, the Group outperformed the market recovery, which rose 13.6%. Sales increased by 28.5% to nearly 215,000 vehicles and market share reached 8.7% (+1.0 points) thanks to the good results of Kwid, which was sold to more than 67,000 units.

In **Africa**, the Group strengthened its leadership with a 18.1% market share, with 218,797 vehicles sold, thanks to its performance in Morocco, South Africa and Egypt. The market share in Morocco reached 43% with a 7% increase in sales volume. Dacia maintains its leadership with Dokker and Logan, the two best-selling vehicles.

Renault brand sales rose by 14.9% to more than 26,000 units in South Africa, representing a 4.9% market share. In Egypt, its market share reached 11.4%, up by more than 3 points with 20,504 vehicles sold.

In **India**, sales were down 26.8% in a market that grew by 8.4% pending the launch of a new vehicle scheduled for the second half of 2019.

In **China**, the Group is continuing to implement the **Drive the future** plan. Dongfeng-Renault volumes are down 26.9% pending the launch of new models in 2019. In total, by integrating the new Jinbei/Huasong brands, the group's volumes in China amounted to 216,699 units.

Group sales by brand and by type

Passenger cars and light commercial vehicles (units) [3]	2018 [1]	2017 [2]	Change *(%)*
GROUP BY BRAND	**3,884,295**	**3,762,077**	**+3.2**
Renault	2,532,567	2,671,791	-5.2
Alpine	2,091	7	+++
Dacia	700,798	654,815	+7.0
Lada	398,282	335,618	+18.7
Renault Samsung Motors	84,954	99,846	-14.9
Jinbei & Huasong	165,603	-	-
BY VEHICLE TYPE			
Passenger cars	3,265,066	3,299,099	-1.0
Light commercial vehicles	619,229	462,978	+33.7

(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Sales of the **Renault** brand decreased by 5.2% compared to 2017.

With 2,532,567 units sold, the Renault brand accounted for 65% of Group's sales.

The **Dacia** brand's sales went up by 7.0% to 700,798 units, driven by the performance of the New Duster launched at the beginning of the year and Sandero.

Renault Samsung Motors saw sales fall 14.9% at 84,954 units owing to the lack of new models in a fiercely competitive market.

Lada brand posted a 18.7% rise in sales (398,282 units) thanks to the Russian market recovery and following the successful renewal of its range with, in particular, the models Lada Vesta and Lada XRAY.

The 165,603 sales of the **Jinbei and Huasong** brands are taken into account since January 1, 2018 following the creation of a Joint Venture with Brilliance China Automotive Holdings Limited.

1.3.1.2 Sales financing

New financing and services

Benefiting from the growth in the world automotive market, RCI Banque once again posted an increase in its sales performance for 2018, and continues to deploy its strategic ambitions.

With over 1,798,901 contracts financed at the end of December 2018, representing an increase of 1.6% over the previous year, RCI Banque generated €20.9 billion in new financings. In a global automotive market that was up compared to 2017, the growth recorded in Europe and Africa Middle-East India offset the decline in new financing in other regions.

The Group's vehicle financing penetration rate stands at 40.7%, up 1.1 points compared to 2017. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 42.9%, versus 42.6% in 2017.

The used vehicle financing business continues to grow with 355,274 contracts financed, up 11.1% compared to the previous year.

In this context, average performing assets (APA) now stand at €44.4 billion, showing a 12.0% increase compared to 2017. Of this amount, €34 billion was directly related to the Customers business, up 13.6%.

RCI Banque financing performance

	2018	2017	Change *(%)*
Number of financing contracts *(thousands)*	**1,799**	**1,771**	**+1.6**
including UV contracts *(thousands)*	355	320	+11.1
New financing *(€ billion)*	**20.9**	**20.6**	**+1.5**
Average loans outstanding *(€ billion)*	44.4	39.6	+12.0

RCI Banque penetration rate on new vehicle registration

PENETRATION RATE BY BRAND

	2018 *(%)*	2017 *(%)*	Change *(points)*
Renault	42.0	40.1	+1.9
Dacia	43.4	42.8	+0.6
Renault Samsung Motors	56.1	57.4	-1.2
Nissan	34.2	35.3	-1.2
Infiniti	22.9	27.4	-4.5
Datsun	22.9	22.7	+0.2
RCI Banque	**40.7**	**39.6**	**+1.1**

PENETRATION RATE BY REGION

	2018 *(%)*	2017 *(%)*	Change *(points)*
Europe	44.9	43.3	+1.6
Americas	35.0	38.8	-3.8
Asia-Pacific	56.8	57.4	-0.6
Africa Middle-East India	27.8	21.8	+6.0
Eurasia	27.0	26.7	+0.3
RCI Banque	**40.7**	**39.6**	**+1.1**

Building on the dynamic trend in the automotive market in new and used vehicle financing, the services business continued to develop with an increase of 11.1% in volume compared to 2017. It stood at 4.8 million insurance and service contracts, of which 66% were customer and vehicle use-related services.

RCI Banque services performance

	2018	2017	Change
Number of services contracts *(thousands)*	4,839	4,355	+11.1%
Penetration rate on services	**136.5%**	**119.1%**	**+17.4 pts**

International development and new activities

After its entry into the consolidation scope in 2017, the Colombian subsidiary, RCI Colombia SA, continued to develop its activity and achieved an intervention rate of 47.5% with nearly 25,000 new financing contracts.

In a context of growth in the world automotive market, the share of RCI Banque business outside of Europe accounted for nearly 28% of the number of new vehicle financing contracts.

Since May 1, 2018, the new Mobility and Innovation Services business unit has had the task of offering innovative and tailor-made end-to-end mobility solutions to the customers of the Alliance brands. Its creation is in line with RCI Bank and Services ambition to become a B2B mobility operator.

This year was also marked by the acquisition of a majority stake of 75% in Icabbi which is a dispatch management company for the taxi and VTC fleets. This approach is part of RCI's ambition to become a service provider for mobility professionals, by offering them a new technological brick with high added value.

1.3.1.3 Sales and production statistics

Groupe Renault worldwide registrations

Passenger cars and light commercial vehicles *(units)*

Model	Brand	2018 (1)	2017 (2)	Change *(%)*
Sandero	Dacia/Renault	466,928	501,213	-6.8
Clio	Renault	451,537	443,254	+1.9
Duster	Dacia/Renault	352,933	323,641	+9.1
Megane/Scenic	Renault	285,463	336,232	-15.1
Logan	Dacia/Renault	274,596	341,939	-19.7
Captur/QM3	Renault/RSM	247,239	246,253	+0.4
Kwid	Renault	170,852	125,146	+36.5
Kangoo (incl. Z.E.)	Renault	144,218	159,961	-9.8
Kadjar	Renault	134,381	155,014	-13.3
Vesta	Lada	119,150	79,102	+50.6
Granta	Lada	114,477	100,021	+14.5
Dokker	Dacia/Renault	107,697	90,285	+19.3
Master (incl. Z.E.)	Renault	104,127	97,237	+7.1
Trafic	Renault	97,657	104,907	-6.9
Twingo	Renault	90,807	82,314	+10.3
Kaptur/Captur Americas	Renault	69,656	62,169	+12.0
Koleos/QM5	Renault/RSM	68,233	76,233	-10.5
Largus	Lada	58,738	45,216	+29.9
Talisman/SM6	Renault/RSM	48,006	83,582	-42.6
Lada 4x4	Lada	42,935	37,572	+14.3
ZOE	Renault	40,508	31,916	+26.9
XRAY	Lada	37,588	33,822	+11.1
Lodgy	Dacia/Renault	37,453	43,439	-13.8
Oroch	Renault	36,732	31,353	+17.2
QM6	RSM	32,999	27,837	+18.5
Espace	Renault	12,786	18,693	-31.6
1117	Lada	12,279	16,674	-26.4
Latitude/SM5	Renault/RSM	9,497	7,470	+27.1
Priora	Lada	8,995	16,853	-46.6
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)/Scala	Renault/RSM	8,260	13,806	-40.2
SM7	RSM	4,811	5,932	-18.9
Alaskan	Renault	3,737	1,753	+++
A110	Alpine	2,091	7	+++
Twizy	Renault	1,685	847	+98.9
Jinbei & Huasong	Jinbei & Huasong	165,603	-	-
Autres	Dacia/Renault/RSM/Lada	19,641	20,384	-3.6
TOTAL WORLDWIDE GROUP PC + LCV SALES		**3,884,295**	**3,762,077**	**+3.2**
Twizy *(excl. PC)* (3)		2,231	1,752	+27.3

RSM: Renault Samsung Motors.
(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault European sales

Passenger cars and light commercial vehicles *(units)*

Model	Brand	2018 (1)	2017 (2)	Change *(%)*
Clio	Renault	367,570	363,869	+1.0
Megane/Scenic	Renault	235,275	279,209	-15.7
Captur	Renault	214,746	213,922	+0.4
Sandero	Dacia	208,807	194,913	+7.1
Duster	Dacia	173,672	144,996	+19.8
Kangoo (incl. Z.E.)	Renault	111,977	109,412	+2.3
Kadjar	Renault	101,680	113,673	-10.6
Trafic	Renault	91,577	97,847	-6.4
Twingo	Renault	87,202	78,285	+11.4
Master (incl. Z.E.)	Renault	82,616	75,865	+8.9
Dokker	Dacia	63,545	57,197	+11.1
ZOE	Renault	39,458	31,287	+26.1
Logan	Dacia	36,993	37,899	-2.4
Lodgy	Dacia	28,560	28,771	-0.7
Talisman	Renault	20,050	32,505	-38.3
Koleos	Renault	19,326	13,211	+46.3
Espace	Renault	12,136	18,590	-34.7
Alaskan	Renault	2,581	1,012	+++
A110	Alpine	1,943	7	+++
Autres	Dacia/Renault/Lada	21,028	19,354	+8.6
TOTAL EUROPEAN GROUP PC + LCV SALES		**1,920,742**	**1,911,824**	**+0.5**
Twizy (excl. PC) (3)		2,164	1,683	+28.6

(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault international registrations

Passenger cars and light commercial vehicles *(units)*

Model	Brand	2018 (1)	2017 (2)	Change *(%)*
Sandero	Dacia/Renault	258,121	306,300	-15.7
Logan	Dacia/Renault	237,603	304,040	-21.9
Duster	Dacia/Renault	179,261	178,645	+0.3
Kwid	Renault	170,852	125,146	+36.5
Vesta	Lada	117,887	78,194	+50.8
Granta	Lada	114,303	99,518	+14.9
Clio	Renault	83,967	79,385	+5.8
Kaptur/Captur Americas	Renault	69,656	62,169	+12.0
Largus	Lada	58,738	45,216	+29.9
Megane/Scenic	Renault	50,188	57,023	-12.0
Koleos/QM5	Renault/RSM	48,907	63,022	-22.4
Dokker	Dacia/Renault	44,152	33,088	+33.4
Lada 4x4	Lada	39,884	35,063	+13.7
XRAY	Lada	37,588	33,822	+11.1
Oroch	Renault	36,732	31,353	+17.2
QM6	RSM	32,999	27,837	+18.5
Kadjar	Renault	32,701	41,341	-20.9
Captur/QM3	Renault/RSM	32,493	32,331	+0.5
Kangoo (incl. Z.E.)	Renault	32,241	50,549	-36.2
Talisman/SM6	Renault/RSM	27,956	51,077	-45.3
Master	Renault	21,511	21,372	+0.7
1117	Lada	12,279	16,674	-26.4
Latitude/SM5	Renault/RSM	9,497	7,470	+27.1
Priora	Lada	8,995	16,846	-46.6
Lodgy	Dacia/Renault	8,893	14,668	-39.4
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)/Scala	Renault/RSM	8,260	13,626	-39.4
Trafic	Renault	6,080	7,060	-13.9
SM7	RSM	4,811	5,932	-18.9
Twingo	Renault	3,605	4,029	-10.5
Twizy	Renault	1,685	846	+99.2
Alaskan	Renault	1,156	741	+56.0
ZOE	Renault	1,050	629	+66.9
Jinbei & Huasong	Jinbei & Huasong	165,603	-	-
Autres	Dacia/Renault/RSM/Lada/Alpine	3,899	5,241	-25.6
TOTAL INTERNATIONAL GROUP PC + LCV SALES		**1,963,553**	**1,850,253**	**+6.1**
Twizy (excl. PC) (3)		67	69	-2.9

RSM: Renault Samsung Motors.
(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault worldwide production by model [1]

Passenger cars and light commercial vehicles *(units)*	**2018** [2]	**2017**	**Change** *(%)*
Clio	457,138	437,114	+4.6
Sandero	433,815	443,592	-2.2
Duster	346,614	314,310	+10.3
Megane/Scenic	232,372	276,531	-16.0
Captur/QM3	229,788	249,031	-7.7
Logan	219,205	229,213	-4.4
Kangoo (incl. Z.E.)	158,509	166,898	-5.0
Master	153,973	139,126	+10.7
Vesta	131,310	83,455	+57.3
Trafic	126,227	135,367	-6.8
Kadjar	114,632	126,041	-9.1
Dokker	109,324	91,881	+19.0
Granta	108,047	98,014	+10.2
Kwid (Curitiba production)	92,560	35,576	+160.2
Twingo	90,606	82,638	+9.6
Kaptur/Captur Americas	76,378	67,970	+12.4
Koleos/QM6	61,234	72,049	-15.0
Largus	58,624	47,734	+22.8
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)	50,828	63,487	-19.9
ZOE	49,472	29,671	+66.7
Talisman/SM6	45,098	78,075	-42.2
Lada 4x4	41,161	39,465	+4.3
XRAY	40,421	34,087	+18.6
Oroch	39,827	31,947	+24.7
Lodgy	33,483	41,467	-19.3
Kalina	18,393	-	-
Espace	10,771	18,206	-40.8
Priora	7,224	-	-
Twizy	5,304	3,367	+57.5
SM7	4,869	6,323	-23.0
Others	299,396	386,437	-22.5
GROUP GLOBAL PRODUCTION	**3,846,603**	**3,829,072**	**+0.5**
o/w produced for partners:			
Nissan	253,949	282,262	-10.0
Daimler	71,998	76,228	-5.5
GM	24,098	21,834	+10.4
Fiat	25,035	17,930	+39.6
Renault Trucks	15,802	12,971	+21.8

Produced by partners for Renault	**2018** [2]	**2017**	**Change** *(%)*
Logan, Sandero (Iran) [3]	91,000	160,281	-43.2
Kwid (India – Nissan)	76,190	105,788	-28.0
Koleos (China – DRAC)	31,299	48,122	-35.0
Kadjar (China – DRAC)	16,459	26,589	-38.1
Duster (India – Nissan)	11,270	15,469	-27.1
Other partners	4,774	11,055	-56.8

(1) Production data concern the number of vehicles leaving the production line.
(2) Preliminary figures.
(3) Number of kits delivered to Renault's Iranian partners in 2018.

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

AT DECEMBER 31, 2018

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

In bold, Group Top 15 markets.

1.3.2 Financial results

Summary

(€ million)	2018 (1)	2017 published	2017 restated	Change *(vs. restated)*
Group revenues	**57,419**	**58,770**	**58,770**	**-2.3%**
Operating profit	**3,612**	**3,854**	**3,854**	**-242**
Operating income	2,987	3,806	3,806	-819
Net financial income & expenses	(353)	(504)	(391)	+38
Contribution from associated companies	**1,540**	**2,799**	**2,799**	**-1,259**
o/w Nissan	*1,509*	*2,791*	*2,791*	*-1,282*
Net income (2)	**3,451**	**5,210**	**5,308**	**-1,857**
Automotive operational free cash flow including AVTOVAZ (3)	**607**	**945**	**945**	**-338**
Automotive including AVTOVAZ net cash position (2)	**3,702**	**2,928**	**3,209**	**+493**
Shareholders' equity (2)	36,145	33,442	33,679	+2,466

(1) Application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" as of January 1, 2018.
(2) The figures for the year 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.
(3) Automotive operational free cash flow including AVTOVAZ: 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

Consolidated income statement

From January 1, 2018 the Group applies IFRS 15 ("Revenue from Contracts with Customers"). The main impact relates to the treatment of incentives granted in the form of reduced interest on the sale of a vehicle with associated financing. These incentives are now recognized, in all circumstances, in profit and loss at the time of the vehicle sale, instead of being recognized progressively as it was previously the case. In this framework, the Group changed the allocation of interest rate subsidies between operating segments, with no impact on consolidated revenues.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

	2018					2017				
(€ million)	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive excluding AVTOVAZ	11,646	15,221	10,057	14,247	51,171	11,939	15,056	10,974	15,561	53,530
AVTOVAZ	716	761	627	936	3,040	569	722	634	802	2,727
Sales Financing	793	820	800	795	3,208	621	630	610	652	2,513
TOTAL	**13,155**	**16,802**	**11,484**	**15,978**	**57,419**	**13,129**	**16,408**	**12,218**	**17,015**	**58,770**

	Change				
(%)	Q1	Q2	Q3	Q4	Year
Automotive excluding AVTOVAZ	-2.5	+1.1	-8.4	-8.4	-4.4
AVTOVAZ	+25.8	+5.4	-1.1	+16.7	+11.5
Sales Financing	+27.6	+30.2	+31.1	+22.0	+27.7
TOTAL	**+0.2**	**+2.4**	**-6.0**	**-6.1**	**-2.3**

Group revenues reached €57,419 million, down -2.3% compared to 2017. At constant exchange rates and perimeter [(1)], Group revenues would have increased by +2.5%.

The **Automotive excluding AVTOVAZ contribution to revenues** amounted to €51,171 million, down -4.4% compared to 2017. With comparable presentation method, Automotive excluding AVTOVAZ revenues would have been higher by €555 million (+1.0 point), offset by an equal decrease in Sales Financing revenues.

Beyond this negative -1.0 point effect mentioned above, this decrease was mainly explained by a negative currency effect of -4.1 points, due to the strong devaluation of the Group's main currencies (Argentinean peso, Brazilian real, Russian rouble and Turkish lira).

Excluding these two effects, the Automotive excluding AVTOVAZ revenues grew by +0.8%. This increase is notably due to:

- a positive price effect of 1.4 points, resulting from the impact of price increases in some emerging countries but also in Europe;
- the "Others" effect (+1.8 points) was mainly due to the good performance of the used vehicle and spare parts activities, and to lower sales with buy-back commitments.

These positive factors compensated for the decrease of volume (-0.5 points) and sales to partners (-1.8 points). The downturn in sales to partners was mainly the result of the closure of the Iranian market and the decline of European demand for diesel.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	2018	2017	Change
Automotive excluding AVTOVAZ	**2,204**	**2,749**	**-545**
% of division revenues	*4.3%*	*5.1%*	*-0.8 pt*
AVTOVAZ	**204**	**55**	**+149**
% of AVTOVAZ revenues	*6.7%*	*2.0%*	*+0.5 pt*
Sales Financing	**1,204**	**1,050**	**+154**
TOTAL	**3,612**	**3,854**	**-242**
% of Group revenues	*6.3%*	*6.6%*	*-0.3 pt*

(1) In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year, and excluding significant changes in perimeter that occurred during the year.

The **Group's operating margin** amounted to €3,612 million and represented 6.3% of revenues. Excluding IFRS 15 impact mentioned above, the operating margin would have reached €3,724 million (6.5% of revenues).

The **Automotive excluding AVTOVAZ operating margin** decreased by -€545 million to €2,204 million, representing 4.3% of revenues (4.5% excluding the accounting reclassification mentioned here above and the IFRS 15 impact) compared to 5.1% in 2017.

In addition to a negative volume effect of -€329 million, this contraction was largely explained by an unfavorable environment, both in respect of:

- currency, with an impact of -€526 million mainly due to the depreciation of the Argentinean peso; and
- raw materials, with an impact of -€356 million largely reflecting rising steel prices.

To offset these negative effects, the Group pursued its cost management policy resulting in a positive +€421 million from Monozukuri [1] and price increases in emerging countries but also in Europe leading to a positive mix/price/enrichment effect of +€261 million.

The **AVTOVAZ operating margin contribution** rose to €204 million, compared to €55 million in 2017, representing 6.7% of its revenues and marked a new stage in the company's recovery thanks to the success of its recently launched models in a recovering market and its efforts to streamline costs. In addition, AVTOVAZ benefited, in 2018, from positive non-recurring impacts.

Sales Financing contributed €1,204 million to the Group's operating margin, compared to €1,050 million in 2017. This rise of nearly 15% was notably due to the good commercial performance in recent years.

The total cost of risk, which now includes a provision on healthy outstandings in accordance with IFRS 9 standard, reached a level of 0.33% on average performing assets (0.11% in 2017), confirming its robust underwriting and collection policy.

Other operating income and expenses amounted to -€625 million compared to -€48 million in 2017. This sharp deterioration stemmed mainly from two factors: on the one hand, the consequences of the Argentinean crisis for more than €200 million, and on the other hand, provisions notably relating to the early retirement program in France, of nearly €300 million.

As a result, the **Group's operating income** came to €2,987 million compared to €3,806 million in 2017.

Net financial income and expenses amounted to -€353 million, compared to -€391 million in 2017 (restated at comparable accounting method after changes to the method used to account for redeemable shares). Improvements in the Group's funding cost allowed it to absorb €31 million expense relating to the application of accounting rules linked to Argentina's hyperinflation situation.

The **contribution of associated companies**, primarily Nissan, came to €1,540 million, compared to €2,799 million in 2017. In 2017, Nissan's contribution included a non-recurring income of €1,021 million linked to the tax reform voted at the end of 2017 in the USA and to the sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed a charge of €723 million.

Net income amounted to €3,451 million compared to €5,308 million. This decline came mainly from Nissan's contribution, down €1,282 million, which notably benefited from one-off gains for €1,021 million in 2017 as mentioned above. Net income, Group share, stood at €3,302 million (€12.24 per share, compared with €19.23 per share in 2017).

Automotive operational free cash flow

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	2018	2017	Change
Cash flow (excluding dividends received from publicly listed companies)	4,386	4,327	+59
Change in the working capital requirement	781	447	+334
Tangible and intangible investments net of disposals	-4,166	-3,362	-804
Leased vehicles and batteries	-509	-529	+20
Operational free cash flow excluding AVTOVAZ	**492**	**883**	**-391**
Operational free cash flow of AVTOVAZ	**115**	**62**	**+53**
Operational free cash flow including AVTOVAZ	**607**	**945**	**-338**

In 2018, the **Automotive including AVTOVAZ segment** reported positive operational free cash flow of €607 million, of which €115 million of AVTOVAZ operational free cash flow. Excluding AVTOVAZ, the change is resulting from:

- cash flow (excluding dividends received from publicly listed companies) of €4,386 million;
- a positive change in the working capital requirement of €781 million;
- property, plant and equipment and intangible investments net of disposals of €4,166 million compared to €3,362 million, an increase of €804 million compared with 2017.

(1) Monozukuri: purchasing performance (excluding raw materials), warranty, R&D expenses, manufacturing and logistics costs.

RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ million)	2018	2017	Change
R&D expenses	-3,487	-2,958	-529
Capitalized development expenses	1,695	1,193	+502
% of R&D expenses	*48.6%*	*40.3%*	*+8.3 pts*
Amortization	-784	-803	+19
Gross R&D expenses recorded in the income statement excluding AVTOVAZ	**-2,576**	**-2,568**	**-8**
Gross R&D expenses recorded in the income statement for AVTOVAZ	**-22**	**-22**	**0**
Gross R&D expenses recorded in the income statement including AVTOVAZ	**-2,598**	**-2,590**	**-8**

The capitalization rate excluding AVTOVAZ increased from 40.3% in 2017 to 48.6% in 2018 in connection with the progress of projects.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	2018	2017
Tangible investments (excluding leased vehicles and batteries)	2,557	2,221
Intangible investments	1,735	1,285
o/w capitalized R&D	*1,695*	*1,193*
Total acquisitions	**4,292**	**3,506**
Disposal gains	-126	-144
Total Automotive excluding AVTOVAZ	**4,166**	**3,362**
Total AVTOVAZ	**83**	**79**
Total Sales Financing	**19**	**7**
TOTAL GROUP	**4,268**	**3,448**

Total gross capital expenditure rose in 2018 compared with 2017; the breakdown was 69% in Europe and 31% for the rest for the world.

- **In Europe**, capital expenditure focused on the renewal of the A and B range (New CAPTUR and CLIO family) and its platforms, the Kangoo renewal, industrial facilities adaptation for changes in engine demand (including electrification) and application of Euro 6 regulations.
- **Internationally**, investments targeted mainly the renewal of the A and B range (New CLIO in Turkey), Global Access range (successor of Logan and Sandero in Romania and Morocco and of Duster in Romania and Brazil) and C range (new vehicle, Arkana, in Russia).

GROUP NET CAPEX AND R&D EXPENSES

(€ million)	2018	2017
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	4,185	3,369
Capitalized development expenses	-1,695	-1,193
Capex invoice to third parties and others	-219	-200
Net industrial and commercial investments excl. R&D excluding AVTOVAZ (1)	**2,271**	**1,976**
% of Group revenues excluding AVTOVAZ	*4.2%*	*3.5%*
R&D expenses excluding AVTOVAZ	**3,487**	**2,958**
o/w billed to third parties	-484	-373
Net R&D expenses excluding AVTOVAZ (2)	**3,003**	**2,585**
% of Group revenues excluding AVTOVAZ	*5.5%*	*4.6%*
Net CAPEX and R&D expenses excluding AVTOVAZ (1) + (2)	**5,274**	**4,561**
% of Group revenues excluding AVTOVAZ	*9.7%*	*8.1%*
Net CAPEX and R&D expenses including AVTOVAZ	**5,373**	**4,648**
% of Group revenues including AVTOVAZ	*9.4%*	*7.9%*

Net Capital expenditure and R&D expenses amounted to 9.4% of Group revenues in 2018, compared with 7.9% in 2017.

Automotive net cash position at December 31, 2018

Change in automotive net cash position including AVTOVAZ *(€ million)*

Net cash position including AVTOVAZ at December 31, 2017 (published)	**+2,928**
Adjustments to the acquisition price allocation of AVTOVAZ	*+281*
NET CASH POSITION INCLUDING AVTOVAZ AT DECEMBER 31, 2017 (RESTATED)	**+3,209**
Operational free cash flow for 2018	+607
Dividends received	+828
Dividends paid to Renault's shareholders and its subsidiaries	-1,108
Financial investments and others including AVTOVAZ	+166
NET CASH POSITION INCLUDING AVTOVAZ AT DECEMBER 31, 2018	**+3,702**

The €493 million increase in the **net cash position** of the Automotive segment compared with December 31, 2017 restated is due to:

- operational free cash flow;
- net dividends;
- various elements (treasury stocks purchase, equity investment).

AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ

(€ million)	Dec. 31, 2018	Dec. 31, 2017 restated*
Non-current financial liabilities	-6,196	-5,107
Current financial liabilities	-3,343	-4,761
Non-current financial assets – other securities, loans and derivatives on financial operations	+55	+89
Current financial assets	+1,409	+1,143
Cash and cash equivalents	+11,777	+11,845
NET CASH POSITION	**+3,702**	**+3,209**

* *The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.*

During 2018, Renault issued two Eurobonds of €700 million and €750 million respectively (maturity six and eight years) via its EMTN program. **Renault** also issued a Samurai for a nominal amount of yen 57.4 billion via its Shelf Registration program, comprising two tranches, one for yen 39.1 billion with a three-year maturity and the other for yen 18.3 billion with a five-year maturity.

The Automotive segment's liquidity reserves stood at €15.3 billion at December 31, 2018. These reserves consisted of:

- €11.8 billion in cash and cash equivalents;
- €3.5 billion in undrawn confirmed credit lines.

At December 31, 2018, **RCI Banque**'s liquidity reserve stood at €11 billion, consisting of:

- €4.4 billion in undrawn confirmed credit lines;
- €3.8 billion in central-bank eligible collateral;
- €2.2 billion in high quality liquid assets (HQLA);
- €0.4 billion in financial assets.

1.4 RESEARCH AND DEVELOPMENT

	2018	2017	2016	2015	2014
Net R&D expenses *(€ million)* (1)	3,043 (2)	2,609 (2)	2,284	1,990	1,636
Group revenues *(€ million)* as published	57,419	58,770	51,243	45,327	41,055
R&D spend ratio	5.3%	4.60%	4.50%	4.40%	3.90%
R&D headcount, Groupe Renault (2)	23,451 (2)	19,721	18,120	16,605	16,308
Groupe Renault patents	816	683	565	479	608
of which co-owned Renault and Nissan	375	235			
of which AVTOVAZ	35	33			

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

1.4.1 The car of the future

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

Research into connected vehicles

Vehicles are increasingly connected to the world around them. In 2018, several projects combining connectivity and autonomous vehicles were begun.

Renault SYMBIOZ Demo Car

In January 2018, Groupe Renault unveiled the SYMBIOZ Demo Car, a prototype autonomous (SAE level 4) connected vehicle.

The Renault SYMBIOZ Demo Car is connected to the road infrastructure network of the Sanef Group, a subsidiary of the Albertis Group, the world's leading freeway operator. This experiment in communication between vehicles and infrastructure is based on the communication protocols defined in the European public-private partnership project SCOOP. Because of it:

- the driving experience is safer and calmer because the vehicle is warned in advance of any dangers along its route, be they construction, accidents, poor weather conditions, traffic jams, or anything else. This means that the vehicle is able to "see" beyond its own sensors;
- SYMBIOZ Demo Car detects electronic toll lanes that are configured for non-stop payment (TSA, for Télépéage Sans Arrêt), allowing it to pass through a toll barrier on the A13 freeway in fully autonomous mode. This experience is possible thanks to the HD mapping of the area provided by project partner Tom-Tom;
- new types of data are available to the car's occupants. When the car is near a tourist spot, information is displayed on the L-Shape screen on the dashboard.

Rouen Normandy Autonomous Lab

In the Rouen Normandy Autonomous Lab project (RNAL), Groupe Renault is testing an autonomous mobility service on open roads in partnership with Transdev. This service is the first of its kind in Europe. The ecosystem for this experiment includes four electric Renault ZOE cars equipped with sensors and embedded intelligence that transforms them into autonomous vehicles, a customer application to book the route, a remote control station for the fleet, a connected infrastructure and secure telecommunications networks.

The goal is to test and develop an on-demand driverless transportation service that still has human supervision. Since they move in a connected infrastructure, autonomous vehicles can easily carry passengers along verified routes where technological equipment communicates with the fleet at sensitive points such as roundabouts, traffic lights and crosswalks.

Groupe Renault and Transdev have equipped the vehicles with cameras, laser scanners (LiDAR), a differential GPS system and HD mapping that guarantees a 360° view and precise localization. Vehicles create a real-time 3D representation of their environment, which allows them to detect, localize and identify moving and immobile objects around them and thereby take the best decisions. Seventeen stopping points were recorded through sensors strategically positioned on the infrastructure along the route. These additional sensors transmit data to vehicles, enabling them to see even further than their own sensors, anticipate their environment and be aware of the presence of vehicles or pedestrians beyond their scope.

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

Research into autonomous vehicles and shared mobility

Field experiments: shared mobility in autonomous vehicles

In 2017, the Renault-Nissan Alliance and Transdev signed a partnership to develop mobility services with autonomous electric vehicle fleets for public and on-demand transport. The two companies are collaborating to design a complete and modular transportation system that will allow customers to book their journeys and operators to operate and manage a fleet of autonomous vehicles.

For Groupe Renault, a pioneer and European sales leader in 100% electric vehicles, this program is an important step in its strategy to develop on-demand mobility services with the launch over time of these initial operational experiments with real users and autonomous electric vehicles. They will aid in the development of solutions and increase understanding of user behavior and of how the services are used and provided. This new program, which will gradually be deployed in the range alongside the "EASY DRIVE" autonomous vehicle program, aims to establish autonomous vehicle mobility service technologies.

The research partnership between the Renault-Nissan Alliance and Transdev was first established in Rouen. Since then, Transdev and Groupe Renault have also been involved in the EVAPS project (Eco-mobility via Autonomous Vehicles in the Paris-Saclay area). This €16 million project, initiated by Renault and conducted with the support, via ADEME, of the French State's Investment for the Future program, draws on the expertise of the VEDECOM Institute for Energy Transition, the SystemX Technological Research Institute and the University of Paris-Saclay. It is developing smart mobility services using autonomous vehicles on suburban routes in the Paris-Saclay urban community.

Simulation tools for autonomous vehicles

ELID^2: 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: ELID^2 (Experience Life in Delegation), an innovative, customizable demo model.

Based on the design of an Espace V cockpit, ELID^2 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.

ELID^2 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 based on "binaural stimulation". This consists of applying slightly different auditory frequencies to each ear; the brain perceives this difference and is stimulated in function. For example, when driving, the system will inform the driver and offer him or her countermeasures such as music containing "infrasounds", which have the effect of reactivating concentration, giving the driver time to park safely in a parking lot and thus avoid an accident by falling asleep at the wheel.

The studies conducted on these types of stimulation show very positive results: drivers are more awake after a nap with "infrasounds" or infrasound stimulation than after a cup of coffee or a conventional nap. The benefits are physiological (the brain is more "awake"), behavioral (subject reaction rates are higher) and subjective (the driver feels less tired).

Research into electric vehicles (EVs)

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

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

Contactless dynamic charge: inductive electric charging on the go

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

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

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

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

New battery technologies for electric vehicles

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

Collaborative contracts signed: 66

European contracts:35

French contracts: 31

CIFRE agreements: 82

Here are a few examples of projects from the 2018 portfolio:

	Business activity	Topic	Name of Project	Description	Sponsor	Financing programs
Europe	New mobility	Connectivity	C-ROADS	Enhancement and expansion of Car2X knowledge (deployment of ITS G5 technology with a strong focus on European interoperability, hybrid solution with GSM, urban environments with multimodal services).	CE	CEF
			SCOOP II	French pilot cooperative system – V2X – autonomous vehicle preparation. Testing on 3,000 "Vehicle to Vehicle" and "Vehicle to Infrastructure" connectivity vehicles.		
			CONCORDA	Concorda is preparing European highways for automated heavy truck driving in the form of "Platooning" with adequate connected services and technologies.		2016-EU-TM-0327-S
		Autonomous vehicle	DANGUN	Develop, test and verify an assistant for traffic jams. Contribute to the standardization of testing protocols in Korea. Develop a teleoperation system for the deployment of robotics. Systems will be integrated in 2 Renault Zoe robots.		EUREKA ITEA 3
			L3PILOT	Development of a level 3 autonomous vehicle with demo model.		H2020-ART-02-2016
	Safety		ENABLE-S3	European initiative to enable verification of extremely safe and secure automated systems; The project focuses on the verification of autonomous systems with a focus on transportation platforms and health-related components.		H2020-ECSEL
France	Powertrain	Electric engine	VELOCE	Develop a 48 V electronic powertrain (electric engine, power electronics and transmission) for very low-priced EVs and self-driving shuttles. Air dryer for better cabin thermal management (improved thermal comfort, improved quality, reduced energy consumption).	ADEME	PIA 2
	New mobility	Autonomous vehicle	TORNADO	Test an autonomous transportation service in an under-served semi-urban environment. Objectives: determine infrastructure needs for the deployment of autonomous vehicles, understand user expectations outside major urban areas	IdF	FUI 23
			EVAPS	Develop and test Autonomous Mobility Services in dedicated spaces (Paris-Saclay) with electric vehicles (ZOE, shuttles).	ADEME	PIA2 Road Vehicles and Mobility of the Future
			FOT Rouen	Develop and test end-to-end autonomous mobility services with TRANSDEV in an urban environment in Rouen (Feeder user scenario).	CDC	FEDER/FSE 2014-2020
	Process	Plant of the future	PIKAFLEX	Development of autonomous robotic systems for part picking/kitting applications (preparation of parts to be sent along the chain)	BPI	FUI 21
			HPP	HPP: High-Pressure Pulsed: project manufacturing: lightening technology that implements development of welding systems, crimping, magnetic molding and electro-hydraulic molding between steel and aluminum.	ADEME	PIA

PSA-Renault Research and Study economic interest grouping (EIG)

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 entities that carry out these joint-interest activities are:

- the LAB (established in 1969) Accident Analysis Laboratory, whose activities are focused on accidentology, biomechanics and human behavior.

  In its action plan, the LAB relies on many collaborative projects supported by the French and European authorities. It contributes to studies conducted on autonomous vehicles, where most issues relate to road safety;
- the GSM (established in 1980), which also includes IFPen (IFP new energies), whose work focuses on internal combustion and hybrid engines, fuels, combustion, depollution of internal combustion engines and air quality. It also examines the alternative energy sectors with regard to the general policy for reducing environmental impacts decided at COP 21.

The RAMSE3S project, which is supported under the Investing in the Future program, has structured the bulk of GSM research over the past three years. The project was completed at the end of 2018. The repercussions are many, be they for the understanding of phenomena or the technological guidelines to be used for the engines of the future.

- IRT M2P and IRT Jules Verne, whose work is shared with both car manufacturers and with academics as it relates to metals and composite materials. For example:
  - the Transfuge project, which began in 2018 and will end in 2022, aims to reduce the cost of gear production through innovations in materials,
  - the Fastform project, which began in 2016 and will end in 2021, aims to validate the industrialized production of hybrid preforms with the throughput constraints of the automotive industry.

Investing in the Future

One of the most ambitious economic programs launched in 2010 included an initial €35 billion investment for the future program launched by the French General Investment Commission (Commissariat Général à l'Investissement). Since then, Renault has regularly submitted key high-tech projects on the following subjects:

- the vehicle of the future: charging infrastructures, combustion drivetrain, electric vehicle drivetrain, lighter vehicles, aerodynamics and structure;
- the circular economy: recycling;
- the digital economy: software engineering;
- new mobilities;
- industrial processes.

Among the most recent projects submitted and launched in 2018, certain strategic areas for Renault are being discussed, including:

- innovative industrial processes: the HPP (High Power Pulse) Project for very high speed molding and robust multi-material assembly options for the introduction of new materials for weight reduction;
- electric engines: the COCTEL project aims to develop an electrical chain via digital simulation;
- ▪weight reduction: ALLEGRIA: allègement economique grâce à l'aluminum (economical weight reduction through aluminum). This development and validation project aims to find economical aluminum-based weight reduction solutions;
- mobilities of the future: the EVAPS project (Ecomobility through Autonomous Vehicles in the Paris Saclay area) is a study of innovative mobility uses and services that uses autonomous and connected vehicles on a trial basis in the Paris Saclay area;
- electric power: Forty-Eight: this project aims to improve the energy efficiency of electrical auxiliaries in road vehicles by switching from a 12V network to a 48V network for mild-hybrids.

As part of the PIA program, Renault participated very actively in the structuring and preparation of SAM (Driving and Mobility Safety and Acceptability), a major program supported by the automotive industry (PFA).

In November 2017, the National Industry Council (CNI) tasked the Automotive Industry Strategic Committee, represented by Luc Chatel (President of the Automotive Industry & Mobilities Platform (PFA)) to propose a program of autonomous vehicle experiments based on priorities shared with the public authorities that would allow for feedback from the experiments to be shared.

In line with the National Strategy for Autonomous Vehicle Development, this mission is based on the *France Véhicules Autonomes* (FVA) program, which brings together industry leaders and French academics to meet the challenges related to the deployment of autonomous mobility, which include demonstration of safety, response to local mobility needs, emission reduction, acceptability and regulatory and legal frameworks.

To support Autonomous Road Vehicle Experiment (EVRA) projects, ADEME has launched the EVRA Call for Projects within the context of the Future Investments Program (PIA), whose objective is to contribute to development of safety validation methodologies, improvement of knowledge about uses, acceptability and societal impacts.

In response to this call for projects and in line with the national FVA program, a consortium of industry actors (manufacturers, transport operators, systems and equipment manufacturers, infrastructure managers), research actors and local partners have joined forces to cooperate in a major Driving and Autonomous Mobility Safety and Acceptability project (SAM).

This project aims to develop a "common good" defined by the body of knowledge pooled and shared with the public authorities for the development of public policies and the construction of a state of the art framework for safety, impact and acceptability.

This common good will be built around a common shared methodological approach and open-road autonomous vehicle experiments in the three targeted application areas: autonomous private vehicles, autonomous collective and shared transport systems and autonomous freight transport systems.

Research agreements with the French Atomic Energy Commission (CEA)

An initial Research and Development Agreement on clean vehicles and sustainable mobility for all was signed with the CEA in 2010. The positive results of the various strategic agreements that followed have led Renault and the CEA to continue and strengthen their R&D cooperation. The latest strategic agreement signed on April 18, 2014, for a duration of five years from January 1, 2015, covers the scope of the previous agreements, *i.e.*:

- new energy sources in transport;
- the electric and electronic architecture of the future;
- intelligent charging and discharging networks;
- new methods of designing and manufacturing vehicles;
- improvements to the competitiveness of internal-combustion engines (in particular, post-treatment);
- communicating vehicles and active safety.

This global strategic agreement, in force since January 1, 2015, is now supported by the common laboratory team, whose activity, dedicated exclusively to the battery agreement until end-2014, has been extended to all CEA activities. The first year (2015) of the global agreement enabled the high potential projects initiated within the two previous agreements to be consolidated (battery and power electronics). 2018 saw the start of activities in new collaborative efforts, such as new technologies/artificial intelligence for all plant processes as well as the supply chain.

Competitiveness clusters

The main competitiveness clusters in which Renault continues to have a major involvement are Mov'eo and System@tic in and around Paris, and ID4Car in western France.

One of the main priorities of the competitiveness clusters is to bring together large groups and small and medium enterprises and universities, to promote collaborative research projects.

Renault supports these initiatives through active involvement in the operations and in the different operational and governance bodies of these clusters: Board of Directors, committee officers, scientific committees, operational committees, members or coordinators of strategic business areas, *etc.*

Renault is also a major player in projects generated and certified in these clusters, as project leader or partner.

Since 2016, these three competitiveness clusters have had the Gold Label of the European Cluster Excellence Initiative (ECEI), following an audit by European bodies, thus recognizing their quality and performance.

To meet growing expectations for supporting innovative small and medium-sized companies, Renault supports cluster initiatives to promote them: participation in innovation reviews proposed by small and medium-sized companies, partnership creation, *etc.*

Renault-CNRS framework agreement

Signed on May 15, 2013, this strategic partnership between Renault and the leading French public research institute helps to smooth the way for the signing of local contracts which support our relationships with nearly a hundred CNRS laboratories across France (Lyon, Lille, Montpellier, Clermont, Rouen, Paris, Orléans, Bordeaux, Poitiers, Grenoble, Rennes, Strasbourg, *etc.*). The agreements that govern this partnership are being renewed.

The framework agreement confirms the continuation of our current projects with CNRS laboratories and also fosters the exploration of new collaborative and innovation research areas in the coming years. Neuroscience, virtual reality, ergonomics, new materials and human behavior under delegated driving conditions are all new fields of research being investigated by Renault and CNRS teams.

These new fields of investigation supplement what are now the more traditional cooperations between engineering and systems sciences, and notably add to issues related to combustion, material fatigue, thermal activity or aero-acoustics.

These partnerships take the form of:

- multi-annual collaborative projects;
- activities associated with CIFRE doctorate student research topics.

In March 2017, Renault and Heudiasyc, a mixed UTC and CNRS research unit, created a joint laboratory (SIVALAB) that specializes in location and perception systems for autonomous vehicles.

This scientific and technological partnership was launched for a renewable four-year period. It was created from a partnership of more than 10 years and uses the Heudiasyc autonomous vehicle platforms, developed on the basis of the Renault ZOE. The main area of study of this collaboration is the reliability, integrity and precision of the perception and location systems used in autonomous vehicle navigation.

As a result of this long-term partnership, this master agreement, which expired in 2017, was renewed for another three years through the signing of an amendment in February 2018.

1.4.2 2018 new products: associated innovations and technologies

The new Renault Kadjar

The New Renault Kadjar was unveiled at the Paris Motor Show and is equipped with new gasoline and diesel engines that are both more powerful and more economical for greater driving pleasure.

The 1.3 TCe FAP is available in two power levels (140 and 160hp). This new-generation engine, developed jointly by the Alliance and its partner Daimler, meets the highest quality standards of both partners and offers a wider power range than the previous TCe engine, increased torque (especially at low speeds), reduced CO_2 emissions and reduced gas consumption.

As for the diesel models, a new generation of "Blue dCi" engines contains the latest emission reduction systems. The New Kadjar is available in either the 1.5 Blue dCi 115hp or the 1.7 Blue dCi 150hp version.

Renault ZOE: new R110 engine

Renault ZOE, Europe's best-selling electric vehicle, acquired a new, more powerful R110 engine in 2018. Its full range of engines is adapted to the varying driver needs.

The engine range now includes the R90 (68 kW -92hp equivalent), the new R110 engine (80 kW -108hp equivalent) and the Q90 (65 kW -88hp equivalent).

Designed by the engineers at the Technocentre (Yvelines) and the Cléon plant (Seine Maritime), where they are manufactured, the R90 and R110 engines maximize the Renault ZOE's autonomy. With the same footprint and mass, they enjoy excellent performance in terms of energy efficiency as well as high momentum even at low speeds, delivering a maximum torque of 225Nm1 in a fraction of a second, and the ZOE's performance is just as lively in the city.

The R110 has greater acceleration capacity on expressways and freeways and can now go from 80 to 120km/h almost 2 seconds faster. These significant improvements make driving at steady speeds even more comfortable. The Renault ZOE has improved versatility for out-of-town driving. Drivers have up to 300km of full autonomy, as confirmed by the WLTP certification protocol.

Alpine A110 Pure and Legend

Unveiled at the 2018 Geneva Motor Show, the A110 Pure and Legend are new additions to the Alpine series. Pure and Legend share the technical features of the A110 Première Edition: an aluminum chassis and structure, 1.8 l rear central position turbo engine with 252hp and a double front and rear wishbone suspension.

The A110 Pure is more driver-oriented, with its direct driver/machine connection and a minimalist approach. It is lightweight and equipped with 13.1kg Sabelt monocoque seats and 17-inch alloy wheel trims. As a result, the weight of the A110 Pure is under 1,100kg.

1.3 TCe engine: a new generation of engines for the Renault range

The Geneva Motor Show saw the world premiere of Renault's new 1.3 direct-injection gasoline turbo engine jointly developed by the Alliance and Daimler for the CAPTUR and Scenic models. It is currently also marketed for the MEGANE and CAPTUR.

This new engine offers significant gains in terms of driving pleasure, with better low-speed torque and higher, more consistent availability at high-speed while reducing fuel consumption and CO_2 emissions, and meeting the highest standards in terms of reliability and durability.

It incorporates innovations developed in recent years within the Alliance. For example, "Bore Spray Coating", a Nissan GT-R engine-based cylinder coating technology, improves efficiency by reducing friction and optimizing thermal conductivity. Other technologies optimize engine enjoyment and reduce fuel consumption and CO_2 emissions: direct injection of gasoline whose pressure has been increased to 250 bars and for which air mixing has been optimized thanks to a specially designed combustion chamber. The "Dual Variable Timing Camshaft" technology controls the intake and exhaust valves according to engine demands. The result is more low-speed torque and, linearly, more available high-speed torque, for significant gains for our customers in terms of driving pleasure with better acceleration.

1.4.3 Performance levers

1.4.3.1 Modules and Common Module Family (CMF)

CMF-B: the new Alliance platform for segment B

Implemented in 2013 as a source of increased competitiveness and synergies, CMF (Common Module Family) extends the standardization of architecture to an unprecedented number of vehicles developed within the Renault-Nissan Alliance. CMF has already generated an average 30-40% reduction in product/process engineering costs per model and a 20 to 30% reduction in parts costs for the Alliance.

After the CMF-C/D family, which covers high-end vehicles, it is now CMF-B's turn in the spotlight. Under development since 2014 at the Technocentre in Guyancourt (France) and used jointly by the Nissan and Renault groups, and eventually by Mitsubishi, CMF-B will include the New CLIO starting in 2019, followed by the New CAPTUR and other Alliance vehicles. By 2022, this family will consist of 14 models, with a target of 4.6 million vehicles.

The platform that fits CMF-B vehicles has been completely renewed (85% new parts) as compared to the CLIO IV platform. It will be produced at several Alliance plants in all regions.

This platform allows the electrification of vehicles and integrates the specific features of hybrid and rechargeable hybrid engines. It is designed to accommodate advanced driving assistance leading to the first levels of driving autonomy.

Its architecture is designed to facilitate body swapping from one model to another to optimize the efficiency of plant production lines.

In addition, it is inaugurating a dual platform strategy that makes it possible to offer product responses tailored to different markets in terms of services and economics. For example, the same bodywork can be offered on localized platforms with controlled development costs. This is the approach that Groupe Renault initiated with the CAPTUR and KAPTUR, with an even greater degree of interchangeability.

1.4.3.2 System engineering

Alliance Engineering is continuing to overhaul its Systems and Software, two key drivers enabling new complex vehicle functions to be integrated into short vehicle manufacturing cycles (including driverless vehicle technologies, connectivity, and electrification). Following the roll-out of 43 systems since 2013, and increased team skills on the relevant processes and methodology, 2018 heralded a new phase in the process. New System and Software Engineering Vision projects were launched, allowing us to shape our future System and Software design platforms. These platforms will be at the core of future products and services, enabling regional and multi-disciplinary teams to work in iterative cycles using data guidelines and shared-model based methodology. They will also keep the associated development costs under control, using design architecture and standardized validation solutions shared with vehicles in the range and remote platforms.

1.4.3.3 Processes for a solid conception

Synchronization of milestones in project planning and development phases (S3/CF)

The roll-out of the V3P approach and the strengthening of quality sequencing during the upstream phases has resulted in a complete rethink of the process of introducing innovations into vehicle projects. In order to incorporate more research and engineering project innovations upstream, better synchronization of these innovations with vehicle and parts project timetables was required, ensuring that they were integrated at the correct stage of the development cycle and that they were sufficiently advanced.

A highly-prescriptive and entirely unified Renault/Nissan innovation management process (Alliance Project Review) was applied, ensuring robust transfer of technology from R&AE (Research & Advanced Engineering) to development. Handover is completed at the CF (Concept Freeze) stage of the vehicle project, *i.e.*, the stage at which the vehicle's concept and technical elements are selected, determining the balance between cost and value to meet customer expectations.

In 2018, the process was further improved by taking into account the impact of innovations on vehicle platforms and on electric and electronic architecture, to ensure that innovations with a high architecture impact are applied to projects as effectively as possible.

Customer satisfaction plan: from reliability to customer satisfaction

In early 2014, Groupe Renault launched a Customer Satisfaction Plan (CSP) which broke with the previous quality initiative.

This robust action plan aims to put Renault in the Top 3 companies for "customer satisfaction" across all its main markets. Seven key breakthroughs have driven the progress of this plan over the last three years:

- the first three involve product design and manufacture:
  - **compliance:** guaranteeing compliance with industry standards across all activities,
  - **perceived quality:** designing and manufacturing attractive and well-finished vehicles,
  - **durability:** designing and manufacturing faultless vehicles that are able to stand the test of time;
- three other priorities target customer satisfaction when in contact with the brand:
  - **service quality:** offering a simple, personalized service (Easy & Personal) that fulfills customer expectations during the sales and after-sales experience,
  - **fulfilling customer expectations:** ensuring that we offer vehicles and services that match customer expectations,
  - **reactivity:** reacting quickly to customers' issues;
- the seventh priority is group-wide: it relates to **communication**. This involves telling employees, customers and opinion leaders about the progress that has been made so that they in turn, can become ambassadors of Renault's desire to become an industry leader in customer satisfaction.

The expertise network

Since 2010, the expertise network structures and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and customer satisfaction. This year it has reached a level of maturity that allows it to connect all Group functions.

The 53 areas of strategic expertise are established in all major business activities, with a strong concentration in engineering. In 2018, further areas related to new technologies were added, and existing areas were in part reviewed to ensure consistency with the latest additions and provide supplementary skills to support the transformation of our business activities.

The network is structured into four levels:

- the "Expert Fellow", a member of the Renault Management Committee. Responsible for defining the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network in order to structure production both at the strategic level using roadmaps and the operational level regarding technical or methodological innovations, support for projects or quality issues. The collaborative work carried out by working groups contributes to a dynamic of shared progress for the affected business activities as regards the Company's main challenges, which are largely technical. The network can thus be described as an agile organization that serves the inter-business sector. Participation in regulatory and standardization bodies and their consistency is also one of the network's deliverables;
- 53 "Expert Leaders", each reporting to a business Vice-President who oversees their road map. Expert leaders have responsibility for one area of strategic expertise. They structure and guide their internal network of experts and use an external network consisting of universities, other manufacturers, associations, incubation structures, *etc.*, to enable the Company to work in an "extended" way and expand it through involvement in collaborative or investment efforts;
- 220 Experts, responsible for secondary fields of expertise, oversee benchmarks, identify relevant partners and invest in the protection of know-how through patents. They are responsible for promoting standards and processes;
- 500 Consultants responsible for specific business activities, who improve the state of the art by being "the benchmark" in their practice, thus building standards, capitalizing on them and imprinting them with their experience.

Thanks to its transversal approach, this continuous development of the expertise network enables goals to be clear through a coherent series of roadmaps, the acquisition of knowledge to be accelerated, along with the application of this knowledge to the Group's various business activities and projects. Accordingly, within the Alliance, the Renault and Nissan expertise networks regularly coordinate to work in synergy on strategic roadmaps and joint development projects.

1.4.3.4 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 eco-system comprising start-ups, universities and investors and a local economy such as local authorities, associations, customers and markets.

These labs bring together in one place the three pillars of open innovation: the socialization of knowledge (events, conferences, think tanks, and meet-ups), creativity and innovative design methods (design thinking, Fablab) and new economy leveraging (acceleration of start-ups, collaborative and open modes and platforms).

After Silicon Valley (California, USA), which was inaugurated in 2011, and Tel Aviv (Israel), inaugurated in 2016, Renault has continued its innovation strategy through the inauguration of a third Renault Open Innovation Lab called "Le Square" in Paris in 2017. Through collaboration between Renault's internal teams and external start-ups and partners, it strives to define new ways of working and the future of mobility.

In 2018, the Tel Aviv Alliance Innovation Lab identified, defined and produced prototypes with Israeli start-ups mainly in the areas of cybersecurity, sensors for ADAS and autonomous vehicles, and data/smart cities.

Similarly, in 2018, the Paris Open Innovation lab, Le Square, participated in the CityMakers program. This initiative promotes public-private partnerships for major future urban mobility challenges. The CityMakers season 2 partners have identified six challenges. For each challenge, the teams seek to understand the restrictions, obstacles and needs of mobility users in the Île de France area. The results will be presented to the general public on January 31, 2019 at the CityMakers DemoDay.

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).

1.4.3.5 Investments in R&D resources

In 2018, a €68 million investment plan was dedicated to R&D resources worldwide, of which 70% in France.

Investments in measurement and validation tools to prepare for:

- the conversion to new regulatory standards, particularly for emissions and safety;
- the introduction of new technologies: ADAS, electrification, connected vehicles, HMI, *etc.*;
- the development of local engineering.

1.4.4 R&D: a unified international organization

On March 1, 2018, Renault-Nissan-Mitsubishi announced the launch of projects to accelerate convergence in key areas such as engineering, manufacturing and supply chain, purchasing, quality and total customer satisfaction, after-sales and business development.

In Engineering, this new organization aims to optimize synergies in vehicle and service development.

As a result, the three previous departments (Renault Products, Alliance Technologies and Nissan Products) were united into a single entity, Alliance Engineering, under the authority of a single management.

The vehicle ranges are grouped into a single Alliance team that provides platform-by-platform development under a common management.

1.4.4.1 Alliance Engineering

The new Alliance Engineering department is currently composed mainly of nine major entities:

- six functional departments:
  - the Research and Advanced Engineering department,
  - the Customer Service, Testing and Digital Simulations department,
  - the Combustion and Electric Powertrain Development department,
  - the Vehicle Platforms and Components department,
  - the Electric/Electronic and Systems department,
  - the Connected Vehicles department;
- two Alliance Project Development departments tasked with overseeing vehicle development according to a distribution of projects by platform. These two departments include:
  - two departments for the development of Segment A and B vehicles,
  - one department for the development of Segment C and D vehicles,
  - one department for the development of electric vehicles,
  - one department for the development of light commercial vehicles,

  and the Vehicle Development department, which is tasked with designing items specific to the development of Groupe Renault products such as, for example, cabins and bodywork;
- The Transformation and Performance department. This department promotes the quality and uniformity of our products worldwide and brings together skills management, specification/resource fulfillment, and process and standards management activities.

1.4.4.2 Competitiveness of Alliance technologies

In areas such as autonomous vehicles, connectivity or electric vehicles, and more generally speaking, in fields of research, the best performing technologies are identified. The objective is to take the best of the two carmakers and focus on the most promising technologies to improve competitiveness and reduce the time needed to introduce innovations into vehicle projects (time to market) as illustrated by the partnership announced with Microsoft.

In the field of mechanics, the example of the gasoline engine, which was co-developed as part of the partnership between the Alliance and Daimler and inaugurated in the SCENIC and Grand SCENIC with three power levels (Energy TCe 115, Energy TCe 140 and Energy TCe 160), and which is deployed in several Renault and Nissan models, is an example of a best practice that is reproduced and standardized as part of the new organizational structure.

Common platforms are a key aspect of performance that makes it possible to produce a wide range of vehicles for the Alliance's 10 brands based on five standardized architecture areas, thus minimizing the development of new parts.

Since 2015, the R&AE Alliance plan has been constructed to be the single Renault/Nissan plan enabling synergies to be maximized. It covers various plans and meets the priority needs of Product, Design and Engineering.

This R&AE plan also serves programs such as Alliance Mobility Services.

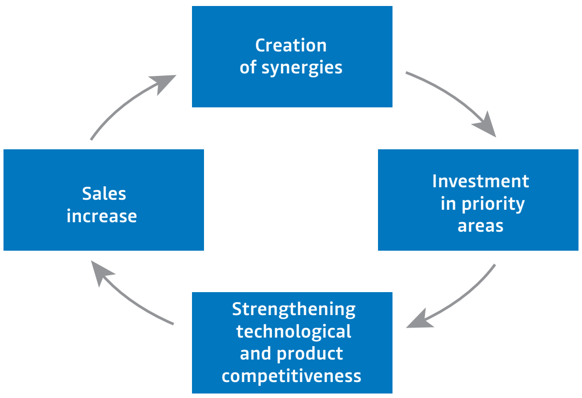
The purpose of the Research & Advanced Engineering plan is to develop innovations for future customers and ensure the competitiveness of our vehicle ranges with:

- affordable solutions to meet basic and regulatory needs;
- innovative solutions that add customer value and for which there is no justification to develop them alone.

R&AE's ambition is to continue to increase synergies. The share of joint projects (projects whose results are jointly owned) rose from €181 million in 2015 (direct costs jointly financed 50/50 by Renault and Nissan) to €494 million in 2018, including €43 million recently in Renault business activity support to match Nissan's R&AE activities.

The arrival of Mitsubishi as the third partner in the pooling of R&AE expenses for subjects of common interest will enable these synergies to be further increased in the longer term.

The pooling of resources to cover all priority needs helps to increase the competitiveness of our products and thus allows the creation of a virtuous circle for the Renault-Nissan Alliance that Mitsubishi will join:



1.4.4.3 Renault international engineering centers (RTX)

Groupe Renault's engineering centers are located all over the world in countries such as Spain, Romania, Korea, India, Russia and the United States. Thanks to their knowledge of local and regional markets, they are tasked with adapting vehicles to customer needs and expectations, local regulatory constraints and national economic situations.

Through the application of a skills upgrading policy that continues from year to year, Groupe Renault continuously increases the responsibility of engineering centers for cross-functional activities and enables them to take charge of vehicle project design at an increasingly early stage in the process.

1.5 INTERNAL CONTROL AND RISK MANAGEMENT

1.5.1 Group internal control and risk management system

1.5.1.1 Objectives of the internal control and risk management systems

Groupe Renault has adopted organizational structures and procedures to contain the risks inherent in its activities and to limit their negative impact. The internal control and risk management systems are implemented in all corporate functions, all activities and all Regions. The main objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that the Company's objectives will be achieved. In order to mediate between the opportunities and risks, Groupe Renault's global risk management system aims to reduce the impact and/or probability of events having a significant influence on the control of operations or the fulfillment of objectives. The internal control and risk management systems identify and assess risks by measuring the level of risk factor management and the efficacy of management plans.

1.5.1.2 Regulatory framework of the internal control and risk management systems

Since 2007, Groupe Renault has taken into account the reference framework and implementation guidelines of the French Financial Markets Authority (AMF), which were updated in July 2010, and the recommendations of the Audit Committee working group report published in July 2010.

The AVTOVAZ group has management autonomy and has implemented an internal control system and risk management system in accordance with Russian legislation and the organization described in this section; any variations are indicated and explained.

With regard to sales financing, RCI Banque has defined its own internal control framework in accordance with banking and financial regulations. This system is outlined in section 1.5.3 "Sales Financing". RCI Banque is subject to controls by the French Prudential Supervisory Authority (ACPR) and the European Central Bank (ECB).

1.5.1.3 Organization of the internal control and risk management systems

The overall control system is based on the three lines of defense represented in the diagram below:

The internal control and risk management systems help to control operations and fulfill Group objectives:

- the internal control system aims to control processes so as to provide reasonable assurance on the efficacy, preservation of assets, compliance and reliability of financial, accounting and management information;
- the risk management system identifies and assesses major risks likely to hinder the business' ability to fulfill its objectives in order to maintain these risks at a level judged acceptable by Senior Management;
- as part of its duties, internal audit assesses the functioning of the internal control and risk management systems, and issues recommendations for improvement.

The first two lines of defense report on internal control and risk management issues to dedicated committees: the Risks and Internal Control Committee (*Comité des risques et du contrôle interne*, CRCI) and the Ethics and Compliance Committee (*Comité d'éthique et de conformité*, CEC) presented in section 3.4.2. 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 lines of control present the results of their work to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE), 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.

1.5.1.4 Deployment of the internal control and risk management systems

The Group comprises three operating segments: the Automotive division of Groupe Renault, excluding AVTOVAZ, the AVTOVAZ group, and Sales Financing.

The Automotive division of Groupe Renault, excluding AVTOVAZ, is structured around three axes: Regions, Corporate Functions and Programs. They help set the business strategy and implement it on a daily basis:

- the "Regions" axis develops the business in the field. The Regions are responsible for optimizing the business and generating profitable revenues;
- the "Corporate Functions" axis groups together all of the business functions, with global responsibility. Corporate Functions define the policies, and supply the appropriate standards, methods and skills to the Programs and Regions;
- the "Programs" axis is responsible for the life-cycle of the vehicles and services at a global level. Programs develop the vehicle ranges and services and manage their profitability.

This structure does not exist for the AVTOVAZ group.

Sales financing has its own internal control and risk management systems and organization, as outlined in section 1.5.3

1.5.1.5 Guidelines for the internal control system

Internal delegations and separation of offices

In addition to command-line structures, the Group has set up a staff reporting system so that corporate function managers can provide leadership for their function correspondents throughout the Group.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to personnel via the intranet. Decision requests are tracked in a workflow that implements the rules specifying the persons to be involved, in accordance with internal control procedures or documented in the minutes of the committees responsible for making the decision.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and limits on the hedging of raw materials and currency risks, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision was then made by the Chairman and Chief Executive Office in 2018r.

The principle of separation of offices and tasks is required at all hierarchical and functional levels within the Group, and within the computer systems, to facilitate independent control and to separate tasks and functions corresponding to operations, the protection of property and their booking for accounting purposes.

Group ethics and corporate functions criteria

The "Corporate Functions" define and issue the policies and standards to be deployed, which are then rolled out as procedures and operating methods to ensure that processes at operational level function in accordance with the principles outlined in the Code of Ethics, the Guide for preventing corruption and influence peddling and the dedicated Codes of Ethics. The Internal Control department has distributed guidelines (Minimum Control Standards & Control Basic Rules), which list the main themes to be controlled and incorporated into the operational staff's control activities.

1.5.1.6 Scope

The internal control system applies to the parent company and all fully consolidated companies. The risk management policy is applied at Group level for major risks. It is rolled out at operating entity level (countries, commercial and/or industrial subsidiaries) and for vehicle programs.

1.5.1.7 The main actors in internal control and risk management

In accordance with the AMF's general internal control principles and respecting the principle of the separation of offices, the Renault internal control system is implemented in accordance with the three lines of defense set out in section 1.5.1.3:

- at line one are:
  - operational management, which adapts and applies within its scope of responsibility the internal control and risk management principles and methods defined at Group level,
  - employees, who are expected to comply with the internal control system established for their work areas and with the Code of Ethics Groupe Renault and the Guide for preventing corruption and influence peddling as well as their own dedicated Codes of Ethics;
- at line two, this system is permanently monitored to evaluate its proper application and efficiency. This monitoring is performed by:
  - the Internal Control department using self-assessment questionnaires and compliance tests. It also sees that action plans are carried out if any shortcoming is observed,

- the Risk Management department: as both project leader for mapping the Group's major risks, and adviser and support for risk mappings by programs, operating entities in Regions (whether industrial or commercial) or for more specific mapping needs,
- the Group Performance and Control department coordinates and leads this process in the field, supported by its representatives in the entities and Regions. It ensures that all personnel comply with management rules and assists operational staff in the coordination of their action plans and monitoring,
- the departments, known as "Corporate Functions", represent the business functions and are responsible on a global scale for establishing policies, standards and methods;

- line three involves:
  - the Internal Audit department, which independently and objectively assesses the control of operating performance, provides advice and recommendations on how to improve the control systems and gives Senior Management reasonable assurance on the degree of control over operations in the form of a report setting out the observations, the recommendations listed according to three levels of criticality and the conclusions (strengths/weaknesses, audit rating, *etc.*).

The Internal Audit department is involved in all activities and entities of Groupe Renault and the AVTOVAZ group. It may also be performed on converged organizations with Nissan. For bodies in partnership with Renault, the intervention may take place subject to the partner's agreement, and for externalized activities, if the contract audit clause allows it.

The audit plan is prepared annually. This annual audit plan is reviewed as and when required and is based in particular on the Group's risk mapping.

Audit types:

- **control the implementation** or application of internal and external guidelines;
- **provide operational management with an external** assessment and objective overview of operations controls and the adequacy of methods implemented, compared with performance objectives and best practices. This type of audit may be required to assess the quality and effectiveness of risk management plans;
- **assess any processes** that carry a risk of fraud or perform specific investigations following an alert;
- **verify the implementation of action plans** drawn up by management following a prior audit that produced an "insufficient" rating (follow-up assignment).

Data analysis strengthens the reliability of an audit.

Recommendations arising from internal audits lead to the drafting of action plans, implemented by the auditees and validated by the Internal Audit department.

The Audit department monitors the corrective action and twice a year prepares a progress report on the recommendations, with high or medium criticality, which it provides to the Group's Senior Management and CARE.

The Internal Audit department is certified by the French Institute of Audit and Internal Control (IFACI) [1], in accordance with the standards for the professional practice of internal auditing (*référentiel professionnel de l'audit interne*, RPAI) comprising 25 general requirements divided into 100 detailed requirements across six categories: positioning, planning, steering, GRC (governance, risks and compliance) programs, professionalism, quality performance and audit processes.

1.5.1.8 Assessment and outlook

In 2018, the work of the Internal Control department focused on the following points:

- analysis of existing accounting controls, definition and management of the implementation of additional controls to improve the corruption prevention system and support for the operational staff affected;
- performance of awareness-raising actions and training in the risks of external fraud, such as "CEO fraud" and "change in bank details fraud";
- to help operational staff coordinate the separation of offices, the Internal Control department deployed a method for analyzing the separation of duties using standard matrices for the main processes at risk (accounts, inventory management, purchasing, *etc.*). This analysis was carried out across significant Group entities and action plans are being drawn up and monitored by the Internal Control department. A similar process was also launched to ensure the proper separation between the purchasing, accounts and cash management information systems;
- creation and training of a Data Analytics cell to mine for and analyze data for internal audits and second-level controls;
- performance of preventive and detection controls as part of this new structure dedicated to Data Analytics.

The priorities in 2019 will be to continue these underlying actions begun in previous years.

1.5.1.9 Training to adapt skills

The main corporate functions have set up schools to raise the professional standards of their staff. These schools reflect their strong belief in employee training as a way to enhance performance and to better satisfy Senior Management expectations.

The Internal Control department has launched a program of specific and further training for operational managers within the entities. Over the last three years, the Internal Control department has trained over 400 managers and 35 Management Committees.

In addition, complimentary programs are under deployment by the Risk Management department throughout the Group to raise awareness on risk culture and risk management fundamentals.

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

1.5.2 Implementation of internal control and risk management objectives

1.5.2.1 Risk management

The Group applies a risk management method based on one hand on identifying 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 and vehicle programs. 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.

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 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 and programs;
- 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.

The risk factors to which the Group is exposed are described in section 1.6. Analysis is performed based on the categorisation of risks in use within the Group (Risk Universe):

- risks related to strategy and governance;
- risks related to operations:
  - cross-group operational risks,
  - risks related to the definition of products, services,
  - risks related to the engineering of products, services,
  - risks related to purchasing,
  - risks related to in-bound logistics,
  - risks related to manufacturing,
  - risks related to out-bound logistics,
  - risks related to sales of products and services;
- risks related to cross-group functions:
  - financial risks,
  - quality risks,
  - Human Resources risks,
  - data processing risks,
  - legal risks,
  - fiscal and customs risks.

To draw up the audit plan for the Company's major risks, which is validated by Senior Management and approved by the CARE, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the Risk Management department with insight on the effective level of control of major risks.

1.5.2.2 Assessment and outlook

In 2018, the Risk Management department focused its activities on:

- updating the mapping of the Group's major risks. This exercise was carried out in light of the Group's medium-term strategic plan, Drive the Future, so that the latter could in particular continuously integrate action plans to address the risks identified;
- the strengthening of treatment plans and processes to improve the control of the major risks identified previously;
- assistance to operating entities in the implementation of country, industrial site and commercial subsidiary risk mappings, carried out with the operational risk managers of the relevant entities;
- assistance to the Program or Project departments in creating risk mapping for projects.

Furthermore, actions by the Risk Management department to raise Group employees' awareness regarding risk culture and risk management fundamentals were continued (communication and training).

In 2019, the Risk Management department's activities will continue to focus on these priority issues.

1.5.2.3 Compliance with laws, regulations and the Company's by-laws

Compliance with laws and regulations is a major objective of internal control, which must see that the means for assuring regulatory compliance are available. This control is provided by the Ethics and Compliance Committee (CEC). Within the Internal Control department, the Regulatory Compliance Officer is responsible for ensuring that the decision-making departments (Technical Regulations, Legal, Environment, *etc.*) have reliable procedures in place to guarantee regulatory compliance. The Legal department provides support and assistance in this respect.

The Regulatory Compliance department has developed a method to assess existing procedures, approved by the CEC. This method has been applied to a list of regulatory areas selected with the Legal department. In parallel with this assessment of the organization and processes in place, the Regulatory Compliance Officer and the Legal Compliance Officer work with each decision-making department to rank the severity of the risk of regulatory non-compliance. (see "Risk factors" in section 1.6.1.1).

The system as a whole is managed by the internal monitoring procedure of the Regulatory Compliance department.

A Chief Ethics and Compliance Officer (CECO) was appointed in November 2018. The structure of this new Ethics and Compliance department is still being defined. The regulatory compliance monitoring system will be redefined within this new framework.

1.5.2.4 Management of activities

The internal control system aims to ensure the proper functioning of the internal processes implemented, using a framework of methods and procedures. The operating processes are guided by QCD (Quality/Cost/Delivery) indicators, for which the risks have been analyzed as part of the entity mapping projects, self-assessment questionnaires and performance reviews.

1.5.3 General framework for internal control and risk management within the RCI Banque group

RCI Banque has a global internal control system which aims to identify, analyze and manage the main risks identified in relation to the Company's objectives. The RCI Banque group's Internal Control Committee has validated the general framework for this system, which is described in the Internal Control Charter.

This Charter defines the system applicable to the French and foreign companies over which RCI Banque has effective control and specifies in particular:

- the general arrangements for managing internal control;
- the local arrangements for subsidiaries, branches and joint-ventures;
- the special arrangements for various functional areas.

The risk management system 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 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 control 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 RCI Risk Committee is notified when those thresholds are exceeded;
- the third line of control is the internal audit function, which aims to provide assurance to RCI Banque's Board of Directors and senior management about the degree of control over transactions and the oversight exercised by the first two lines.

The risk management system covers all the macro processes of the RCI Banque group and includes the following tools:

- the list of major risks for the RCI Banque group for which a coordinator, a level of appetite, alert thresholds and limits (Risk Appetite Framework, or RAF) are defined. This list and the Risk Appetite Framework are updated at least once a year in line with the RCI Banque group's business model and strategy;
- the operational risk mapping deployed in all of the RCI Banque group's consolidated subsidiaries identifies operating risks and the ways in which they are controlled. This operational risk mapping is updated regularly by the functional departments and assessed annually by the process owners;
- 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 Groupe Renault's Executive Committee, Board of Directors and Ethics and Compliance Committee (CEC), the French Prudential Supervisory Authority (ACPR) and the European Central Bank.

Bodies and actors involved in internal control and risk management

- The **Board of Directors**, as supervisory body, has the following responsibilities:
  - it decides on the Company'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 various 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, the ICAAP and ILAAP systems, the recovery plan, and significant aspects of the rating and estimating processes derived from the Company's internal credit risk models,
- the Compensation Committee meets at least twice a year. It examines the compensation policy for company officers and the Head of Risk Management annually and prepares decisions for the Board of Directors regarding the compensation of individuals who have an impact on risk and risk management,
- the Compensation Committee meets at least twice a year. It has the task of recommending directors to the Board of Directors. It is also in charge of the annual review of the Board of Directors, including its structure, membership, gender diversity and breadth of directors' knowledge, skills and experience. It submits nominations to the Board for Executive Directors, the Chief Executive Officer, Deputy Chief Executive Officers and the Head of Risk Management,
- the Strategy Committee meets at least four times a year. Its role is to analyze the roll-out of the strategic plan, as well as reviewing and signing off on various strategic projects.

- 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 ommitments,
  - 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 Director of the Internal Control department (*Département du Contrôle Interne*, DCI), who reports to the Risk Management and Compliance Director, is responsible for the permanent control of organizational compliance and for directing 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 and Compliance 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 comments and recommendations are presented in the annual internal control report, which is approved by the Risks Committee and the Board of Directors and submitted to the French Prudential Supervisory Authority (ACPR) in accordance with banking regulations.

1.6 RISK FACTORS

The Group comprises three operating divisions: Groupe Renault Automotive excluding AVTOVAZ (hereafter known as "Automotive"), the AVTOVAZ group and Sales Financing (RCI Banque group). Each of them has its own risk management system, which is used to keep the risks related to its activities under control.

For Automotive, the global risk management system is based on collaboration between the Risk Management department at head office, operational risk managers in operating entities and projects and expert risk managers within certain business functions and corporate activities. This network of different levels strengthens the risk management system and provides it with the means to be proactive in controlling risks. The methodological framework implemented is described in sections 1.5.1 and 1.5.2, including the classification of risks in use within the Group (Risk Universe).

For the AVTOVAZ group, the risk management system is unique, organized in accordance with Russian legislation and based on methodologies that are the subject of discussions with Groupe Renault with a view to gradual harmonization and increasing maturity. A summary of the main risk factors identified by the AVTOVAZ group is presented in this document (see section 1.6.2). It should additionally be noted that specific action plans are in place, in close cooperation with the Group, as part of the AVTOVAZ group's continued operational turnaround and notably in the context of the implementation of Decree 719 in Russia and criteria relating to industrial localization.

For the Sales Financing segment (RCI Banque group activities), the comprehensive risk management system is organized in accordance with banking regulations (see section 1.5.3). A detailed description of this system is available in the RCI Banque group's Annual Report. In this document, the risk factors and management procedures and principles are briefly outlined.

Lastly, it should be noted that the Group's major risk mapping has been updated every year since 2016, in close collaboration with the preparatory work and implementation of the medium-term strategic plan, Drive the Future, so that the plan would integrate the appropriate action plans designed to respond to the operational or strategic risks identified.

In this context, this chapter describes the main risk factors currently identified by the Group's operating segments.

Nevertheless, although the risk factors described below are identified by the Group as significant factors that may have a negative impact on its image, its assets, the conduct of its activities and the achievement of its objectives, it cannot be ruled out that other risk factors currently considered insignificant or not identified may in the future adversely affect the Group in an environment in which its activities are becoming increasingly complex and which is changing at an accelerated pace.

1.6.1 Risk factors for Automotive

1.6.1.1 Risks related to strategy and governance

Risks related to strategy

Risk factors

Various risks are being identified in connection with the Group's strategy, namely:

- it may be faced with an inability to make changes to its business model so as to anticipate and adapt to potential changes and disruptions in markets, mobility offers and associated value chains;
- furthermore, the strengthening of the Group's global presence depends to a significant extent on strong sales growth in China and improved sales in India, which are contingent on the proper execution, in highly dynamic markets, of the relevant parts of the 2017-2022 strategic plan;
- finally, even though it is a growth and performance accelerator, the Group's membership of the Renault-Nissan-Mitsubishi Alliance also entails specific forms of governance and requirements, and any changes to these may result in disturbances in the application of its strategy.

Management procedures and principles

As regards the Group's business model, the Drive the Future strategic plan aims to make this risk an opportunity by mobilizing the resources of the Group, the Alliance, RCI Banque, targeted partnerships and acquisitions, to structure a strong sustainable, electric, autonomous and connected mobility offer.

Risks related to governance

Risks related to regulatory compliance

Risk factors

Risks related to non-compliance with laws and regulations.

Management procedures and principles

The Group has a structured approach to analyze the robustness of regulatory compliance over a range of regulated areas defined in collaboration with the Legal department (including "competition", "fraud and corruption", "environment", "health-safety-work environment", "technical regulations", *etc.*).

This approach is led by the Regulatory Compliance department, part of the Internal Control department, and is monitored by the Ethics and Compliance Committee.

The aim is to ensure compliance with laws and regulations, reduce the exposure of the Company and its executives to risks of criminal, administrative and financial sanctions and protect its image.

The system is based on three types of actors:

- the departments that set specifications (Technical Regulations department, Legal department, HSE department, *etc.*), provide regulatory oversight in their respective fields, transpose regulatory criteria into internal standards and deploy them within their networks;
- the operational entities ensure regulatory compliance via their processes, based on directives and with the support of the relevant functional departments, in accordance with local regulations;
- the Regulatory Compliance department defines the methods and evaluates the regulatory compliance systems, with the support of the Legal department.

A Chief Ethics and Compliance Officer (CECO) was appointed in November 2018 in order to strengthen the Group's regulatory compliance system.

1.6.1.2 Risks related to operations

Cross-group operational risks

Risks related to geographic location and economic conditions

Risk factors

The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks: changes in economic conditions, political or regulatory instability, social unrest, protectionism, nationalization, fluctuation in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls.

Management procedures and principles

In general, the geographic breakdown of the Group's sales makes it possible to limit the impacts of regional hazards and take advantage of opportunities.

From an organizational point of view, the Group's activities are divided into five Regions, each headed by a Management Committee composed of representatives of all of the Company's functions and led by a Chairman who oversees the Region's business plan so as to contribute to the performance of the Group.

All decisions regarding the geographical location of manufacturing operations are taken in a context of an overall Group growth strategy that mitigates the risk of instability through a global industrial approach in order to ensure a diversification of risks. Country investment risk 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 is continually increasing the local integration at its production facilities to reduce political and foreign exchange risks and thus make them more competitive.

With regard to trading flows, the Group hedges against the risk of non-payment for most payments originating from high-risk countries. The main exceptions relate to intra-Group sales, sales to industrial partners and to certain countries for which there is no hedging. Residual country risk is regularly monitored.

In order to centrally manage the risk of non-payment and put in place hedges on competitive terms, the Group has designed a "hub and spoke" invoicing system. Manufacturing subsidiaries sell their exported production to Renault s.a.s., which sells it on to commercial subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company. Some sales between countries covered by customs agreements do not use this system, however.

These general principles are illustrated and complemented by specific actions:

EUROPE

The Group's activities remain highly dependent on the European market, which accounts for about half of the Group's sales.

AMERICAS

In a volatile political and economic environment that has had a significant impact on exchange rates, particularly in Argentina and Brazil, the Americas Region has deployed an industrial, commercial and organizational action plan that has offset most impacts of external origin. Subsidiaries now benefit from an optimized structure that, if necessary, makes it possible to handle new turbulence in 2019 or benefit fully if there is an economic recovery.

AFRICA – MIDDLE-EAST – INDIA

Shipments of components to Iran have been completely halted since early August 2018 following the reinstatement of US sanctions. Restrictions on foreign exchange allocations by the central bank have also led to the shutdown of built-up imports, which has impacted the Group's manufacturing and inventories.

In Algeria, local production helps to maintain a dominant commercial position despite built-up import restrictions.

Exports from Morocco, which now exceed imports, are limiting the Group's exposure.

EURASIA

In Russia, the Group's management reflects the fluctuations of the economic environment as closely as possible and supports market recovery: active management of the pricing policy makes it possible to reconcile commercial growth with the management of exchange rate fluctuations. Stronger local integration also remains a priority at all production sites.

In Turkey, the economic situation has affected the automotive market and the Group's local sales since the second half of the year. The devaluation of the currency, however, creates export opportunities in terms of volume and profitability.

The risk regarding debt owed by Renault Ukraine to Renault s.a.s. is partially covered by credit insurance.

ASIA – PACIFIC

Renault is present in China through three joint ventures: Dongfeng Renault for the production and marketing of passenger cars under the Renault brand, Renault Brilliance Jinbei for the production and marketing of light commercial vehicles under the Renault and Jinbei brands, and eGT for the development of an affordable EV vehicle that will be marketed by the Alliance and its partner Dongfeng. All of these operations are carried out with a local partner. Production is located in China and over 80% of all purchasing is carried out with local suppliers for all vehicles.

Risks related to natural disasters

Risk factors

Natural disasters (earthquakes, storms, floods, *etc.*).

Management procedures and principles

The Group has been working for several years to increase its resilience capacity in the face of natural disasters through regular updates of risk and stakes assessments, protection programs for people and property, monitoring and crisis management systems and business continuity plans.

For example, a specific plan is being rolled out to optimize procedures covering major seismic risks (Chile, Turkey, Romania, Colombia, Slovenia, Morocco, *etc.*). This program is based on actions to strengthen buildings and facilities, training of staff on the steps to be taken in the event of an earthquake, the establishment of specific means of communication, the organization of crisis management systems, research and preparation of solutions to ensure business continuity and a customized insurance program.

Risks related to industrial accidents

Risk factors

Fires, explosions and machine breakdowns.

Management procedures and principles

For many years, the Group has focused on reducing the risk of fires, explosions and machine breakdowns at production sites, engineering and test centers and logistics platforms.

For more than 25 years, the Company has, in consultation with its insurers, put in place an ambitious and rigorous prevention policy that covers personal safety as well as that of property and business continuity.

As a result, most existing industrial plants have achieved a high level of prevention and protection, recognized via the "Highly Protected Risk" (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year across nearly 60 sites. More than 94% of the assets in the industrial, engineering and logistics scope covered by Groupe Renault "property damage and business interruption" insurance program have been awarded the HPR label by the Group's insurance companies, thus attesting to the results obtained. This high degree of control over risks, which is recognized by insurers, has a direct positive impact on the terms at which the Group is able to buy insurance cover.

Environmental risks

Risk factors

The Group's main environmental risks fall under four categories:

- **Climate change:**
  - physical risks (exposure of sites to extreme weather events with potential negative consequences on industrial and logistical activities, supply and insurance premiums),
  - risks related to the transition to a low-carbon economy (mismatch between offer of products/services and market expectations, loss of product competitiveness, increase in production costs),
  - 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.
- **Health impacts:**
  - health impacts due to chemicals, emissions or discharges,
  - inadequate match between scientific and technical developments available to reduce health impacts and the Group's activities,
  - inadequate match between the Group's product/service offerings and the expectations of customers, users or territories.
- **Scarcity of resources:**
  - restrictions or even lack of access to resources for reasons related to supply-demand imbalance (market reasons: price increase or volatility), sourcing problems or geopolitical reasons (such as raw materials or water),
  - management of non-recyclable or non-recoverable waste (production waste, end-of-life vehicles).
- **Protection of ecosystems:**
  - environmental damage (air, water, soil, waste) related to the operation of industrial sites,
  - environmental damage related to accidental pollution (air, water, soil, waste) and extreme natural phenomena,
  - damage to biodiversity.

Management procedures and principles

The identification and control of environmental risks are included in the Group's overall risk management system.

Like all CSR issues, environmental issues and associated risks have also undergone a materiality analysis. This identifies and prioritizes them based on their potential impact on the economic performance of the business and their relative importance for its stakeholders. The analysis approach and resulting materiality matrix are described in section 2.1.5.

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 in this same chapter "Risks related to natural disasters", "Risks related to industrial accidents" and the paragraph "Taking risks linked to climate change into account" in section 2.2.2.3 A "Energy and climate change").

The risks associated with the transition to a low-carbon economy (inadequate match between the Group's product and service offerings and market expectations linked to the transition, loss of competitiveness, increased production costs) are discussed in the same chapter in "Risks related to the development of products & services" in section 2.2.2.2 D, section "Environment and competitveness", and in 2.2.2.3.A section "Energy and climate change".

The risks and opportunities associated with the tightening of regulations on greenhouse gas emissions (in particular vehicle CO_2 emissions), and more generally associated with the growing demands of civil society with respect to the greenhouse gas emission reduction targets defined in the COP 21 agreement, are identified as a major competitive challenge for the Company. For this reason, they are monitored through a Worldwide Carbon Footprint key performance indicator and specific product competitiveness targets are set in terms of fuel consumption and CO_2 emissions (positioning of CAFE values in particular). These indicators are reviewed annually by the Group's Executive Committee, with a view to alignment over the short, medium and long-term. Elements of this strategy and the main results are presented in section 2.2.2.3.A "Energy and climate change".

HEALTH IMPACTS

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 impact 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 2.2.2.3 C "Environment and health").

Measures to ensure compliance with regulatory requirements for vehicle pollutant emissions are integrated into the development processes leading to the certification of vehicles. In addition, since the end of 2015, Groupe Renault has significantly strengthened and accelerated its efforts to reduce pollutant emissions in customer use. These efforts focus on the Euro 6b diesel range via improvements made to the management of the Exhaust Gas Recirculation (EGR) and NO_x trap systems deployed progressively on all productions starting in August 2016, and on the development of Selective Catalytic Reduction (SCR) technology for the diesel passenger car range to meet Euro 6d standards (see 2.2.2.3 C "Environment and health", section "Vehicle use"). At the same time, the Group has put in place enhanced governance of emissions in real driving conditions.

"Substance" risk prevention and compliance with the European REACH regulation, or its equivalents in other parts of the world, are ensured at all stages of the product life-cycle. A dedicated organization is deployed for this purpose throughout the company, and is supported by central expertise hubs and a "substance" standard, which is applied across the entire Company and supply chain (see 2.2.2.3 C "Environment and health", section "Substance risk management").

SCARCITY OF RESOURCES

Groupe Renault uses circular economy principles to reduce the use of virgin raw materials. The Group deploys them through the design of more vehicles that use less raw materials (95% recyclable or recoverable mass), the development of technical solutions and industrial collection systems for the reuse, renovation and recycling of parts and materials from end-of-life vehicles (via its subsidiary Renault Environnement and various research projects) and finally the integration of a growing share of recycled materials into new vehicles (see 2.2.2.2 B "Action at all stages of the life-cycle", section "Vehicle end-of-life", and 2.2.2.3. B "Resources and the circular economy").

Risks related to potential supply restrictions and changes in material costs are discussed in Raw material risks in this chapter.

PROTECTION OF ECOSYSTEMS

Environmental risks (including potential damage to biodiversity) that could be caused by the Company's activities are prevented using the environmental management system deployed across all Group sites and at all stages of the product life-cycle (see 2.2.2.2).

Environmental risks associated with the industrial activities of the Group's suppliers are identified and prioritized through a specific CSR risk classification process. They are managed firstly through the deployment of the Renault-Nissan CSR Purchasing Guidelines and Renault Green Purchasing Guidelines within the entire supply chain. These guidelines define what the Alliance expects from its suppliers in terms of CSR and Renault's specific environmental expectations. Secondly, suppliers that are most at risk undergo a CSR evaluation process based on the EcoVadis tool and on-site audits, which could lead to corrective action plans (see 2.4.2).

Risks related to the development of products & services

Risk factors

The Group is structurally exposed to a generic risk of inadequacy of its product and service offering to market expectations.

In this context, specific risks have been identified in the Drive the Future strategic plan relating to:

- the enrichment of the technological content of vehicles, especially with regard to vehicle connectivity and associated services and the development of autonomous vehicles;
- the transition of the powertrain offerings, in terms of mix and technologies (gasoline, diesel, electric hybridization of thermal engines) to conform to considerable changes in regulations and customer expectations;
- the Group's strong ambitions in the field of electric vehicles against a backdrop of industrial dynamics and intense, complex markets with uncertain timetables.

Management procedures and principles

PRODUCT DEFINITION AND DEVELOPMENT

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 (consumer electronics for example).

The development of new models or bodies is decided on the basis of this work and an assessment of expected profitability, calculated over the projected life-cycle, based on:

- income: sales volumes, market shares and price forecasts;
- costs: project entry ticket, projected unit costs.

Wherever reference assumptions are strongly questioned (declining markets, 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 recognize a provision to cover the contractual indemnities to be paid, if any, due to the failure to meet a minimum purchase volume.

In concrete terms, the Program departments manage the project risks and in particular simulate the projected impacts of changes in assumptions, which they present, at each development milestone, to the Group's Senior Management in order to highlight project resilience to environmental changes and decide on possible countermeasures to address identified risks.

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

- maximizes the distribution of the same model in different markets, which reduces its exposure to possible fluctuations in one of these markets;
- offers a varied, balanced Product portfolio that meets customer expectations in different segments and markets, so as to reduce the risk of dependency on a single market, segment or customer type;
- offers a diversified and adaptable engine portfolio (gasoline, diesel, electric, *etc.*) to meet customer expectations in different markets and enable potential changes in the engine mix to be supported;
- develops, with its Alliance partners, a limited number of standardized technical platforms to maximize economies of scale for component volumes and costs and facilitate their reuse from one region to another.

DEVELOPMENT OF SERVICES

The development of service offerings is mainly based on the analyses conducted by the Market Intelligence department, the Group Marketing department, the Sales and Regions department, the After-Sales department and RCI Banque. Initiatives carried out by a country's operational departments, in particular the Sales & Marketing department France or RCI Banque, are capitalized so that they can be extended and shared internationally.

A specific approach to B2B customers is led by the Renault Fleet International department and is aimed at integrating a global offer of mobility-related services that encompasses connectivity, fleet-Asset Management, financing, after-sales, or car-sharing solutions.

A coordinating committee between the Renault Sales & Marketing department and RCI allows for regular monitoring of these initiatives at the highest level of management.

Purchasing risks

Supplier risks

Risk factors

Supplier default.

Management procedures and principles

Supplier risk management is a crucial issue, in particular because of its major contribution to the cost price of the Group's vehicles.

The Group applies a precise risk control system concerning all aspects of the supplier relationship: design and development – manufacturing, logistics and quality – economic and financial sustainability.

Supplier risks are controlled using five main systems:

- **prevention policy** aimed at making suppliers responsible for their own risks, particularly with regard to the supply chain;
- **the use of Renault-Nissan-Mitsubishi standards** for design, validation and specification compliance for products under development;
- **processes to detect non-compliance** in the quality of delivered parts and their traceability;
- **monitoring of supplier** risks in the areas of operations, finance and CSR (in particular health/safety, social and environment);
- **a system to implement action plans** in the event that supplier non-compliance or risk is detected.

This risk control system also involves several dedicated departments: a Supplier Risk Management and Control department and a network of financial analysts. These departments work closely with the operational purchasing managers of the Alliance Purchasing Organization (APO) as well as other departments that may be affected (Engineering, Manufacturing, Supply-Chain).

PREVENTION AND DETECTION

In addition to the prevention and detection of risks "subject to human control", the prevention policy also covers risks "beyond human control", such as natural disasters. Renault, Nissan and Mitsubishi are rolling out a Business Continuity Plan program (assessment of alternative solutions and resumption of production).

With regard to operational risks, prevention is carried out as follows:

Risks linked to the compliance of products designed and developed by suppliers are managed via the Alliance New Product Quality Procedure (ANPQP), to which all suppliers must comply. Capacity risk management in the manufacturing supply sector is based on an Alliance Data Repository process with a two-year horizon.

Control of the quality of mass-produced products is based on a management system common to Renault, Nissan and Mitsubishi based on the model of ISO TS 16949.

Other economic and operational risks are anticipated through annual multi-criteria rating of suppliers that assesses the quality of shareholding and management, the competitiveness of sites, their investment capacity, technological risks, and strategy and commercial dependence on major customers.

Supplier CSR risks may, in particular be identified through risk mapping, and an annual audit program has been set up. Financial risks are monitored by a network of analysts who assess the risk of default by suppliers using a common grid of Renault-Nissan-Mitsubishi criteria. They compare their conclusions with scores from rating agencies, scores from Banque de France and recommendations from credit insurers, *etc.*

RISK MANAGEMENT

Supplier and supply risks are presented to and discussed by Purchasing Risk Committees. These committees exist at Group level and for each local Purchasing department. These multi-disciplinary bodies, in which all the functions affected participate (financial, legal, audit, logistics, communication, public affairs and Human Resources) are chaired by the Purchasing department.

The Purchasing Risk Committee determines the action plans to be implemented in collaboration with suppliers in order to reduce their risks, improve their competitiveness and ensure the long-term security of the supply chain.

Raw material risks

Risk factors

The risks identified concern:

- potential restrictions on the supply of raw materials due to a mismatch between supply and demand (market dynamics), sourcing issues or geopolitical reasons;
- the prices of materials, for which variations can be large and sudden, with no guarantee that increases can be recovered in vehicle sale prices.

Management procedures and principles

Certain raw materials used in the automotive industry are considered strategic since any restriction in the supply chain could impact production and other conditions. In order to keep internal management bodies informed in this regard, a strategic area of expertise called "Energy and Raw Materials Strategy" was put in place by the Group in 2010.

In particular, Groupe Renault has developed a methodology to objectively classify the critical nature of raw materials based on:

- price change risks:

  Renault uses several means to guarantee price stability over the financial year. The first consists of contracting purchasing prices at fixed prices over periods covering several months for materials not indexed on the financial markets. The second is to hedge risks linked to indexed materials.

  In order to closely monitor changes in raw material prices and examine future trends, a joint Alliance ad hoc committee, the Raw Materials and Currencies Committee (RMCC) has been tasked with defining the guidelines to be used as a reference.

  In addition, a Raw Materials Operational Committee deals more specifically with operational issues relating to the purchasing of raw materials for Renault.
- risks related to supply and impact for Renault in view of its product strategy:

  The evaluation uses objective criteria to rank these risks by type and scale. These might include supply and demand scenarios for the materials concerned, the number of actors producing the materials and their exposure, and Renault's capacity for recycling and replacing them if necessary. This criticality matrix has identified materials to which Renault is exposed, enabling strategies to be defined upstream to secure the resources.

  The Group has been recognized for its commitment to the development of channels to recycle materials from the dismantling of end-of-life vehicles. All of these operations help secure the Group's supplies of materials (recycled polypropylene, aluminum, copper, platinum, palladium, rhodium, *etc.*). They are led by Renault Environnement, in particular through its subsidiary Indra (a joint-venture with Suez Environnement): collection and processing of parts and materials, through its subsidiaries Gaïa (automotive sector) and Boone Comenor Metalimpex (metal waste), through innovative partnerships, *etc.*

  The expertise developed by Renault on criticality analysis methodology has become a benchmark. The Group remains strongly involved in associated national and international initiatives through cross-functional "sector" committees alongside public authorities. This enables a holistic, forward-looking approach to risk management, with public authorities providing support for priority actions.

Risks related to the supply chain

Risk factors

The Group is exposed in a significant way to the risk of a disruption in the supply chain of its production sites, which could lead to interruptions in the manufacturing chain and, ultimately, the delivery of vehicles to dealers and customers. The main drivers of these risks are either internal (due in particular to the interdependence underlying the Group's industrial network) or external. These risks include the following:

- site supply interruption;
- failure in supply or transport systems;
- natural disasters;
- industrial accidents;
- social conflicts;
- political factors;
- inadequate capacities available.

Management procedures and principles

PREVENTION

In the Alliance's supply chain, teams of specialists are responsible for the prevention of the aforementioned risks. These preventive methods include:

- demand sensing via a sales and operational activities planning process;
- supply capacity management in conjunction with the Alliance Purchasing Organization & Supply Chain Quality department;
- supply chain capacity management for carriers and; vehicle compounds;
- risk detection and mitigation via a control tower;
- implementation of an operational team in the event of a crisis inherent to the aforementioned external factors;
- IT teams to counter events such as cyberattacks;

Whilst the maturity of these procedures varies, audits are in place to ensure compliance. IT processes are being reinforced and implemented in the Group's various entities.

PROTECTION

The protection system relies on:

- risk management at the appropriate levels of the organization;
- an end-to-end vision of risks;
- having crisis exercises in place;
- the development of cross-functional working methods to adopt a consistent approach in the different regions.

This prevention and protection system gives the Group control over its risks, both on a daily basis and over the long term.

Risks related to distribution

Risk factors

The financial health of the independent dealer networks, distributors of the Group's new vehicles and spare parts, is an important issue with regard to the Group's commercial strategy. Default by dealers could have a major impact on sales levels, both at country and region level.

Management procedures and principles

The financial health of dealerships is monitored by Renault and RCI Banque in countries in which the latter operates. A dealer rating system is used to prevent and limit the risk of default.

In other countries, Renault puts in place a credit monitoring system. The subsidiaries also actively foster the network's productivity to proactively manage this risk.

Monthly meetings of the Risks Committees are organized at country level, with RCI Banque, and a Risk Monitoring Committee meets at head office if the risk level justifies increased monitoring, based on periodic reporting of the financial health of the network and receivables.

Default risk is transferred to RCI Banque in those geographical regions in which RCI has special purpose vehicles to carry risk arising on the network and personal customers. If RCI Banque cannot handle this risk, the Group either carries it directly or transfers all or part of the risk to local banks.

A reporting system was introduced as part of the credit management system, including indicators for monitoring Automotive's trade receivables.

These tools improve the monitoring and management of payment terms and help manage customer risk and portfolio quality more effectively.

Insurance programs covering operational risks

Within Groupe Renault, financial protection against operational risk has two facets:

- high-impact, low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and whose financial impact can be predicted are provisioned by the Group, unless there is a legal requirement to insure them, via a policy of retention on the part of its subsidiary Motor Reinsurance Company (MRC) and deductibles.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with worldwide programs, in cooperation with its Alliance partners for certain risks. It is actively involved in defining the Group's prevention and protection policy.

The risk prevention policy for manufacturing is additionally described in the section "Industrial accidents".

The nature and scope of cover is determined via a preliminary risk analysis of operating entities. This approach is used for the following types of risk:

- "transportation and storage of vehicles in depots": the Alliance (Renault and Nissan) buys a capacity of €295 million per claim with a deductible of €100,000 per claim for damage caused to vehicles in depots and €45,000 per claim for land transportation;
- "property damage and operating losses": the Alliance buys a capacity of €2.25 billion per claim with sub-limits on certain types of guarantees, particularly natural disasters and problems with suppliers. Deductibles for the Group's manufacturing activities may amount to €5 million per claim; "civil liability": the Group buys a capacity of €260 million to cover general civil liability and civil liability for products and repairs carried out by Renault Retail Group sales subsidiaries; in addition, specific Environmental Liability coverage of €30 million was purchased;
- "cyber" risks: the Group has "cyber" insurance coverage;

Renault's insurers partially reinsure these global programs with MRC, a captive reinsurance company wholly-owned by the Group for Renault risks.

MRC mainly operates as follows:

- "transportation and storage of vehicles in depots": MRC covers up to €10 million per incident with a maximum annual limit of €25 million;
- "property damage and consequential operating losses": up to €20 million per incident, with a maximum annual limit of €20 million;
- "civil liability": up to a maximum annual commitment of €2.3 million.

Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, and a desire to make each risk-bearing entity more accountable.

1.6.1.3 Risks related to cross-group functions

Financial risks

Liquidity risks

Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investment needed for its expansion. For this, Automotive borrows regularly from banks and on capital markets to refinance its gross debt and ensure its liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access.

Management procedures and principles

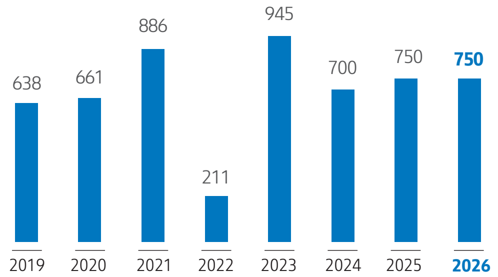
Under its centralization policy, Renault raises most of the refinancing for Automotive in the capital markets, mainly through long-term financial instruments (bonds and private placements), short-term financing such as commercial paper, bank financing, or in the form of financing obtained from public or parastatal institutions.

Renault has an EMTN bond program for a maximum of €7 billion, a bond program under the Shelf Registration scheme on the Japanese market with a ceiling of ¥200 billion and a NEU CP program for a maximum of €1.5 billion at December 31, 2018.

The contractual documentation covering these financing arrangements, including bank finance, does not contain any clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios. Some types of financing, particularly market financing, are covered by standard market clauses (*pari passu*, negative pledge, cross default).

A maturity schedule of Automotive's financial liabilities is presented in note 23-C to the consolidated financial statements.

RENAULT – MATURITY SCHEDULE FOR REDEMPTION OF BONDS, BANK AND EQUIVALENT DEBT FOR THE AUTOMOTIVE DIVISION (EXCLUDING AVTOVAZ) AT DECEMBER 31, 2018 (1)



Renault also has confirmed credit lines with banks, none of which had been drawn in 2018. They constitute a liquidity reserve for the Automotive division (see note 23-C to the consolidated financial statements).

Their contractual documentation does not contain any clauses that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

In view of its available cash and confirmed credit lines not drawn at the reporting date, Automotive has sufficient financial resources to honor its commitments for the next 12 months (see note 25-B1).

RENAULT'S RATING

Agency	Rating / Perspective	Revision	Previous rating / Perspective
Moody's	Baa3 / P-3 / Stable Outlook	03/07/2019	Baa3 / P-3 / Positive Outlook
S&P	BBB /A-2 / Negative Outlook	02/20/2019	BBB / A-2 / Stable Outlook
Fitch	BBB / NR / Stable Outlook	11/28/2017	BBB- / NR / Positive Outlook
R&I	A- / Stable Outlook	11/08/2018	BBB+ / Positive Outlook
JCR	A- / Positive Outlook	03/20/2018	A- / Stable Outlook

Any downgrade in these ratings could limit and/or increase the cost of access to capital markets.

Foreign exchange risks

Risk factors

Automotive is exposed to currency fluctuations through its industrial and commercial activities. This risk is monitored or centralized within the Automotive Cash management and Financing department.

Management procedures and principles

Foreign currency transactions are mainly carried out by Renault Finance on currencies tradable on international markets.

Exchange rate fluctuations may have an impact in six Group financial aggregates (see note 25-B2 to the consolidated financial statements):

- operating margin;
- working capital requirement (WCR);
- net financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net cash position.

Operating margin: Automotive's main exposure to currency risk relates to the operating margin, which may be affected by exchange-rate fluctuations in operating flows. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management. The Group estimates that, based on the structure of its results and its operating cash flows for 2018, a 1% appreciation in the euro against all other currencies would have an impact of -€49 million on its annual operating margin.

(1) Nominal amounts valued at December 31, 2018 in € millions.

RENAULT – ANNUAL NET AUTOMOTIVE OPERATING CASH FLOWS (EXCLUDING AVTOVAZ) IN FOREIGN CURRENCIES AT DECEMBER 31, 2018 AND IMPACT ON THE OPERATING MARGIN

The main exposure in 2018 concerned the pound sterling, amounting to a sensitivity of around -€12 million for a 1% rise in the euro. The 10 main exposures in absolute value and their sensitivities are presented below, in millions of euros:

Currency		Net annual operating flows	Impact of 1% appreciation in the euro
Pound sterling	GBP	1,191	-12
US dollar	USD	945	-9
Russian ruble	RUB	839	-8
Polish złoty	PLN	819	-8
Argentian peso	ARS	791	-8
Algerian dinar	DZD	665	-7
Romanian leu	RON	-586	6
Turkish lira	TRY	-596	6
Japanese yen	JPY	-828	8
South Korean won	KRW	-838	8

Working capital requirement: like operating margin, WCR is sensitive to exchange-rate fluctuations. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management.

Net financial income: the key principle of the Group's management policy is to minimize the impact of currency risk on net financial income. All the Group's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash management team, with monthly reporting to the Chief Financial Officer.

Investments by Automotive subsidiaries are partly financed through equity injections. Other financing requirements are usually met by Renault SA in local currency and are hedged to avoid currency impacts on net financial income.

When local circumstances prevent Renault from refinancing a subsidiary under reasonable conditions, that subsidiary may call on external sources of funding, under the control of the Renault's Central Cash management department. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company. 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.

Renault Finance may also engage in foreign exchange transactions for its own account within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on financial markets, involve only very short-term exposures that do not exceed some tens of millions of euros, such that they avoid any material impacts on Renault's consolidated results.

Share in the net income of associated companies: on the basis of its contribution to 2018 net income, a 1% rise in the euro against the Japanese yen would have decreased Nissan's contribution by €15 million.

This impact corresponds only to the impact of the euro on the conversion of Nissan's contribution to the consolidated statements of Groupe Renault; it does not reflect the inherent impact of euro fluctuations on Nissan's own accounts, given that Nissan does a more or less significant level of eurozone business that Renault has no control over.

Shareholders' equity: equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, given the size of the investment in Nissan, Renault's share in Nissan's net worth has been partially covered by a specific foreign exchange hedge (see note 12-G to the consolidated financial statements).

Net cash position: as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. At December 31, 2018, a 1% increase in the value of the euro against the yen would increase the Automotive division's net cash position by €16 million. Moreover, the Automotive net cash position may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency.

(An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-B-2 to the consolidated financial statements).

Interest rate risks

Risk factors

Interest rate risk can be assessed in respect of debt and financial investments and their payment terms (*i.e.*, fixed or variable rate). *(Detailed information on these debts and their nature is set out in note 23 to the consolidated financial statements).*

Management procedures and principles

The interest rate risk management policy for the Automotive division is based on two principles: long-term investments are generally financed at fixed rates, while liquidity reserves are generally established at floating rates. Fixed-rate borrowings remain at fixed rates as long as the rate curve is close to zero.

Yen-denominated financing to hedge Nissan's net position is taken out at fixed-rate.

A maturity schedule of Automotive's financial liabilities can be found in note 23-C to the consolidated financial statements. As far as possible, Automotive's available cash is pooled centrally by Renault SA. It is mainly invested in short-term bank deposits through Renault Finance.

Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

(An analysis carried out to measure the sensitivity to interest rate risk can be found in note 25-B-3 to the consolidainancial statements).

FINANCIAL ASSETS AND LIABILITIES OF THE AUTOMOTIVE SEGMENT (EXCLUDING AVTOVAZ) BY MATURITY AND TYPE OF RATE AT DECEMBER 31, 2018 (RENAULT PARTICIPATING SHARES AND DERIVATIVES EXCLUDED)

(€ million)		Less than 1 year	More than 1 year	Total
	Fixed Rate	266	26	292
	Floating Rate	12,463	0	12,463
FINANCIAL ASSETS BEFORE HEDGING		**12,729**	**26**	**12,755**
	Fixed/Floating Rate	0	3	3
	Floating/Fixed Rate	0	0	0
HEDGING OF FINANCIAL ASSETS		**0**	**3**	**3**
	Fixed rate	266	23	289
	Floating rate	12,463	3	12,466
FINANCIAL ASSETS AFTER HEDGING		**12,729**	**26**	**12,755**
	Fixed Rate	1,086	4,851	5,937
	Floating Rate	1,825	318	2,143
FINANCIAL LIABILITIES BEFORE HEDGING		**2,911**	**5,169**	**8,080**
	Fixed/Floating Rate	275	143	418
	Floating/Fixed Rate	85	95	180
HEDGING OF FINANCIAL LIABILITIES		**360**	**238**	**598**
	Fixed Rate	896	4,803	5,699
	Floating Rate	2,015	366	2,381
FINANCIAL LIABILITIES AFTER HEDGING		**2,911**	**5,169**	**8,080**

Counterparty risk

Risk factors

In managing currency risk, interest rate risk and payment flows, the Group enters into transactions on the financial and banking markets for the placement of its surplus cash which may give rise to counterparty risk.

Management procedures and principles

Management of counterparty risk incurred by Group entities is fully coordinated and uses an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Groupe Renault companies exposed to counterparty risk. Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are monitored daily to ensure that they comply with authorized limits by counterparties, in accordance with specific procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Most deposits are 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 2018, the Group suffered no financial loss as a result of the failure of a banking counterparty.

Quality risks

Risk factors

Quality or general product safety crises, insufficiently competitive quality of products and services or customer satisfaction.

Management procedures and principles

One of the Group's major and fundamental objectives is to control the risks related to the physical integrity of road actors, starting with the users of its products and services. To achieve this, the Group put in place, in addition to the quality assurance mechanisms, an organizational structure and activities referred to as Operational Reliability and General Product Safety. There are several kinds of activities:

- systematic risk analysis starting from the design phase, for innovations in particular;
- "safe" design with the implementation of safety concepts (diagnostics, information correlation, redundancy, *etc.*). Note the application of ISO 26262 (Functional Safety of Electrical and Electronic Systems), which today constitutes the essential methodological reference for the functional safety of automotive systems;
- creation of safety documentation for certain solutions for safety or innovation issues;
- convergence guarantee for in-plant compliance;
- clear customer information through operating instructions and warnings in the vehicles.

In addition, the Group has set up a market monitoring system that allows it to very quickly learn about sources of customer dissatisfaction with quality and to act accordingly through such measures as recall processes for the correction of quality problems, especially those that could have potential safety consequences.

Human Resources risks

Risk factors

Lack of skills required to achieve mid-term plan objectives; possible negative impact on labor costs (use of external solutions), quality of products and services, and the innovation, production and distribution capabilities of our products, services and solutions.

Management procedures and principles

To keep pace with changes in its business activities and identify the skills required to achieve operational objectives, Groupe Renault has initiated a specific skills management approach that focuses on two main activities (detailed in section 2.3.1.3):

- identification of the skills required for each function;
- learning and development of key skills.

Guidelines

- strengthening of the Human Resources department in 2017 and 2018 in aspects related to Strategic Workforce Planning and Learning & Development;
- creation of business skills reference guides;
- creation of a cross-functional skills reference guide;
- definition of training priorities to be relayed in all Groupe Renault countries;
- deployment of Learning@Renault for in-class and digital training;
- regular monitoring of key training indicators.

The Human Resources department works in close collaboration with the various operational departments to support the development of "business activities" based on a skills management approach and the resulting definition of training priorities.

The involvement of "functional academies" and Learning & Development teams in countries makes it possible to develop a consistent and relevant training program and to share training priorities with managers and employees at all levels of the organization.

In addition, in 2018, Groupe Renault developed a new reference system for cross-functional competencies (comprising 11 core competencies) that will aid employee development in 2019 in a more agile manner, thanks in particular to a digital training offer accessible at Learning@Renault.

Periodic monitoring of the action and training plans ensures that program progress is reviewed regularly and additional actions are introduced throughout the year.

Risks related to data processing

Risk factors

The Group's business depends on a permanent basis on the smooth running of its IT systems. The main risks that could adversely affect the Group's IT systems are related to:

- incidents that could affect the continuity of services hosted in our infrastructures and those of our partners;
- cybercrime: global computerized attacks or attacks targeting the Group's interests or, as a side effect, national interests. Such attacks may aim to access sensitive data (*i.e.*, products, services or personal information), steal or alter it, cause a denial of service or bring down the Group's intranet;
- non-compliance with IT standards or practices required by legislation, external authorities or contracts with suppliers.

These risks can have a significant financial impact in the form of penalties or business interruption. They can also have an impact on trust in the Group and its brands and/or lead to a loss of competitive advantage.

Management procedures and principles

Risks are controlled, in particular, through the following:

- **at operational level:**
  - deployment of the Group's security policies and by continuous enrichment of the process of defining security requirements according to the level of criticality of the applications and data handled,
  - deployment of an adaptable action plan based on a security master plan and annual risk mapping that includes:
    - regular protection upgrades to the Group's IT network,
    - compliance checks carried out jointly by Renault's Information Systems department, the Protection and Prevention department, the Internal Audit department and the Internal Control department,
    - awareness-raising activities for employees and partners,
    - supervision and management of security incidents.

- coordination of a global network of IT security experts in charge of implementing the Group's Information Systems Security Policy and rolling out best practices Group-wide;
- **at organizational and governance level:**
  - the Risk and Internal Control Committee chaired by a member of the Group Executive Committee,
  - Governance Committees coordinated by the Group IT Security department, which carry out inspections at operational level to check the effective application of IT security procedures, in line with the Information Systems Security Policy and best practices.

Given the Group's main business trends, its digitalization and changing threats, the major actions to optimize risk management are currently focused on the following aspects:

- enhanced protection of our digital borders, systems and sensitive data, whether stored on our intranet or in the cloud by partners and/or suppliers;
- enhanced supervision of the Group's intranet;
- compliance with the requirements of the General Data Protection Regulation;
- the implementation of a "records management" policy to reinforce the selective and secure storage of documents, in particular digital documents, which are of interest to the Group in the medium and long-term;
- the development of connected vehicle cybersecurity and related services to ensure the security of vehicles and connected services in compliance with regulations;
- renewing of insurance coverage for cybersecurity.

Legal risks

Risk factors

Groupe Renault is exposed to the following four main types of legal risks:

- **Legal and regulatory changes**

Due to its international activity, Renault is subject to a number of complex and dynamic legislations, particularly in the fields of automotive, environment, competition, labor law, *etc.*

Although Renault monitors this situation, a change in legislation or regulations having a significant impact on the Group's financial position, business or results cannot be ruled out. Moreover, the authorities or courts may also change the application or interpretation of existing laws and regulations at any time.

- **Identified risks arising from non-compliance with contractual commitments**

Identified risks arising from non-compliance with contractual commitments are, where applicable, described in the section on disputes, governmental or legal proceedings and arbitration.

Renault is not aware of any other identified risks arising from non-compliance with contractual commitments that could have a significant impact on its financial position or profitability;

- **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.

It should be noted that, concurrently with the works of the independent technical commission ("Royal" commission), the Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF) conducted investigations concerning the automotive industry. These investigations concerned the practices relating to the Nitrogen Oxide emissions (NO_x) of a dozen car manufacturers selling diesel vehicles in France, including Renault. The DGCCRF decided to communicate its conclusions relating to Renault on this matter to the public prosecutor who, on January 12, 2017, opened judicial investigations against Renault on the grounds of "deceit in respect of the material qualities and on the checks carried out, these facts having led to the products being harmful to human and animal health". Renault contests the existence of any infringement and intends to prove its compliance with French and European regulations in the legal investigation. Moreover, Renault, which at this stage is not a party to the proceeding, is therefore not in a position to assess the possible impact of this ongoing proceeding on the Group.

- **Intellectual property**

Renault uses various patents, trademarks, designs and models. Each year, Renault files several hundred patents (see section 1.4), some of which are the subject of fee-paying licenses granted to third parties. The Group may also use patents held by third parties under licensing agreements negotiated with those parties. As such, Renault is exposed to various intellectual property risks.

Groupe Renault's performance depends in particular on the robustness of the legal framework protecting its patents and other intellectual property rights. For example, Renault cannot guarantee that its intellectual property rights will not be misused or contested by third parties. Such misuse or claims could have a negative impact on the Group's activity, results and image.

Management procedures and principles

With regard to legal and regulatory changes, Renault requires its subsidiaries to respect the regulations in the countries in which the Company operates. Renault is in constant dialog with the national and regional authorities responsible for regulations specific to the Automotive segment, in order to anticipate changes and ensure the Group's compliance with laws and regulations.

All disputes, governmental or legal proceedings and arbitrations are subject to regular review, particularly at year-end. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risks (see note 20 A "Provisions" to the consolidated financial statements).

Finally, in general, the internal control of legal risks is 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.

1.6.2 Risk factors for the AVTOVAZ group

The main risk factors identified by the AVTOVAZ group teams are presented below. At this stage, the way they are categorized still uses a methodology specific to the Group.

A more detailed description of these risk factors, which includes the associated treatment plans can be found in the AVTOVAZ group's annual report.

Risks related to operations

- Risks related to purchasing costs (raw materials, components).
- Risks of default by dealers.

Risks related to production and sales

- Product quality risks.
- Risks of damage to manufacturing system (damage to property or persons due to industrial accidents or natural disasters).
- Risks related to the commercial performance of vehicles, spare parts and accessories.

Financial risks

- Liquidity risks.
- Foreign exchange risks.
- Interest rate risks.

Legal risks

- Risks related to tax legislation (Russia and export countries).
- Risks related to customs regulations (changes in customs duties).

Finally, it should be noted that the AVTOVAZ group has implemented and deploys a hedging policy for operational risks through insurance programs, in accordance with the Russian legal framework and in synergy with the relevant Alliance insurance programs described elsewhere in this document.

1.6.3 Risk factors for Sales Financing (RCI Banque SA)

As indicated in section 1.5.3, the operational sector "Sales Financing" (RCI Banque) has its own risk management system in compliance with banking and insurance regulations. Under banking regulations, RCI Banque has been supervised by the European Central Bank on a consolidated basis since January 1, 2016.

1.6.3.1 Risks linked to the Company's environment

Geographical risks

Risk factors

RCI Banque has operations in several countries. It is therefore faced with risks linked to activities pursued internationally. These risks include, in particular, economic and financial instability, and changes in government, social and central bank policies. RCI Banque's future results may be negatively impacted by one of these factors.

Management procedures and principles

RCI Banque's geographical locations are chosen, in the framework of its growth strategy, to support manufacturers, and take into account the risks of instability which are inherent to a global approach.

The scope of the financial policy extends to all of RCI Banque's consolidated subsidiaries, including those whose refinancing is not centralized.

Subsidiaries located in a country outside the eurozone for which RCI Banque deems the currency transfer and convertibility risk to be significant (in particular Brazil and Argentina) are generally refinanced locally to limit any cross-border risk or is subject to specific insurance (*e.g.* in Russia).

Risks arising from economic conditions

Risk factors

RCI Banque's credit risk is dependent on economic factors, particularly the rate of growth, the unemployment rate and household disposable income in the countries in which the RCI group has operations.

Management procedures and principles

In a complex economic environment, RCI Banque has put in place systems and procedures that respond to the legal and regulatory obligations that correspond to its banking status and allow it to globally apprehend all of the risks associated with its activities, by reinforcing the management and control systems.

Risks linked to the regulatory environment

Risk factors

Regulatory measures might have a negative impact on RCI Banque and the economic environment in which the RCI Banque group operates.

Management procedures and principles

The RCI Banque group has procedures that enable it to gain an overall insight into regulatory developments referring to its activities and to ensure that the Group complies with the various regulatory requirements.

1.6.3.2 Cross-Group operational risks linked to sales financing

RCI Banque is exposed to risks of loss arising either from external events, or from inadequacies and failures of its processes, personnel or internal systems. The operational risk to which RCI Banque is exposed mainly includes risks linked to events that are unlikely to occur but that would have a significant impact, such as the risk of business interruption due to unavailability of premises, staff or information systems.

Management procedures and principles

RCI Banque has a procedures management tool, an internal delegation system, guidelines for segregation of duties and an operational risk map.

Operational risks are assessed annually by process owners within all Group entities and monitored at three levels as indicated in section 1.5.3.

We will discuss the following risk categories: legal and contractual risks and IT risks.

Legal and contractual risks

Risk factors

Any legislative changes impacting credit lending, insurance and related services at the point of sale or through other channels, as well as regulatory changes affecting banking and insurance activities might impact the activity of the RCI Banque group.

Management procedures and principles

RCI Banque conducts legal analyses on newly distributed products and regularly monitors the regulations to which it is subject in order to ensure compliance.

IT risks

Risk factors

The RCI Banque group's business depends in part on the smooth running of its IT systems.

The IT department at RCI Banque addresses IT-related risks (infrastructure risks, change management, data integrity, cybercrime, *etc.*) through its governance, security policy, technical architecture, processes and control of outsourcing.

Management procedures and principles

Risks are controlled, in particular, through the following:

- integration of IT risk management into the overall RCI risk management and control system at all levels of the Company;
- the level of IT network protection at the Group level;
- coordination, monitoring and day-to-day management of the Group's Information Management Policy;
- safety training and awareness-raising for all employees (e-learning, communications, *etc.*);
- the actions, support and controls carried out by the RCI Risks, Compliance and IT Systems Security department, which rely on a network of IT security officers in each subsidiary's IT Systems department, as well as a network of internal controllers;
- a Group IT systems security policy that integrates regulatory requirements (banking, GDPR/personal data, *etc.*), a global management approach and continuous adaptation of IT systems security;
- an increasingly stringent intrusion testing and surveillance policy for both external risks and internal risks;
- a management system for the disaster recovery plan (DRP) in place and regular testing of the system that include problems related to cyber-risks.

1.6.3.3 Credit risks

Risk factors

Credit risk relates to the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the Company. Credit risk is closely linked to macro-economic factors.

Management procedures and principles

RCI Banque uses advanced scoring systems and external databases, when this information is available, to evaluate the capacity of retail and business customers to fulfill their commitments. It also uses an internal rating system to evaluate lending to dealers. RCI Banque constantly updates its acceptance criteria to take into account the existing economic conditions.

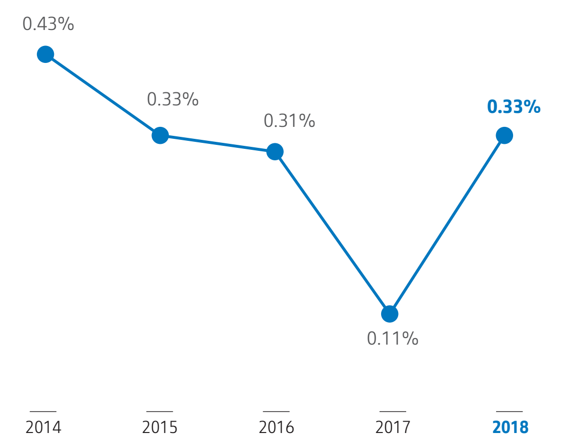
The Group has detailed management procedures that it applies in all relevant countries and which notably include debt recovery processes.

Management of customer risks

The customer credit risk prevention policy aims to ensure that the cost of risk objectives fixed as part of the budgetary process for each country and each of its main markets (new and second-hand vehicle customers for retail customers, and enterprise customers) are met. The acceptance criteria are adjusted and the tools (scores and other rules) are regularly optimized for this purpose. The methods or strategies used for the recovery of outstanding or default loans are also adjusted based on customer type and the difficulties encountered. The contract may therefore be terminated prematurely when there is a risk that the loan may not be recovered in the very short-term.

COST OF RISK ON AVERAGE PRODUCTIVE ASSETS

(including country risk)



NB: ratio of losses recognized or provisioned during the financial year following default by borrowers to average loans outstanding across the whole portfolio.

Policy for granting loans

Customers who request financing are systematically scored using the Retail scale and almost systematically using the Enterprise scale. This facilitates an initial assessment of the file as part of the decision-making process. In addition to the operational process, the acceptance criteria are regularly updated based on the default rate and profitability analysis, which is based on the probability of default and loss in the event of default. The principles for identifying clients and beneficial owners as part of anti-money laundering and terrorist financing procedures are applied each time.

Recovery

The management of financing and its recovery are monitored in-depth. Subsidiary performance in terms of recovery efficiency is analyzed in the context of monthly risk reporting and is presented to the Corporate by the subsidiaries at monthly or bi-monthly committee meetings depending on the significance of the country. The methods or strategies used for the recovery of outstanding or default loans are adjusted based on customer type and the difficulties encountered. The statistical models used in particular in the calculation of regulatory requirements allow a monthly update of the probability of default measured at the time of the grant, through the integration of the customer's payment behavior. Using the same customer information, recovery scores have been introduced in Spain, South Korea and Brazil to detect at-risk profiles and make the process more efficient.

Dealer network risk management

The policy to prevent credit risks within the network aims to ensure that objectives relating to the cost of risks, fixed as part of each country's budget process are met.

For each subsidiary, network customers are monitored on a daily basis using short-term indicators, which, together with long-term indicators, allows any issues that might present a risk of partial or total non-recovery of the debt to be identified upstream.

The Network Financing department establishes the risk control procedures centrally. Customers who are identified as at risk are classed as supervised, pre-alert or alert and are reviewed by the subsidiaries' Risk Committees.

In terms of the network, all counterparties are systematically scored. All of the sections that constitute the rating, or the rating itself, are integrated into the key operational processes for acceptance, management and monitoring of activity and risks. The provisioning of the network financing business is based on the categorization of the counterparties both individually and by examining target impairment indicators.

Probabilities of default and expected losses from "Basel" tasks for the G5 countries (France, Spain, Germany, United Kingdom and Italy) are used in the provisioning system.

1.6.3.4 Financial risks

Liquidity risks

Risk factors

The Sales Financing business depends on access to financial resources: restrictions on access to liquidity might have a negative impact on its financing activity.

Management procedures and principles

RCI Banque must always have sufficient financial resources to ensure the long-term future of its business and development.

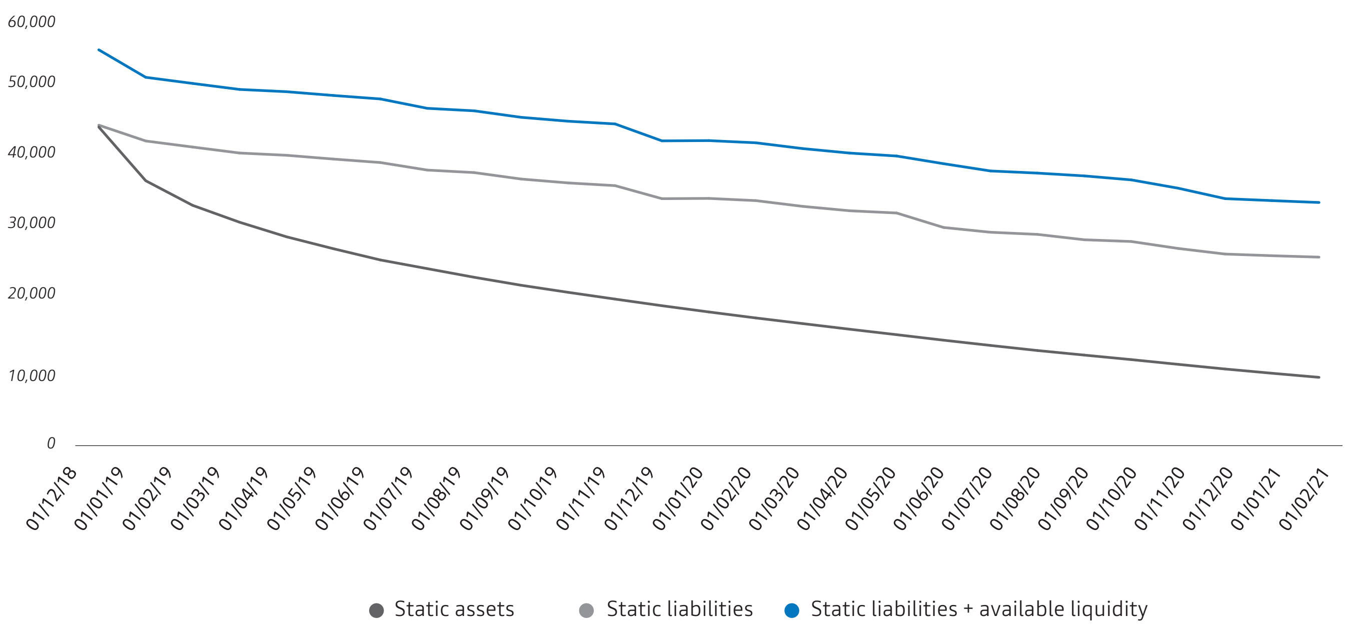
The coordination of RCI Banque's liquidity risk is based on several indicators or analyses, which are updated monthly based on the latest estimates of outstanding loans and the refinancing operations performed. Laws relating to the outflow of deposits are subject to conservative assumptions.

The Group has a framework of indicators and limits for its liquidity risk.

RCI BANQUE GROUP LIQUIDITY POSITION*

At 12/31/2018

(€ million)

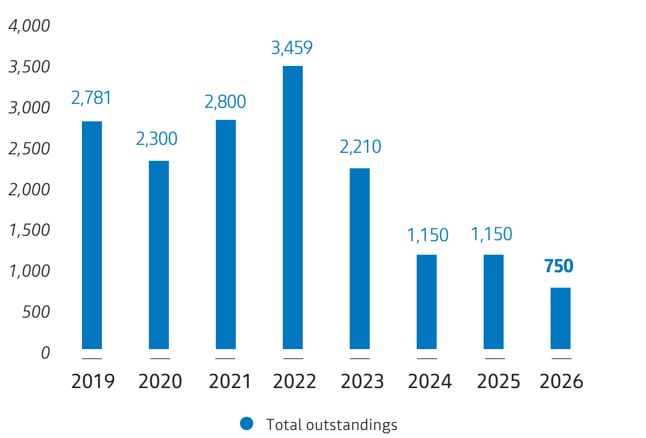


Static assets: assets runoff over time assuming no renewal.
Static liabilities: liabilities runoff over time assuming no renewal.

*Europe scope

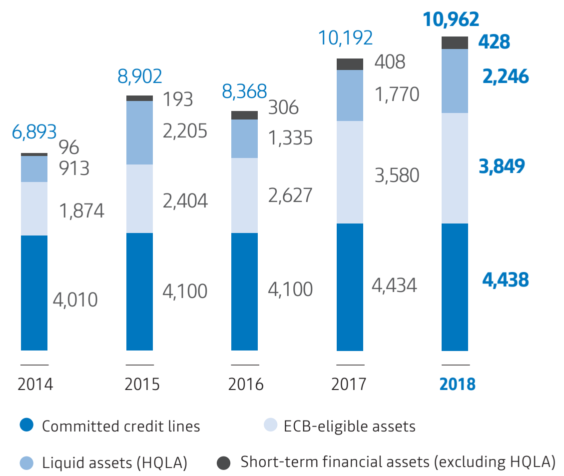
SCHEDULE FOR BOND ISSUES AT DECEMBER 31, 2018

(€ million)



RCI BANQUE GROUP LIQUIDITY RESERVE*

(€ million)



RCI BANQUE RATINGS AT DECEMBER 31, 2018

RCI BANQUE GROUP'S PROGRAMS AND ISSUANCES

The group's issuances are concentrated on eight issuers: RCI Banque, Diac, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc (Morocco) and RCI Leasing Polska (Poland) and RCI Colombia SA Compañia de Financiamento (Colombia).

Issuer	Instrument	Market	Amount	S & P	Moody's	Other
RCI Banque SA	Euro CP program	Euro	€2,000m	A-2 (stable outlook)	P2	R&I: A-1 (positive outlook)
RCI Banque SA	Euro MTN program	Euro	€23,000m	BBB (stable outlook)	Baa1 (positive outlook)	R&I: A- (positive outlook)
RCI Banque SA	NEU CP (1) program	French	€4,500m	A-2 (stable outlook)	P2	
RCI Banque SA	NEU MTN (2) program	French	€2,000m	BBB (stable outlook)	Baa1 (positive outlook)	
Diac SA	NEU CP (1) program	French	€1,000m	A-2 (stable outlook)		
Diac SA	NEU MTN (2) program	French	€1,500m	BBB (stable outlook)		
Rombo Compania Financiera SA	Bond program	Argentinian	ARS 6,000m		Aa1.ar (stable outlook)	Fix Scr: AA (arg) (stable outlook)
RCI Financial Services Korea Co Ltd	Bonds	South Korean	KRW 1,520 m (3)			KR, KIS, NICE: A+
Banco RCI Brasil SA	Bonds	Brazilian	BRL 3,414m (3)		Aaa.br (stable outlook)	
RCI Finance Maroc	BSF program	Moroccan	MAD 2,000m			
RCI Leasing Polska	Bond program	Polish	PLN 500m			
RCI Colombia SA Compañia de Financiamento	CDT; Certificado de Depósito a Término	Colombian	COP 305bn (3)	AAA.co		

(1) "Negotiable European Commercial Paper" (NEU CP), new name for Certificates of Deposit.
(2) "Negotiable European Medium-Term Note" (NEU MTN), new name for Negotiable Medium-Term Notes.
(3) Outstandings.

RCI Banque (Europe scope) also has €4.4 billion of undrawn committed credit lines, €3.8 billion of assets that constitute eligible collateral for ECB monetary policy operations, €2.2 billion of high-quality liquid assets (HQLA) and €0.4 billion of short-term financial assets, allowing RCI Banque to secure the continuity of its commercial business activity for nearly 12 months without access to external sources of liquidity (centralized refinancing scope).

Foreign exchange risks

Risk factors

RCI Banque is exposed to currency risks which might have a negative impact on its financial position.

Management procedures and principles

Sales financing subsidiaries are required to refinance in their local currencies and therefore have no foreign exchange exposure. No foreign currency exposure is allowed in respect of RCI Banque refinancing, the trading room being used to ensure that all flows are hedged.

RCI Banque's residual exposure for other assets and liabilities (*e.g.* accrued interest not yet due on foreign currency borrowings) is kept at a marginal level for both RCI Banque and Groupe Renault.

At December 31, 2018, the RCI Banque group's consolidated foreign exchange position amounted to €9.2 million.

Lastly, equity and annual earnings for RCI Banque subsidiaries outside the euro zone are themselves subject to foreign exchange movements are not specifically hedged.

Interest rate risks

Risk factors

RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.

Management procedures and principles

Interest rate risk is monitored daily: sensitivity is calculated by currency, by management entity and by asset portfolio, thus verifying that each entity respects its individual imposed limits. Sensitivity to interest rate risk is measured using the same methodology throughout the entire RCI Banque group. The sensitivity consists of measuring the impact of a 100 bps rise in interest rates on the value of balance sheet flows. The system limits the Group's global exposure and the exposure of each entity.

In 2018, RCI Banque's overall sensitivity to interest rate risk was kept below the limit set by the Group (€50 million).

Counterparty risk

Risk factors

RCI Banque group is exposed to counterparty risk from its investments of surplus cash, and in its management of currency risk, interest rate risk and payment flows.

Management procedures and principles

Counterparty risk is managed via a system of limits fixed by RCI Banque, then validated by its shareholder as part of the consolidation of Groupe Renault's counterparty risks. This risk is managed through daily monitoring and summary reports to management.

1.6.3.5 Other risks

Risks on residual values

Risk factors

The residual value is the vehicle's estimated value at the end of its lease. The performance of the used vehicles market can entail a risk for the owner of these residual values, who is committed to taking back the vehicle at the end of its lease at the originally agreed price. This risk is principally borne by the manufacturers or the dealer network and to a marginal extent by RCI Banque. In the specific case of the United Kingdom, RCI Banque is exposed to the residual value risk on finance where there is a commitment to take back the vehicle.

Management procedures and principles

Developments in the used car market are monitored closely in line with range policy, sales channel mix and the manufacturer's price to reduce this risk as much as possible, particularly in cases when RCI Banque takes over the vehicles. Provisions are carefully made for the loan portfolio when the observed market values have fallen below the level of the RCI Banque take back commitments, or if specific future risks have been identified on the used car market.

Risks relating to the insurance activity

Risk factors

RCI Banque bears any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims incurred.

Management procedures and principles

At December 31, 2018, the change in the technical provisions of our life and non-life insurance companies represents €26 million for €349 million in gross premiums written.

These technical reserves are intended to cover all future obligations taken on by the insurer in respect of insured persons and are determined in accordance with the actuarial principles applicable to the risk profiles of the insured portfolios.

They are periodically reviewed so that their adequacy can be justified at any time.

As part of the risk control policy and regulatory requirements, the Group additionally operates strict policy selection, has drawn up underwriting guidelines and uses reinsurance agreements.

1.7 POST-BALANCE SHEET EVENTS

- Resignation of Mr Carlos Ghosn from his positions as Chairman of the Board of Directors and Chief Executive Officer on January 23, 2019 (for more information, see section 3.1.1).
- Change in Renault governance (for more information, see section 3.1.1).
- Change in the Alliance governance (for more information, see sections 1.2.2.6 and 1.2.3.3).


ZOE
E-SPORT CONCEPT

RENAULT: A RESPONSIBLE COMPANY

02

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

The automotive industry is currently undergoing a rapid transformation, with the growth in the market for electric vehicles, connected and autonomous vehicles, the development of artificial intelligence and the digitization of services. Thanks to its expertise, its infrastructures, its international presence and its human capital, Groupe Renault is a major player in these changes, which are drivers of growth in its core business as well as in the new world of services that are essential to the connected lives of vehicles.

This period of profound change is strengthening the Group's intention to contribute to a more inclusive and more responsible society, to ensure sustainable mobility for all, aware of the need to preserve the planet, and to generate value for all stakeholders.

To fulfill its commitments, the Group relies on sound fundamentals: its proactive management of risks and opportunities and its ambitions in terms of governance and ethics.

2.1 OUR UNDERTAKING: MOBILIZE, FOR INCLUSION AND SUSTAINABLE MOBILITY

2.1.1 Mobilize: Groupe Renault's CSR ambition

Groupe Renault's strategic Drive the Future (2017-2022) plan is built on the vision of "Ensuring sustainable mobility for everyone, now and in the future". The Group's objective is to generate growth and profit for the duration of the plan, while adapting to fit customer needs. Groupe Renault is building future mobility market-by-market, from congested mega-cities to rural areas, from affordable vehicles to robot vehicles, with ambitious objectives that will benefit the economic health of the Company and the Group's employees, while also benefiting society as a whole.

In keeping with this overall plan, the Group's CSR approach is supported by the various Group departments, particularly the Plan, Environment and Human Resources departments. In order to facilitate its adoption, it has been grouped under two headings: inclusion and sustainable mobility, which are further divided into five commitments: diversity, education, social entrepreneurship, road safety and the environment. This approach, called "Mobilize", is accompanied by an invitation for all players to become involved.

- **inclusion:** for everyone to find their place in the company and have the means to develop themselves. The Company considers that **diversity** in its employees is essential, seeing this as a guarantor of mutual enrichment, performance and innovation, to live and work better together. Inclusion is also understood as a means of fighting all exclusion, through our actions within and outside the Company, notably in matters of **education** and training, as well as in the development of **social business**;
- **sustainable mobility:** to enable everyone to travel more safely and with a reduced environmental footprint. For many years, Groupe Renault has been committed to protecting the **environment** through the application of a policy and objectives to reduce its carbon footprint, with the main drivers being the electric vehicle, the circular economy and new mobility. An ambitious **roadsafety policy** is also at the core of the sustainable mobility constituent of the strategy. Renault therefore relies on its technical expertise, its international network and a policy of raising awareness on a very large scale.

These two areas are based on robust ethics and governance, mainly through Groupe Renault's Code of Ethics, responsible purchasing (2.4.2), the implementation of the vigilance plan (2.1.6), and open dialog with stakeholders (2.1.5).

Thus, on all of these topics, Groupe Renault already implements and applies actions which have proved to be effective and accessible solutions in coping with social, societal and environmental challenges. The issue is now to be able **to roll out the most innovative and efficient local solutions widely:**

- **in the field of inclusion,** it concerns the promotion of all forms of diversity in the Company, access to education and lifelong learning and social business;
- **in the field of sustainable** mobility, it concerns promoting safer driving practices, making 100% electric vehicles accessible, being amongst the first companies to develop new industrial practices arising from the circular economy and supporting the emergence of new forms of mobility.

Through this, Groupe Renault will work on:

- **increasing** the number of local beneficiaries of its actions;
- **extending** the number of countries in which initiatives are implemented;
- **mobilizing** the entire Group (operational departments and employees so that they take part in the actions implemented) and local ecosystems (customers and partners, suppliers, public authorities, *etc.*).

2.1.2 CSR, a deep-rooted tradition

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.

2012

- ● Tangiers plant, designed on the basis of carbon-neutral technologies and zero industrial effluent discharge.
- ✱ Creation of Mobilize Invest (social enterprise investment fund)

2011

- ● Launch of the 100% electric range: Kangoo Z.E, Fluence Z.E., Twizy.

2010

- ● Renault is a founding partner of the Ellen MacArthur Foundation for the circular economy.

2013

- ● Marketing of ZOE.
- ● Renault's carbon footprint[1] is 10% lower than it was in 2010.
- ▲ Contract for a new dynamic of growth and social development in France.
- ▲ Global framework agreement for sustainable growth and development.

2014

- ● Eolab concept car posts consumption of 1 l/100km without any compromise on performance.
- ✱ Signature of the Company and Neighborhoods Charter.

2015

- ● Renault-Nissan Alliance is a Paris Climate Change Conference (COP21) partner.
- ● Group Carbon footprint[1] per vehicle sold reduced by 17.2% between 2010 and 2015, one year ahead of 2016 target
- ✱ Launch of the Renault Mobilize Solidaire employee savings fund (FCPE)

2016

- ● New ZOE Z.E.40 with a record driving range of 400 km[2].
- ● Renault-Nissan Alliance official COP22 partner in Marrakech (Morocco).
- ✱ Renault signatory of the French national call for companies in favor of Road Safety at work.
- ✱ 15th anniversary of the Renault Corporate Fondation for education.

2017

- ● New target of a 25% reduction in the carbon footprint[1] by 2022 compared with 2010.
- ▲ Mobilize, Groupe Renault's social business program, celebrates its fifth anniversary
- ▲ New Driver's Charter for the Group.
- ▲ New CSR Strategy for the Group based on two strands: Inclusion and Sustainable Mobility.
- ✱ Signing of the CAP 2020 Agreement in France – Agreement on work activity for sustainable performance with trade union representatives.

2009

- ✱ Sustainable Mobility Institute, Renault - ParisTech.
- ▲ The 'Crisis-Period Labor Deal' establishes a welfare system to maintain the jobs and pay of employees placed on short-term working.

2008

- ● Creation of Renault Environnement and acquisition of a stake in Indra (automotive recycling).

2007

- ● Launch of the ECO_2 label, based on three environmental criteria (manufacturing, emissions and recycling).

2018

- ✱ Renault European leader in sales of 100% electric vehicles for the 6th consecutive year
- ● 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 UN 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

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.

1998

- ● First certification of environmental data by the Statutory Auditors.

1989

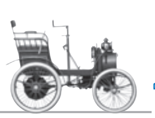
- ▲ Signature of the 'Living Agreement' to ensure the ongoing development of Renault and the professional, personal and cultural advancement of employees.

1987

- ● The Renault VESTA 2 concept car hits record fuel efficiency of 2 l/100km.

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).



1900 1950

- ▲ Caisse de secours mutuel (1904).
- ▲ Medical Service (1914).
- ▲ Usines Renault apprenticeship school (1919).
- ▲ First company to have a Works Council (1944).
- ● Standard exchange activity (refurbishment of mechanical parts) 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).

▲ **SOCIAL**
● **ENVIRONMENTAL**
✱ **SOCIETAL**

(1) Carbon footprint per vehicle sold worldwide, throughout the life cycle of vehicles. See methodological note and scope in 2.9.2.1.
(2) Using the standardized NEDC certification cycle, i.e. 300 km of real and suburban use.

2.1.3 CSR governance

The CSR sectors report to the Chief Executive Officer or a member of the Group Executive Committee (GEC) and are 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 department is responsible for an interdisciplinary and partnership approach to CSR throughout the value chain, societal actions and innovations;
- the Human Resources department is responsible for optimizing allocated resources, skills development, employee involvement and social dialog;
- the Strategy and Environmental Planning department is responsible for environmental issues to be included in the Company's strategy. It aims to reduce the environmental footprint and the health impacts of activities, products and services over the life-cycle and introduce circular economy business models to boost the Company's medium-and long-term competitiveness.

Individually or jointly, depending on the cross-functional nature of the subjects, these three operational departments bring issues relating to strategic orientation before the decision-making bodies at Chief Executive Officer or Group Executive Committee member level. These departments then roll them out within the Company through the programs, Regions and functions, using internal networks and by developing external partnerships if necessary.

The Human Resources (HR), Environment and CSR functions also contribute to corporate programs to manage ethics. They are among the 10 business-lines represented on the Ethics and Compliance Committee (CEC), coordinated by the Ethics and Compliance department. They also take part in the Audit, Risks and Ethics Committee (CARE), one of the specialized committees of the Board of Directors.

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.

Following its materiality analysis completed in late 2015 (see Appendix 2.5.1), since April 2016, the CSR department has organized a Positive Impact Committee (PIC) with 20 members, which meets four times a year and represents the main departments and functions of the Group, to promote a common vision and action plans. It coordinates the management of the various departments' extra-financial issues and helps to identify new opportunities.

2.1.4 Guidelines and standards

Groupe Renault complies with international standards designed to support or regulate businesses' corporate social responsibility practices. It is committed to respecting the founding principles and promoting the universal values of the Global Compact.

The Group factors these principles into its policies and implements them in accordance with internal guidelines.

The main reference texts are:

- the 10 principles of the Global Compact, adopted at the initiative of the United Nations and signed by Renault on July 26, 2001. The Global Compact refers to the Universal Declaration of Human Rights, the International Labour Organization (ILO) Convention, the Rio Declaration at the first Earth Summit and the UN Convention Against Corruption;
- the Global Framework Agreement covering social, societal and environmental responsibility, signed on July 2, 2013 and based in particular on ILO standards and ISO 26000, as well as its roll-out to suppliers (see the inset in section 2.3.1.4.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;
- 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.

Our contribution to the United Nations Sustainable Development Goals

With regard to its activities and its commitments for inclusion and sustainable mobility, an analysis carried out at various levels (Group, country, site) shows that the seven major sustainable development objectives (SDGs) on which Groupe Renault as a whole has the most significant impact, out of the 17 identified by the United Nations, are the following:

3 – Good health and well-being: ensure healthy lives and promote well-being for all at all ages.

Particularly in terms of road safety, social protection and air quality:

- 3.6. By 2030, halve the number of global deaths and injuries from road traffic accidents;
- 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all;
- 3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

The relevant policies and actions can be found in sections 2.2.2 and 2.2.3.

4 – Quality education: ensure inclusive and quality education for all and promote lifelong learning.

Particularly through access to higher education for all:

- 4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university;
- 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;
- 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations;
- 4.b. By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programs, in developed countries and other developing countries.

The relevant policies and actions can be found in sections 2.3.1, 2.3.2 and 2.2.3.

8 – Decent work and economic growth: promote inclusive and sustainable economic growth, employment and decent work for all.

Particularly concerning the protection of workers' rights, working conditions and their protection:

- 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;
- 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;
- 8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The relevant policies and actions can be found in section 2.3.1.

9 – Build resilient infrastructure, promote sustainable industrialization that benefits everyone, and encourage innovation.

Above all, promote sustainable industrialization and innovation:

- 9.2: Promote sustainable industrialization that benefits everyone, and significantly increase the contribution of industry to employment and gross domestic product by 2030, depending on the national context, doubling it in the least developed countries.
- 9.4: In the years to 2030, modernize infrastructure and adapt industries to make them sustainable through more efficient use of resources and greater use of clean and environmentally sound industrial technologies and processes, with each country acting in proportion to its means.
- 9.5: Step up scientific research, enhance the technological capabilities of industrial sectors in all countries, especially developing ones, notably by encouraging innovation and significantly increasing the ratio of people working in research and development per million inhabitants, and by increasing public and private spending on research and development in the years to 2030.

The relevant policies and actions can be found in sections 2.2.2.2 and 2.2.3.2.

10 – Reduced inequalities: reduce inequality within and among countries.

- 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status;
- 10.3. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard;

The relevant policies and actions can be found in sections 2.3.1 and 2.3.4.

12 – Responsible consumption and production.

- 12.2. By 2030, achieve the sustainable management and efficient use of natural resources;
- 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life-cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment;
- 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse;
- 12.a. Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production;

The relevant policies and actions can be found in section 2.2.2.

13 - Climate action: take urgent action to combat climate change and its impacts.

- 13.2. Integrate climate change measures into national policies, strategies and planning.

The relevant policies and actions can be found in section 2.2.2.3.

2.1.5 Stakeholder dialog EFPD14c

With its Drive the Future strategic plan, which aims to make sustainable mobility accessible to all, Groupe Renault claims and reaffirm its vision of the automobile in the service of people and society. Consistent with its vision, Renault maintains open and constructive dialog with its stakeholders. Because expectations differ, Renault strives to conduct this dialog not only on a global level but also more locally by responding to the questions and needs of customers and local residents. There are many forms of dialog, which are constantly changing.

Stakeholders	Key CSR stakes (materiality matrix)	Main players by degree of closeness	Modes of dialog and communication from most to least direct	Highlights of 2018
Customers	• Road user safety • Vehicle safety • Connected and autonomous vehicles • Vehicle carbon footprint (full life cycle) • Sustainable cities (including urban mobility and congestion) and smart mobility • Cybersecurity & data privacy • Product and service affordability (including social business) • Product and service physical accessibility • Passenger health	• Retail and business customers • Sales network and importers • Road users/general public • Consumer groups • Within the framework of social business: welfare or employment providers • Volunteers, retirees or external players	• 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	• Whenever a new Renault or Dacia vehicle is launched, decision support forms are sent to the French fire service • New electric and hybrid vehicles are designed with fireman access to the battery to ensure the safety of passengers and first responders (see 2.2.3.1 Rescue)
Employees	• Employee health & safety and work environment • Responsible management • Diversity and equal opportunity • Compensation & benefits • Skills management	• Individual employees • Managers • 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	• Inaugural edition of the Mobilize Days throughout the Group • E-learning awareness-raising and training on road safety • Creation at the end of 2018 of a serious game entitled "Living Diversity Together", rolled out across the Group in 2019
Suppliers	• Supplier and dealer relations • Management of resources and the circular economy • Passenger health • Human rights	• 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, 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	• 17 International agreements • 5 technical exhibitions bringing together 16 suppliers • Presentation of awards to suppliers (including 3 for CSR)

Stakeholders	Key CSR stakes (materiality matrix)	Main players by degree of closeness	Modes of dialog and communication from most to least direct	Highlights of 2018
Investors	• All issues in the materiality matrix	• Shareholders, employee shareholders, financial institutions • Rating agencies/analysts	• Seminars, road shows • Investor Relations department • Internet site and other dedicated publications • Responses to rating requests • Group Registration Document • Toll-free number with voice server • 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) (5,574 employees as of Dec. 31, 2018) • Planetshares website enabling direct management of registered Renault shares • Nearly 300 shareholders have benefited from the various activities (visits, conferences, breakfasts, *etc.*) offered by the Shareholders' Club.
Local communities	• Industrial site safety management • Community and local development and social business • Impact of vehicles and industrial sites on air quality • Sustainable cities (including urban mobility and congestion) and smart mobility • Water and waste management • Philanthropy	• 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	• In February, the Group announced the launch of a smart electricity ecosystem on the island of Porto Santo, in partnership with Empresa de Electricidade da Madeira (EEM) • In September, Groupe Renault, Morbihan Energie, Cars Bleus and Enedis announced the creation of FlexMob'Île, a new initiative aimed at reducing the carbon footprint and promoting the energy independence of Belle-Île-en-Mer • At the end of 20 18, the Renault network included nearly 360 Garages Renault Solidaires (GRS) across France • To facilitate the response of the emergency services, 480 nearly-new vehicles were donated to fire crews for road rescue training
Institutions and associations	• All environmental and societal issues	• Industry bodies (CCFA, Acea, Anfac, *etc.*) • Employers' associations (MEDEF, AFEP, Business Europe, *etc.*) • Academics and researchers • Governments • National, European and international legislators • Independent authorities (CNIL) • NGOs/think-tanks • Consumer groups	• Partnership contracts (research institutes) • Involvement in working groups on topics of public interest or 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), whose goal is to establish a responsible supply chain for minerals and raw materials from conflict or high-risk areas. • Membership of the HeForShe campaign in partnership with UN Women France
Future generations	• Carbon footprint of vehicles • Skills management • Community and local development and social business • Affordability of products and services • Biodiversity • Diversity and equal opportunity • Road user safety • Handing on knowledge for the future	• 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.*)	• 75 students of many different nationalities trained by the Renault Corporate Foundation • Chair in Intercultural Management, in partnership with the ESCP Europe Business School • Design of 2 new education programs: MS Digital Transformation & Innovation with the ESSEC Business School, and MS Electric Vehicles and Autonomous Vehicles with Arts et Métiers-ParisTech

Materiality matrix and mapping of key stakes

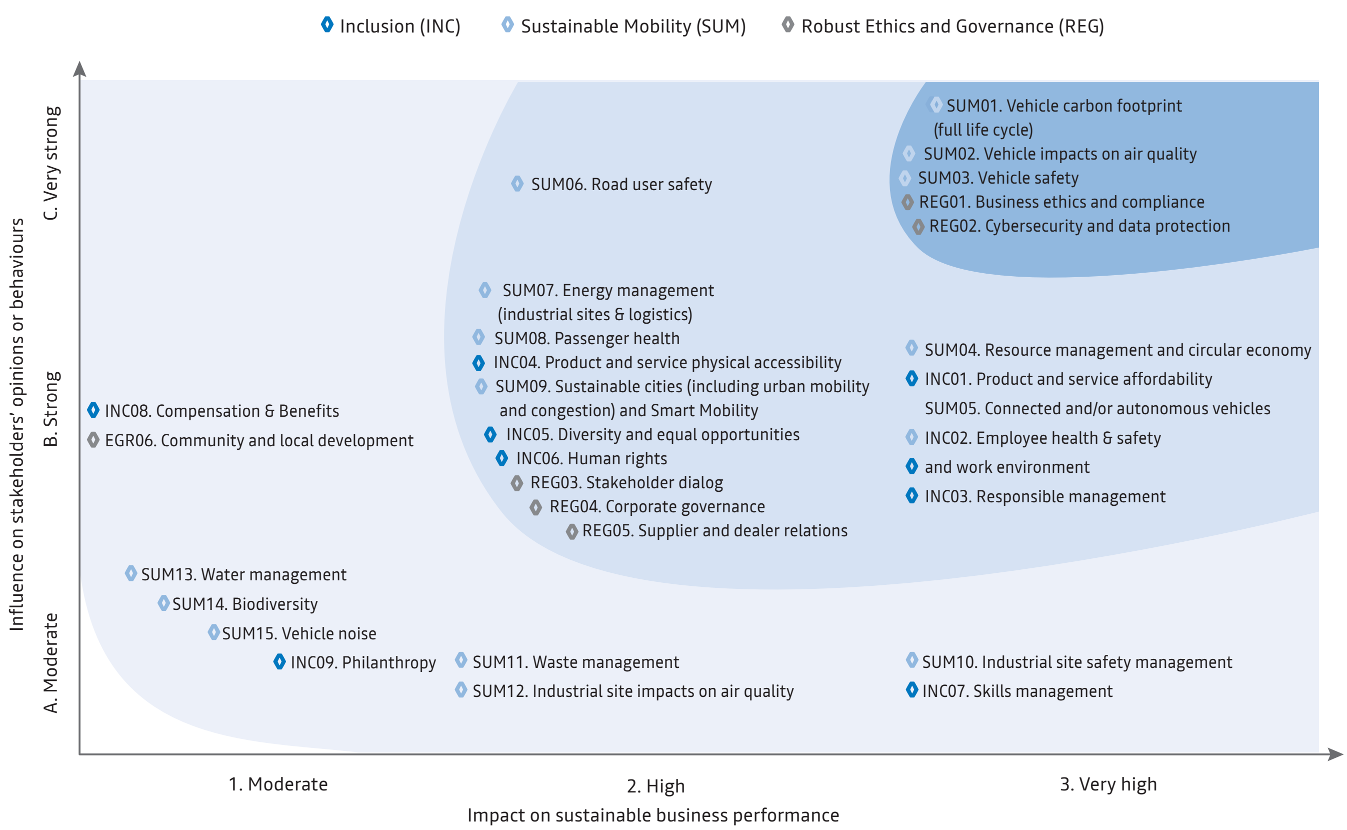
To bolster its strategy and CSR performance, in 2015 Groupe Renault has carried out a materiality analysis with the support of a firm of consultants. The aim of this analysis is to generate a materiality matrix depicting the importance of each stake identified from the point of view of stakeholder expectations and, its contribution to the performance of the business in terms of value creation. Headed by the CSR department, an interdepartmental steering committee supervised the methodological approach and the key stages of the project. The results were then validated by members of the Group Executive Committee.

Divided into three categories (Inclusion, Sustainable Mobility and Ethics & Governance), the 30 stakes identified from international standards, an industry benchmark and a literature review, were validated and positioned in the matrix following discussions with Groupe Renault senior executives and representatives of the Group's stakeholders (employees, customers, investors, suppliers, NGOs, media, environmental and future generations' representatives, as well as CSR experts).

Although all these stakes are important for the Company and its relationship with its ecosystem, the real value, but also the difficulty, of this materiality exercise is to maintain a discriminating approach to the analysis.

Indeed, it is about providing prioritized and appropriately weighted answers according to the importance of the stakes mapped.

The map identifies five critical stakes (top right-hand box) and 15 major stakes (the three boxes surrounding the critical stakes box):



A table detailing the content of each stake can be found in appendix 2.5.1.

2.1.6 Vigilance plan

In accordance with law 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), 2.2.2.2.E, 2.3.1.4 and 2.3.1.5	DV1b Sections : 2.1.6 (see below) and 2.4.2.4
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 2.2.2.2.E, 2.3.1.4 and 2.3.1.5	DV2b Section 2.4.2.4
3) Actions to mitigate risks and prevent serious infringements	DV3a Sections 2.2.2.2.E, 2.3.1.4 and 2.3.1.5	DV3b Sections 2.4.2.1, 2.4.2.2 and 2.4.2.4
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 Section 2.1.6 (see below)	Section 2.4.2.2
5) System for monitoring the measures implemented and evaluating their effectiveness	DV5a Sections 2.2.2.2.E and 2.3.1.4	DV5b Section 2.4.2.6

Groupe Renault implements reasonable vigilance measures mainly through the Global Framework Agreement on social, societal and environmental responsibility of July 2, 2013, negotiated and signed with the Group Works Council and the Industriall Global Union ("Framework Agreement"). The Framework Agreement is in line with Groupe Renault's Declaration of Employees' Fundamental Rights dated October 12, 2004, which it extends. Without being exclusive, it accordingly constitutes one of the frames of reference for the implementation and monitoring of reasonable vigilance measures pursuant to the law dated March 27, 2017.

The progress of the work is periodically presented at the Ethics and Compliance Committee.

Mapping of risks identified for the "duty of vigilance" law DV1a

Groupe Renault has chosen to distinguish the risks resulting from its activities from the risks resulting from the activities of its suppliers and subcontractors.

Within the three major categories of risks laid down by the law, the Group has identified several macro-risks concerning the activities that are specific to it:

- human rights and fundamental freedoms (see 2.3.1.4):
  - 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 2.3.1.5):
  - workplace accidents (frequency and gravity),
  - occupational illnesses;
- environment (see 2.2.2.2.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 2.4.2.4).

Professional whistle-blowing DV4

The vigilance plan includes setting up a whistle-blowing mechanism and collecting alerts relating to the existence or realization of risks, established in consultation with the representative unions of the company.

In this context, the Group has introduced a professional whistle-blowing system open to employees. The Group has also chosen to open the whistle-blowing system to external and occasional employees, as well as to suppliers and subcontractors with which an established commercial relationship exists, when these activities are related to this relationship.

The system enables suppliers and sub-contractors to raise an alert in the event of risks concerning serious infringements to human rights, fundamental freedoms, health and safety of persons or the environment, in accordance with the laws and regulations in force. It is managed by an external service provider and is accessible using the Internet or by multilingual telephone line. It guarantees confidentiality of communication and enables the whistle-blower to remain anonymous subject to local law.

Each alert is studied, as appropriate, by the Ethics Director or the Ethics Officer, depending on the country. Every year, the Ethics Director presents the Ethics and Compliance Committee and the Audit, Risks and Ethics Committee (CARE) with a detailed report containing statistics relative to professional whistle-blowing.

2.1.7 Extra-Financial Performance Declaration

2.1.7.1 Methodology for reporting extra-financial performance

Regulatory context

In accordance with the order no. 2017-1180 dated July 19, 2017 and decree no. 2017-1265 dated August 9, 2017, Groupe Renault has established the Extra-Financial Performance Declaration (EFPD). These new provisions substitute for the Grenelle 2 arrangement and lead to the presentation of information on topics addressing the Group's extra-financial risks.

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 sustainable development materiality matrix).

Process of identification of the main extra-financial risks

Identification and summary of the principal risks with regard to the expectations of the Declaration of Extra-Financial Performance (EFPD) was undertaken collaboratively, under the supervision of the Risk Management and CSR departments, with representatives of the various departments and managers in charge of subjects coming within the scope of the declaration of extra-financial performance, and notably:

- the environment;
- human resources;
- international social relations;
- purchasing and relationships with suppliers and subcontractors;
- health, safety and the environment (HSE);
- 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 Group 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 and by the Audit, Risks and Ethics Committee of the Board of Directors.

Reporting principles

This work enabled identification of a list of 29 principal extra-financial risks grouped within the following five areas:

- social;
- societal;
- environmental;
- human rights;
- the fight against corruption and tax evasion.

Policies, procedures and the results of these procedures, including performance indicators, have been established for each of these risks.

The 29 principal risks were categorized as E for the main Environmental risks, S for Social and Societal and G for Governance and related to the issues in the materiality matrix (see table in 2.1.7.2 below).

Data collection process

Each indicator is associated with a coordinator, generally a business-line expert, who has collected, checked and consolidated the data within his/her reporting scope.

The indicators are then initially validated by the manager responsible for producing the indicator within his/her activity, then validated again by the manager of the entity concerned.

All of the data is consolidated by Groupe Renault's CSR department.

Reporting scope

The EFPD target scope is identical to that of Groupe Renault's consolidated financial reporting (see section 4.2.6, note 31 to the consolidated financial statements), namely Renault SA, its subsidiaries and controlled entities (within the meaning of Article L. 233-16 of the of the French Commercial Code). When an indicator does not cover the entire scope, clarifications are provided with the indicator.

AVTOVAZ is included in the scope of CSR reporting. However, the various indicators will be gradually included in the Registration Document by the end of the "Drive the Future" (2017-2022) strategic plan.

True and fair and verifiable data

Groupe Renault has voluntarily asked one of its Statutory Auditors to certify a selection of the environmental impacts of its main industrial, office and logistics sites since 1999. This verification is done with an equivalent level of assurance to the financial data (reasonable assurance within the meaning of the IFAC's ISAE 3000 for extra-financial verification). The indicators covered by the reasonable assurance report are listed in note 2.5.6.

In accordance with Order no. 2017-1180 of July 19, 2017 on the publication of extra-financial information by certain large companies and groups of companies, amended successively by Act no. 2018-771 of September 5, 2018, Act no. 2018-898 of October 23, 2018 and Act no. 2018-938 of October 30, 2018, Decree no. 2017-1265 of August 9, 2017 to implement Order no. 2017-1180 of July 19, 2017 and the decision of September 14, 2018 amending the decision of May 13, 2013, the Group appointed an independent third party to verify the compliance of the EFPD (Extra-financial performance declaration) and the accuracy of the information contained therein. This information is incorporated in the Renault SA management report.

2.1.7.2 Risk Mapping EFPD-B

Environmental information

THEME	Principal risk	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
CLIMATE CHANGE	01) Physical risks: exposure of sites to extreme weather events with potential negative consequences on industrial and logistics activities, supply and insurance premiums 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) Impact of the evolution of regulatory and normative requirements related to environmental performance of vehicles and/or industrial processes and, more broadly, greenhouse gas reduction targets defined in the context of the COP21 agreement and applied to the automotive sector	• Vehicle carbon footprint (full life cycle) • Energy management (industrial and logistics sites) • Industrial sites safety management	• Line-up electrification plan (Drive the Future) • Environmental Mid-term Plan (2017-2022) • Renault Green Purchasing Guidelines • HSE 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)	2.2.2.2.D 2.2.2.3.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	• Vehicle impacts on air quality • Industrial sites impact on air quality • User health • Vehicle noise		• Upstream expertise: anticipation and active monitoring (science, technologies, public policy scenarios, regulation, taxation, traffic limitation/facilitation policies) • Design: deployment of Renault and Alliance standards on substances • Industrial processes: volatile organic compound (VOC) reduction plan • Use phase: reduction of emissions through electric vehicles, new mobility offers and the emissions reduction plan for internal combustion engines	• Leader in terms of EV market share in Europe • Number of hazardous chemicals on the Group's sites (target: 20% reduction in 2016-2022) • VOC emissions in g/m² painted assembled body (target: 25% reduction in 2013-2022)	2.2.2.3.A 2.2.2.3.B 2.2.2.3.C
RESOURCES SCARCITY	07) Restrictions or even disruptions in access to resources linked to an imbalance between supply and demand (market logic: increase or volatility of prices), a sourcing problem or geopolitical issues (*e.g.* raw materials, water, *etc.*) 08) Management of non-recoverable or non-recyclable waste (production site waste, end-of-life vehicles)	• Resource management and circular economy • Waste management • Water management	• Line-up electrification plan (Drive the Future) • Environmental Mid-Term Plan (2017-2022) • Renault Green Purchasing Guidelines • HSE Mandatory Rules	• Eco-design standards applied to vehicles and batteries: frugal use of rare materials, use of recycled materials, predisposition for end-of-life, avoidance of the use of minerals sourced from conflict zones, raw material criticality analysis • 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) • Unrecycled waste in kg per veh. (target: 25% reduction in 2013-2020) • External supply of water per veh. (target: 20% reduction in 2013-2020)	2.2.2.3.B 2.2.2.3.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	• Industrial sites impact on air quality • Industrial site safety management • Water management • Waste management • Biodiversity		• 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).	• 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)	2.2.2.2.A 2.2.2.2.B

Social information

THEME	Principal risk	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
EMPLOYEE HEALTH AND SAFETY	12) Occupational accidents (frequency and seriousness) 13) Occupational diseases	• Employee health & safety and work environment	• 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 • Mandatory and key requirements based on the roadmap and with structured follow-up • Creation and application of HSE standards	• FR1r rate (with annual objective) • FR2r rate • G1 • Occupational diseases	2.3.1.5
COMPETENCES	14) Limited talent retention due to lower attractiveness on the labor market or a high departure rate	• Diversity and equal opportunities • Competency management • Compensation and benefits	• Employer Value Proposition (EVP)	• Enhancing Renault's image as an employer of choice • Develop the Employer Value Proposition • Measures taken to promote the employment and integration of people with disabilities • Anti-discrimination policy • Initiatives to promote diversity (*e.g.* Women@Renault)	• Workforce by gender/age • Women in key positions • Rate of women managers • Rate of disabled people in the total workforce • Number of recruitments (Group) • Number of dismissals (Group)	2.3.1.1 2.3.1.2
	15) Insufficiency of skills required to achieve the objectives of the mid-term plan, with a possible negative impact on costs of personnel, quality of products and services and innovation, production and distribution capacities of our products, services and solutions		• Skills management policy	• Skills management: • Creation of business skills reference guides • Creation of a cross-functional skills reference guide • Rollout of Learning@Renault and training programs	• Training access rate • Average number of training hours per employee • Number of training hours (Group)	2.3.1.3
WORKING ENVIRONMENT	16) Failure to respect social bodies	• Health, safety and work environment • Responsible management • Dialog with stakeholders	• 2013 Global Framework Agreement (GFA)	• 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 Committtee, including information and consultation (European body)	2.3.1.4 2.3.1.5
	17) Dissatisfactions related to some aspects of life at work: professional relations, inclusion, work life balance, work environment		• Complementary new Global Framework Agreement (under negotiation)	• Organization of the monitoring of the Global Framework Agreement currently being negotiated • Local social dialog	• Number of meetings related to new GFA (as of 2019)	
HUMAN RIGHTS	18) Discrimination in employment and occupation (ILO 111)	• Human rights	• 2013 Global Framework Agreement (GFA)	• As above	• Number of situations reported as irregular by trade union organizations	2.3.1.2 2.3.1.4
	19) Unequal remuneration (ILO 100)			• Global Framework Agreements on specific indicators corresponding to these agreements	• Number of situations reported as irregular at Groupe Renault Works Council	

Societal information

THEME	Principal risk	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
LOCAL DEVELOPMENT	20) Insufficient adaptation of products and services to the challenges of the "sustainable territories"	• Vehicle safety • Road user safety • Connected/ autonomous vehicles	• 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 E.V. in car sharing	2.2.1.2 2.2.3 2.3.4
	21) Insufficient contribution of the Group to the development of the areas where it operates	• Sustainable cities • Sponsorship • Community and local development • Dialog with stakeholders • Economic and physical accessibility to products and services	• 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 partnersand contract with potential local partners	• Local integration rate per country where Renault has industrial sites	2.1.5 2.2.1.2 2.3.4 2.4.2.3
ROAD SAFETY	22) Inappropriate use of vehicles or equipment by the customer	• Vehicle safety • Road user safety • Connected/ autonomous vehicles	• 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	• Number of ADAS tutorial videos	2.2.3
DATA PROTECTION	23) Breach of the Group's data, or those of its staff, customers or stakeholders	• Cybersecurity and data protection	• 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)	2.4.4

Governance information

THEME	Principal risk	Coverage of the materiality matrix stakes	Policy	Reasonable diligence procedures	Performance indicators	Section
ANTI-CORRUPTION	24) Risks related to the Group's international exposure 25) Risks related to transactions with third parties (suppliers, intermediaries and clients) 26) Risks related to transactions with public agents	• Business ethics and compliance • 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. Whistleblowing 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 and CARE (Audit, Risks and Ethics 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 system (TIM) and inclusion of anticorruption clauses in contracts • Strengthening of the Ethics Network (Ethics 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 whistleblowing system • Number of countries in which the TIM process has been rolled out • Number of Ethics officers • Number of people trained • Number of alerts issued and processed	3.4
RELATIONSHIP WITH SUPPLIERS & SUPPLIES	27) Non-compliance by suppliers to comply with the Group's responsible purchasing policies 28) Use of sensitive supply chains (for social, societal and/or environmental reasons)	• Human rights • Resources management and circular economy • Supplier and dealer relations • Business ethics and compliance	• Global Framework Agreement • Renault-Nissan Guidelines on "Corporate Social Responsibility (CSR)" at suppliers • Renault Green Purchasing Guidelines (updated in 2018) • Renault-Nissan Purchasing Way (updated in 2018)	• Online third party CSR self-assessment questionnaire • Third-party field audits, including in sensitive supply chains • Active participation in cobalt supply chain initiatives (RMI & RCI)	• Percentage of purchasing amount with CSR assessment • Percentage of purchasing amount with CSR assessment at expected level • Number of on-site audits	2.4.2 3.4
FIGHT AGAINST TAX EVASION	29) Uncertainties in the interpretation of the regulations or the execution of the company's tax obligations	• Business ethics and compliance • Corporate governance	• Group tax governance	• Dedicated persons implementing the group tax policy worldwide • Under permanent tax audits in France and worldwide		2.4.3

2.1.7.3 Cross-reference table

Cross-reference tables for the items required by Articles L. 225-102-1 and R. 225-105 et seq. of the French Commercial Code (law of August 9, 2017)	Pictogram Number	Chapter	Compliant or explanation
The Company's business model	EFPD-A	Introduction	
Principal CSR risks related to the Company's activity	EFPD-B	2.1.7.2	
1° SOCIAL INFORMATION			
a) Employment	**EFPD1**		
Total workforce	EFPD1a	2.3.1.1.B.a	
Breakdown of employees by gender	EFPD1b	2.3.1.2.A.b	
Breakdown of employees by age	EFPD1c	2.3.1.2.A.d	
Breakdown of employees by region	EFPD1d	2.3.1.1.B.a	
Hires	EFPD1e	2.3.1.1.B.b	
Redundancies	EFPD1f	2.3.1.1.B.c	
Payroll expenditure and trends	EFPD1g	2.3.1.2.B.c	
b) Work organization	**EFPD2**		
Organization of work time	EFPD2a	2.3.1.4.E	
Absenteeism	EFPD2b	2.3.1.4.E	
c) Health and safety	**EFPD3**	2.3.1.5	
Workplace health and safety conditions	EFPD3a	2.3.1.5	
Working accidents, notably frequency and severity, and occupational illnesses	EFPD3b	2.3.1.5.D	
d) Industrial relations	**EFPD4**		
Organization of social dialog, in particular procedures relating to notification and consultation of employees and negotiations with employees	EFPD4a	2.3.1.4.A 2.3.1.4.B	
Summary of collective agreements, in particular on workplace health and safety	EFPD4b	2.3.1.4.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	2.3.1.4.C	Compliant
e) Training	**EFPD5**		
Training policies implemented, in particular those relating to environmental protection	EFPD5	2.3.1.3.A	
f) Equal opportunities	**EFPD6**		
Measures taken to promote gender equality	EFPD6a	2.3.1.2.A.b 2.3.1.4.A	
Measures taken to promote the employment and integration of people with disabilities	EFPD6b	2.3.1.2.A.e 2.3.1.4.A	
Anti-discrimination policy	EFPD6c	2.3.1.2.A 2.3.1.4.A	
• Action taken to fight discrimination and promote diversity and measures taken In favor of people with disabilities	EFPD6d	2.3.1.2.A.e 2.3.1.4.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	2.2.2.2	
Resources dedicated to preventing environmental risks and pollution	EFPD7b	2.2.2.2.B 2.2.2.2.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	2.2.2.3.C 2.2.2.3.D 2.2.2.3.E	
Mitigation of all forms of pollution specific to an activity, in particular noise and light	EFPD8b	2.2.2.3.C	
c) The circular economy	**EFPD9**	2.2.2.3.B	Compliant
d) Waste prevention and management	**EFPD10**	2.2.2.3.B	
Waste prevention, recycling, reuse and other forms of recovery and elimination	EFPD10	2.2.2.3.B	
Actions to reduce food waste	NA		Topics deemed not pertinent In light of the Group's activities.
• Actions to combat food insecurity	NA		
• Ensuring responsible, fair and sustainable food	NA		

Cross-reference tables for the items required by Articles L. 225-102-1 and R. 225-105 et seq. of the French Commercial Code (law of August 9, 2017)	Pictogram Number	Chapter	Compliant or explanation
e) Sustainable use of resources	**EFPD11**		
Water consumption and water supply depending on local constraints	EFPD11a	2.2.2.3.D	
Raw material consumption and measures taken to improve efficiency in their use	EFPD11b	2.2.2.3.B	Compliant
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	EFPD11c	2.2.2.3.A	
Land use	EFPD11d	2.2.2.3.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	2.2.2.3.A	
Measures taken to adapt to the consequences of climate change	EFPD12b	2.2.2.3.A	Compliant
Medium and long-term reduction targets set voluntarily to reduce greenhouse gas emissions and resources put in place for this	EFPD12c	2.2.2.3.A	
g) Protection of biodiversity	**EFPD13**		
Measures taken to preserve or restore biodiversity	EFPD13	2.2.2.3.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	2.2.1.2 2.4.2.3	
Impact of the Company's activity on residents and local populations	EFPD14b	2.3.3.1.A	Compliant
Relations with stakeholders and terms and conditions of dialog with them	EFPD14c	2.1.5 2.3.3.1	
Partnerships and sponsorship initiatives	EFPD14d	2.3.3.1.B	
b) Sub-contractors and suppliers	**EFPD15**		
Inclusion of social and environmental issues in the purchasing policy	EFPD15a	2.4.2	
Ensuring that relations with suppliers and sub-contractors include their social and environmental responsibility	EFPD15b	2.4.2	
c) Fair practices	**EFPD16**		
Measures taken in favor of consumer health and safety	EFPD16a	2.2.2.3.C 2.2.3.1	
Actions to fight against corruption	EFPD16b	3.4.3	
Actions to fight against tax evasion	EFPD16c	2.4.3	
• Use of the products and services it produces	EFPD16d		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	2.3.1.4.A	
Elimination of discrimination in employment and occupation	EFPD17b	2.3.1.2	
Elimination of forced or compulsory labor	EFPD17c	2.3.1.4.A 2.4.2.4	
Effective abolition of child labor	EFPD17d	2.3.1.4.A 2.4.2.4	
b) Other actions implemented to promote human rights	**EFPD18**	2.3.1.4.A	

2.2 SUSTAINABLE MOBILITY

Our vision: "Ensure sustainable mobility for all, today and tomorrow."

2.2.1 Changing mobility

Although owning a car is still a major aspiration for millions of people worldwide, technology and the ways in which vehicles are used are changing with vehicle electrification, the development of autonomous vehicles and the gradual move from an economy of ownership to one of use and services.

These new forms of mobility are dramatically changing uses, territories and industries. Carmakers alone cannot redefine and shape tomorrow's mobility. The company is therefore opening up to new players from a wide variety of backgrounds, including universities, start-ups, local authorities and institutions, who are taking up the challenge.

Groupe Renault has a strategy designed to understand, analyze and anticipate new mobility so that it can offer solutions meeting the needs of users, whether drivers or passengers, today or tomorrow.

2.2.1.1 Through discussions with the academic world

Through the support it provides for academic research, Groupe Renault has set itself the challenges of bringing researchers and professionals together to exchange ideas with a view to developing the technological solutions and services of the future, and understanding tomorrow's consumer purchasing decisions.

Supporting academic institutions and chairs

Groupe Renault supports higher education institutions through its commitment to academic chairs. Renault experts are currently involved in support for 15 academic chairs in high-value subjects.

Theme	Academic partner	Partners	Creation Date
Connected cars and cybersecurity	Fondation Mines Télécom, Télécom ParisTech	Thalès, Valeo, Wavestone, Nokia	2017
Inter-cultural management	ESCP		2017
Operational excellence and managerial innovation	ESSEC	Orange, Bristol Myers Squibb (BMS), Sanofi, Humanis	2017
Social dialog and business competitiveness	ESCP	Solvay, Airbus, Sodexo	2016
Urban logistics	École des Mines	La Poste, ADEME, Mairie de Paris, Groupe Pomona	2016
Robustness, reliability, and energy performance of electric propulsion in cars using advanced control and observation techniques	Institut de Recherche en Communications et Cybernétique (IRCCYN), École Centrale Nantes		2016
Design of use-oriented urban systems (Anthropolis)	Institut de Recherche Technologique SystemX, École Centrale Supelec	SNCF, RATP, GDF Suez, ALSTOM	2015
In-car lighting systems	Institut Supérieur d'Optique, École Supérieure des Techniques Aéronautiques et de Construction Automobile (ESTACA), Strate École de Design	PSA, Valeo automotive lighting	2014
Uses of vehicles between services rendered and ownership in Japan, Korea, and Europe	Fondation France-Japan de l'École des Hautes Études en Sciences Sociales	-	2014
Mobility and quality of life in urban environments	Université Pierre et Marie Curie	PSA Peugeot Citroën	2013
Theory and methods of innovative design	Mines ParisTech	Dassault Systèmes, RATP, Thales, Vallourec	Renewed in 2013
Smart Mobility	Université Pierre et Marie Curie	Atos Origin	2012
Enterprise & Poverty	HEC ParisTech	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

Sustainable mobility institute (IMD)

In 2009, Renault, the ParisTech Foundation and ParisTech launched a multidisciplinary platform to conduct joint research into the future of transport and mobility solutions. It provides academic analyses on problems related to mobility and innovative solutions to them throughout the world, to make sure that they are acceptable and determine their potential for large-scale roll-out.

This partnership has resulted in collaboration between Renault experts and teachers/researchers and students from Paris Tech, with two main objectives:

- to promote research into the design of innovative mobility systems, based on connected, autonomous (AVs) electric vehicles (EVs);
- to train top-level managers and scientists to meet the demands of manufacturers in the transport segment and the scientific and technological challenges of sustainable mobility.

The Institute's governance was set up with seven academic establishments (Polytechnique/X, Ponts, Mines, Telecom, Arts & Métiers, Chimie Paris, ENSTA), led by the École des Ponts and the Fondation ParisTech.

The Sustainable Mobility Institute runs research programs and develops training in four main areas, involving these ten Paris Tech research laboratories and seven schools:

- "Mobility ecosystem" and changes to practices, which was extended in 2017 to the African continent;
- "Business model" for anticipating the economic consequences of electric and autonomous vehicles;
- "Global vision" to identify and promote existing and future sustainable mobility solutions (environment, energy, raw materials and new industrial ecosystems).

The topic "Breakthrough technologies" was suspended, to be repositioned on a topic with greater focus on "technology ecosystems", meaning the understanding of factors which contribute to the development of technologies.

Iddri – Institute for sustainable development and international relations (IDDRI)

Over the last six years, Renault has been a partner to the Institute for sustainable development and International Relations (IDDRI), a think tank that aims to promote the transition towards sustainable development and prosperity for all. Its work focuses on four main topics: climate, biodiversity and ecosystems, oceans and governance of sustainable development.

This partnership is therefore an opportunity to share visions and best practices with all players in the mobility ecosystem (manufacturers, power-supply specialists, public transport, infrastructure and institutional players) and jointly construct a coherent process to promote sustainable mobility worldwide.

VeDeCom Institute – Zero-carbon communicating vehicles

Renault is one of the founding members and an associate donor of the VeDeCom Institute, one of the Institutes for Energy Transition set up as part of the French Government's Investment Plan for the Future (*Plan d'Investissement d'Avenir*). It is supported by the Mov'eo competitiveness cluster and several local authorities (Versailles Grand Parc and Saint-Quentin-en-Yvelines city authorities, and Yvelines Departmental Council).

VeDeCom is an institute for shared and co-located research into electric, autonomous and connected vehicles and the mobility ecosystem built on infrastructures and services addressing new uses for shared mobility and energy. VeDeCom has more than 40 members from different industry and service sectors (automotive, aeronautics, systems engineering, electronic components, ITC and numerical simulation, infrastructure management and transport operators, digital networks and energy grid operators), from several research and higher education institutions, and from local authorities, all of whom have agreed to collaborate on pre-competitive and pre-normative research topics. Such research involves a multidisciplinary effort bringing together physicists and chemists, mechanical, electrical and electronics engineers, computer scientists, as well as sociologists, psychologists, economists and lawyers to study the impacts and acceptability of these new types of use in order to promote suitable ergonomic and regulatory frameworks.

VeDeCom was re-selected at the end of the three years. It is now recognized as a key player, particularly on the fundamentals of mobility. Renault's contribution to the Institute's activities consisted of around €9.3 million in funding and the permanent secondment of four to six experts. VeDeCom will continue to grow as more members join from industries related to sustainable mobility and Renault will maintain its annual investment of €2.5 million.

2.2.1.2 Through innovative solutions EFPD14a

From 2009, with the public unveiling of its vision, to today, with the acceleration of its investments, Groupe Renault has never ceased to be in the forefront in promoting the emergence of electric mobility. Backed by its experience in this area, it is pushing back the boundaries of its traditional business and establishing partnerships that enable it to go well beyond the mere development, manufacture and marketing of products. To promote the large-scale deployment of electric mobility solutions, it is investing in the development of the electrical ecosystem (infrastructure, second life of batteries, smart recharging, *etc.*) with partners from highly diverse backgrounds.

A. Promote electric mobility

The city of the future will be smarter 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, car pooling, as well as robot vehicles.

The electric vehicle is particularly adapted to the new mobility services that are developing in cities, such as car sharing and private hire cars, for example. A pioneer and leader in electric mobility in Europe, Groupe Renault offers a complete range of electric vehicles already pre-adapted for sharing and which can fulfill the various transport requirements for passengers or goods. These new mobility services, based on electric vehicles, contribute to the decongestion of cities by complementing other types of transport such as buses, the metro or bicycles, which are already present in the city.

Today in Europe, several car sharing services operated by the Group's partners use Renault electric vehicles: for example 650 ZOE in Madrid with Zity, 500 in Paris with Moov'in Paris, 400 in Copenhagen with Green Mobility and 200 TWIZY in Marseille with Totem. These vehicles are accessible on a self-service basis and can be reserved and opened simply and directly from a smartphone: **Renault already has the largest fleet of electric vehicles used for car sharing in Europe and had more than 5,000 in operation at the end of 2018**.

The electric car is already connected by nature: in future it will also be autonomous, which will make traffic more fluid in the city.

The development of autonomous vehicles and shuttles will improve complementarity between transport modes and facilitate multi-modality.

Renault is trialling, together with public and private partners, autonomous ZOE, which will eventually need no human intervention: Rouen is the first European city to test this on the public highway. These ZOE pick up several passengers on a defined circuit to serve different points of activity within a district that is not accessible by public transport.

B. Become a player in smart energy and electrical ecosystems

In 2018, Groupe Renault reaffirmed its intention **to develop a smart electrical ecosystem in favor of the energy transition and mobility for all, establishing several public and private partnerships (PPP)**.

In February 2018, it announced, with EEM, Empresa de Electricidade da Madeira, a producer, transporter and distributor of energy in the Portuguese archipelago of Madeira, the launch of a smart electrical system on the island of Porto Santo. An innovative program, called Smart Fossil Free Island was implemented by the regional government of Madeira to promote the energy transition of the island. Based on electric vehicles, second life batteries, smart recharging and reversible recharging, **this first "smart island" in the world** aims to improve the energy independence of the island and promote its production of renewable energy.

Following on from this program, in September 2018 Groupe Renault, Morbihan Energie, Cars Bleus and Enedis announced the creation of FlexMob'Île, a new project aiming to reduce the carbon footprint and promote the energy independence of Belle-Île-en-Mer.

Last October, Groupe Renault signed new agreements with three key players in the energy market in Europe: EDF, Total and ENEL.

The cooperation with EDF covers the optimization of self-consumption, the development of smart islands and setting up green electricity offers.

The Group has formed a partnership with Total and the start-up Jedlix to launch a smartphone application for the smart recharging of electric vehicles in France.

Lastly, Groupe Renault and Enel X, a subsidiary of ENEL, will work on synergies between the two groups in order to offer charging solutions adapted to the requirements of their respective customers and thus promote electric mobility.

C. Develop mobility offers and services with Renault Bank and Services

To become an operator of mobility services is a strategic ambition that began three years ago for RCI Bank and Services (wholly-owned by Groupe Renault).

In 2018, RCI Bank and Services continued developing its services offer to respond to the new mobility requirements of its customers via its subsidiary – **Renault Mobility** – launched in 2015.

A car sharing offer was developed, marketed under the brand **Glide**. It is currently available in the Renault network in France under the name of **RCI Mobility**. It already has more than 2,800 cars accessible 24 hours a day and 7 days a week through a mobile application, via the Renault network or via partners such as Ikea. In all countries where RCI Bank and Services is present, RCI Mobility enables its corporate customers to optimize the use of their vehicle fleets.

In August 2017, RCI Bank and Services acquired **Marcel**, an operator of private hire cars in Île-de-France. Marcel had a portfolio of 200,000 customers at the end of 2018, with a satisfaction rate of 97.5%. Marcel's offers, available in B2B and B2C, were quickly enhanced with a mobility proposal with an eco-responsible driver. Thus, in September 2018, Marcel launched e.co, the first range of private hire cars that are 100% electric, economical and eco-responsible, with a fleet of 150 ZOE at the end of December 2018. The e.co range already represented 20% of Marcel's journeys in 2018, after only four months of activity over the year.

Since 2017, RCI Bank and Services has also offered three products intended for professional customers:

- the **Karhoo** platform is an offer that is unique in the world and which aggregates taxi and private hire car offers for professional customers. It already enables access to more than 228,000 vehicles throughout the world and will bring new customers to fleets registered with the platform;
- **YusoFleet** offers dispatching software enabling fleets to optimize the allocation of their drivers, using advanced algorithms. At the same time, YusoFleet is developing new and innovative solutions to enhance its mobility offer, in the areas of home delivery and pooling;
- the payment solution **COMO Urban Mobility**, created in partnership with the Luxembourg start-up COMO, which can handle flows of payments, the invoicing process and automated and large-scale bank reconciliation, has been marketed since February 2018, with the first contracts signed in the United Kingdom with Nissan.

Lastly, in June 2018, RCI Bank and Services took a majority stake of 75% in **iCabbi**, a dispatching company for taxi and private hire car fleets. Founded in 2010 in Ireland, iCabbi then developed in the United Kingdom, the United States and Canada. 72,000 taxis and private hire cars signed with iCabbi throughout the world. Its algorithm and its flexible cloud solution are capable of managing

3.5 million journeys per week. This majority stake fulfills the ambition of RCI Bank and Services to support the Alliance in its new mobility strategy.

D. 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, which is projected to represent 68% of the global population by 2050, comes with countless challenges: developing urban mobility while limiting pollution, providing solutions to climate change and for the 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.

Renault contributes to collective thinking on sustainable mobility systems in cities, and particularly on mobility ecosystems. It is a member of the LaVilleE+ #VilleAgileDurable consortium led by Société Générale to co-create a more human, inclusive and sustainable city for tomorrow. LaVilleE+ has brought in big public and private contractors currently shaping territorial development to work on two thrusts, Concertation and Impact. 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.

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 is also a member of the SiMPlify project within the WBCSD (World Business Council for Sustainable Development), which aims to provide a set of indicators enabling cities to measure their performance in terms of sustainable mobility from an economic, environmental and social perspective. The SiMPlify project provides support for cities wanting to self-evaluate and then improve their transport systems to meet best practice.

Renault freely shares its expertise in this area via numerous thematic round-tables and seminars.For more information, go to: https://sharedmobility.group.renault.com/en/.

2.2.2 Environment

2.2.2.1 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 business opportunities and boosts competitiveness.

The automotive industry needs to address major environmental issues:

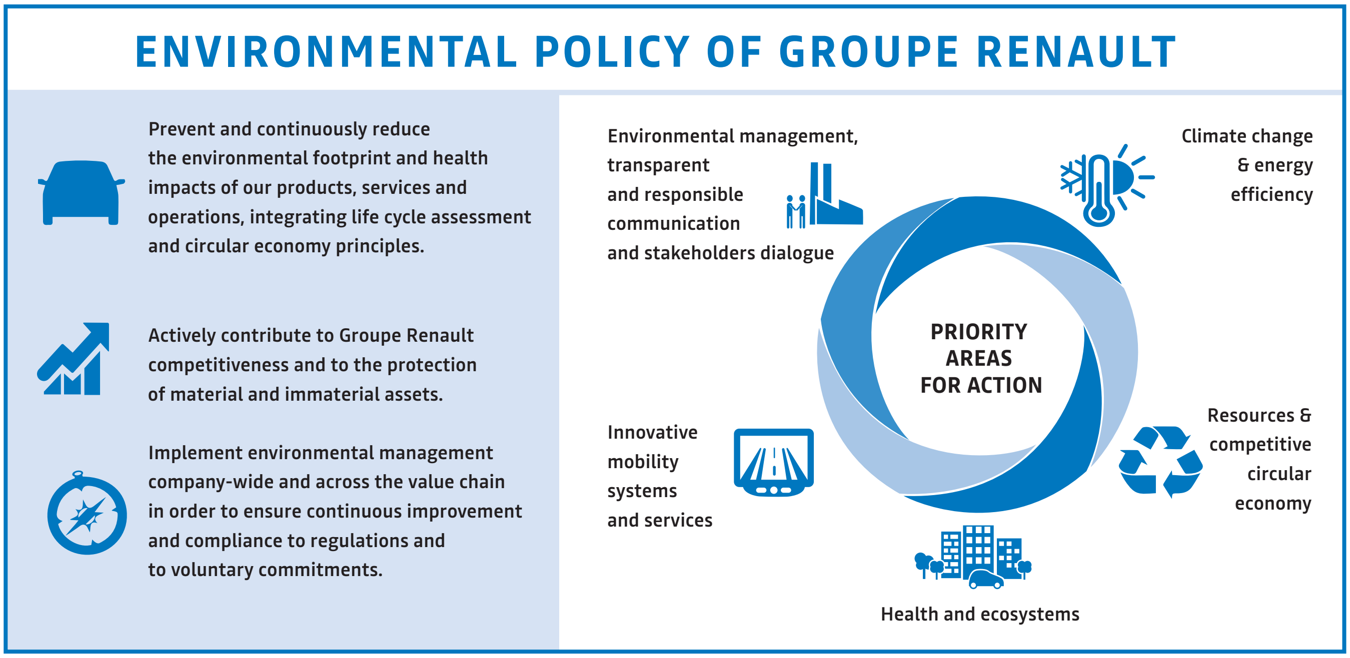
- climate change related to greenhouse gases, for which the Paris COP 21 agreement has plotted an ambitious reduction path;
- resources, the limited availability of which implies changing modes of production and use;
- health, a major concern (particularly in cities), which requires reduction of pollutant emissions.

To respond to these challenges, Groupe Renault specified the environmental component of its new strategic plan at the beginning of 2018. This is based on three enablers for transforming individual mobility, which are real drivers of competitiveness:

- the electric vehicle and services provided by batteries to the energy sector, notably through their second life use and smart recharging systems which can accelerate the transition to renewable energies;
- the circular economy, for which the Group can rely on a complete industrial ecosystem for recycling and remanufacturing and which constitutes, for the most strategic or critical materials, both a response to the environmental challenge and an economic asset;
- new electric mobility services, which are fully adapted to urban travel plans, providing benefits by reducing congestion, improving air quality and the efficient use of resources.

The Group is committed to reducing the environmental impact of its products throughout their life-cycle, and from one generation to the next (see 2.2.2.2), and, through its Drive the Future strategic plan, aims to reduce its carbon footprint by 25% in 2022 compared to 2010.

This voluntary and proactive effort is not just the result of Renault's historical commitment to sustainable development benefiting the greatest number of people. Environmental performance has increasing financial implications and is a determining factor in the Company's competitiveness, as demonstrated by the second pillar of Groupe Renault's Environmental Policy approved by its Chairman and Chief Executive Officer in 2013.



2.2.2.2 Company-wide environmental management EFPD7a

Environmental objectives		Objective set	Deadline	Status as of end-2018
Product	Reduce the impact on the basis of the life-cycle analysis from generation to generation	2005	Continuous	New DUSTER vs DUSTER : reduction of 3%-7% depending on impacts
Product	Publish the life-cycle analyses on the site groupe.renault.com for each new model marketed in Europe along with their review by an independent expert	2016	Continuous	LCA of TWINGO III, MEGANE IV, SCENIC IV, KADJAR, TALISMAN, ESPACE V and FLUENCE Z.E, New DUSTER published
Manufacturing	Carry out annual audits of 100% of manufacturing sites and the main tertiary and logistic sites of Groupe Renault (1) on the environment and risk prevention (internal audits)	2003	Continuous	100%
Manufacturing	ISO 14001 certification of 100% of Groupe Renault (1) manufacturing sites	2012	Continuous	100%

(1) Sites in the scope of consolidation, excluding AVTOVAZ, in which Groupe Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is currently in development.

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 new Drive the Future plan by the Strategic Environmental Planning department covers all of Groupe Renault's activities and supports its development strategy for new products and services, including electric, connected and autonomous vehicles and vehicle-to-grid services.

A. Life-Cycle Assessment (LCA)

Since 2005, Renault has been committed to reducing the environmental impact of its vehicles throughout their life-cycle, from one generation to the next. In order to ensure and monitor compliance with this commitment, since 2004, Groupe Renault measures the environmental impact of its vehicles throughout their life-cycle, from the extraction of the raw materials needed for their manufacture until their end-of-life. Life-Cycle Assessments (LCA) are therefore performed:

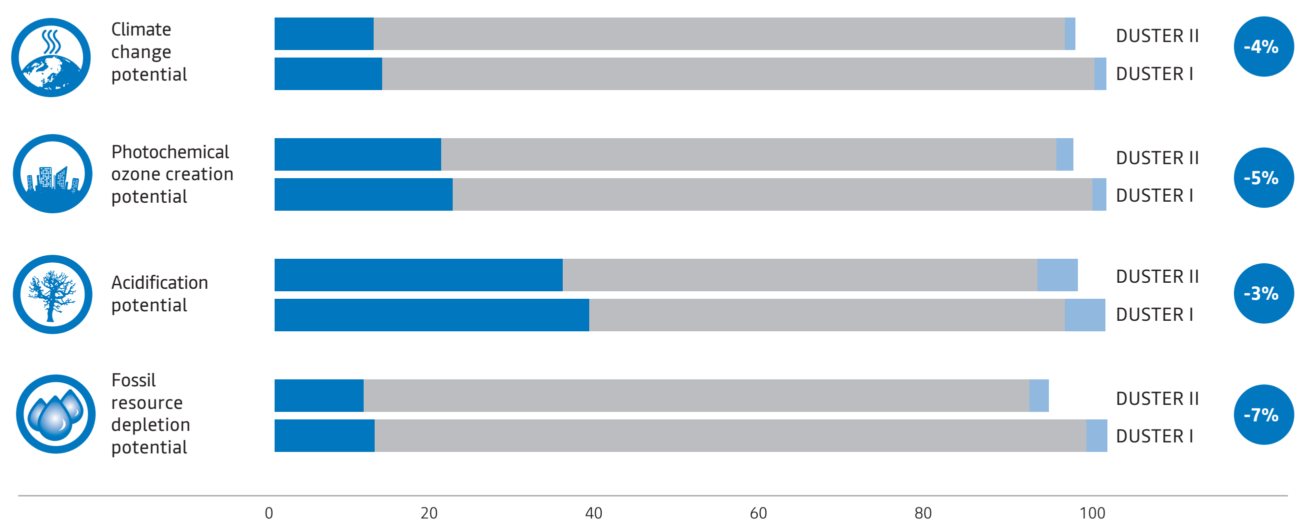
- prior to the vehicle design process, to analyze the potential environmental impact and benefits of technological innovations;
- after the design process, to confirm and measure the reduction of environmental impacts from one generation of vehicle to another.

At end-2018, 23 models representing 75% of the Group's global passenger car sales under the Renault, Dacia, Alpine and RSM (Renault Samsung Motors) brands were thus subjected to a complete LCA. Starting with the launch of the Twingo III in September 2014, all new models are subjected to a comparative LCA with respect to their predecessor. Each of these LCAs is subjected to a critical review by an independent expert following the ISO 14040 and 14044 standards, to evaluate, firstly, the methodology used and, secondly, all of the calculations and interpretations performed. The LCA reports for new models, together with their reviews, are put online on the website www.group.renault.com/en/our-commitments/.

For further methodological details, please refer to section 2.5.3.1.

The comparative LCA for the New DUSTER (2017) compared to the DUSTER (2010) presented below shows the reduction in the environmental impacts between the two generations of this model.

LCA COMPARISON BETWEEN NEW DUSTER (2017) AND DUSTER (2010)



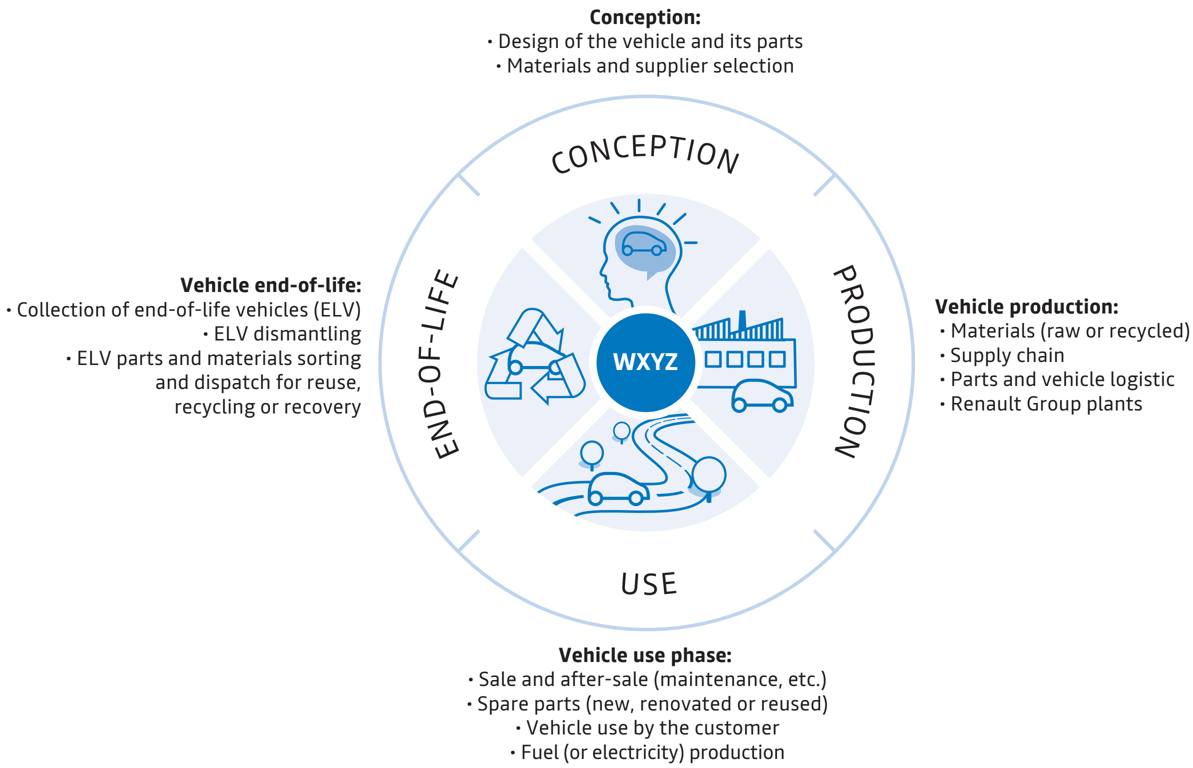
B. Action at all stages of the life-cycle EFPD7b

This section presents the Environmental Management System (EMS) implemented by Groupe Renault according to the different stages in a vehicle's life-cycle, from design to end of life recycling.

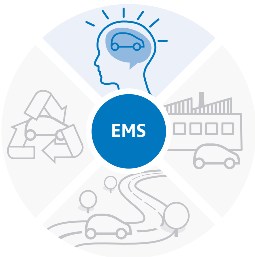
In order to make them easier to understand and to read, these stages have been divided into four main phases:

- design;
- manufacture;
- use; and
- end of life.

Symbols such as the one below will be used in this section and up to 2.2.2.3.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 with 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 2.4.2).

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 2.2.2.3.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 more than 230 members spread over 13 countries and 45 sites and subsidiaries. It covers the businesses of manufacturing and all industrial sites belonging to Renault with the current exception of the AVTOVAZ sites (namely Togliatti and Izhevsk), in which Groupe Renault acquired a majority stake at the end of December 2016. The Group has chosen to integrate these sites gradually. The steps of this integration were defined based on diagnostics performed by Deloitte and Ernst & Young. In order to ensure the convergence of the action plan thus defined, a dedicated governance committee has been set up and meets on a monthly basis.

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 30 industrial sites and the nine main engineering and logistics facilities have been ISO 14001 certified.

At end-2018, the new ISO 14001: 2015 standard, published on September 15, 2015 and which introduces more stringent requirements than the previous version, ISO 14001: 2004, has been rolled out at all Groupe Renault ISO 14001 certified sites.

2. Group-wide tools and standards

E&HSE (Energy & Health, Safety, Environment) Technical Guidelines define the minimum requirements that apply to the Group's sites (See "Eco-design of industrial processes" below). These guidelines ensure that practices are standardized and reflect and adhere to the Company's policies and objectives in terms of the protection of individuals, property and the environment, no matter in which country the sites are located. This is particularly important in countries without a stringent regulatory framework.

For environmental management and the handling of chemical products, the sites can also rely on the availability of standardized tools managed by expert functions. These tools include:

- a worldwide Ecorisques expert system available in the main languages used within the Group. The system ranks the environmental impact from activities and potential hazards in relation to the plants' chemical risk and prioritizes them in the plants' environmental action plan;
- a reporting system for environmental impacts and energy consumption (R2E);
- a CHEMIS database (Chemical Information System), available in the main languages used within the Group, for the management of hazardous substances and the prevention of chemical risks. CHEMIS is the key tool in Groupe Renault chemical risk management process, which aims, from both environmental and health standpoints, to introduce chemicals safely, to prevent the risks associated with their use, and to anticipate technological and regulatory changes (see 2.2.2.3.C.b);
- a process to monitor and track compliance with national and EU environmental legislation;
- a documentary database of Energy & Health, Safety, Environment (E&HSE) standards and best practices, accessible from any Group site.

3. Eco-design of industrial processes

Each industrial project is monitored by an Energy & Health, Safety, Environment project manager, who ensures that the applicable regulatory requirements and Group technical policies (or Technical Rules) in respect of environmental protection, energy efficiency, industrial hygiene, and the prevention of fire and explosion risks are taken into account for each project milestone.

These E&HSE Technical Rules are based on the state of the art as well as the most stringent international regulatory or normative frameworks (The European Union's REACH regulation, ATEX directive, French legislation on facilities classified for environmental protection, US NFPA standards for fire protection, *etc.*) and are updated regularly. To complement this shared base of minimum requirements applicable to all Group sites, breakthrough technologies may be introduced at certain sites or projects according to constraints or opportunities related to the local environment, as illustrated by the examples below.

Plants eco-designed to respect their local environment

As a result of the Group's international expansion, new plants have been developed in recent years in emerging countries, particularly in North Africa and Asia, in order to take advantage of dynamic local markets. The design of each of these facilities has benefited from Group best practices and the latest technological advances in the environmental field. It takes into account the specific local environmental constraints and sensitivities, identified by an impact study at the outset of the project.

For example, the plants of Tangiers in Morocco (2012) and Chennai in India (Renault-Nissan, 2010), two countries subject to water stress, use the most advanced technologies to recycle all industrial wastewater, such that no industrial wastewater is discharged into the environment and external water supply requirements are reduced to a strict minimum (see 2.2.2.3.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, 91% of the plant's energy needs are as a result met by renewable sources, meaning that the emission of more than 100,000 metric tons of CO_2 each year is avoided.

The plant, which Renault and its partner Dongfeng opened in February 2016 in Wuhan, China, is also equipped with the latest energy-efficiency technology, including LED lighting, recovery of thermal energy from the air discharged to the atmosphere and centralized management of energy-intensive equipment. It also recycles 40% of its industrial effluents for its own internal use (rest rooms, watering, *etc.*) and uses water-soluble paints.

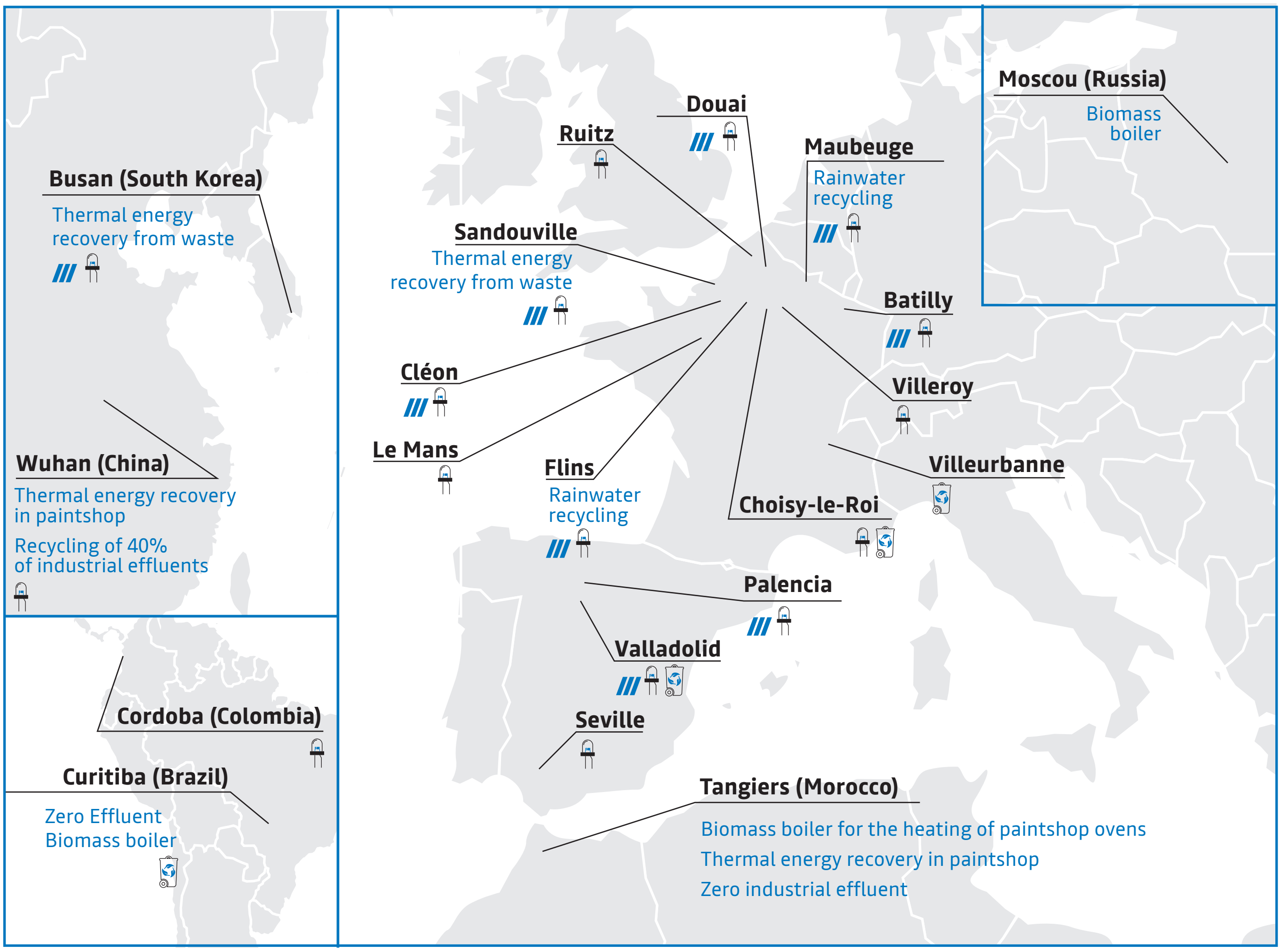
In addition to new plants, applying eco-design to manufacturing processes can also benefit existing facilities. Since 2015, Groupe Renault has therefore been conducting the widespread deployment of LED lighting to replace industrial lighting on a number of its sites (see map below).

The reduction in electricity use through the use of LED lighting can reach 65% compared with the technology it replaces. For the whole of the Europe scope covered at end-2018, this equates to electricity savings of nearly 98,000 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



Photovoltaic panels   LED lighting   Zero production waste to landfill

5. Site audits

Since the end of the 1990s, the Group has used internal environmental audits at all of its industrial facilities as well as its main engineering and logistics facilities in order to monitor the implementation of ISO 14001 requirements, and compliance with its own internal standards for the protection of the environment, individuals, and facilities. These complement the external audits performed annually by a certified independent body.

Internal audits are therefore conducted by members of the industrial environmental network (environmental managers and business specialists), using joint audits that encourage exchanges of best practice between plants and stimulate improvements in environmental performance. As of end-2018, the network had approximately 57 internal environmental auditors who were specifically trained and qualified in accordance with ISO 14001 and on the internal audit standards based on the Energy, Health, Safety and Environment Technical Rules (see "Eco-design of industrial processes" above).

Sales and after-sales

Renault Retail Group, the distributor of the Renault, Dacia, Alpine and Nissan brands in 13 European countries, set up an environmental management policy in 2007.

An RRG environment manager is responsible for training and coordinating a network of environment correspondents in France and Europe. He 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 2.5.3.4.

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 2.2.2.3.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 2.2.2.3.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 2.2.2.2.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 2.2.2.3.A "Energy and climate change" and 2.2.2.3.C.a "Air quality".

Vehicle end-of-life

From 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 greater manufacturer responsibility, automakers will be 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 nearly 55% of the Group's global sales in 2018.

Renault has also established partnerships and commercial agreements for the collection, repair, second life and recycling of electric vehicle batteries in accordance with the regulatory requirements arising from manufacturers' increased responsibilities. The rental of the battery (or of the vehicle itself) forms part of the package for the vast majority of electric vehicles marketed by Renault, with Renault remaining the owner and manager. This package ensures complete control of the collection and optimal recycling of end-of-life batteries, guaranteeing compliance with the Group's regulatory obligations in this area.

More information on these activities is provided in the section "Collect, Sort, Dismantle, Direct" in section 2.2.2.3.B "Resources and the circular economy".

C. Organization and resources EFPD7b

The focuses of Renault's environmental policy are debated and approved by the Group Executive Committee (GEC) on the recommendation of the Vice President Strategic Environmental Planning. The Strategic Environmental Planning department prepares, deploys and monitors the implementation of the environmental policy in all sectors of the Company. To this end, it uses a network of representatives who are assigned to all Company departments, as well as the expertise network created within the Group in 2010 in areas such as "energy, environment and raw materials strategy", "vehicle CO_2" and "air quality and substances".

Resources

Renault spends over €2 billion per year on Research and Development. Most of these resources are dedicated to new vehicle development, a phase in which improvement of environmental performance is inseparable from the standard product renewal process. About €200 million are allocated yearly to research and advanced engineering in the early stages of vehicle projects. A substantial portion of this expenditure is allocated to innovations specifically intended to reduce fuel consumption and vehicle emissions. These play a role in the appeal of the products, answer regulatory requirements (particularly in Europe), and represent an important tool for shrinking Renault's environmental footprint.

On the industrial side, Renault invests between €25 million and €35 million per year in the refurbishment and improvement of its facilities in terms of environmental, individual and property protection, and the production and distribution of energy. The operational expenses associated to these activities can be added to these amounts.

Renault also allocates financial resources to the development of partnerships and equity investments in the area of the environment and sustainable development through Renault Environnement, a subsidiary set up in 2008 and headed by the Group's Vice President, Strategic Environmental Planning.

Environmental skills and training

Renault provides its employees with environmental training and information adapted to their role and their needs.

Plant employees receive workstation training, including environmental aspects, particularly chemical risks arising from handling, storage and spills, and the sorting of waste. In the majority of plants, this training is done through a specific Dojo (workshop) and involves a hands-on approach to waste management practices and the handling of chemical products in day-to-day activities. In addition, educational and awareness-raising activities on environmental protection regularly take place through internal communication channels or through weekly team meetings.

In the engineering functions, employees have access to environmental training linked to their business, provided in the form of internal training modules (*e.g.* training for ISO 14001 auditors or design-for-recycling) or training provided by a specialized external organization if a specific skill is required. Renault employees in France also have access to eco-driving training.

D. Environment and competitiveness

The effort to reduce environmental impacts is still frequently perceived as a source of additional costs for companies. This is only part of the picture, however, since it does not take into account the positive impact on operating costs, product and service offering appeal and the diversification of income streams.

Reducing operating costs

In the extremely competitive automobile market, keeping vehicle production costs low is crucial in order to retain a competitive edge.

Costs stemming from energy consumption and waste management at Renault's plants run into the hundreds of millions of euros each year. Optimizing these areas is thus a means of both reducing the environmental impact of operations and substantially lowering production costs. Energy consumption and waste management have therefore been selected as some of the priority areas for action, in order to meet the Group's objective of reducing operating costs to achieve a long-term operating margin of 5% or more.

In 2018, 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 2.2.2.3.A "Energy and climate change"), secured savings of approximately €8.6 million on the Group's yearly energy bill.

In addition, the Group sorted and resold recyclable waste (largely metals), generating a revenue of nearly €200 million in 2018, including a positive impact related to the increase in raw material prices (estimated at around 8%). 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. 2.2.3.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. The price of recycled plastic, for example, is significantly below that of virgin plastic.

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 unpredictable variations are, in an intensely competitive market, only partially passed on in the sale price of vehicles. They thus have a direct impact on the Group's operating profit (see section 2.2.2.3.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 2.2.2.3.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.

The increased quantity of recycled materials used in vehicles and the creation of shorter recycling loops (internally and externally) generated additional savings of some €1.4 million in 2018 compared to the actions already implemented in 2017. The metallic waste generated on the Group's production sites is now being processed in a more systematic way for a safer flow of materials from our principal foundries. It should also be noted that optimization of the management of waste sheet metal by compacting instead of loose transport has saved €5 per vehicle produced in the factory in Chennai (India).

Products and services that fulfill market expectations

Vehicle development is governed by constant changes in regulations, particularly as regards CO_2 and pollutant emissions. In addition, there is increasing societal concern about the urgency of combating climate change, and about the health effects of products and industrial processes. These concerns can have a significant effect on market structure. The decline in the share of diesel engines in the sales mix is one example of this.

In this context, the Group is drawing up prospective scenarios in order to ensure that its products and services fulfill market expectations, based on:

- the collection of data on public policy by a global network of correspondents, including regulations, tax and road rules;
- external partnerships (*e.g.* specialist bodies, NGOs) to anticipate changes in stakeholder expectations (including customers, users and territories);
- carrying out studies to map local and national initiatives, and to analyze the potential impacts on the automotive market and the mobility market as a whole.

These structural changes are taken into account in the Group strategy and incorporated in the Drive the Future plan both as opportunities and competitiveness drivers. They include the electrification of internal combustion engines, the ecosystem of electric vehicles and batteries, and new mobility services.

Fuel consumption is one of the 10 main reasons for buyers to choose a Renault vehicle, according to surveys conducted of customers on Renault's main markets. Renault's determination to reduce its vehicles' fuel consumption and CO_2 emissions in use meant that in 2018 it was able to offer one of the passenger car ranges with the lowest emissions in Europe (see section 2.2.2.3.A), which gave it a significant competitive advantage.

In addition, Renault is developing new tools and services that enable customers to limit their fuel consumption (embedded tools and eco-driving training, see the section on "Eco-driving" under section 2.2.2.3.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 2.2.2.3.B). Through these tools and services Renault is not only aiming to reduce its environmental footprint, it is also working to increase customer loyalty.

New business areas

Working to find ways to both reduce environmental impacts and optimize the Group's economic resources has led Renault to explore areas which complement its core business, which has opened up new business opportunities.

Although the Choisy plant, which specializes in the renovation of powertrain components, 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 2018, these three activities of Renault Environment (described in greater detail in 2.2.2.3.B "Resources and the circular economy") generated revenues of €598 million, up by 20% compared to 2017. Each of these activities had a net positive result in 2018.

Furthermore, standard exchange parts (described in 2.2.2.3.B) generated revenues of more than €115 million in 2018.

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 2.3.1.4.A). This is why Groupe Renault's environmental policy aims to reconcile product and service offerings with environmental protection, to deploy environmental management throughout the Group, eliminate or reduce environmental impacts and organize environmental communication. All of these provisions are subject to annual monitoring, carried out jointly by the signatories of the framework agreement, based on indicators (see section 2.3.1.4.A).

The Vigilance plan linked to supplier and subcontractor activities is covered in section 2.4.2 "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 2.2.2.3 D);
- pollutant discharges into water and the natural environment (see section 2.2.2.3.D);
- the generation of waste and its management in ad hoc infrastructures, in particular hazardous waste (see section 2.2.2.3.B);
- the pollution of soil and groundwater (see section 2.2.2.3.E);
- air pollution linked to the use of chemicals or processes that generate atmospheric pollutants (see section 2.2.2.3.C.a);
- climate change (see 2.2.2.3.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 plan are put in place to continuously improve environmental performance and reduce risks. Obtaining ISO 14001 certification from an independent external body validates the Environmental Management System.

Other activities

The largest centers that manage engineering, testing and logistics activities have the same organizational structure as the industrial sites. At the other sites, this structure is not fully deployed given the lower level of environmental risk.

Climate change

The physical risks associated with extreme weather events, the frequency and intensity of which are likely to change as a result of the global rise in temperature, are taken into account in the same way as other natural and industrial risks as part of the Group's prevention policy (see "Taking account of climate change risks" in 2.2.2.3.A and Chapter 1.6.1, "Risk factors", in particular "Risks related to natural disasters" and "Risks related to industrial accidents"). In line with the targets set according to the COP 21 Paris Agreement, Groupe Renault is also implementing a strategy to reduce its carbon footprint throughout the life cycle of its products by reducing the CO_2 emissions from combustion engines, deploying electric vehicles and their ecosystem (second life and smart battery recharging), deploying new mobility services, developing circular economy activities and improving the energy efficiency of its industrial facility and logistics on an ongoing basis.

System for monitoring the measures implemented and evaluating their effectiveness DV5a

Manufacturing

For manufacturing activities, several levels of control over the implementation and effectiveness of the action plan have been established:

- an initial level of internal control at each site is carried out within the context of the Environmental Management System;
- a second level of control is performed through annual audits by teams of one to four Renault auditors from other sites. Two types of internal audits are applied: ISO 14001 audits, which are generally used in sites with an EMS less than three years old, and ISO 14001 audits supplemented by thematic auditing for older sites, which include the following topics: soil, water, chemical products, risk prevention, air, waste, transport of dangerous goods, noise and energy. Upon receipt of the audit report, the audited entity defines the action plan to address each point of non-compliance. The completion and effectiveness of the action plan are verified during the next annual audit;
- a third level of control and monitoring of the implemented measures is performed through an external annual audit carried out by an independent accredited body as part of obtaining ISO 14001 certification;
- finally, the environmental data for each site (quantities of waste, wastewater and atmospheric emissions, water and energy consumption) are reported via a Group system. These data are audited and validated annually by another independent audit body.

Other activities

As regards to engineering and testing activities, sales and after-sales activities in Europe and South Korea, spare parts storage facilities, the largest centers managing these activities have the same organizational structure as the industrial sites.

Climate change

A global carbon footprint reduction indicator throughout the whole vehicle life cycle enables to manage action plans and provides a concise overview of the Group's contribution to the decarbonization of the automotive sector. The progress of the various action plans which support this carbon footprint reduction target is measured by quantified performance indicators. The carbon footprint indicator covers Groupe Renault's own performance and also those of its suppliers, particularly production and logistics activities. The CO_2 emissions of vehicles during the use phase account for a significant portion of the carbon footprint, so reducing these is high on the company's priorities. They are therefore regularly monitored at Group Executive Committee level (position with regard to CAFx regulations).

Action plans, results and associated indicators are shown in sections 2.2.2.3 Environmental impact: actions and indicators (sub-sections A, B, D, C.a, E) and 2.2.2.2 (environmental objectives table: internal audits and ISO 14001 certifications).

2.2.2.3 Environmental impact: actions and indicators

A. Energy and climate change EFPD11c EFPD12a EFPD12b EFPD12c

Environmental objectives		Objective set	Deadline	Status as of year-end
All segments	**Reduce the carbon footprint [1] of Groupe Renault vehicles sold worldwide by an average of 25% between 2010 and 2022**	**2017**	**2022**	**-17.9% (compared to 2010)**
Product	Worldwide: reduce the tank-to-wheel CO_2 emissions of PC and LCV ranges by 25% between 2010 and 2022 in order to meet the Group's carbon footprint reduction objectives and to comply with the regulatory requirements for the relevant markets	2017	2022	-14.9% (compared to 2010)
Manufacturing	Reduce the carbon [2] and energy [3] intensity of the sites within the consolidated environmental scope of Groupe Renault by an average of 3% per year between 2013 [4] and 2022 (*i.e.*, a 24% reduction over the period).	2016	2022	Carbon intensity reduced by -3.3% (compared to 2017, *i.e.*, -22.9% since 2013) Energy intensity increased by 1.9% (compared to 2017, *i.e.*, -14.6% since 2013)
Manufacturing	Achieve a renewable energy share (both direct & indirect) of 20% for sites within the Groupe Renault consolidated environmental scope [5].	2008	2020	18.8% in 2018
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	-3.0% (compared to 2016)

(1) See definition, scope and calculation method for Groupe Renault's carbon footprint in section 2.5.3.1. The main methodological changes between the periods 2010-2016 and 2016-2022 relate to the integration of the greenhouse gas emissions of the Renault Retail Group sales network into the accounting scope, and the standardization of CO_2 emissions for vehicle use according to the new WLTP certification procedure for the 2016-2022 period instead of the NEDC cycle used for the 2010-2016 period. The reduction rate of the carbon footprint between 2010 and 2022 is considered at constant scope and calculation method.

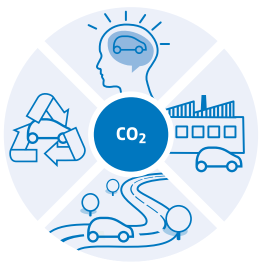
(2) Direct and indirect emissions linked to energy consumption for Groupe Renault sites (excluding AVTOVAZ, in which Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is currently in development), divided by the total number of vehicles produced (scope and calculation method: see scope 1 and scope 2 categories in the Renault carbon footprint category table in section 2.5.3.1).

(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 2018" table under section 2.5.3.3, 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 2.5.2.4.

(6) Average gross emissions (not adjusted for the effects of geographical and model mix) in kg CO_2/km per vehicle produced linked to upstream transportation (parts for the Group's manufacturing sites) and downstream transportation (transportation of new vehicles), excluding AVTOVAZ, in which Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is currently in development.

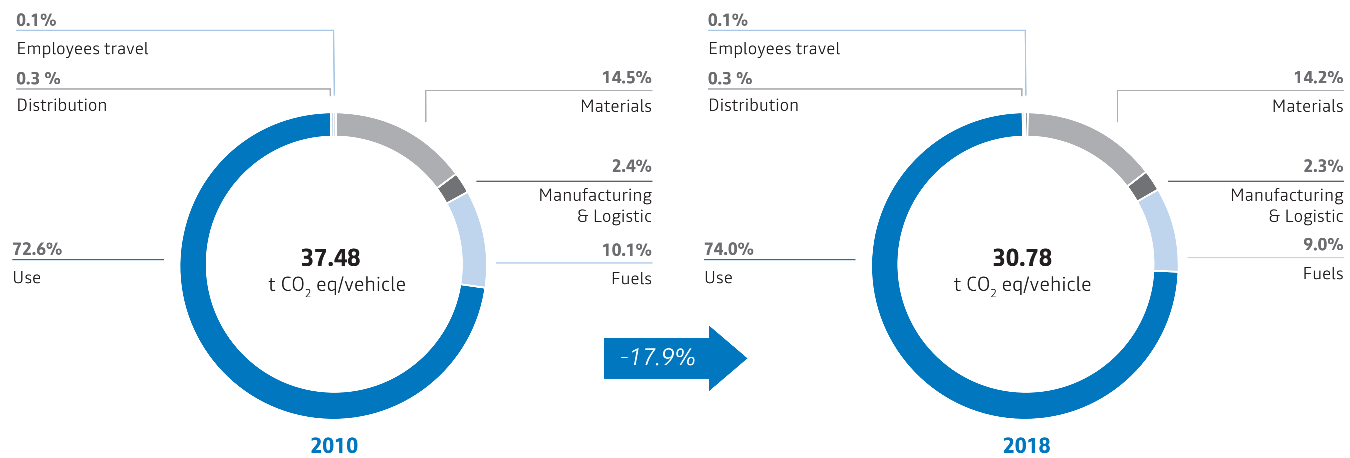


The carbon footprint of a product corresponds to the greenhouse gas emissions it generates over its life-cycle, from the extraction of the raw materials needed to manufacture it to its processing at end-of-life. The Carbon Footprint calculation for Groupe Renault vehicles includes direct and indirect greenhouse gas emissions caused by the Company's energy consumption during production (scopes 1 and 2), as well as most of the other indirect emissions associated with their design, manufacture, sale, use, and end-of-life processing (scope 3), as defined by the Greenhouse Gas Protocol. For information purposes, Groupe Renault's carbon footprint was estimated to be 99.8 million metric tons of CO_2 equivalent in 2018.

After having reduced the average carbon footprint of its vehicles by 18.2% (representing 3.3% per year on average) over the period 2010-2016, the Group renewed this reduction commitment with a new objective fixed at -25% over the period 2010-2022 as part of its Drive the Future strategic plan (see the scope and definition of the carbon footprint indicator in appendix 2.5.3.1), in line with the targets set in the COP 21 Paris Agreement.

The Group has also worked on a longer term global vehicle CO_2 emission reduction path. The scope 1, scope 2 and scope 3 "well to wheel" targets thus established by the Group for 2030 were officially approved by the Science-Based Targets (SBT) initiative in March 2019. The SBT initiative arose from a partnership between CDP (formerly Carbon Disclosure Project), the United Nations Global Compact program, the WRI (World Resources Institute) and WWF (World Wildlife Foundation). The aim is to verify that the companies' greenhouse gas emission reduction targets are in line with the data from scientific research on climate. Groupe Renault is the first company in the automotive sector to have its decarbonization targets validated by the SBT initiative [1].

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 2.5.3.1.

Taking risks linked to climate change into account

Certain extreme climatic events may disturb or even, in the most serious cases, temporarily stop operations at some of the Group's production and logistics facilities. The main climatic risks likely to impact Renault sites are flooding (for example, the French plants of Choisy-le-Roi and Flins, located close to the Seine River), typhoons (for example, the Busan plant in South Korea) and hail storms (in particular the plants in Santa Isabel at Cordoba in Argentina, Valladolid in Spain, Flins in France, Revoz in Slovenia, and Pitesti in Romania).

The hail risk has a significant financial impact due to the damage caused to new vehicles when they are stored in unprotected zones. In order to reduce the risk of damage caused by hail, between 2010 and 2013, Groupe Renault implemented a widespread plan to cover vehicle storage zones. This work was partly financed by Renault and partly by investors as part of a project to install photovoltaic panels.

No other natural risks linked to climate change have so far led to any notable disruptions to activities or material damage to sites or products. Sites subject to risks of flooding or typhoons are suitably protected, and emergency plans are in place to protect people and property and prevent or limit production shutdowns.

(1) www.sciencebasedtargets.org/companies-taking-action/.

The agreement signed in 2015 at the end of the Paris Climate Change Conference (COP 21) and the national commitments published on that occasion (INDC) have been analyzed in-depth for their implications for the automotive industry. The related opportunities and risks were presented to the Executive Committee to be taken into account in Group strategy and product planning.

Opportunities, as well as risks, associated with the tightening of regulations on **vehicle CO_2 emissions** have been identified as a major competitiveness issue for the Company and are monitored as such by the Executive Committee (see "Environmental Risks" in section 1.6.1).

Thus, the financial penalty of €95 per gram and per vehicle in case of non-compliance with the European objective of a CAFE [(1)] per manufacturer of 95g CO_2/km in 2021 would represent an overall amount of about €150 million per gram of overrun for Groupe Renault, based on current sale volumes. The achievement of this objective, in order to avoid such penalties, is therefore a priority objective for the Group, which has considerable advantages in this respect: for the past seven years, it has been in the Top 3 most virtuous European manufacturers in terms of CAFE and, for the last six years, it has been leader in the market for 100% electric vehicles.

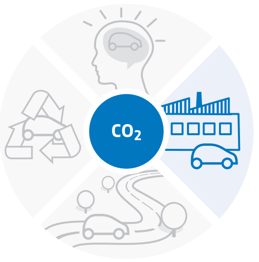
China is the other large market in which the Group is subject to stringent regulatory restrictions in matters of CO_2 emissions from vehicles. Non-compliance with Chinese CAFC [(2)] objectives by the manufacturer would, however, not lead to financial penalties, but to a prohibition on selling the least fuel-efficient models, which would consequently represent a risk for the manufacturer or a commercial and financial opportunity, depending on its positioning in terms of CAFC. Groupe Renault, which, since the first half of 2016, has had an industrial site at Wuhan with its partner Dongfeng, has therefore made the CAFC positioning of its range a key element of its product strategy in China. For this, it can rely on its experience in electric vehicles and low-cost cars and, in the medium-term, offer electric vehicles in the Chinese market in addition to a modern and high-performance internal combustion range.

Changes to the average CO_2 emissions of vehicles sold by Groupe Renault in Europe and throughout the world, as well as the strategy and product news associated with the internal combustion and electric ranges, are presented in the section "Use of vehicles" below.

The financial challenges associated with **the European Union Emissions Trading System (EU-ETS)**, to which 13 Group sites are subject, are managed by a special steering committee. Against a background of the gradual elimination by the European Commission of the free allocation of EU-ETS quotas, the strategy implemented by Groupe Renault aims to minimize the financial costs that these quotas will cause for the Company in the medium and long term, through efforts to reduce the energy consumption of the sites (see the "Manufacturing" section below) and rigorous forward-looking management, throughout the period 2013-2020, of CO_2 emissions and allocations of annual quotas and quotas put in reserve by the Group during the years when it had a surplus. In a context of a sharp increase and volatility in the price of the EU-ETS quotas observed in 2018 and the upward trend expected in the coming years, the Group has decided to go to the market (rather than use its quota reserves or surpluses from certain of its sites) to offset the quota deficits at the European sites with negative balances for 2018, for a total cost of around €2 million. The Group plans to maintain the negative impact of CO_2 quotas (Europe and Korea) in the Company's financial statements at a level of around €2 million per year for the end of the 2013-2020 period, while retaining a quota reserve, with the aim of mitigating the expected upward trend in this financial expense over the 2021-2030 period.

Finally, concerning the **carbon fuel tax** introduced in France in 2016 under the Energy Transition Law (€22 per metric ton of CO_2 in 2016, €56/t in 2020, €100/t in 2030), its financial impact in terms of the cost of customer vehicle use and its potential consequences on market growth (respective shares of the gasoline, diesel, hybrid and electric engines, *etc.*) have also been analyzed and taken into account in the Group's industrial strategy and product planning.

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.

(1) *CAFE (Corporate Average Fuel Economy) represents the average CO_2 emissions of all passenger cars sold by a carmaker – see Groupe Renault graph presented above.*
(2) *CAFC (Corporate Average Fuel Consumption) is the Chinese equivalent of the European or American CAFE.*

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 12,400 trucks on the roads, representing 0.8% of transport units (TU);
- the mode change towards trains and ferries for flows between France, Spain, the United Kingdom, Romania, Morocco and Russia (Moscow factory), which has avoided using about 30,800 trucks, representing 2% of all TU;
- a new packaging solution used for transport of engines between Romania, Turkey, France and Morocco, which has avoided placing 800 trucks on the roads;
- lastly, for the transport and distribution of new vehicles, a multi-modal transfer towards the train between France, Spain, Romania, Morocco and India, which has avoided the use of about 13,500 trucks, representing 2% of all TU.

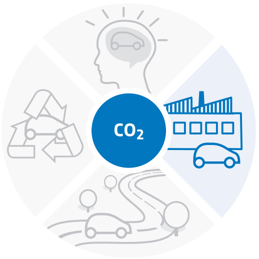
All of these actions have avoided emitting 67,100 tonnes of CO_2 (cumulative over the period 2017-2018).

In addition, Renault is responsible for the Environment and Transport Commission within the AUTF (Association of Freight Transportation Users), which aims to promote environmental best practices within the profession and the use of better quantification tools for greenhouse gas emissions resulting from transportation. Renault was also one of the first signatories of ADEME's FRET21 Charter in 2015, the purpose of which was to ensure that shippers reduce the CO_2 emissions of their transport methods. By end-2017, Renault had met its three-year FRET21 commitment, and was the leading contributor in terms of emissions savings. The Group has renewed its commitment to the Ademe and is currently working on the construction of a new triennial plan covering the period 2018-2020.

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 2020, with the aim of commissioning in 2020-2021 on a pilot route which will connect St-Nazaire, the East Coast of the United States and Saint-Pierre & Miquelon. This shipowner project has culminated in the design of a commercial demonstrator capable of reducing CO_2 emissions by up to 90% compared to a traditional cargo ship on an equivalent voyage, mainly using wind propulsion associated with a cost-cutting speed and optimization of the energy mix.

Finally, after Renault and Nissan's Supply Chain departments were consolidated under a single entity in 2014, best practices are shared within the Alliance and both companies have aligned their annual objectives for the reduction of transport-related CO_2 emissions.

Manufacturing



The greenhouse gas emissions reduction strategy is largely based on a reduction in energy consumption and the development of renewable forms of energy, since over 90% of the sites' emissions are the result of energy consumption. This strategy, seen in both continuous improvements and in breakthrough actions, is based on four components:

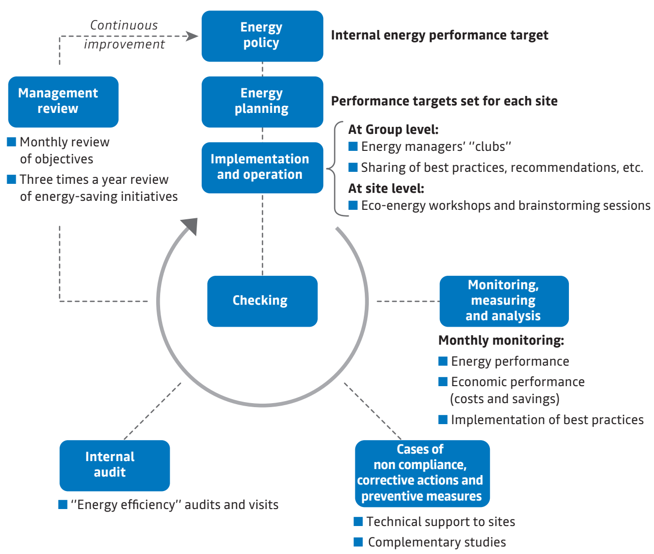
- management of energy consumption outside production periods energy. A specific system is in place to completely shut down machines and general facilities whenever possible outside production periods;
- convergence toward the best organizational and technical practices identified. Ventilation and operating conditions (temperature and humidity) have been optimized in paint shops, the most energy-hungry areas in vehicle body assembly plants. Equipment downtime and restart has also been optimized to minimize consumption. Specific actions are also applied to other production processes, such as the detection and handling of compressed air leaks or the optimization of the cooling of the welding guns used in sheet metal work;
- increase the energy efficiency of processes, particularly by experimenting energy recovery solutions such as installing heat exchangers at exit doors of paint drying ovens and decentralizing energy consumption to limit heat losses on the network;
- develop renewable energies and substitutes for fossil energies, as shown by the introduction of biomass boilers in Tangiers (Morocco), Curitiba (Brazil) et Moscow (Russia), the use of electricity from renewable sources on the Curitiba (99.8% of supplies in 2018) and Tangiers sites (see "Eco-design of industrial processes" under section 2.2.2.2.B), the use of steam generated by the burning of industrial waste at the Sandouville (France) and Busan (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

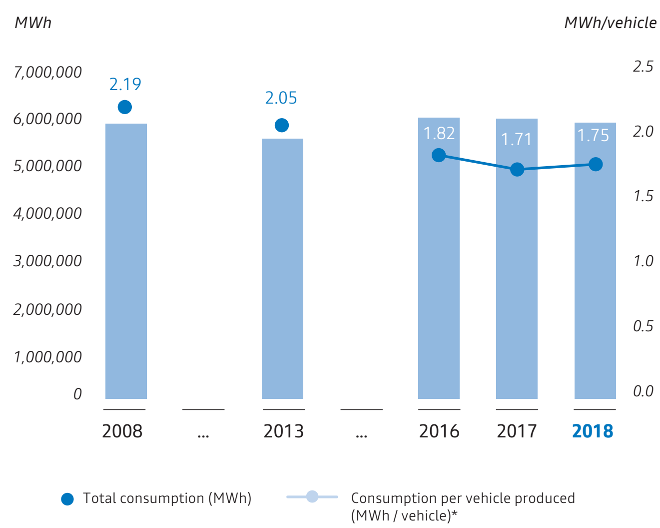
The solar panels installed on Renault sites throughout the world (in France, Spain and Korea) cover a total surface area of 86 ha, or the equivalent of nearly 120 soccer fields. In 2018, the 94 MW of fully renewable electricity that they generate enabled the prevention of more than 28,600 metric tons of CO_2 emissions.

Energy management is a major economic challenge for Groupe Renault, with a global annual energy bill of almost €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 up to now chosen to undertake a global certification procedure in respect of this standard) 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 plants 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.

The slight increase seen in 2018 in the ratio of energy consumption per number of vehicles is linked to a drop in the number of vehicles produced within the environmental reporting scope, as well as the start of two new foundries at Curitiba (Brazil) and Valladolid (Spain).

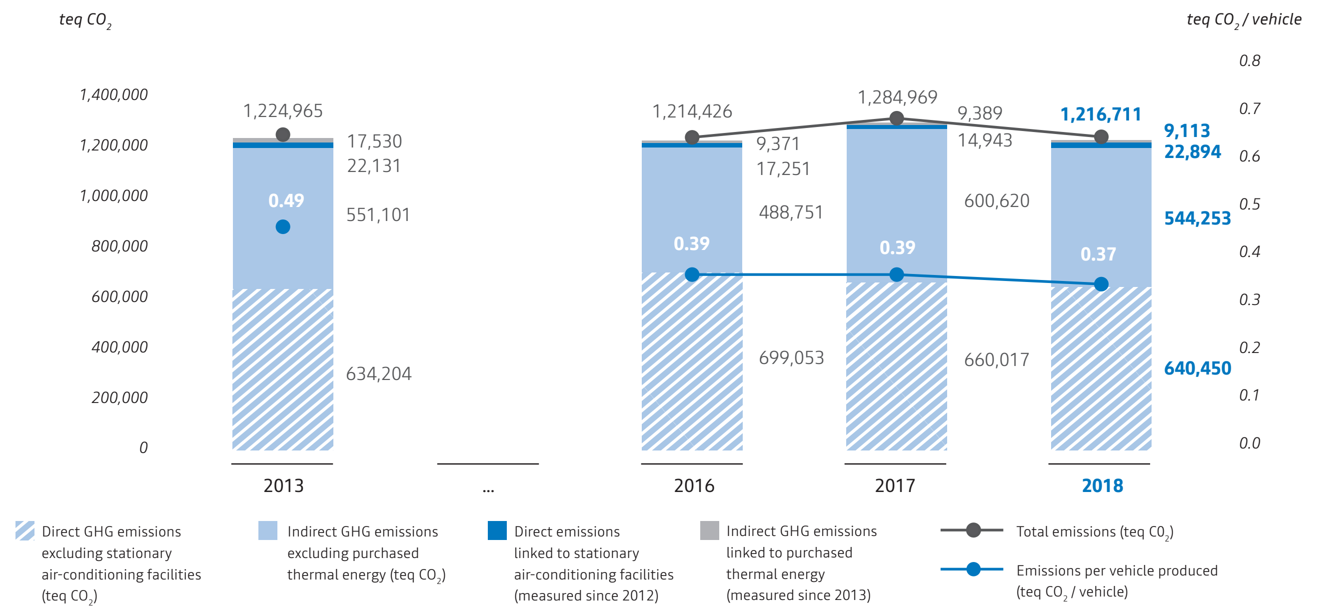
DISTRIBUTION OF ENERGY CONSUMPTION BY TYPE OF ENERGY

	Total consumption	
	%	MWh
Electricity	50.6%	2,950,452
Of which from renewable sources	*17.2%*	*1,000,362*
Natural gas	45.5%	2,651,716
Purchased thermal energy	2.7%	158,313
Of which thermal energy generated from biomass at the Tangiers site	*1.5%*	*85,725*
LPG	1.0%	56,843
Biomass	0.1%	8,736
Heavy fuel oil and domestic fuel oil	0.05%	2,689
TOTAL	**100%**	**5,828,748(√)**
OF WHICH ENERGY THAT IS RENEWABLE OR PRODUCED FROM RENEWABLE SOURCES	**18.8%**	

(√) Indicator audited by the independent third party at a reasonable level of assurance for financial year 2018.

(1) Scope: the reporting scope (described in Appendix 2.5.3.2) 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 2.5.3.4.

GREENHOUSE GAS EMISSIONS (√) (1)



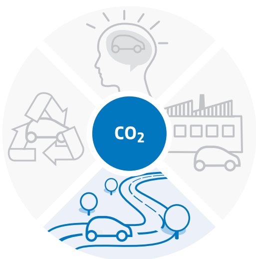
(√) Indicators audited by the independent third party at a reasonable level of assurance: total (scope 1 & 2) greenhouse gas emissions for financial year 2018.

DISTRIBUTION OF GREENHOUSE GAS EMISSIONS BY TYPE OF SOURCE

	2017	2018	Measured since
DIRECT EMISSIONS (SCOPE 1)	**53%**	**55%**	
Stationary combustion installations	46%	47%	2003
Filling of air conditioning systems with refrigerants on produced vehicles	2%	2%	2003
Company cars	3%	3%	2009
Testing of gear boxes, engines and vehicles on endurance test tracks	1%	1%	2003
Filling of stationary air conditioning systems for premises and processes	1%	2%	2012
INDIRECT EMISSIONS (SCOPE 2)	**47%**	**45%**	
Electricity	47%	45%	2009
Thermal energy purchased (steam and hot water)	1%	1%	2013

(1) Scope: the reporting scope (described in Appendix 2.5.3.2) 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 2.5.3.4.

Vehicle use



Renault aspires to make a significant contribution to the reduction of the environmental footprint of vehicles. In order to do this, it strives to provide mobility solutions that are eco-friendlier and that are accessible to the greatest number of people. In 2018, according to the data available when this report was published, Renault and Dacia's average CO_2 emissions in Europe were estimated at 112.4g CO_2/km, placing Groupe Renault among the top European carmakers for the seventh consecutive year.

1 Internal combustion engine vehicles

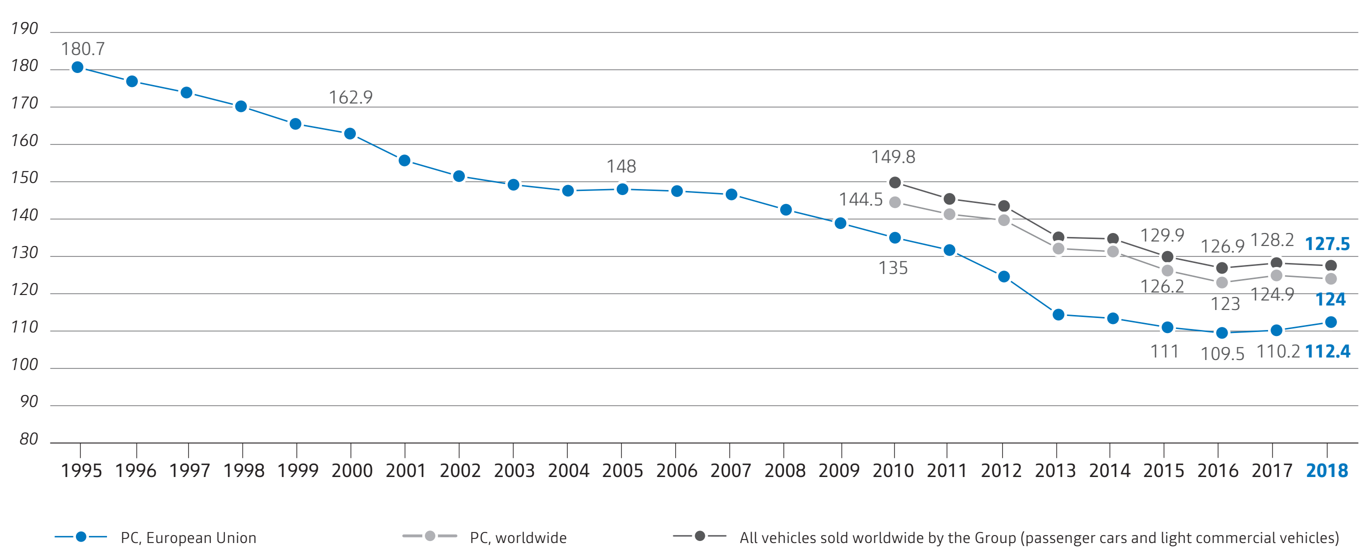
In order to continue the reduction in CO_2 emissions of its internal combustion engine vehicles to meet its carbon footprint commitments, to comply with the regulatory requirements in each of the Group's markets (EU with average emissions limited to 95g CO_2/km by 2021, as well as China, Korea, Brazil, 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 cubic capacity (and therefore the consumption) of an engine with the same power output by means of turbochargers and optimized combustion;
- the reduction of heat loss and mechanical friction;
- different levels of hybridization, from Stop & Start, now available on the entire range, to affordable rechargeable hybrid technology which offers "zero emission" [1] mobility for short day-to-day journeys. The Drive the Future strategic plan includes the launch of 12 electrified models representing half of the range. In 2018, the Group announced the 2020 launch of the hybrid version of CLIO, and plug-in hybrid versions of CAPTUR and MEGANE, based on Renault's proprietary innovative E-TECH technology used to develop hybrid systems for B- and C-segment vehicles.

In 2018, Groupe Renault's CAFE (Corporate Average Fuel Economy) reached 112.4g CO_2/km, a rise of 2.2g CO_2/km. This was primarily due to the structural decrease of the diesel engine share, as diesel engines are more efficient that gasoline engines in terms of CO_2 emissions (-7 points in Groupe Renault's sales mix in Europe in comparison with 2017).

However, Groupe Renault's CAFE remains below its regulatory objective, with a difference of -12.2g CO_2/km in 2018, compared with -14.9g in 2017.

AVERAGE CO_2 EMISSIONS OF VEHICLES SOLD BY GROUPE RENAULT (G CO_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.

1995-2017 data: EU, data from the AAA (Association Auxiliaire de l'Automobile) or the European Environment Agency.

Provisional 2018 data: AAA data EU28 excluding the Czech Republic, Romania, Bulgaria, Malta and Cyprus but including Iceland, which joined CAFE in 2018.

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 2.5.3.1, line "Use of products sold".

(1) Neither CO_2, nor any other pollutant emissions during use, excluding consumable parts.

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 [(1)] during use (see "Vehicle use" under section 2.2.2.3.C.a). They can also significantly reduce the greenhouse gas emissions associated with transportation.

The ZOE carbon footprint throughout its life-cycle is nearly 40% less than that of an equivalent internal combustion vehicle, based on the average European electric production mix. Moreover, the carbon footprint of each electric vehicle in use, including those on the roads today, is set to decrease steadily over the coming years given the planned increase in the share of renewable energy in the European energy mix (objective of 20% of final gross energy consumption in 2020 versus 14.1% in 2012).

The synergies between electric mobility and renewable energy however go far beyond the mere reduction of CO_2 emissions related to battery charges. The challenge of widespread distribution of electric vehicles is emerging as an integral part of an optimal integration of renewable energies in the electricity production and distribution "ecosystem", at a lower cost and providing maximum benefit in terms of overall reduction of greenhouse gas emissions.

According to the study *En route pour un transport durable* (Towards sustainable transport) published in late 2015 by the European Climate Foundation and Cambridge Econometrics, intelligent management of electric vehicle charging could contribute to the creation of a net profit of €125 million in 2030 for the French energy system, while enabling greater integration of renewable energy. It would also make it possible to add more than 20 million electric vehicles into France's car fleet without resorting to additional production capacity.

The storage capacity that electric vehicle batteries represent could indeed be used to absorb surplus renewable energy when grid demand is lower than production and return the surplus during the consumption peaks. These peaks determine the size of electricity production and distribution infrastructures and contribute strongly to greenhouse gas emissions because they are currently covered for the most part by thermal power stations (gas, coal, *etc.*).

Such synergies can be implemented through intelligent management of the charging of electric vehicles (or even charges/discharges as part of solutions to power electrical grids or homes from batteries) and through the reuse of second-life batteries in electrical energy storage infrastructures. This is why Renault is a partner in the European ELSA project aiming to develop a stationary electricity storage system using second-life batteries provided by Renault and Nissan, as well as with the British company Connected Energy for the commercial development of fast-charge solutions based on used Renault second-life batteries (batteries that have lost about 30% of their initial storage capacity). In 2018, Renault announced the launch of the Advanced Battery Storage project, which aims to build by 2020 the largest stationary electricity storage system ever designed in Europe using electric vehicle batteries. This initiative forms part of a major integration of renewable energies into electrical networks. It should eventually be capable of storing a minimum of 60 MWh, and providing power of 70 MW. Furthermore, Groupe Renault and energy supplier Empresa de Electricidade da Madeira have joined forces to launch a smart electrical ecosystem on the island of Porto Santo in Portugal, based on four main pillars: electric vehicles, stationary electricity storage, smart charging and reversible charging. Its purpose is to promote the island's energy self-sufficiency, and to boost its renewable energy production.

According to the International Energy Agency [(2)], global production from renewable energies should cover 30% of electricity demand by 2023 (compared with 24% in 2017), thereby making electric vehicles, which are a subject of growing interest in many countries, even more attractive in terms of environmental benefits. In China, Groupe Renault started to produce vehicles for the local market at the beginning of 2016, through its joint-venture with Dongfeng (Dongfeng Renault Automotive Company) and plans to launch electric vehicles during the forthcoming years (see the section "Taking risks linked to climate change into account" above). China has set itself the goal of reaching five million electric vehicles or rechargeable hybrids on the roads by 2020, and simultaneously increasing the renewable energies share of its primary energy consumption to 15% (20% by 2030).

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/.

(1) *Neither CO_2, nor any other pollutant emissions during use, excluding consumable parts.*
(2) *IEA Renewables 2018: market analysis and forecasts from 2018 to 2023.*

In 2018, the Group recorded a new 33.8% increase in its worldwide sales of electric vehicles, to more than 54,788 units.

In Europe, the second-largest "all electric" vehicle market in the world in 2018 (behind China), Renault is the leader with market share of 22.2%. Registrations were up by nearly 36% to 48,297 vehicles (excluding TWIZY). ZOE topped electric vehicle sales in France, Germany, Spain and Slovenia. The KANGOO Z.E. remains the best-selling electric light commercial vehicle, as it has been every year since it was introduced.

Electric vehicles represented 2.6% of total Groupe Renault sales in Europe in 2018 (well above the average market share for this vehicle type on the European market, which was 1.2% in 2018) enabling electric vehicles to provide a 2.9g CO_2/km reduction in the CAFE [1] for Groupe Renault in Europe. The Z.E.40 (41 kWh) and Z.E.33 (33 kWh) batteries have been available on ZOE models since the end of 2016 and KANGOO since mid-2017, and the introduction of the New MASTER Z.E. electric van in 2018 should enable Renault to consolidate its leadership in the European electric vehicle market and contribute to achieving the "CAFE" reduction objectives and the Group's overall carbon footprint.

While the ZOE and KANGOO Z.E. constitute the majority of the electric vehicles sold by Renault in Europe, sales outside Europe are largely focused on the SM3 Z.E. sedan, which is produced in South Korea by the Renault Samsung Motors subsidiary, and the TWIZY quadricycle. This demonstrates how the five models in the Group's electric vehicle range complement one another. The SM3 Z.E. has shown itself to be particularly well-suited to markets (especially in Asia) where sedans are still a strong status symbol, while the TWIZY's resolutely innovative concept and design has enabled it to open up brand new markets to electric mobility, such as Colombia, Mexico, and Turkey.

In 2018, Groupe Renault announced new stages in the expansion of its range of electric vehicles, particularly for the Chinese market: in 2019, China will be the first market to which the K-ZE will be introduced, a new electric A-segment vehicle, urban and affordable, which will be 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. Furthermore, in October 2018 the Group confirmed plans for tree new electric light commercial vehicles within two years, in the range produced by the Renault-Brilliance-Jinbei Automotive Company joint venture formed in January 2018.

In 2018, sales of electric vehicles accounted for roughly 3% of the Group's revenue.

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.

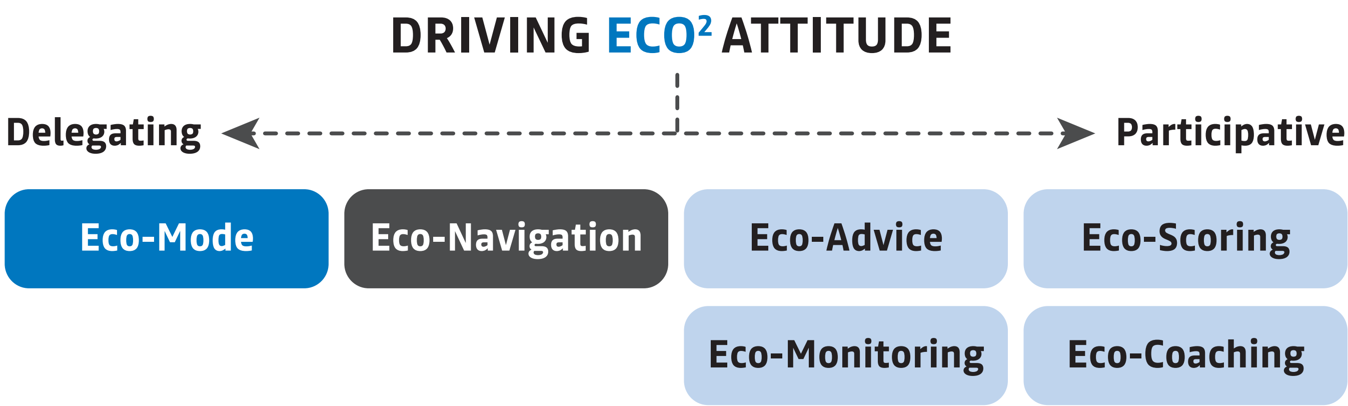
Surveys, conducted both internally and externally to better understand customers' expectations of embedded eco-driving aids, led to the identification of four driver profiles (see graph below):

- "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 (R-LINK, Medianav, and the free R&Go smartphone application which is replacing R-LINK on the TWINGO and TRAFIC entry-level versions), 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.

(1) CAFE (Corporate Average Fuel Economy) represents the average CO_2 emissions of all passenger cars sold by a carmaker – see Groupe Renault graph presented above.



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-2018
Eco-mode	Renault range: TWINGO, CLIO, ZOE, CAPTUR, MEGANE IV, SCENIC IV, KADJAR, TALISMAN, ESPACE V, KOLEOS II, KANGOO (Z.E. and combustion), TRAFIC, MASTER Dacia range: SANDERO, LOGAN, DUSTER, New DUSTER, LODGY and DOKKER RSM range (Renault Samsung Motors): QM3, SM5, SM6, QM6, SM7
Driver assessment and coaching (R-LINK 1 and 2, Media Nav and R&Go)	Renault range: TWINGO, CLIO, ZOE, CAPTUR, MEGANE IV, SCENIC IV, KADJAR, TALISMAN, ESPACE V, KOLEOS II, KANGOO (Z.E. and combustion), TRAFIC, MASTER Dacia range: SANDERO, LOGAN, DUSTER, New DUSTER, LODGY and DOKKER RSM range (Renault Samsung Motors): SM3, QM3, SM5, SM6, QM6, SM7
Driving style indicator	Renault range: CLIO, CAPTUR, ZOE, MEGANE IV, SCENIC IV, KADJAR, TALISMAN, ESPACE V, KOLEOS II, 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

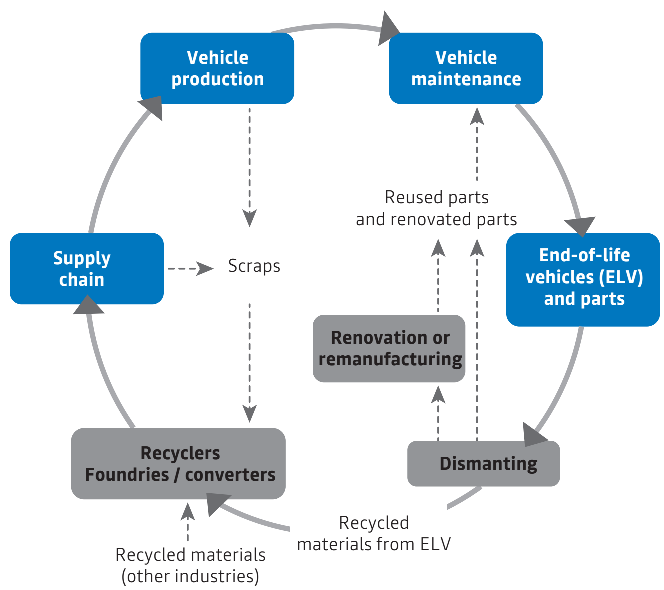
Environmental objectives		Objective set	Deadline	Status as of year-end 2018
Product	**Increase the technical and economic value of parts and materials preserved in the automotive sector through the circular economy activities of the Group and its Renault Environment subsidiary between 2016 and 2022, 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**	+€27.6M [4]
Product	Increase the Group's overall consumption of recycled plastic (by weight) by 50% between 2013 and 2022	2016	2022	56 kt in 2018, or +29% (compared to 2013)
Manufacturing	**Reduce by 25% the quantity of non-recycled waste [1] per vehicle produced on the Group's manufacturing sites [2] between 2013 and 2020, through:**	2016	2020	-25.2% (compared to 2013)
	• a 15% reduction in the quantity of hazardous waste per vehicle produced between 2013 and 2020	2016	2020	-11.4% (compared to 2013)
	• a 30% reduction in the quantity of mixed non-hazardous waste per vehicle produced between 2013 and 2020	2016	2020	-14.5% (compared to 2013)
	• 50% "zero landfill" manufacturing sites [3] by 2020	2016	2020	48.4%

(1) Waste for which the processing network is designated by European processing codes D or R1 (energy recovery), excluding foundry and construction waste.
(2) Excluding AVTOVAZ, in which Groupe Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is currently in development.
(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 2.5.3.1.C.

Reducing the consumption of virgin materials is a key objective, both on an ecological and economic level. The extraction and processing of raw materials has negative impacts on ecosystems and reduce their availability for future generations. At the same time, the rising trend observed in raw material prices since the beginning of the century and their volatility affects the profitability of the business. The Group's ability to factor issues related to the scarcity of resources into its strategy is based on circular economy principles, which include:

- eco-design standards for both vehicles and batteries, including frugal use of scarce materials, incorporating recycled materials, preparing vehicles for dismantling and end-of-life recycling, and conducting raw materials criticality analyses (see section "Raw material risks" under 1.6.1.2);
- 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 2.4.2 "Strengthening the responsible purchasing approach in the supply chain").



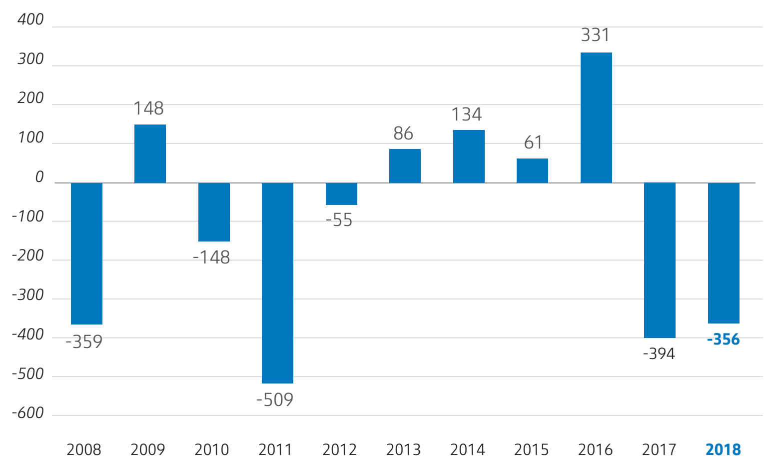
Metals and plastics make up more than 85% of the materials in automobiles. In 2018, approximately 3.9 million metric tons of steel, 340,000 metric tons of cast iron, and 410,000 metric tons of aluminum were needed to manufacture the vehicles sold by Groupe Renault [1] worldwide, both in the Group's plants 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 470,000 metric tons of plastic materials, including offcuts, in vehicle manufacturing in 2018.

(1) Excluding AVTOVAZ, in which Groupe Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is currently in development.

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, but remains close to 0% for aluminum wheel rims. Renault is currently working to increase the recycled rate for this last category. The mass of recycled plastic averaged 16.7kg per vehicle in 2018.

ANNUAL IMPACT OF FLUCTUATIONS IN MATERIAL PRICES ON THE GROUP'S OPERATING PROFIT

€ million



Renault is a partner of the Ellen MacArthur Foundation

The Ellen MacArthur Foundation works with businesses, universities and decision-makers to promote circular economic models and develop the scientific and managerial knowledge required for their adoption and to advise on the potential for economic and environmental benefits.

A founding partner of the Ellen MacArthur Foundation, Renault helps to fund it, contributes to the Foundation's work and events (annual reports, case studies, Circular Economy 100 business network) and undertakes to develop activities based on the principles of the circular economy.

The Ellen MacArthur Foundation supports Renault in raising the awareness of its employees and takes part in in-house studies at both managerial and operational levels, with a view to implementing circular economy in the Group's business.

For more information about the Ellen MacArthur Foundation: www.ellenmacarthurfoundation.org/.

Designing vehicles that are recyclable and material-efficient

Renault anticipated the European regulatory requirement whereby 95% of vehicle mass should be recyclable or recoverable, and implemented it on all models brought to market as of 2007. In addition, it has been voluntarily applied to all vehicles sold by Groupe Renault worldwide.

Accordingly, since the early 2000s, the design of Renault vehicles has taken dismantling and recycling requirements into account. For example, dismantling has been made easier by reducing the number of fixing points. Similarly, preference is given to recyclable materials for which recycling systems exist; whenever possible, a single part will not contain materials that cannot be recycled together; and tanks are shaped to allow all fuel and oil to be removed. During the design phase, every vehicle project is monitored by a recycling specialist.

The possibility of renovating powertrains or certain of their parts (remanufacturing) is also taken into consideration from the beginning of their design by facilitating the dismantling and assessment of their components.

Renault is also working at reducing the amount of materials used in manufacturing its vehicles. Renault has introduced two technological advances to the steel used in vehicle bodies, in order to reduce the consumption of sheet metal:

- the use of sheet metal with high elastic limits (including hot-pressed steel) reduces the thickness and therefore the mass of the parts;
- stamping processes have been optimized to improve material consumption, *i.e.*, the ratio between the mass of the part and the initial mass of the metal blank. These processes allow smaller blanks to be used to make the same part and generate less metal waste.

Reducing at source and recovering industrial waste

In accordance with the principles of the circular economy, Renault has adopted a preventive approach to achieve the maximum reduction in the environmental impacts associated with the production of waste, through the implementation of the following principles, in order of priority:

- **reduce** the quantity of waste generated at source, by first eliminating the source of its creation, where possible: this means that the use of sustainable packaging in the transportation of manufacturing parts is favored over that of single-use packaging, particularly for high-volume parts and short logistical flows (the economic and carbon assessments incorporating the return of empty packaging are not favorable for low volumes transported over long distances).

  When the production of waste cannot be avoided, an effort is made to reduce the quantity by separating the portion that is not strictly-speaking waste (recoverable active substances, water, *etc.*). For example, the filtering systems for paint sludge facilitate a reduction in the quantities of waste to be eliminated since they extract the water contained in the sludge. Optimization of sludge drainage at the Sandouville plant resulted in a 15% reduction in the ratio of production of paint sludge to vehicles produced between 2017 and 2018. Similarly, the separation of dry matter and oils contained in the sludge and the shavings from machining reduces the tonnage of waste and facilitates the recovery of oils that can be reused in the manufacturing process. The installation of an evaporator-concentrator at the Seville plant at the end of 2017 made it possible to reduce the tonnage of hazardous waste by about 30% between 2017 and 2018;
- **reuse** spent products, production offcuts and scrap: in assembly plants, excess anti-corrosion protection waxes are recovered after application, filtered and returned to the production system. Following the implementation of regeneration of solvents used to rinse the painting robots on most sites (82% of solvents were regenerated at the European and Moroccan sites in 2018), 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. In 2016, the Curitiba plant created an internal catalog of packaging in good condition, enabling large quantities of it to be reused. 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 1,200 metric tons in 2018) 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 900 metric tons in 2018);

- **recover** energy:
  - by using waste as an alternative fuel: as an example, the site at Flins, since 2017, has been sending part of its hazardous waste (more than 300 tonnes in 2018) 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 66% since 2007. At the end of 2016, Curitiba eliminated its last use of landfill channels and became the first mixed plant (producing vehicles and powertrains) in Groupe Renault to reach zero landfill.

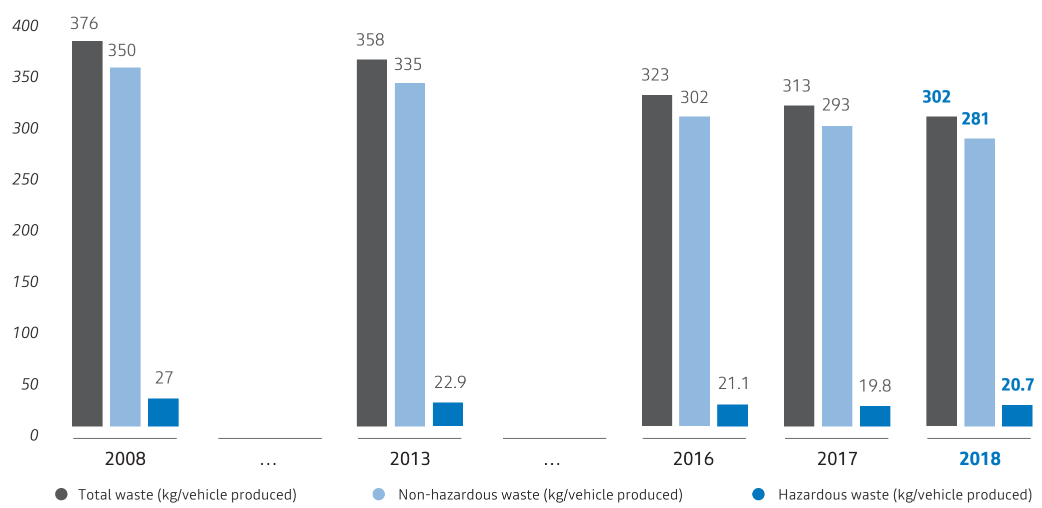
To ensure consistency at a Group-wide level, Renault has drafted a waste table (a codified list of waste produced by sites). This makes it possible to standardize the approach to hazardous and non-hazardous waste internationally.

WASTE PER CATEGORY AND PROCESSING MODE (METRIC TONS/YEAR) (1)

		Total	Recycled	Energy recovery	Incinerated without energy recovery	Other elimination channels
Hazardous waste	2018	67,265 (√)	22,569	24,047	7,174	13,474
	2017	65,816	19,768	23,580	10,330	12,139
	2016	66,152	20,751	22,433	6,750	16,219
Non-hazardous industrial waste (2)	2018	192,720 (√)	151,513	13,372	452	22,383
	2017	190,094	150,368	15,455	234	24,037
	2016	182,827	143,969	12,681	251	26,648
Metallic waste	2018	720,465 (√)	717,759			2,706
	2017	783,201	779,450			3,751
	2016	761,413	757,300			3,393
TOTAL	**2018**	**980,449 (√)**	**891,841 (√)**	**42,420**	**7,626**	**38,562**
	2017	**1,039,110**	**949,587**	**39,034**	**10,563**	**39,926**
	2016	**1,010,396**	**922,020**	**35,114**	**7,001**	**46,261**

(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 (the scope of reporting described in section 2.5.3.2). 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 2018.

WASTE PER VEHICLE PRODUCED (KG/VEHICLE) (1)



(1) 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 2.5.3.2). 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 2.2.2.2.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 20 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 (222 people were trained in 2018);
- management-distribution of end-of-life vehicles for carmakers, insurers, governments, and even individuals through its 370 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.

In 2018, approximately 500,000 end-of-life vehicles were processed by Indra's network of authorized dismantlers or by its own dismantling sites, around 19,000 of these 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 whilst very significantly reducing the environmental footprint associated with the repairs.

Revenue generated through the PRECIS system amounted to €3.5 million in 2018, up 50% compared to 2017. A significant increase is again expected in 2019, boosted by the still low penetration of used parts in the repair market and the law on energy transition for green growth, adopted in France in August 2015, which requires repairers to offer repairs with used parts since January 2017.

Re-manufacturing

For nearly 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.

Each part replaced as a standard exchange represents a significant reduction in environmental impacts compared with manufacturing a brand new part (a saving of up to 80% for energy, 88% for water, 92% for chemicals and 70% for waste).

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-2018, 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 raw 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.

These closed loops contribute to the achievement of Renault's objectives for the use of recycled materials in new vehicles. The collection and transportation of materials during the recycling process are also optimized to achieve the greatest reduction in the environmental footprint of the recycled materials.

The Group regularly develops new ways of reusing materials from end-of-life vehicles, notably through collaborative research projects bringing together manufacturers, local authorities, Ademe and universities (see boxed section). Accordingly, the development of an acoustic insulating material for soundproofing vehicles using recycled automotive textiles and professional clothing in an exclusive process received the technical validation of the Engineering department, with a view to developing applications on the range's vehicles.

Each ESPACE V therefore contains more than 50kg of recycled plastics, including one-third from post-consumer recycling [(1)].

Circular economy collaborative research projects

Groupe Renault is involved in many collaborative research projects in the circular economy, for which it is most often the initiator and leader, bringing together a network of partners from the automotive industry and the worlds of recycling, research and education.

2015 had seen the culmination of the Innovative Car Recycling 95% project (ICARRE95), whose purpose was to show how to recover 95% of the mass of ELVs (end-of-life vehicles) under conditions that are economically profitable for all stakeholders, through:

1. creating and setting up new networks for parts or materials that are less frequently or never recycled by stakeholders in this area;
2. alternative logistics that aim to reduce the environmental footprint of transport in the recycling process;
3. the development of recycling skills through training.

In continuity with ICARRE95, three new 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 the ESPACE V ("functional front end") was approved in 2017, and implemented in 2018.

(1) *Post-consumer recycled materials: materials from recycling end-of-life consumer goods, in contrast to post-industrial recycled materials coming from manufacturing waste.*

II – TREVIS (Visible Thermoplastic Recycling) Project:
The purpose of this project is to pave the way for the integration of post-consumer recycled plastics in visible parts, which represent most of the mass of plastic materials used in new vehicles. Recycled plastics are widely used today in non-visible parts, but their integration into visible parts requires a perceived quality and durability equivalent to those of the best new plastics, especially in terms of color, smell and colorfastness in climatic conditions such as prolonged exposure to the sun.

III – TCT (Thermoformed Composite Textile) Project:
The TCT project includes the deliverables from the "*à filer*" project, which has enabled the production of 100% recycled seat textiles. Today, many different recovery methods can be envisaged. 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, automobile manufacturing scraps and PET 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.com.

C. Environment and health EFPD8a EFPD8b EFPD16a

Environmental objectives		Objective set	Deadline	Status as of year-end 2018
Product (EV)	Products: launch eight 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	Europe: leader in the electric vehicle market since 2013 China: announcement of the commercialization of the K-ZE for 2019 and of 3 projects for electric light commercial vehicles [3]
Manufacturing	Reduce by 25% between 2013 and 2020 the average VOC [1] emissions per m^2 of painted body	2016	2020	-22% (compared to 2013)
Manufacturing and product	Reduce the number of hazardous chemicals [2] used on Group sites by 20% between 2016 and 2022 (-68% between 2010 and 2022)	2016	2022	Reduction of 17% between 2016 and 2018 (-67% between 2010 and 2018)

(1) VOC (volatile organic compounds) emissions from vehicle body paint workshops (excluding paint for parts such as bumpers made of plastic materials and accessories), for all manufacturing sites excluding AVTOVAZ, in which Groupe Renault acquired a majority stake in late December 2016, and for which environmental reporting is currently in development.
(2) Chemical products classified as "Priority 1" (PR1) by Renault for replacement. This category includes products containing category 1a/1b CMR (carcinogenic, mutagenic and reprotoxic) substances, or substances listed in Appendix XIV and XVII of the European REACH regulations, in concentrations higher than the thresholds defined by Renault standard 00-10-050 on prohibited or restricted substances (see "Substance risk management" below).
(3) See 2.2.2.3.A paragraph Electric vehicles.

Groupe Renault actively and continuously monitors scientific and technical developments relating to health issues in order to identify as early as possible the solutions available to reduce the potential impacts of the Group's activities on health. This monitoring is based in particular on the analysis of environmental and health publications from the scientific community, official national or international bodies and non-governmental organizations. It also uses collaboration with technology and engineering suppliers to identify and evaluate the technological building blocks that may be integrated into future Group products (see also "Products and services that fulfill market expectations" under 2.2.2.2.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.

The 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.

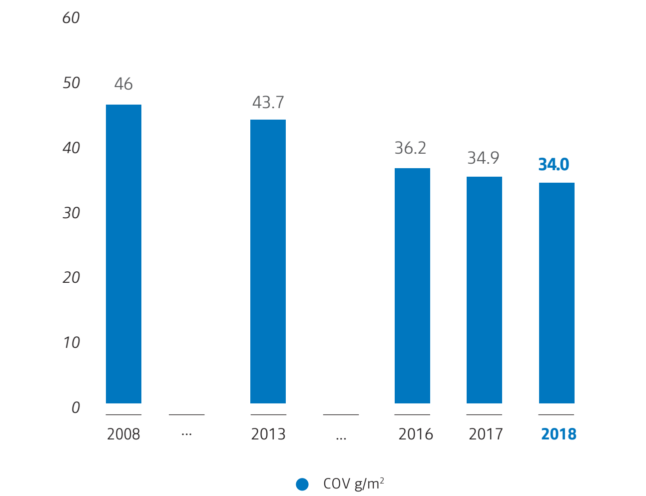
In 2018, VOC emissions per m^2 of painted assembled bodywork fell by an average of 3% (compared to 2017) for the Group as a whole, to 34.0g/m^2.

The main actions to reduce VOC emissions during 2018 in the Group's plants included:

- the continuation of replacement of painting machines by robots (which enable much finer optimization of the quantities of products used) for the application of paint and/or clear coat on the body;
- the installation of base coat trimming robots at Revoz (Slovenia), to replace manual trimming;
- the replacement of 24 painting robots or painting machines by latest-generation robots, which consume less paint solvent;
- the continuation of the deployment of a sealant with very low solvent content for applications within the vehicle passenger compartment and the beginning of the deployment of a new "Alliance" sealant with less solvent for exteriors;
- continuation of actions undertaken to improve the recovery rate of used solvents at all sites (cleaning and purging solvents).

At end-2018, 82% of vehicles produced were painted using paint with a water-soluble base (*i.e.*, the solvent in the paint is comprised mainly of water), and 75% of the Group's paint and clear coat drying ovens were linked to a volatile organic compound thermal oxidizer.

VOC EMISSIONS

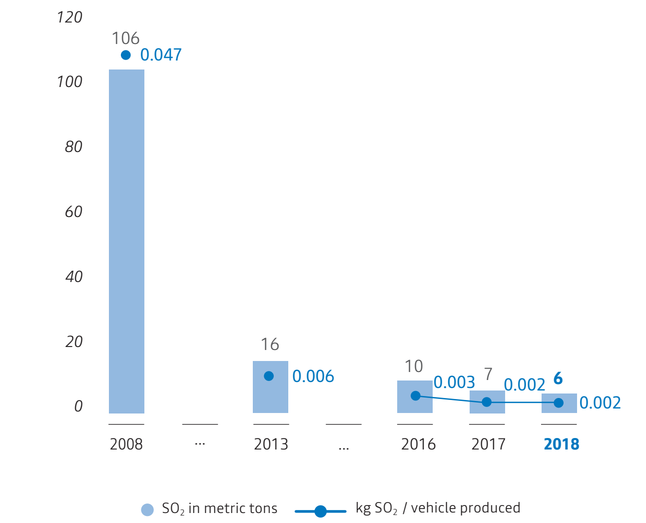


Scope: all body assembly and mixed Groupe Renault plants (reporting scope described in section 2.5.2.2). The emissions counted are those of the vehicle body paint workshops (excluding paint for parts such as bumpers made of plastic materials and accessories).

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.

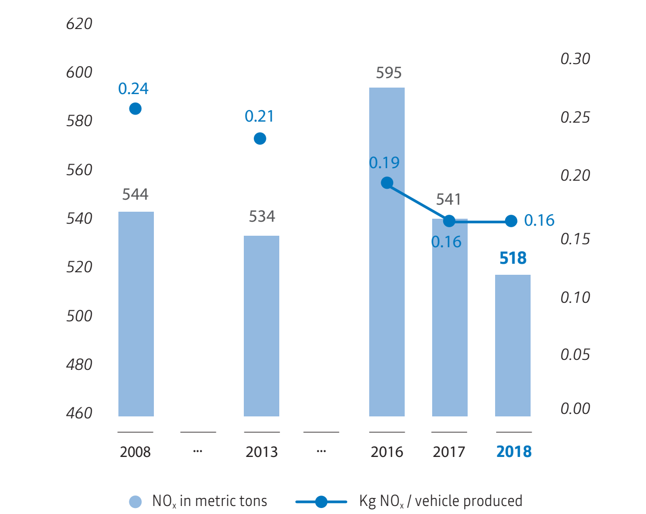
SO_2 EMISSIONS



Scope: all manufacturing plants and the main Groupe Renault tertiary, logistics and engineering sites, excluding the RRG commercial network (reporting scope described in section 2.5.3.2).

(√) Indicator audited by the independent third party at a reasonable level of assurance: total SO_2 emissions for financial year 2018.

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 section 2.5.3.2).

(√) Indicator audited by the independent third party at a reasonable level of assurance: total SO_2 emissions for financial year 2018.

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 (which has applied to all passenger cars since January 1, 2011 and to light commercial vehicles since January 1, 2012), the Euro 6b standard, which has applied to all passenger cars since September 1, 2015 (and LCVs since September 1, 2015 or 2016, according to their mass), 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, which for diesel vehicles represents more than a six-fold decrease in the emission limits of nitrogen oxides in 10 years, was made possible by implementing after-treatment systems such as NO_x trap 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. All TRAFIC and MASTER light commercial vehicles sold in Europe since September 2015 are fitted with this technology.

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 made 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.

These combined actions have allowed, on average, and depending on the applications and type of driving, a substantial reduction – between two- and four-fold – in nitrogen oxides for 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 2018, combining vehicles directly output from the factory with these improvements and vehicles processed in the after-sales network, 78% of Groupe Renault Euro 6b or Euro 6c diesel fleet in circulation have already benefited from the improvement measures decided by Renault.

The rollout of Euro 6d standards is a new step in the reduction of pollutant emissions from internal combustion engine vehicles. These standards introduce measurements under real and variable driving conditions (RDE, Real Driving Emissions protocol) of the emissions of pollutants such as nitrogen oxide or particles, in addition to the measurements made in the laboratory based on the standardized homologation cycle. The latter, by nature, cannot cover the variety of customer uses. The effectiveness of emission control systems varies according to a multitude of factors, such as driving conditions, type of driving or temperature.

This is why Renault, for several years, has supported the European approach aimed at implementing measurements under real driving conditions, 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, is enforced since September 2017 for new models (new types) and will be from September 2019 for all new vehicles (all types). The European Commission simultaneously introduced the new laboratory test procedure, WLTP, which has been applied 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 deployed on diesel passenger cars in Europe in June 2018 and will be fitted to the entire range of diesel passenger cars in Europe by September 2019. 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 all the operating ranges of the engine. For some 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** **1993**	**Euro 2** **1997**	**Euro 3** **2001**	**Euro 4** **2006**	**Euro 5** **2011**	**Euro 6b/6c** **2015/2018**	**Euro 6d temp** **2019**	**Euro 6d** **2021**	**% reduction compared to the first limit value**
DIESEL									
Nitrogen oxides (NO_x): limit value/compliance factor [1]	-	-	500/-	250/-	180/-	80/-	80/2.1	80/1.5	-84%
Carbon monoxide (CO)	2,720	1,000	640	500	500	500	500	500	-82%
Hydrocarbons and nitrogen oxides (HC + NO_x)	970	900	560	300	230	170	170	170	-82%
Particles – by mass (PM)	140	100	50	25	5	4.5	4.5	4.5	-97%
Particles – Number (PN): limit value/compliance factor [1]	-	-	-	-	6×10^{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 6×10^{11}, the same as diesel vehicles.

(3) Compliance factor applicable from 2018 for particles by number.

CONTRIBUTION OF ELECTRIC VEHICLES TO THE IMPROVEMENT OF AIR QUALITY IN URBAN AREAS

Electric vehicles form a major strand of the Group's strategy to combat atmospheric pollution. Once they reach a significant proportion of all vehicles on the road, they will contribute to improving air quality in urban areas because they do not generate emissions during use [1]. In 2012 Renault 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.

(1) Excluding consumable parts.

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% reduction in concentrations of particulates (PM_{10} and $PM_{2.5}$) in the neighborhood in question.

In addition to expanding its offer of electric vehicles (both in terms of market segments and geographical areas covered), Groupe Renault also aims to roll out new electric mobility services that form a central component of urban travel schemes, to the benefit of air quality improvement and congestion reduction: car-sharing, ride-hailing, and autonomous shuttles under the Drive the Future plan. At the end of 2018, more than 5,000 Renault brand electric vehicles were thus available in car sharing services in Europe. For more details, see section 2.2.1 "Changing mobility", in particular 2.2.1.2 "Through innovative solutions".

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. Most of the latest passenger car models marketed under the Renault brands in Europe and China (ESPACE V, KADJAR, TALISMAN, MEGANE IV, SCENIC IV and KOLEOS II) do however 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 100 grams 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, national and European legislators have imposed restrictions on the use of hazardous substances in the workplace and in products. In the European Union, the introduction of the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation in 2007 heightened awareness of chemical risks and prompted an increase in the number of restrictions and usage precautions. A number of countries worldwide have since followed the European Union with similar regulations.

Renault has an organizational structure dedicated to managing hazardous substances, with three divisions:

- in collaboration with the departments responsible for occupational health and working conditions, the Industrial Hygiene and Chemical Risks division manages workers' exposure to chemical risks at all Renault production, engineering and logistics sites around the world. It monitors the chemicals present in the formulations and verifies the classification and labeling of the chemical products used on site and also ensures compliance with the Product Safety Data Sheets provided by suppliers. In addition, the division coordinates research into technical solutions to eliminate priority hazardous substances. It provides an initial assessment of the chemical risk in accordance with generic use conditions. Finally, it carries out monitoring work on chemicals within the environment through the collection of samples and the analysis of the pollutants present at workstations. This expert division was created in the 1960s;
- the Materials Engineering division monitors substances contained in vehicles based on information declared by suppliers using the IMDS system, shared with 35 international carmakers. The division coordinates research into technical solutions to eliminate priority hazardous substances;
- the after-sales Regulatory Compliance division checks with suppliers that parts, accessories and other products sold by after-sales teams comply with applicable regulations and make any substitutions, if required.

The REACH regulation is incorporated in the Company's day-to-day operations. A multidisciplinary REACH Substance Management team is in charge of driving the appropriate processes and information systems, which enable the Company to fulfil the information and transparency obligations required by REACH regulations. The team, which works with a network of around 50 correspondents across Europe and maintains a dialog with counterparts inside and outside the Alliance, identifies and steers the work necessary to achieve compliance by the approximately 100 entities concerned in Europe, to anticipate the risks of failure ahead of the supply chain, and to develop ideas for turning a regulatory constraint into an economic and competitive opportunity.

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.

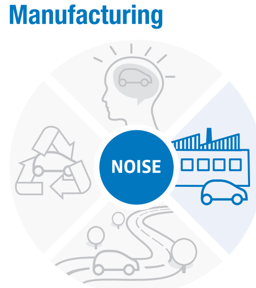
These two lists are respectively described in two separate standards: the Groupe Renault "Substances" 00-10-050 standard for industrial chemicals, and RNES 0027, jointly used by the Renault-Nissan Alliance for automotive components. These standards prohibit the use of hazardous substances and substances of concern, list substances for which substitution is a priority, and require suppliers to declare the substances used in their parts and preparations. In calls for tenders, Renault explicitly asks suppliers to comply with these standards. Their application is enforced by each of the competent divisions.

In line with regulations, Renault adheres to a policy of transparency towards its professional and private customers.

In addition to standard substances and those with identified risks, Renault pays close attention to the potential health effects of innovative materials, such as nanomaterials. In this respect, in 2015 Renault teamed up with the NanoRESP Forum, which proposes an open, non-polemical but critical debate on nanotechnologies and nanomaterials. This collaborative approach, involving manufacturers, distributors, users and consumers of "nanoproducts", provides an arena for discussion of their uses, benefits and risks in comparison with existing alternatives.

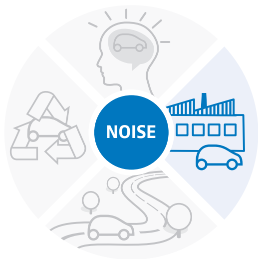
c) Noise

Manufacturing



Noise is a complex subject that involves a wide range of factors such as type and power of noise sources by octave band, directivity, the impact of buildings, topography of locations, weather, *etc.* 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 2018 generate a maximum external noise of 74 dBA during driving [1], in accordance with the regulations applicable to vehicles certified prior to July 2016. The majority also comply with the new 72 dBA limit imposed by European regulation 540/2014/EC, even though this limit only applies to models certified since July 2016. However, the Group is already preparing phases 2 and 3 of the implementation of this regulation, which will lower the level of external noise authorized for most passenger cars to 70 dBA in 2022 (2020 for New Types) and 68 dBA in 2026 (2024 for New Types) by working to improve engine sound insulation and install additional absorbers in the wheel arches (to absorb rolling noise) and underbody fairings.

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 2018
Group	Reduce by 20% between 2013 and 2020 the Group's external water supply per vehicle produced [1]	2016	2020	-14% (compared to 2013)
Manufacturing	Reduce by 30% between 2016 and 2020 the quantity of toxic metals (METOX) in the liquid effluents of the Group's plants [2] per vehicle produced	2016	2020	-18% (compared to 2016)

(1) Scope: all manufacturing sites and main Groupe Renault tertiary, logistics and engineering sites (reporting scope described in section 2.5.2.2), excluding RRG Commercial Network and excluding AVTOVAZ, in which Groupe Renault acquired a majority stake at the end of December 2016, and for which environmental reporting is in development.

(2) Manufacturing sites in the consolidated scope excluding AVTOVAZ, see definition and calculation method in the methodology comments on liquid discharges in section 2.5.2.2.

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 fire fighting. 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.

(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.

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.

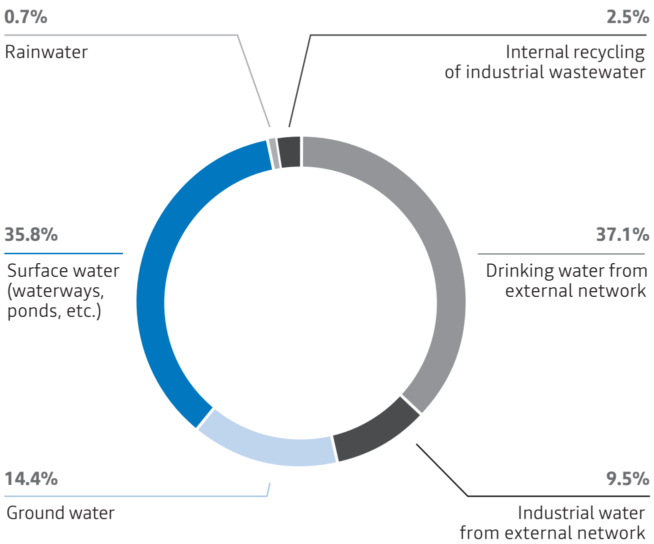
In the **powertrain** plants, the recycling of industrial effluents consists in separating the distillate (treated water) that can then be reintroduced into the process, from the concentrate (oily residue from evaporation) that will be directed to the appropriate waste treatment channel.

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.

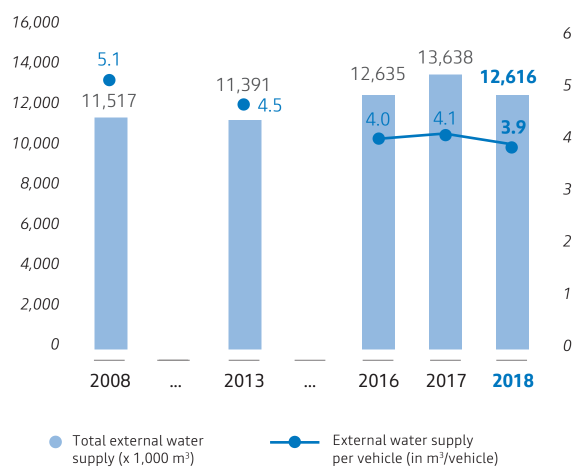
The Tangiers site is now the plant with the lowest external water abstraction ratio (at 1.1m^3 per vehicle produced in 2018) in accordance with the target assigned when it was founded. The performance obtained at Group level in 2018 enabled the external water abstraction rate to be reduced by 14% in relation to vehicles produced since 2013 (from 4.5 to 3.9 m^3 per vehicle).

BREAKDOWN OF WATER SUPPLIES BY SOURCE



Scope: all manufacturing plants and the main Groupe Renault tertiary, logistics and engineering sites, excluding AVTOVAZ and excluding the RRG Commercial Network (reporting scope described in appendix 2.5.3.2).

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 2018.

E. Soil and water tables EFPD8a EFPD11d

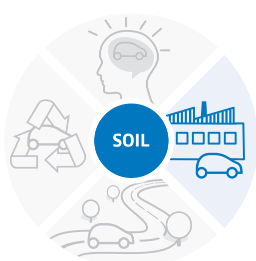
Total surface area for sites and impervious areas

	2018	2017	Change over 1 year
Total surface area *(in ha)*	4,074	4,071	0.07%
Impervious areas *(in ha)*	1,909	1904	0.23%
Impervious areas *(as a % of the total surface area)*	46.9%	46.8%	0.16%

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 2018, the production plants, as well as the main engineering, logistics and head office sites of Groupe Renault (consolidated environmental scope), represented a total area of 4,074 hectares, of which 46. 9% are impervious surfaces 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.

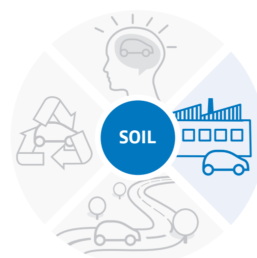
Prevention



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

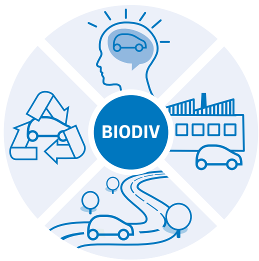


The management of past subsoil pollution hinges on a risk assessment based on the source-vector-target concept and aims to ensure the suitability of the subsoil for the planned or identified uses. There are several stages to the pollution management system:

- 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-2018, remediation work was undertaken at 29 sites.

F. Biodiversity EFPD13



Protecting the biodiversity of species and ecosystems requires specific measures such as protecting habitats and combating the overexploitation of species, as well as reducing polluting emissions into ecosystems (water, air and soil). Renault's continuous efforts to mitigate the environmental impact of its activities and products (see previous sections) help to combat ecosystem depletion in this way.

Renault also takes special measures to protect biodiversity. Industrial projects involving the construction or extension of plants are assessed to measure their impact on surrounding ecosystems. On the Tangiers site inaugurated in 2012, a study was carried out on the impact of the planting of more than 5,000 trees between 2014 and 2015 in order to prevent soil erosion related to rainwater run-off on pervious areas of the site and the associated negative impacts on biodiversity. In Brazil, Renault, with the agreement of the local authorities, established a plan in 2008 to protect and manage biodiversity on part of the land acquired for its industrial site in Curitiba. Out of a total area of 2.5 million m^2, 60% is devoted to the conservation of an area of virgin forest. This virgin forest, made up mainly of araucaria trees, a species of pine threatened with extinction and protected under Brazilian law, is home to more than 170 species of animal.

In 2018, Groupe Renault joined the Act4Nature initiative and subscribed to the 10 collective commitments proposed. This initiative, launched by Entreprises pour l'Environnement (EpE) aims to protect, value and restore biodiversity. For further information, see www.act4nature.com.

2.2.3 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 between 20 and 50 million injured. Unless concerted and effective action is taken, the WHO predicts that road accidents will become the seventh largest cause of death by 2030. Groupe Renault, a carmaker that designs, manufactures and distributes cars throughout the world, makes road safety one of the core concepts of its corporate social responsibility policy.

The Group's international expansion must be accompanied by the design of vehicles meeting regulations and security requirements in its new markets. The causes of accidents and injuries in these new Regions differ from the European market, so Groupe Renault is expanding its accident research beyond Europe, transferring its own know-how and gaining expertise from local laboratories and universities, and other key players in road safety.

In order to fully assume its responsibilities, Groupe Renault has made a two-fold commitment:

- through its products: based on an analysis of observed risks, it incorporates solutions and innovations into all its design, manufacturing and marketing processes in order to protect vehicle occupants and others exposed to road risks (pedestrians, cyclists, *etc.*);
- within society: it participates actively with governments and civil society throughout the world to help improve road safety. Both alone and in collaboration with other organizations, Groupe Renault works to raise awareness of road safety and facilitate transfer of skills among road users and road safety stakeholders.

2.2.3.1 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 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
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

SÉCURITÉ ET MOBILITÉ POUR TOUS RENAULT

RAISE AWARENESS

Because it is important to learn the right habits from an early age, and as children are also road users, Renault continued its "**Safety and Mobility for All**" international road safety program during the 2017-2018 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. Teaching kits are available in paper format and also as tablet applications. A serious game offers three missions and numerous scenarios to raise the awareness of children between the ages of seven and eleven on road safety and sustainable mobility. Download links can be accessed free-of-charge from the program's teaching resource center (www.securite-mobilite-pour-tous.com/).

The "Safety and Mobility for all" program incorporates the themes of environmental protection and eco-mobility. It targets elementary and middle-school children, who can take an active role in their own safety and mobility by participating in the national and international competition "Your Ideas, Your Initiatives". The 2017-2018 competition provided a showcase for several dozen very well-developed initiatives, put forward by more than 1,500 students from 13 countries: Argentina, Brazil, China, Colombia, India, Lebanon, Mexico, Morocco, Romania, Russia, Serbia, Spain and Turkey.

The "Your ideas, Your initiatives" competition, run by the HRH Prince Michael International Road Safety Awards

In 1987, the Prince Michael International Road Safety Awards publicly honored the achievements that have improved road safety throughout the world. Each year, this program publicly recognizes the most remarkable international initiatives in road safety.

All road users are invited to identify those whose initiatives make our roads safer and to propose their candidacy for a prize. This year, Groupe Renault announced a similar initiative, with the successful competition "Your Ideas, Your Initiatives". The competition itself won an award.

The winners of all prizes were invited to meet HRH Prince Michael of Kent during an award ceremony which took place on December 11, 2018 in London.

Global Road Safety Partnership

The GRSP is an NGO supported by the International Federation of Red Cross and Red Crescent Societies, bringing 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 promote road safety (see www.grsproadsafety.org).

In 2018, the GRSP worked in 40 countries worldwide, through extensive national voluntary networks. In 2018, Groupe Renault itself continued to support the actions of the GRSP at corporate level, but also on the ground in the target countries through its decentralized Engineering departments and commercial subsidiaries.

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, 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 52 students (some of whom receive financial aid) to take the 18-month course of theoretical and practical instruction. Since the creation of the Manser, 43 scholarship students have graduated.

Employee safety

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 Renault many years ago. In France, 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."

Renault is also continuing its Group-wide communication, training and awareness-raising campaigns, as evidenced by the employee awareness initiatives conducted on sites by prevention, health and safety engineers, occupational physicians and road safety professionals. In May 2018, during road safety at work week, practical awareness-raising initiatives were undertaken in France. An e-learning road safety training and awareness-raising module was released in 2018, aimed at reaching a large number of employees rapidly. It aims to support and empower employees during their business travel and commuting, and on the job.

Prevent-Correct-Protect

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, 21 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 2).

The in-depth knowledge of accident and injury mechanisms developed through LAB (the Renault-PSA Peugeot Citroën Accidentology and Biomechanics Laboratory) research, has furnished Renault with an ambitious and pertinent vision of the steps needed to improve road safety. In addition to the results of consumer tests, Renault investigated areas which it deemed crucial to reducing injury risk during accidents, such as submarining and compatibility. These issues of submarining and compatibility are taken into account in developments to the Euro NCAP protocol introduced in 2015, then in 2020.

This effort in the field of passive safety will therefore continue over the coming years, particularly supporting the tightening of rules for consumer testing around the world.

While efforts in passive safety undertaken by the entire automotive industry have enabled extremely significant improvements to be achieved in terms of reducing the road death toll, recent technological advances, complementing public policy, have heralded a new and very promising area of progress, meaning that it is no longer a case of limiting the consequences of an accident, but rather, of reducing their severity, or even, avoiding them altogether. This is where primary road safety comes into play, with ADAS (Advanced driver assistance systems). These ADAS re taking corrective action on the driver's behalf and in his or her place. These systems, the most typical today being Automatic Emergency Braking (AEB), will be able to deal with one of the recognized causes of accidents, *i.e.*, driver error due to inattention. Renault does not claim to be a pioneer in this field of development, which, due to the cost of these systems, mainly features in the high-end market. Nevertheless, the Group wants to make them accessible to a wider public, while working to integrate them in our vehicles. Other ADAS, however, are now well entrenched in Renault's lineage (Renault was one of the pioneers of the speed-limiter in Europe). These include the over-speed warning, combined with the speed-limiter, head-up display of driving information, automatic switching of main-beam/dipped-beam headlamps at night, lane departure warning, blind-spot warning and safe distance alert.

In 2015, the New Espace was the first in its range to feature these new functions, which are already to be found in other C-D-segment vehicles, namely the KADJAR, the TALISMAN, the MEGANE IV and the KOLEOS. The preparation of new systems is underway, benefiting from the very rapid progress in the development of sensors and onboard electronics. In 2016, SCENIC unveiled a new generation of even more powerful ADAS systems, including Automatic Emergency Braking with pedestrian detection. This will feature in the vast majority of our future products, including less-premium range over the coming months. This equipment will be continued with the renewal of the segment B CLIO/CAPTUR launched in 2019.

Rescue

RESCUE

In 2012 Renault became the official partner of the French National Federation of Fire and Rescue Services (Fédération Nationale des Sapeurs-Pompiers de France or FNSPF), thereby rubber-stamping the long-lasting relationship that exists between these two major players in sustainable mobility.

In September 2018, Groupe Renault 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 prevention.

To confirm its commitment to the emergency services and ensure their safety during their interventions on Renault and Dacia vehicles, Renault has included, within its Corporate Social Responsibility (CSR) department (DRSE), a Lieutenant-Colonel from SDIS 78 (Departmental Fire and Rescue Service, *Service départemental d'incendie et de secours*) for a period of three years. His role is to contribute to the development of the inclusion of the activities of firefighters from the design of vehicles, and to apply the acquired know-how amongst his colleagues in France and abroad.

In 2018, Groupe Renault was a major partner of **"Extraction", the national firefighters' challenge**, held from May 24 to 26, 2018 at the Velodrome in Saint-Quentin-en-Yvelines. The Group has been a partner in this event since the first edition in 2016, and each year provides numerous vehicles for use by firefighters for extrication. This year, 85 vehicles were provided for the "Extraction Challenge".

The event allowed 22 firefighting teams to compete in road rescue (extrication) and emergency rescue events. They included three foreign teams from the United Kingdom, the United States and Taiwan, which participated in the off-competition challenge. For more information, go to: www.pompiers.fr/actualites/renault-et-les-sapeurs-pompiers-de-france-un-partenariat-exemplaire- pour-les/.

Groupe Renault has also become a member of the World Rescue Organization (the only carmaker to date).

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.

Emergency Response Guides on the Group's electric vehicles have been available for emergency services for several years, as have decision support sheets for use in the event of a fire or where extrication is needed. These documents – for which a new ISO standard has been brought in to ensure that carmakers offer emergency services a single and easier-to-understand format – are designed collaboratively with emergency services so that they match their real needs as closely as possible (this is a particularity of French carmakers).

Emergency services needs are taken into account from the design stage of vehicles. As an example, fireman access is already a feature of the ZOE, ZOE Long Range, KANGOO Z.E. Long Range and MASTER Z.E. It will be fitted on all future electric and hybrid vehicles of the range.

Fireman access is a heat-fusible part (plastic that melts in heat) placed on the electric vehicle chassis. In the event of malicious fire, it allows firefighters to access the 400 volt battery below with their fire hose. The aim is to drown the battery by filling it with water, which is the only way to turn off a lithium ion battery quickly and permanently. This allows firefighters to extinguish the fire in less than a minute, as opposed to 45 minutes in its absence. Groupe Renault is currently the only carmaker to offer this assistance to firefighters.

The Rescue Code provides firefighters with another tool enabling them to carry out extrication maneuvers more quickly and effectively. It is a QR code that the customer can affix on the windshield or rear window. It allows firefighters to access the damaged vehicle's decision support sheet on the rescue site, thanks to a free application co-developed by a start-up, the French fire department and Renault. It includes information for each model, allowing firefighters to perform their extrication maneuvers safely for themselves and the victims.

Other measures implemented in 2018 included:

- studies on the best position for the service plug and fireman access on future electric and hybrid vehicles in the Renault range;
- drawing up design rules for vehicle projects taking into account the interventions of the emergency services;
- organization of the annual Renault Tertiary Road Safety Seminar at the Technocentre, attended by 300 firefighters and Renault engineers. Technical exchanges with the engineering professions;
- participation in various French and foreign exhibitions dedicated to rescue in 2018: rescue Expo, annual conference of French firefighters; trade fairs in Slovenia and Finland, and the international challenge on freeing people from wrecked vehicles;
- organization of training sessions to improve road traffic rescue for the firefighters of Slovenia, the Netherlands, Finland and Switzerland, as well as several Departmental Fire and Rescue Services (SDIS): 500 firefighters concerned;
- active participation in the consideration by Euro NCAP of fire service interventions after accidents to define the new ratings for vehicles from 2020.

2.2.3.2 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 both in-house and with Nissan, VeDeCom, the scientific community and industrial partners, as well as with government agencies, on all aspects of safety:

- operational safety;
- overall 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 is already a reality as part of the collaborative SCOOP@F project. Partially automated vehicles with simple initial cases of use will take their place in the Renault range before 2020.

2.2.3.3 Overall 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 (see 2.3.1.3 "The expertise network to support the Mid-Term Plan");
- the creation of safety documentation for each project (demonstration of safety risk control documentation), covering engineering, manufacture, sales and after-sales. This documentation 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 INCLUSION

2.3.1 Promoting diversity, development and employee commitment

In 2018, Groupe Renault's human capital comprised 183,002 women and men in the 152 entities and 37 countries in which it operates. Each and every one of them uses their skills and commitment for long-term fulfillment of our customers' expectations, while reflecting society's diversity.

Committed to sustainable growth, Groupe Renault implements a global, fair and competitive HR policy. HR standards, processes and policies (implemented worldwide) provide a shared reference framework, which ensures fairness, transparency and professionalism for all employees.

To continue to adapt to the new challenges in the Automotive segment and to changes in mobility services, the Group has introduced an HR policy with a global vision to ensure that Renault as a company is fast-moving, innovative, effective and eager to learn. This policy is based around high-quality social dialog both locally and globally, and is focused on three priorities:

- acquiring the **necessary resources and skills to prepare for tomorrow's mobility**;
- accelerating **employee development and the diversity of our teams**;
- developing **a motivating, empowering and appealing working environment**.

Methodological note

The social performance indicators respond to the principal risks identified in the 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. These new provisions replace the "Grenelle 2" provisions previously applied.

Consolidation scope

The consolidation scope covers the Group's subsidiaries consolidated fully or corresponding to the definitions of a joint operation.

Several scopes are used in this chapter:

- global, covering 100% of the Group's employees including AVTOVAZ;
- fully consolidated subsidiaries, covering 151 entities (out of 152) and 97.5% 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 reporting scope for Health and Safety data, for example, covers the Group's global scope, including AVTOVAZ Togliatti plant, and excluding AVTOVAZ group subsidiaries and one other subsidiary (Tandil).

Data collection process and definitions and calculation methods of some indicators set out in the appendices concerning social commitment 2.5.2.

2.3.1.1 Boosting Groupe Renault's image as a leading employer

At a time of digital revolution and the emergence of disruptive technologies at an increasing pace, new businesses are changing the skills set needed by the company. All levels of qualification are affected by these transformations, from production operators to support functions, management and senior management. And identification of the best talent is taking place in an increasingly competitive market because it is not confined to the automotive sector. To anticipate and adapt to these rapid changes, Groupe Renault is recruiting 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, an aim it has made central to its HR policy.

A. Move our World Forward

This global ambition is based on defining and promoting a new employer promise, summarized by the broad tagline of Move our World Forward.

The promise is based on three strong ideas: What benefits do our candidates receive, and what do we want them to remember about Groupe Renault's business and HR vision? Why choose our industry? *To reinvent mobility for everyone*. Why choose us as a manufacturer? *To benefit from the diversity of the Alliance*. What HR promise do we make each day? *To grow with us and have an impact*.

With this new employer image, Groupe Renault is also expressing the skills and profiles that it wishes to attract, *i.e.*, like our vehicles, candidates should be: "Mobile", "Connected" and "Autonomous".

In 2018, we gradually updated our various communication channels with our new Employer Image campaign, the aim being to provide a unique and consistent candidate experience for all communications formats and countries in which the Group communicates.

In 2018, Groupe Renault also continued to invest in a digital HR presence and social media profiles, particularly LinkedIn, the world's leading professional social network. We trial a number of HR solutions including recruiter licenses, Career pages and innovative tools to boost our appeal. Country-specific Career pages have been launched for France, Spain, Russia, Romania, Turkey, Argentina, Brazil, India and Morocco, together with a corporate page. This is an essential tool in the communication strategy of a company that wants to manage its online presence, promote its employer brand strategy, demonstrate its relevance and present its products and services innovatively through content customization. Followers of the pages can opt to receive information about the Company, its products, and new career opportunities that are posted on the sites. In addition, new corporate guidelines were produced by the team in charge of the Group's digital communication and shared with all contributors, including a section specifically dedicated to the employer brand.

Actions are just as crucial as words in ensuring that Groupe Renault is a very appealing employer. We therefore involve all employees in the process.

Our new employer promise will therefore have an impact on the different stages of the candidate and employee experience (attraction, recruitment, integration, commitment and retention). In 2018, appeal and recruitment were accordingly covered by an awareness campaign to ensure that the Group's recruitment staff understood these new messages, with an emphasis on the recruitment interview as an excellent opportunity to communicate our EVP (Employer Value Proposition).

Our current priority is to build a strategy to promote commitment and retention of talent, with a particular focus on analyzing external benchmarks and successful initiatives in different worldwide regions, particularly in terms of quality of life at work.

B. Acquiring the necessary resources and skills

2018 was marked by the continued growth of the Group's workforce throughout the world, to cope with technological breakthroughs, develop the quality of products and services to customers. This growth is mainly related to that of the production workforce following the reduction of rates of use of temporary staff, in order to favor the continued improvement of the quality of our products. The workforce in the Research and Development teams was also strengthened, to acquire the strategic skills necessary for the development of connected, electric, autonomous and shared vehicles.

a) Breakdown of workforce by Region over three years and average workforce EFPD1a EFPD1d

Scope of labor reporting	2016	2017	2018	Percentage in 2018
GROUP* (PERMANENT + FIXED-TERM)	**124,849**	**181,344**	**183,002**	
Europe	70,616	72,132	73,094	39.9%
o/w France	*46,240*	*47,711*	*48,603*	*26.6%*
Eurasia	26,855	78,255	78,271	42.8%
of which AVTOVAZ	-	*49,771*	*48,590*	*26.6%*
Americas	10,120	12,431	12,291	6.7%
Asia – Pacific	4,499	4,531	4,497	2.5%
Africa – Middle-East – India	12,759	13,995	14,849	8.1%
Average Group workforce without AVTOVAZ	122,493	128,211	132,993	

* *Expatriates are counted in their home country.*

As of December 31, 2018, the Group's workforce (permanent + fixed-term contracts), including AVTOVAZ, totaled 183,002 employees, with 179,465 in the Automotive division and 3,537 in the Finance division.

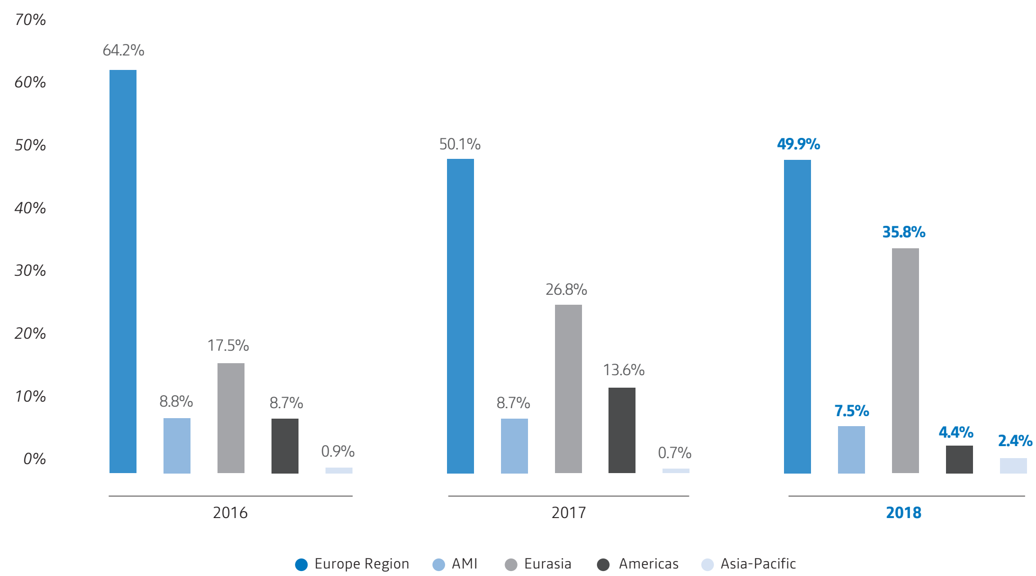
The Group's employees work in 37 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 92% of total employees.

b) Breakdown of recruitment EFPD1e

The total volume of recruitment for 2018 was practically unchanged compared to the previous year: 25,997 people (on temporary and permanent contracts), representing an increase of 2.2% compared to 2017. These recruitments have fulfilled the requirements of production units, particularly in France, Russia, Spain, Romania, Turkey, Morocco and Slovenia. They also strengthened the skills necessary to develop the mobility solutions of the future, notably in France, India and Romania. Lastly, they strengthen the abilities of the commercial network to respond to the demand for services from our customers, particularly in France.

In France, the CAP 2020 agreement signed on January 13, 2017 defined a commitment to 3,600 new hires on permanent contracts over three years, a commitment brought to 5,000 by an amendment signed in April. Since 2017, 4750 new hires were made. Added to the 2,300 other hires in the sales network and RCI, Renault recruited 7,050 new staff on permanent contracts in France in 2017 and 2018. As of December 31, 2018, Renault had also recruited 1,700 apprentices under the agreement.

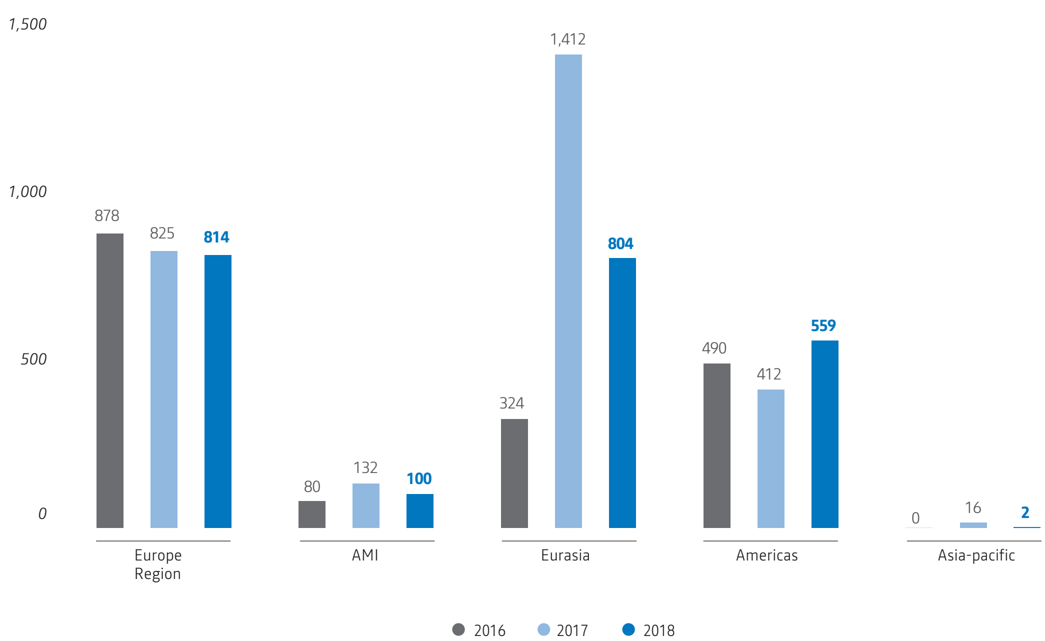
RECRUITMENT BREAKDOWN BY REGION OVER THREE YEARS



c) Breakdown of redundancies EFPD1f

At the same time, the number of dismissals stood at 2,279 people, down compared to 2017 (2,797).

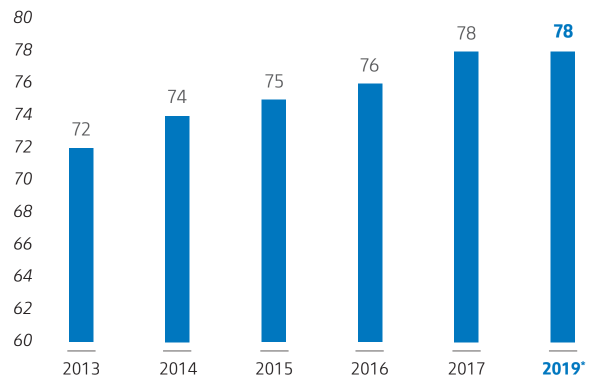
BREAKDOWN OF REDUNDANCIES BY REGION



C. Engagement and enablement of employees

From January 21 to February 8, 2019, all Group employees were invited to express their views in terms of engagement through the Group employee survey, conducted by an independent firm. With a response rate of 90%, participation remained high. The results show that the Group's employees continue to have a high level of engagement and that the enablement indicator (the conditions for success) continues to progress. Of all the questions submitted to employees, 24 saw improved results, six a stable reading and only four a deterioration.

Engagement results



* Survey initially planned for late 2018, conducted in January 2019

EMPLOYEES AS ENGAGED AS EVER

The level of engagement of the Group's employees, in other words the company's ability to stimulate its employees' enthusiasm, to give the best of themselves, is one of the company's strong points. Still at a high rate (78%), it is stable compared with 2017, well above the global standard [(1)] (11 points higher) and much higher than in high-performing companies [(2)]. Turkey stands out, with an impressive 16-point increase compared with 2017, as do Argentina and Morocco (a three point increase).

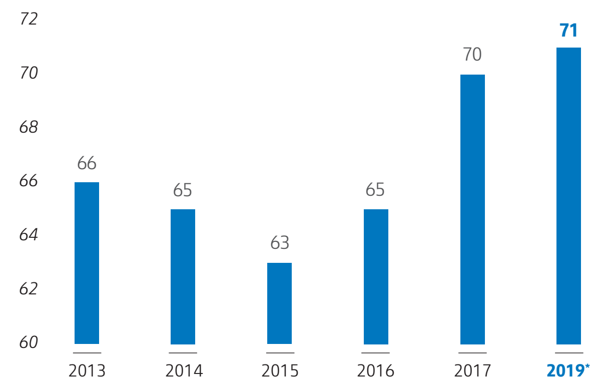
Moreover, 85% of employees say they are proud to work for the company, and 74% that they would recommend Groupe Renault as an employer.

FAVORABLE CONDITIONS FOR SUCCESS

The second indicator, enablement, describes Groupe Renault's ability to create the right conditions that enable each employee to perform his/her duties in the best possible way. At 71%, it was up one point compared with 2017, well above global standard (four points higher) and very close to the level of high-performing companies. The increase was particularly pronounced in Turkey (+12 points) and Argentina (five points higher).

Moreover, 69% of respondents agree that there is no major obstacle in their team preventing them from doing their job well (+2 points compared with 2017 and 11 points above the global standard). In addition, 76% agree that their work allows them to use their skills and know-how well. This represents a decline of one point compared with 2017, but is still above the global standard..

Enablement results



* Survey initially planned for late 2018, conducted in January 2019

NOTABLE PROGRESS BUT AVENUES OF IMPROVEMENT REMAIN

Built on the results of the previous survey, several action plans have been implemented to improve organization and processes, as well as the working environment. And they have paid off, since 60% of employees think that the work organization allows for quality work (a four point increase compared with 2017) and 62% have a good perception of material working conditions in the company (a five point increase). These results reflect improvements made to date. However, efforts must continue in 2019, as our readings are still below the global standard.

Another notable improvement is that 73% of employees agree that the company offers good opportunities for learning and development. This is eight points higher than in 2017 and above the standard for high-performing companies. The increase was particularly noteworthy in France, with a gain of nine points compared with 2017.

The survey responses also confirm the Renault Way principles of action as priorities for the Group's employees, in particular "Always keep the customer in mind". This is reflected in the fact that 85% of respondents say that people in their team are committed to providing quality products and services (up one point compared with 2017) and that 72% of employees agree that the products and services delivered to customers are of good quality (up two points).

The Groupe Renault employee survey provides the company with a snapshot of employee perception, which it can use as a progress indicator. The aim is for the business activities, countries and sites to take ownership of their own results which they can use to identify progress drivers to enable them to put together their 2019 action plans. The results of this survey improve the motivation and performance of all employees.

(1) Global standard: reference based on the average of the results of all companies in the Korn Ferry Studies panel.
(2) High-performing companies standard: a benchmark based on the average of the top 55 best-performing organizations in the world among Korn Ferry studies.

2.3.1.2 Developing talent, promoting diversity and supporting management quality EFPD17b

Convinced that diversity is a fundamental performance driver, Groupe Renault is developing and promoting the complementarity of the backgrounds and personalities of its teams. The group's inclusion policy is aimed at creating an environment of trust and mutual understanding in which each person at the company, regardless of their age, disability, gender, origin, physical condition, religion or sexual orientation, feels at ease and can be themselves. This enables them to express their individual potential and thereby contribute to collective performance.

"Position paper" drawn up by the Diversity and Inclusion Committee in 2018. This Committee, chaired by the Group's CEO, defines the Company's inclusion policy strategy.

A. Better reflect customer diversity within Renault teams EFPD6c

a) An approach that fosters community spirit

In order to prevent any form of discrimination, to guarantee everyone equal access to employment and to develop within the Company, the Group has built its diversity and inclusion policy around key issues, such as disability, intergenerational and intercultural relations, gender diversity, sexual orientation and gender identity, and religion. Groupe Renault's commitment towards all forms of diversity and against any kind of discrimination is reflected in the Global Framework Agreement signed on July 2, 2013 "Committing together for sustainable growth and development".

Adopted at the highest level of the Company and implemented by various stakeholders (Management, Human Resources, CSR, ethics, social partners and staff volunteers), this ambition is channeled through a multi-action plan.

Conscious of the limitations of the current "silo" approach to diversity, Groupe Renault has now moved towards a more cross-cutting, inclusive policy. To this end, it set up a broad-based think tank and decision-making body, the Diversity and Inclusion Committee, composed of members of the Groupe Renault Executive Committee and Management Committee, in 2017. Its role is to define the framework of Groupe Renault's inclusion and diversity policy by taking a holistic view and approach that encompass the entire spectrum of diversity issues.

Following the Diversity and Inclusion Committee, in 2018:

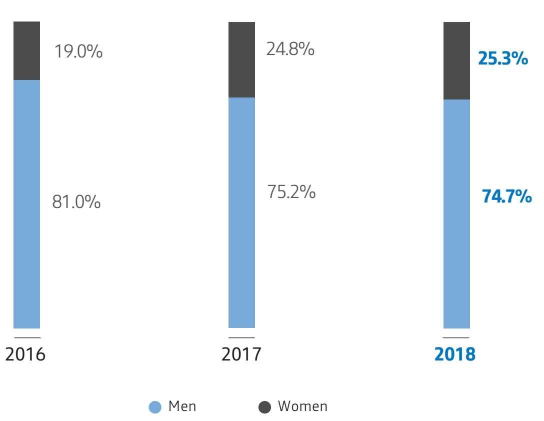
- a new position paper (document defining the diversity scope to be applied to the Group as a whole) was approved;
- the serious game "Together in Diversity" was created at the end of 2018. This Company-wide training course covers various diversity topics - disability, intercultural, intergenerational, gender diversity, sexual orientation and gender identity, religion and trade unions – will be rolled out in the Group in 2019 on the LEARNING@RENAULT digital training platform. Both male and female employees can access this e-learning course, based on actual case studies, which takes the form of a serious game. The course allows them to interact with various scenarios which raise awareness of diversity and inclusion in a professional environment, enabling them to better understand these scenarios and react accordingly. This e-learning course will initially be available in French and English. The scenarios and educational materials are adapted to French culture and regulations. The purpose is to disseminate and further strengthen support for the Group's diversity and inclusion policy;
- in July 2018, the Group Marketing department sent a guide to diversity in communications to Country Marketing departments, with the aim of ensuring that communications (advertising, social media, events, *etc.*) comply with our diversity and inclusion policy (non-discrimination, non-stigmatism).

To help change attitudes in this direction, "Mobilize diversity" (Yammer), an internal community open to everyone, was created in October 2017 at the occasion of the first meeting of the Diversity and Inclusion Committee. At the end of 2018, it had more than 5,200 members, who discuss and share ideas and actions on diversity-related issues. Meanwhile, as part of the Mobilize Days in June 2018, the Flins plant introduced a Diversity Charter which summarizes the site's various commitments in this area. This Charter has also been introduced at other sites, such as the Sandouville plant.

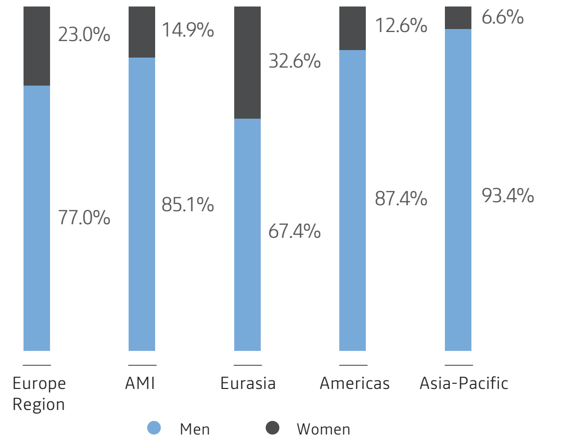
b) Gender diversity within the Company EFPD6a

As of December 31, 2018, the number of women as a percentage of the Group's total employees continued to rise owing to the proactive policy on diversity in recruitment. Women now make up 25.3% of the Group's employees, compared with 24.8% at end-2017.

BREAKDOWN OF WOMEN/MEN IN THE WORKFORCE OVER THREE 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, 2018.

In order to promote gender diversity, in early 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 a social network.

The first component, Human Resources, involves talent management (recruitment, training, career management) and Renault has set quantifiable targets for the plan.

At the end of 2018, women accounted for 25.3% of the workforce (including AVTOVAZ), 19.9% of white-collar managers, and 22.2% of Executive Committee members. Female representation is measured at all levels of the Company. Renault exceeded its objective with 27.4% of women in key positions in the Group (approximately 2,000 positions) versus 27% in 2017. It also maintained the percentage of women on the Group's Board of directors in 2018 at the same level as 2017, 43.7% (in accordance with the AFEP-MEDEF Code).

In addition to these quantified targets, women are also offered tools to assist with their development, through specific mentoring and training schemes enabling them to fulfill their potential and demonstrate leadership.

Renault is also attentive to the issue of gender equality and of promoting a work-life balance for everyone.

The second component of the Women@Renault plan is based on **an internal social network which from the outset has been mixed, international and multi-category**, where men and women discuss the progress of the equality initiative and analyze best practices. The network currently has more than 4,600 members in **14 countries**, 24% of whom are men (compared with 14% in 2014).

Since 2014, the Group has sought to **engage men more closely** in its gender diversity policy, as they still make up the majority of the Company's workforce. Their involvement is therefore essential to further the issue within the business community.

The network organizes events and initiatives to promote diversity both at a central level and in the various countries.

In 2018, lunches, round tables and debates were organized at the Company (in France and worldwide), in which both women and men took part. Professional and personal development workshops were organized by Women@Renault on topics such as "working with yourself to work better with others", "switching to a more harmonious frequency in order to grow professionally", "effective time management" and "what we can all gain from gender diversity". These events are open to both men and women to enhance the debate.

In March 2018, Groupe Renault was involved in the eighth edition of the **"Printemps de la Mixité"** (Spring gender diversity event), formerly known as "Printemps des femmes". This annual event attracts both men and women from major French companies.

In 2018, Groupe Renault continued its partnership with the **"Elles Bougent"** association in France. The goal of these female mentors, which include almost 100 Renault employee volunteers, is to create a dialog with these young women and encourage them to consider scientific and technical careers. "Elles Bougent" and its partners invited 120 young female high school and university students to an exclusive visit of the 2018 Paris Motor Show. The Association is also extending its reach internationally. It is now in contact with Renault Spain and Renault Do Brasil.

Renault is a member of **Observatoire de la Parentalité**. This organization manages a network of stakeholders involved in corporate parenthood in a bid to strike a balance between professional and private life. These two issues play an important part in Renault's philosophy and actions.

In 2018, 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 launched the HeForShe solidarity initiative. The Company's Corporate Social Responsibility department decided to launch a mini website, on which people could register in just "two clicks" to support the initiative, with the aim of boosting the involvement of Groupe Renault employees (men, in particular) in gender equality and diversity issues. The website contains practical information on how to make a difference day-to-day: https://heforshe.renault.com.

A few examples of Groupe Renault initiatives in different countries:

Women@Renault Argentina

Renault Argentina joined the W20 forum held in Buenos Aires on February 27, 2018, in preparation for the 2018 G20. Its purpose was to influence the decisions made by the G20, by increasing female involvement in the global economy.

Women@Renault Colombia

Renault Colombia and its Chief Executive Officer joined the "Modo Rosa" initiative to mark International Breast Cancer Day.

Women@Renault in France

Groupe Renault has been a partner of the WAVE (Women and Vehicles in Europe) association since its inception in 2008.

Like other Group plants, the Sandouville plant took part in the Dexterity Olympics. There were 92 participants, 25 of whom were women (27% of the total participants, despite women making up only 17% of the plant's workforce).

In addition, 135 female employees from the Cléon plant took part in the 8th "*Rivière Rose*" walk/race to support fight against breast cancer.

Women@Renault India
RNTBCI organized a marathon on October 10, 2018 to support "Run for the Girl Child". The cause supports education for disadvantaged girls in India, and pays for educational costs including school supplies, uniforms and school satchels. 850 RNTCI employees (85% men and 15% women) took part in the marathon with their families and friends.

Women@Renault Slovenia
Women@Renault let's race: an all-female event was held in a traditionally male activity. On September 20, seven female employees took part in a Twingo RS drag race.

The Renault-Nissan-Mitsubishi Alliance partnered with the Women's Forum in France in 2018 for the eleventh consecutive year. The purpose of these annual meetings of international leaders is to create a level playing field for women in industry, academia, politics and society. The Renault-Nissan-Mitsubishi Alliance was represented this year by a delegation of 39 Renault, Nissan and Mitsubishi women and men from 11 countries.

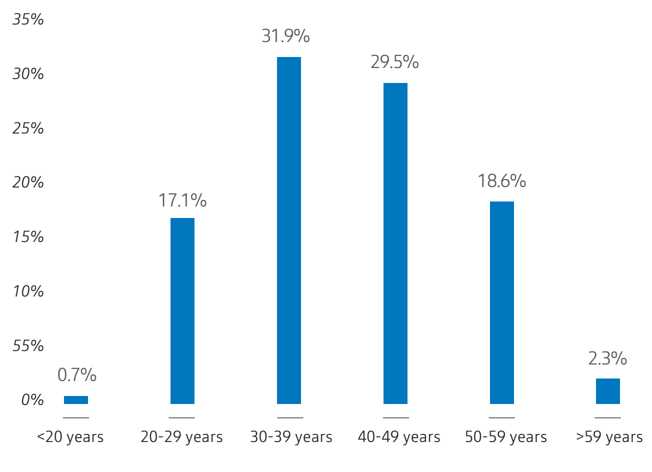
C) Sexual orientation and gender identity

In 2018, Groupe Renault was partner of the "Paris 2018 Gay Games", held from August 4-12, 2018. Open to everyone (regardless of age, gender identity, sexual orientation, ethnicity or health), this is the largest global sporting and cultural event organized by the gay community. The partnership enabled 54 volunteer employees to show their support and/or take part in sporting challenges, providing an opportunity for Groupe Renault to change attitudes and open up a dialog on this subject.

d) Promoting talent at all ages EFPD1c

Large-scale recruitment plans have maintained a balanced breakdown of workforce by age: 17.8% of employees are under 30, 31.9% are between 30 and 39, 29.5% are between 40 and 49, and 20.8% are over 50.

BREAKDOWN OF WORKFORCE BY AGE



The breakdown by age is calculated on the global scope as of December 31, 2018.

Renault is committed to developing talent at all ages, particularly by supporting young people's integration into the workplace and capitalizing on the experience of seniors.

The three-year agreement on work activity for the sustainable performance of Renault in France, signed in January 2017, encourages the employment of young people and older workers. It states that 30% of new hires on permanent contracts must be young people under 30, 40% of whom must have joined the Company under its youth policy at the end of the agreement. For example: in 2018, more than 44% of new hires (in all socio-professional categories combined) were under 30.

In addition, Renault pursues an active policy that begins in school and continues until those involved enter the workplace. One of the goals of the CAP 2020 agreement is that 40% of new hires under 30 must have been recruited under the youth policy, either on work/study contracts, as interns or on work placements.

Groupe Renault develops programs and actions to forge links between the worlds of education and employment, and to professionalize and develop their employability, with a particular focus on the promotion of diversity and equal opportunities. The activities that the Group carries out through the Renault Foundation in partnership with schools, colleges and universities are described in section 2.3.2.1.

In 2017, against a backdrop of large-scale recruitment, Renault was particularly active in France, in terms of employment, links with schools and sponsorship:

- at end-2018, nearly 2,400 young people were in work-study contracts at Groupe Renault in France (including some 280 professional training contracts and 80 CIFRE [training through research] contracts). In addition, the Company provided internships to nearly 1,200 young people over the course of the year. Internships and work/study contracts are one of the main recruitment pools for permanent hires. A registration process has been set up for applicants with the necessary skills for work/study and intern positions. In addition, for the second year running, an internal forum for people on work/study contracts and interns was held at the TCR, where they could meet our recruiters and receive assistance (with workshops on how to write a CV and search for jobs on social media). The aim was to assist them in the job-seeking process, both internally and outside the Group;
- as part of its school's policy, Renault has provided funds to 319 eligible teaching establishments and organizations under the apprenticeship tax;
- since 2006, Renault has organized, in partnership with the education sector and other companies, the "Course in Progress"; the Group is also involved in sponsorship and partnership activities (see section 2.3.3.1);
- in 2018 the "TWIZY Contest" innovation challenge went global, with nine teams of students taking part.

e) Integration of people with disabilities into the workforce EFPD6b EFPD6d

The Company has embarked on the internationalization of its disability policy, creating a link/awareness between country initiatives in order to change attitudes towards disability in the workplace and within society in general, to help people with disabilities integrate into the workforce: improving the employability of disabled people (recruitment and retention), challenging preconceptions of disability, ensuring greater accessibility, adapting workstations and providing training.

The employment rate for people with disabilities is 2.38%, a slight decline from the rate of 2.54% seen in 2017 at Group level.

To support the internationalization of its disability policy, in 2017 the Company entered into a three-year partnership with the NGO Handicap International. It hopes to benefit from the organization's reputation, legitimacy, visibility and international expertise in disability. The partnership is based around the subject of professional integration. Links have already been forged between Handicap International and several countries (Renault Algeria/Renault Morocco), with the purpose of entering into an agreement for 2019.

A few examples of the actions implemented in the Group's host countries:

Algeria

On World Diabetes Day, Renault Algérie Production organized a screening day for the plant's employees. More than 180 screening tests were carried out.

France

During the first year of application of the new agreement in favor of the professional and social integration of disabled people, signed with all of the trade unions, in 2018, the Company continued its actions in favor of the disabled, with two priorities:

- the integration of disabled employees. 33 people joined the Company;
- the development of business flows with the sheltered sector. Sustained efforts are made in matters of maintenance in employment and in preventing the risk of professional exclusion.

The internal social network **Handi@Renault** currently has more than 1,700 members (compared with 1,400 at the end of 2016), both disabled and non-disabled. This is a platform where employees can talk about disability, share the latest news, report any issues encountered and share best practices. It also supports actions that promote the employment of people with disabilities and raises awareness of disability.

Handi@Renault holds regular events to help change opinions on disability. The following are some examples:

- 2018 saw the development of the first Diversity Actions Kit. It is available off-the-shelf for any entity that wishes to launch or boost its diversity procedures. The kit was tested in France during preparations for the 2018 International Day of People with Disabilities. In addition 11 French sites deployed actions on and around December 3, 2018 including the Renault Head Office, Cergy, Villeroy, Choisy, Flins, Renault Tech, Sandouville, Cléon, SOFRASTOCK, Lardy and the Technocentre);
- initiatives were put in place to raise employee awareness, specifically on the concept of invisible disabilities. The Lardy, Le Plessis and Technocentre sites and the Sandouville, Flins and Cléon plants organized conferences on the "dys" disorders (dyslexia, dyscalculia, dysphasia, *etc.*). The Flins plant also organized a conference where the speakers included Philippe Croizon. The well-known athlete and quadruple amputee came to raise plant employees' awareness on disabilities. His unique talk aimed to help change opinions on disability;
- employees and parents of disabled children created the Yammer "Handimoitout" with the support of Handi@Renault, which is open to all people directly or indirectly affected by disability, for mutual aid and assistance, sharing advice, *etc.*;
- in sport, the Handi@Renault plan has led to several partnerships, notably with the French Sports Federation for Disabled People, which the Company (the Renault Foundation since 2018) has partnered for around 20 years by providing funding and vehicles. In return, the Federation assists Renault with training and awareness-raising initiatives; Renault is also continuing its sporting initiatives to raise disability awareness. For example:
  - thanks to Renault's support and the involvement of a Groupe Renault employee, Plessis Robinson Volley Ball (PRVB) has opened a volleyball team for people with mental disabilities. PRVB has been awarded the "*volley santé niveau 2*" (volleyball health level 2) ranking,
  - "Courir pour Camille" Association: A team of Renault volunteers took part in an event in Sceaux, France, pushing Camille in her joëlette (a single-wheel all-terrain wheelchair for a disabled child),
  - Groupe Renault volunteers represented Rouen ARRED (Rouen Association for Rehabilitation of Children with Impairments) in the joëlette world racing championship;
- in France, Renault has also continued its partnership with ARPEJEH (a French association that supports young disabled students), and encourages its employees to explain their jobs to young disabled students.

Colombia

To mark the International Day of People with Disabilities, Renault-Sofasa donated a MASTER van to the organization Crear Unidos, which works to educate young people with cognitive disabilities (*e.g.* Down syndrome or autism), and develop their skills (sports, integration into professional life). The donation was made directly by CEO Matthieu Tenenbaum, on behalf of Groupe Renault and the Renault Foundation.

Turkey

During the International Day of People with Disabilities, a video was shown demonstrating the sign language words most commonly-used on a day-to-day basis. This provided yet another occasion for Oyak Renault employees to meet.

Moreover, as part of the secondary school studies qualification ceremony for people with disabilities held by the Nilufer Special Education High School of MEB, the municipal Vice-President and the school's Principal recognized Renault for the practical support and encouragement it had offered disabled students.

B. Performance appraisal, career development and employee compensation

In 2012, Groupe Renault launched a global tool which comprises three aspects: performance appraisal, employee development and employee compensation (white-collar only). The implementation of the Talent@Renault tool in 35 countries has ensured that the system is fair while increasing its competitive edge.

Talent@Renault is designed to be used by managers, white-collar employees and HR staff.

a) Performance appraisal

Performance is assessed on the basis of three principles: team spirit, shared criteria, and dialog, using the performance review.

Job performance is assessed according to specific criteria that are identical for all employees. The assessment made by the employee's manager is now systematically supplemented with an appraisal by other staff members, to ensure greater consistency and fairness within the Company. The assessment is based on a discussion between manager and employee during the annual performance review. The performance review 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.

This review is also when employees formalize their training requests and discuss their career outlook with their manager. If results fall short of expectations, an improvement plan is implemented by the manager and employee to give fresh impetus to individual performance.

b) Employee development

Talent@Renault also provides a way to share common policies and practices in employee development (white-collar) at Group level, such as the criteria for selecting high-potential individuals, the systematic implementation of development programs for these people that include a career plan.

Talent@Renault is now a tool for better management of the succession plans for the 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 Hay Group international methodology. This assessment makes it possible to draw up a complete internal mapping of positions across the various business lines and Regions, thereby ensuring greater transparency and global equality of career paths. Another advantage is that Renault can compare its pay scales with the market to better manage competitiveness and the attractiveness of the compensation policy. The fixed and variable compensation system is now determined on the basis of this job classification. This job assessment method has been introduced in 37 Group countries;
- **job mastery**, or the capacity to perform a role, defined with precise and shared criteria to make assessment more objective and standardized within the Group;
- **the extent to which targets are achieved**.

Analysis of these three components ensures that compensation is based on the individual's contribution to the Company, independent of any other factor.

The variable part of the compensation of managers and executives is calculated according to the following principles:

- the higher the level of responsibility, the higher the percentage of variable compensation;
- the higher the level of responsibility, the higher the percentage of collective targets;
- payment of variable compensation is determined by achievement of three targets at Group level.

Two systems are applied:

- a Group system for executives in positions with the highest levels of responsibility;
- a system defined at country level for other managers and executives.

The compensation of senior executives is discussed in section 3.2.

Group profit-sharing

Renault has an incentive scheme for employees in France that includes the redistribution of Group profits as well as bonus payments for contributions to site performance.

2018 FINANCIAL YEAR

A new agreement for 2017-2019 was signed on March 10, 2017. As before, this agreement has two parts:

- profit-sharing linked to the Group's operating margin;
- local incentive schemes based on site performance.

Over the past three years, profit-sharing and performance-related bonuses at Renault s.a.s. totaled the following amounts:

Year *(€ million)*	Aggregate amount: financial incentive + performance-related bonuses
2016	156.2
2017	178.8
2018	170.7

d) Employee stock ownership and savings

In France, Renault operates a voluntary company savings plan open to all subsidiaries that are more than 50% owned (10-member subsidiaries). 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 2018, the total amount of the incentives invested in the schemes was €80.8 million, an increase of 2.65% since 2017.

In addition, the total payments in 2018 amounted to €118.5 million.

Renault has introduced a Group Retirement savings scheme (Perco), enabling employees to build up savings that will be available in the form of annuities or a lump sum when they retire.

With this system, employees can pay their profit-sharing bonuses, voluntary payments or part of their individual time savings leave (CTI, up to 10 days per year) into the plan. In addition, Renault contributes the equivalent of 30% of the CTI days paid into the plan.

Employees can choose between free management of their savings, the funds proposed as part of the selected Group savings plan (with the exception of the Company share ownership funds) or management through the generational funds in the BNP PARIBAS PERSPECTIVES range.

In 2018, total payments into Renault's Group savings scheme amounted to €14.3 million, of which 27.65% came from the cash-out of paid leave.

The total value of Renault's company savings plans at December 31, 2018 was € 846.24 million (see appendix 2.5.2).

Since December 2015, BNP PARIBAS E&RE has managed the company savings plan and collective retirement savings plan for Renault.

e) "Share the Future" employee shareholding offering

As part of the disposal of 14 million Renault shares by the French State, Groupe Renault purchased 1.4 million shares on November 7, 2017 with a view to setting up a shareholding offering reserved for the Group's employees and former employees. Through its offering, named "Share the Future" to mirror the Group's strategic "Drive the Future" plan, Groupe Renault aims to unite and rally its employees worldwide and involve them in creating long-term value for the Group while simultaneously developing their sense of belonging. The Board of Directors agreed the terms of the offering on June 15, 2018.

The offering has been rolled out to 10 countries (France, Romania, Spain, Morocco, Brazil, Turkey, India, South Korea, Argentina and Slovenia), and covers nearly 120,000 eligible employees.

Subscribers have been able to invest in Renault shares directly (Korea) or through an FCPE fund (other countries), with preferential terms in return for the holdings being inaccessible for some five years.

The sale price of shares was fixed on September 7, 2018 by the Chairman and Chief Executive Officer of Renault SA upon delegation from the Board of Directors. This discounted subscription price is €58.32 (the reference price being €72.89, determined based on the average of the last 20 closing prices on the Euronext Paris market preceding the date of this decision).

Two offers were available simultaneously: Firstly, a standard offer with a discount of 20% on the reference price, and secondly, a leveraged offer with a personal investment and a guaranteed minimum return, but without the discount (the leveraged offer was not offered in South Korea due to legal constraints). Employees subscribing to the offering received a contribution of four free shares for the first four shares subscribed.

On October 2, 2018, at the end of the subscription period, subscription requests exceeded the 1.4 million shares on offer. After reducing the investments according to the system set out by the terms of the scheme, subscribed shares were issued to employees and former employees on November 7, 2018, exactly one year after Groupe Renault purchased the shares.

This offer generated a 0.5% increase in the share of capital collectively held by employees, following the incorporation into the scheme of two new umbrella FCPE mutual funds, Renault France and Renault International.

f) Controlled development of personnel expenses

The Group's personnel expenses stood at €6,703 million in 2018, of which €6,416 was for the Automotive branch. They are contained at a level close to 2017 (+3%). The "10 major countries" (Argentina, Brazil, South Korea, Spain, France, India, Morocco, Romania, Russia and Turkey) represent 90% of the Group's personnel expenses.

Labor expenses by Region	2016	2017	2018	Average cost 2018
GROUP	**5,747**	**6,502**	**6,703**	**36.8**
Europe*	4,349	4,512	4,718	65.0
o/w France	*3,221*	*3,368*	*3,549*	*73.7*
Eurasia	521	1,006	1,052	13.4
o/w AVTOVAZ	-	*450*	*461*	*9.4*
Americas	368	435	400	32.3
Asia – Pacific	306	323	297	65.7
Africa – Middle-East – India	203	225	236	16.4

* *Europe including Renault-Nissan Global Management.*

2.3.1.3 Offer working environments with training and enlarge the teams

Training and skills management are the essential drivers for supporting the Group in achieving its objectives. The car industry is undergoing major change and jobs are increasingly complex: the mobility of the future will be electric, connected and autonomous. The Company must therefore not only adapt its skills to develop its competitive advantage and still better serve its customers, but also promote development through training in new technologies, notably digital. Failing to have the necessary skills could affect the Group, causing a drop in the level of product quality and difficulties in innovating or in producing or distributing our services and solutions.

A. Dynamic skills management

Groupe Renault's resource management system aims to define the anticipated recruitment, training and employee adaptation needs and implement the corresponding initiatives.

These initiatives, which initially focused on the Engineering and Manufacturing business activities, were rolled out more generally in 2018 to reach all sectors in order to provide the Company with the skills it needs to make a success of its Mid-Term business plan.

These skills are identified by the network of experts, the business managers and external benchmarks so that changes in them can be anticipated over the long term. After bring trialed in IT and quality, the use of employee self-assessment is being developed as a way of mapping out current skill sets. This assessment leads to better analysis which, in turn, improves prioritization of action plan. The latter target optimal resource allocation, definition of recruitment strategies for finding new skills, training plans for the skills that need to be improved and support for inter-business activity transfers to accommodate changes in the business and its needs.

The process is supported by the HR department, which adopts a global approach, challenges the business activities and identifies the areas for change common to the various entities to better handle the Group-wide impacts of the changes.

The GPEC *(Gestion Prévisionnelle des Emplois et des Compétences)* in France

In France, the "Agreement for the sustainable performance of Renault in France" (CAP 2020) was signed on January 13, 2017 for the period 2017-2019. It replaced the "Agreement for a new dynamic of growth and social development at Renault in France" signed on March 13, 2013. The Group's strategic challenges and the resulting changes in skills in each business line have been discussed with the labor unions, notably at the Employment and Skills Observatory held every year. At the end of the Observatory, a map of critical and sensitive skills was distributed to all employees.

Drawing on a comprehensive range of tools, the GPEC is a lever for managing the supply of so-called "critical" skills and the retraining of employees with so-called "sensitive" skills (see definitions in the methodological note). In 2018, over 800 employees signed up for the various initiatives offered: support to start up or takeover a business, a period of secure voluntary mobility, working part-time towards the end of one's career, or work exemption for specific careers for employees who may draw on their pension in the three years after joining the scheme.

Certified training programs have been developed to enable employees to change business-lines by teaching them skills that are both more strategic for the Company and more useful in terms of employability.

HR offices are located on each site to help and advise employees interested in the scheme and the various GPEC schemes can be consulted on the Company intranet site.

As part of its GTEC (Regional Jobs and Skills Management) scheme, to offer job support and security in France, Renault actively contributes to the work and deliberations of the skills and employment office of the Automotive and Mobility Industry (PFA). It has committed for a period of five years (2017 to 2021) to the PFA's Attractiveness, Skills and Employment program, praised by the public authorities for its innovative contribution to employment and training in the *Investissement d'Avenir* (Investment in the Future) program (PIA 2).

Training EFPD5

As part of its "Drive the Future 2017-2022" mid-term plan, Groupe Renault supports the skills development of its employees to meet its sustainable growth targets.

The link between skills development and our training offering has been strengthened thanks to a strong commitment from all players involved in these activities: academies and business activity representatives, the training teams and HR, at head office and in the regions and countries where Groupe Renault operates.

At a global seminar last July, organized by the Group's "Learning & Development" department, the training managers of the 10 major countries and main regions came together with the heads of the functional academies to share with our teams the Group's training strategy, which supports employee development throughout their working life, upholding its status as a learning company.

To support this initiative, **a new learning management system – LEARNING@RENAULT** – was rolled out to all Group employees on January 18, 2018 offering access to 480 digital modules on cross-functional or managerial topics and the development of functional skills. To support the continuous development of our business sectors, we opted to increase our digital training offering to provide more daily learning opportunities.

From August 2018, **LEARNING@RENAULT** continued to be rolled out gradually, incorporating in-class training in the following countries: India, Morocco, Portugal, Romania, Russia, Slovenia, Spain and Turkey. It was deployed in France on January 7, 2019 giving access to this global training management system to more than 80% of the Group's employees.

The 13 functional academies continue to develop their training offering worldwide, following up discussions held by our functions to identify skill requirements and helping to deploy training priorities in the different countries and subsidiaries.

Accordingly, the **Engineering School** has finalized a training program dedicated to chief engineers from AVTOVAZ and has converged with Nissan towards a first batch of training courses common to the Alliance in the field of software development. The Engineering School has improved its training offer for autonomous, electric and hybrid vehicles and regulatory requirements and standards. This strengthening resulted in the creation of about 100 new training courses in 2018, including 24 online courses, in line with the strategic drivers of the company. Particular examples are the inclusion of training courses in the Alliance's new tools (One View, OneVal) and the creation of a course leading to a professional certification in project management, run by the new area of expertise created in April 2018. This training program uses varied educational activities (in-class, e-learning, self-learning platform, webinar, social learning and coaching). The participants can also obtain IPMA (International Project Management Association) certification to recognize the skills acquired in the company in their professional career. Also, the "re-skilling" course on the electrification of vehicles for specialist tests, initiated in 2016 in partnership with the GRETA in Essonne, was finalized in 2018 with a seventh module; this course had 74 participants in 2018 (74 in 2017) for 7,200 hours of training over two years and will continue in 2019.

The Digital Academy's task in 2018 was to draw up skills reference guidelines to support Groupe Renault's digital transformation. It put together training programs to accompany this transformation, with an "up-skilling" (Product Leader, Agile Business Analyst programs) or "re-skilling" (UX designer, Scrum Master, developer) process. The processes were gradually deployed, with eight employees becoming certified "UX designers" after a five-month full-time training course developed in partnership with Strate Executive Education. In addition, an 8.5 month "Become a developer" training program has been deployed in partnership with SIMPLON.

At **Design**, the first phase of a digital training program was rolled out. The digital R-Generation project aims to optimize the Design development process through the integration of new digital tools, which requires new working methods and functional skills. Before this could happen, "coaching expert" training using Adobe and Autodesk was run to help the 2D/3D design business activities improve their use of the current tools. Other courses have been designed to train the digital modelers and designers in new uses such as design UX (XD) and 3D design with "generative modeling" (Grasshopper).

The Alliance Purchasing Academy network has rolled out its purchasing training to more sites worldwide. This involved joint governance initiatives, the sharing of learning content and distance learning for local trainers via virtual classrooms.

The Finance Academy in partnership with Grenoble Management School (GEM), launched an extensive digital training program, initially for employees in Finance in France. Entitled "#DigitalMindset", is a fast-track route for the function's transformation program. Lasting six months, it comprises various modules: conferences, workshops and working groups, and aims to develop a digital culture by offering an overview of the digital transformations underway while providing training on the Company's collaborative tools.

The Quality and Customer Satisfaction School has developed an online training course, entitled "The Fundamentals of Quality and Customer Satisfaction", to teach all the business activities and employees the fundamentals and the Quality mindset. Fourteen modules, available in French and English, explain the key Quality methods, tools and processes (Customer Satisfaction Plan (CSP), QC Story, "Design to Quality", compliance). The program will be finalized in 2019 for a Group-wide roll-out.

The Sales-Marketing and Communication Academy continued to update its training offering, launching an online "Digital Com" course to increase digital awareness in the Communications teams.

Learning & Development is also seeking to increase learning opportunities for Group employees by adding articles and videos on the topics of leadership and management, personal development, digital culture and teaching skills (learn how to teach) to the "**DRIVE YOUR LEARNING**" portal.

L&D continues to organize **Learning Expeditions**, which have three objectives: to develop a digital mindset, develop collective intelligence and provide teams with the skills to transform their business activities. The Finance, General Services, Communications, Audit & Internal Control, Compensation & Strategic Workforce Planning and Learning & Development management committees undertook learning experiences in Paris, Berlin, Tel Aviv or on the West coast of the United States.

In 2018, the total number of training hours undertaken by employees registered with the Group in 2018 (temporary and permanent) stood at 3,536,380 hours (excluding AVTOVAZ) and 5,128,819 hours (including AVTOVAZ). The breakdown of training hours by Region was as follows:

BREAKDOWN OF TRAINING HOURS BY REGION

Region/training hours	2018	2017
Americas	211,452	145,981
AMI	371,241	343,897
Asia-Pacific	101,060	113,518
Eurasia including AVTOVAZ	2,515,123	
Eurasia excluding AVTOVAZ	922,684	907,638
Europe (excluding France)	981,619	866,607
France	948,324	998,064
Total excluding AVTOVAZ	3,536,380	3,375,705
Total including AVTOVAZ	5,128,819	

Within the 10 major countries, training hours carried out in 2018 broke down as follows:

NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES

Training/country	Argentina	Brazil	France	India	Korea	Morocco	Romania	Russia (excluding AVTOVAZ)	Russia (including AVTOVAZ)	Spain	Turkey
Total hours 2014	35,229	105,298	759,745	222,885	32,954	157,535	467,034	81,596		230,087	81,596
Total hours 2015	35,057	83,642	827,928	161,654	91,805	280,875	417,151	63,286		274,121	63,286
Total hours 2016	45,400	71,538	844,738	158,277	118,164	118,621	465,297	97,998		379,383	97,998
Total hours 2017	40,459	65,271	998,064	210,494	113,246	131,912	432,594	128,996		343,632	128,996
Total hours 2018	78,522	95,564	948,324	194,636	100,549	175,434	418,138	158,617	1,751,056	344,705	158,617

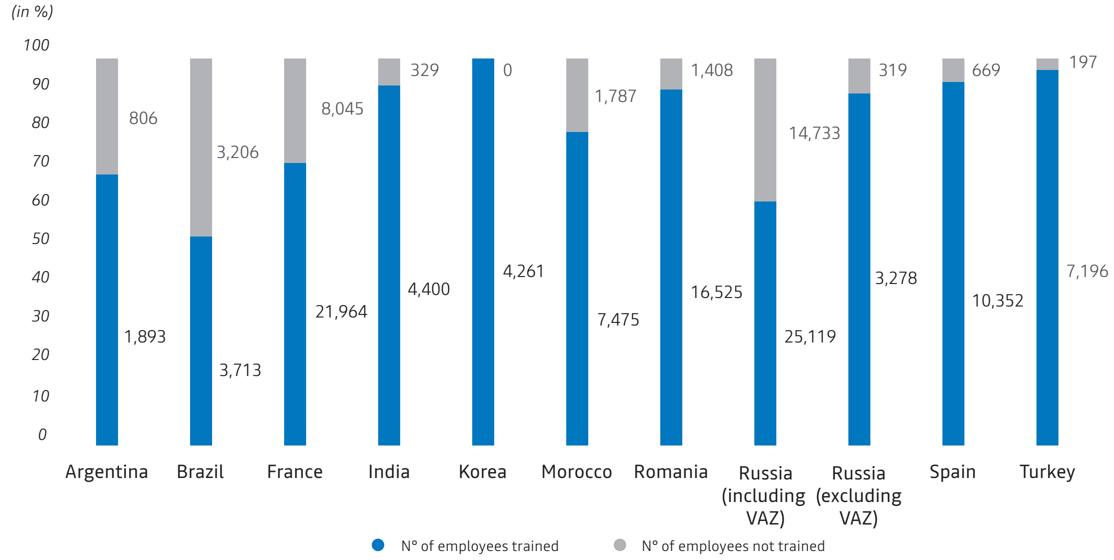
The drop in the number of training hours in France is mainly related to the increase in digital training courses (with an impact on the in-class hours of training) and the drop in the volume of hours in certain subsidiaries.

Morocco continued the deployment of management training courses, with a positive impact on the number of hours of training completed.

TRAINING ACCESS RATE AND AVERAGE TRAINING HOURS BY EMPLOYEE

In 2018, the overall training access rate (excluding AVTOVAZ) was 81.4% (74% including AVTOVAZ). The average training time (excluding AVTOVAZ) was 24.4 hours per employee (26.2 hours including AVTOVAZ).

Quarterly monitoring is performed within the major entities of the Group's 10 major countries representing 76.1% of Groupe Renault's registered workforce. The training access rate for these entities (excluding AVTOVAZ) was 82.9% (76.7% with AVTOVAZ):



The expertise network to support the Mid-Term Plan

Since 2010, the expertise network structures and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and to customer satisfaction. This year, it reached a level of maturity enabling it to cover all the Group's functions.

The 53 areas of strategic expertise are established in all major business activities, with a strong concentration in engineering. In 2018, the areas related to new technologies grew further. Existing areas were partially reviewed to ensure coherence with those created and to provide additional skills to support the transformation of all our business activities. A new area of strategic expertise was created in October 2018 within the Group's Corporate Social Responsibility (CSR) department: the DES Social Business (see section 2.3.4.2).

The network is structured into four levels:

- **The Expert Fellow**, a member of the Renault Management Committee. Responsible for defining and ensuring the coherence of the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network to structure their production at both the strategic level with the roadmaps and the operational level regarding technical or methodological innovations, support for projects or Quality issues. The collaborative work carried out by working groups contributes to a dynamic of shared progress for the affected business activities as regards the Company's main challenges, which are largely technical. The network can thus be described as an agile organization that serves the inter-business sector. Participation in regulatory and standardization bodies and their consistency is also one of the network's deliverables;
- **53 Expert Leaders**, each reporting to a Business Vice-President who oversees their roadmap. Expert Leaders have responsibility for an area of strategic expertise. They structure and guide their internal network of experts and use an external network consisting of academics, 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;
- **220 Experts**, responsible for secondary fields of expertise, oversee benchmarks, identify relevant partners and invest in the protection of know-how through patents. They are responsible for promoting standards and processes;
- **500 Consultants**, responsible for specific business activities, who improve the state of the art by being "the benchmark" in their practice, thus building standards, capitalizing on them and imprinting them with their experience.

By continually expanding our expertise network, and applying it Group-wide through a series of coherent roadmaps, the Group is able to increase the pace at which knowledge is acquired and applied to the Group's business activities and projects. Thus, within the Alliance, the Renault and Nissan expertise networks regularly coordinate to work in synergy on the strategic roadmaps and joint development projects.

B. Support for the development of managerial skills

Since 2017, Groupe Renault has had a unique set of reference guidelines, the Renault Way, shared by all managers and employees.

The Renault Way is structured around five principles:

- Always keep the customer in mind;
- Share reality openly;
- Make it simple;
- Bring your contribution;
- Keep on learning.

Each Groupe Renault employee is invited to routinely apply these Renault Way principles in their activities, so that they can cooperate to better serve our customers.

In addition to the communication campaign aimed at Groupe Renault employees, a specific seminar, Renault Way Team Experience, will assist managers and their teams until 2020. This three-day seminar (two days followed by a feedback day) is designed to help managers translate the five principles of the Renault Way into concrete collaborative daily actions and behaviors within their teams.

The organization of these seminars is assigned to external partners or to teams from Renault-Nissan Consulting or to internal trainers who have followed a training course as trainer, before presenting these sessions. At the end of 2018, 18 internal trainers were certified to support the deployment of this program and 18 countries carried out training of trainers, in order to ensure that these seminars can be presented in most of the languages spoken in Groupe Renault.

The management training offer will also be gradually updated to support managers' development, in line with the five principles of the Renault Way.

For the Manufacturing teams in particular, a training program was designed for first- and second-line managers, called Managing@Renault.

The aim of this eight-day program is to:

- improve the managerial skills of line managers and team leaders;
- standardize and share common management practices based on the five principles of the Renault Way;
- promote a managerial stance based on listening and trust.

This program, initiated in the factory at Cacia in Portugal in 2017, was deployed in 2018 for the Process Engineering teams.

Renault also gives managers the option of personalized face-to-face coaching support over 10 months. This enables the employee to discover new solutions more adapted to his/her situation, to develop potential, objectivity and try out new stances.

Preparing tomorrow's leaders

The Human Resources function develops personal development policies and practices for the Company's men and women to enable them to adapt to the new challenges faced by the Group and to support the implementation of Group strategy.

Renault is particularly committed to widening the cultural diversity of employees in key positions. From this perspective, Renault defines its "international profiles" as "non-national managers, managers who have worked abroad for at least 12 consecutive months, or who have obtained a degree abroad." Renault is continuing the actions initiated under its previous Mid-Term Plan. At the end of 2018, 44.6% of international profiles held key positions (compared with 43.9% in 2017).

With a talent-spotting process shared by all business-lines and all Regions, and with the coordination of a diversity policy, Renault promotes equal opportunities and embraces diversity to pave the way for the Group's future in an increasingly global world.

To ensure that it has a robust talent management process, it is Renault's ambition to have a succession plan for each key post within the Group. Each month, an indicator published by HR helps to ensure that succession plans are drawn up.

The policies for talent development defined in 2012 have evolved to adapt to the Group's international expansion:

- implementation of precise and consistently defined selection criteria worldwide for identifying individuals with three levels of potential. To encourage diversity, the criteria of age and fluency in French have been dropped;
- decentralization of the talent detection process (for the three levels) and talent validation (for two levels). The countries and Regions are responsible for identifying high-potential employees and candidates for key positions.

Renault leadership assessment

Another tool used to detect talent in addition to the sustainable performance assessments and individual appraisals is the Renault Leadership Assessment (RLA). This development tool is based on seven leadership criteria in accordance with our standard. Carried out with the assistance of a specialized consulting firm, the RLA is both an employee development tool and a decision-making tool for the Career Committees in charge of talent management at Renault. It reinforces objectivity and fairness in the assessment of employees with potential. Over 1,000 people have undergone the RLA since it was introduced in 2012 for the three levels of potential. The RLA is also used for collective analyses which help to adjust the priorities of the Group and development tools.

The individual results produced from the RLA are shared with the employee in question, and used to draw up an individual development plan, which might consist of several elements:

- complete training programs like those of Business Schools;
- training programs that enhance specific skills, both in terms of knowledge (finance, international negotiation, *etc.*) and in terms of soft skills (*e.g.* communication);
- career assessment;
- personal coaching, done externally or internally, to prepare for a new position critical for Renault or to improve specific points (managerial stature, communication, *etc.*);
- mentoring (learning about other company business activities, management through innovation, peer relations, *etc.*);
- learning situations, through a change of function or participation in work groups or cross-functional teams;
- international assignment.

Openness to multicultural partnerships

These development plans also include opportunities for multicultural partnerships, particularly in the Alliance with Nissan and Mitsubishi.

Since 1999, employee exchanges have been one of the mainstays of the Renault-Nissan Alliance. These exchanges have improved collaboration between the two companies and enabled the implementation of synergies and best practices in the Alliance. In addition to those on temporary assignment, around 200 Renault and Nissan employees were working at the partner company in 2018. Most of these exchanges involve high-potential individuals, so that tomorrow's global leaders gain more international experience, or experts, in order to share and develop critical skills within the Alliance. These exchanges of experts are managed at regional level.

In addition to these exchanges, a joint Renault-Nissan training program is helping to develop an Alliance culture. Designed for high-potential individuals and senior executives in the two companies, the Alliance Leadership Development Program (ALDP) contributes to a better understanding of the partner company and thus to the strengthening of synergies.

The links with Renault's other partners (Daimler) are also reinforcing an international outlook and the capacity to work productively together.

2.3.1.4 Social dialog

In 2018, social dialog within the Group remained dynamic, reflecting the commitment to use negotiation to tackle the modern-day challenges of balancing the Company's competitiveness with social cohesion, while considering a range of expectations and diverse economic situations.

A. Social dialog across five continents

EFPD4a EFPD6a EFPD6b EFPD6c EFPD6d EFPD17a EFPD17c EFPD17d EFPD18

The Groupe Renault Works Council, which celebrated its 25th anniversary in 2018, is the sole forum representing all Groupe Renault employees worldwide. Involving Senior Management representatives and 40 employee representatives from countries in which the Company is present, the Council reflects the geographical, social and professional diversity of Renault worldwide.

As the preferred forum for open and responsible international dialog, it allows Senior Management and employee representatives to discuss the Group's position and strategic direction, and also the interests of employees as a whole, while respecting all stakeholders. The Works Council may therefore be convened:

- as the Worldwide Group Works Council, bringing together 40 members from 26 countries;
- as the European Works Council, bringing together 31 members from 19 European countries;
- as the Group Works Council Restricted Committee, comprising 11 members elected by the Worldwide Group Works Council;
- as the France Works Council.

This regular dialog enables Senior Management and employee representatives to anticipate more accurately any social aspects of changes at Groupe Renault level, in order to combine the Group's financial performance and employee development in the context of globalized competition.

Groupe Renault Works Council is also the forum that monitors the Global Framework Agreement **"Committing together for sustainable growth and development"**, agreed on July 2, 2013, by Renault Senior Management, the Groupe Renault Works Council and the IndustriALL Global Union.

This year again, the Group Works Council Restricted Committee took on a steady workload, alternating between in-person presentations and exchanges with members of Senior Management and business activity experts, on-site visits and engaging in negotiations for a new Global Framework Agreement, to supplement the 2013 agreement, on different aspects of life at work.

Changes in the automotive industry, be they economic, technological, social or societal, were discussed on many occasions, both with the members of the Group Works Council Restricted Committee and those of the worldwide Group Works Council, which was given an in-depth presentation on Industry 4.0 and presentations on the changes in the business activities.

Implementation of the new Drive the Future strategic plan was also discussed on many occasions with the members of the Group Works Council Restricted Committee and those of the worldwide Group Works Council. Topics included accelerating convergence in the Group's key functions between the different players in the Renault, Nissan, Mitsubishi Alliance, and Renault's development in China, Eurasia and Europe. Furthermore, on November 22, the members of the Group Works Council Restricted Committee discussed introducing provisional governance measures and the procedures to safeguard Renault's interests and the long-term future of the Alliance.

Specific prior discussions were also held regarding the introduction of the planned professional whistle-blowing procedure and employee shareholding scheme.

During a trip to Turkey in September, the members of the Group Works Council Restricted Committee were able to take stock of the industrial and social challenges facing the vehicle and powertrain plants of Oyak Renault and to meet local and national delegations of the Turk Metal union. The trip also enabled them to understand the main action plan put in place to restore the plant's competitiveness and social stability.

In November, the 2018 Learning Session took the members of the Group Works Council Restricted Committee to Korea to take a close look at the industrial, commercial and R&D challenges faced by Renault Samsung Motors. Meetings with delegations of employee representatives from the Busan plant and the Seoul RTK technical center provided a clearer understanding of the social and societal challenges.

Finally, the first part of the year was given over to preparations for opening negotiations, in October, for a new Global Framework Agreement on different aspects of life at work; these negotiations, involving Renault management, the members of the Groupe Renault Works Council, acting on behalf of their respective federations, and IndustriALL Global union, are currently underway. Three meetings were held in the second half of the year, one a month from October onward.

Global Framework Agreement

"Committing together for sustainable growth and development".

The Global Framework Agreement is a frame of reference for the application of Human Resources policy internationally, in accordance with national legislations and local social dialog conditions.

Key points of the Global Famework Agreement

Ensure compliance with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labour Organization (ILO).

Promote social dialog, notably through complying with the principles established in the International Labour Organization's Freedom of Association and Protection of the Right to Organize convention no. 87 of 1948, and its Right to Organize and Collective Bargaining convention no. 98.

Protect health, safety and the quality of life at work, by defining a "health and safety and workplace environment" policy, involving managers, employees, health and safety professionals and employee representatives, according to their fields of responsibility.

Manage skills and employment, by anticipating as far as possible changes in business-lines through a dynamic skills-based approach, while promoting diversity.

Ensure compliance with the provisions of the ILO's **Equal Remuneration convention** no. 100.

Ensure that wherever the Company operates in the world, employees and their families enjoy **adequate protection in the event of fatality, disability, workplace accident or occupational illness**.

Make the respect for fundamental social rights a decisive criterion when choosing suppliers and subcontractors.

Promote the three priority areas of **societal responsibility**:

- support for educational projects;
- helping young people to begin working in the automotive industry;
- road safety.

Contribute to **environmental protection** and to sustainable mobility for everyone.

Promotion and respect for fundamental labor rights

Groupe Renault is committed to complying with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labour Organization (ILO):

- effective abolition of child labor;
- elimination of all forms of forced or compulsory labor;
- elimination of discrimination in respect of employment and occupation;
- freedom of association and the right to collective bargaining.

These principles are embedded in the following ILO conventions:

- minimum age and worst forms of child labor conventions nos. 138 of 1973 and 182 of 1989;
- forced labor conventions nos. 29 of 1930 and 105 of 1957;
- discrimination (employment and occupation) convention no. 111 of 1958;
- equal remuneration convention no. 100 of 1951;
- freedom of association and protection of the right to organize convention no. 87 of 1948;
- right to organize and collective bargaining convention no. 98 of 1949;
- workers' representatives convention no. 135 of 1971, in order to prevent any form of discrimination on the grounds of labor union involvement.

From July 26, 2001, Groupe Renault has also adhered to the universal principles of human rights set out in the United Nations Global Compact. In accordance with the Global Compact, Groupe Renault seeks, in particular, to combat all forms of corruption. Groupe Renault raises employee awareness of this issue via Groupe Renault's Code of Ethics and different communication and/or training methods.

Groupe Renault is also committed to complying with the OECD Guidelines for Multinational Companies, adopted on June 27, 2000, and updated in May 2011, and with ILO convention no. 158 of 1982. It also recognizes ISO 26000 as a benchmark.

The vigilance plan for human rights and fundamental freedoms DV1a

In implementing law no. 2017-399 dated March 27, 2017 on the duty of vigilance, the Group's Human Resources, Corporate Social Responsibility, Prevention and Protection, Ethics and Compliance, Purchasing and Health, Safety and Environment departments came together at exploratory work sessions. In addition, regular discussions took place with the secretary of the Worldwide Group Works Council. Pursuant to the ILO Application of International Labour Standards 2018, additional vigilance was put in place, with feedback from the countries, from either the local HR directors, social partners or Ethics officers.

Based on this mapping, and the location of the Group's sites worldwide, Renault decided to pay even greater attention to the application of ILO convention no. 100 (Equal Remuneration) and ILO convention no. 111 (Discrimination, Employment and Occupation).

Assessment and monitoring of measures implemented DV2a

The results of this increased vigilance are in particular assessed regularly and monitored through discussions with the Worldwide Group Works Council at Groupe Renault's annual review meetings and as part of the implementation of a new Global Framework Agreement on the different aspects of life at work, currently under negotiation, which contains a whole chapter on the Group's long-term inclusion commitment.

Actions to mitigate risks DV3a

The Audit department now includes in its local audits, human resources practices on the knowledge of fundamental social rights and compliance with them.

In addition, training and outreach to local Ethics Committees is being studied. They are designed to enable, through an examination of risks at the level closest to the operations, better identification of at-risk situations in matters of human rights and provide appropriate solutions.

Effectiveness of measures DV5a

The effectiveness of the measures put in place is measured, notably through the number of incidents that may be reported both by the internal professional whistle-blowing system and by the various stakeholders.

B. Worldwide organization of social dialog EFPD4a

The composition of the 40 members of the Groupe Renault Works Council is a testimony to the geographical, social and professional diversity of Renault worldwide. It aims to promote the expression of this diversity, primarily by enabling the main Group entities or subsidiaries to be represented in an effective manner with respect to the relevant employees and within a globally balanced framework:

- European Economic Area: 31 members (Germany, Austria and Switzerland, Belgium, Netherlands and Luxembourg, Spain, France, Italy, Poland, Hungary, Slovakia and Czech Republic);
- other countries: nine members (Argentina, Brazil, South Korea, India, Morocco, Russia and Turkey).

Groupe Renault ensures that employees are represented across all Group entities by elected employees representative or labor union members. It reaffirms its commitment to respect the right of freedom of association, in terms of the freedom to join and hold office in a labor union, in accordance with the principles laid down by International Labour Organization Freedom of Association and Protection of the Right to Organize convention no. 87 of 1948.

Groupe Renault is also committed to respecting the terms of the International Labor Organization's Right to Organize and Collective Bargaining convention no. 98.

The full Works Council members, or their substitutes, must be employees of Renault or of a subsidiary in which Renault owns, either directly or indirectly, more than one-half of the share capital. They must hold the position of employee representative in it, whether through election or by labor union membership.

In 2018, the Renault Works Council met 35 times: eight internal meetings, 15 meetings of the Group Works Council Restricted Committee, two extraordinary meetings, one on the plan to accelerate the convergence of key functions, the second on the planned Groupe Renault employee shareholding plan, three days of plenary sessions, three follow-up meetings to the 2013 Global Framework Agreement, three negotiation meetings and one meeting to prepare for the negotiations.

SOCIAL DIALOG AGENDA 2018

First half-year	Second half-year
2017 commercial results and Customer Satisfaction policy	Plenary session and meeting with the Deputy Chief Executive Officer
2017 financial results Renault-Nissan-Mitsubishi Alliance	Mid-year financial and commercial results Renault's expansion in Eurasia and Europe
Renault's expansion in China RCI Bank: strategy and new services Sofrastock International	Renault Nissan Mitsubishi Alliance Digital transformation, Industry 4.0 Paris Motor Show
Employee shareholding	Renault in Turkey Learning session in Korea
Discussions prior to engaging in negotiations for a new Global Framework Agreement on different aspects of life at work	Meeting to review the Global Framework Agreement Improvement of the quality of life at work: discussion workshops and start of negotiations for a new Global Framework Agreement

Monitoring the Global Framework Agreement

The signatories to this agreement included an annual **reporting tool** from the very beginning, consisting of 60 indicators, defined jointly with industry experts. These 60 indicators were also directly inspired by the guidelines of the Global Reporting Initiative (GRI) and ISO 26000.

This reporting tool is supplemented by annual in situ discussions with Group business-line experts and local suppliers, either during the annual learning session, a study trip undertaken each year by the Works Council Restricted Committee, to gain a better appreciation of the socioeconomic and cultural aspects of a particular country where Renault operates and a better understanding of Renault's industrial, commercial and social challenges in that country, or during a visit to a site or establishment. Since 2012, six learning sessions have taken the members of the Works Council Restricted Committee successively to Morocco, Brazil, Romania, Argentina, India and Korea.

The Global Framework Agreement thus constitutes a frame of reference for the application of Human Resources policy, in accordance with national legislations and local conditions for social dialog.

This agreement also stipulates the methods for dealing with difficulties encountered in the countries, ensuring in particular that a climate of trust is maintained and favoring the search for a solution through dialog, in the first place, on a local level, rather than any other actions.

This chapter was supplemented at the start of the year with the completion of a memorandum setting out the procedures for notifying, investigating and resolving potential difficulties by each of the signatories.

Note also that Marie Ange Moreau, Emeritus Professor at Lyon 2 University, research associate at the International Labor Office, presented the specific features of Global Framework Agreements to the members of the Worldwide Group Works Council.

C. Ongoing local social dialog EFPD4c

The Group's momentum on employee-related issues around the world is demonstrated by the number of agreements newly entered into and/or renewed in all countries, which also attests to the ongoing drive by the Group's Senior Management and social partners to negotiate agreements that satisfy the long-term interests of both the Company and its employees.

In Argentina, the agreement entered into on November 12, 2018, between the management of Metalurgica Tandil and the UOM trade union, sets out the terms and conditions for closure of the Tandil foundry and the compensation payable to its 72 permanent employees and 27 temporary employees.

Africa – Middle-East – India region

- in **Morocco**, three memoranda of understanding were signed, one with the union representatives of Renault Tanger Exploitation, another with the union representatives of SOMACA and the third with the union representatives of Renault Commerce, setting out the conditions of employment and employee benefits in these three entities.

Americas region

- in **Argentina**, negotiations continued on the application of the competitiveness agreement to facilitate the manufacture of three pick-ups with a payload of one metric ton for Renault, Nissan and Daimler: six specific agreements set out the compensation terms for all employees and the professional training for new recruits.
- **Brazil** renewed its collective labor agreement for the years 2018-2019-2020, thereby setting out the terms of compensation and professional development for its employees. Specifically, this agreement stipulates the assistance available for employees with children up to the age of 12.

- **Colombia** signed the new collective agreement with an employee delegation, covering employees of Renault Sofasa s.a.s., and setting out the terms governing aspects of its employees' life (health, compensation, leave, careers, schooling support for children, *etc.*).
- in **Chile**, the collective agreement entered into in December 2017 remains valid until November 30, 2019.

Asia – Pacific region

- in **Korea**, work to renew the agreement signed in 2017, allowing Renault Samsung Motors to ensure Renault Samsung Motors remains competitive in a highly competitive market, and the local collective agreement entered into in 2016 for two years, began in the second half of 2018 and should be completed during 2019.

Eurasia region

- in **Turkey**, the collective metalworking agreement, negotiated at the start of the year, continues to apply.
- **Romania** has renewed its two collective agreements, one for the employees of the Dacia plants in Pitesti, the other for employees of Renault Technologie Roumanie.

Europe region

- in **France**, the **"Agreement for the sustainable performance of Renault in France" (CAP 2020)**, signed on January 13, 2017 by the CFDT, CFE-CGC and FO for 2017, 2018 and 2019, continued to serve as an important point of reference for the new Renault Drive the Future strategic plan. It is based on three areas: customer satisfaction, sustainable performance and motivation of the Company's women and men. The agreement incorporates business and performance commitments that include:
  - making the French plants a benchmark for the Group,
  - securing the business outlook until end-2019,
  - providing significant Research and Development investment,
  - specific efforts to strengthen engineering resources in France.

  These commitments are supported by an effective and motivating employment policy based on significant social dialog at both a central and local level to build sustainable performance.

  An amendment to the CAP 2020 agreement (CFDT, CFE-CGC and FO) was signed on April 16, 2018, the second year of application of this agreement, to make provisions for the skills of the future, with three commitments:
  - the commitment to hire new permanent employees in France between 2017-2019 was increased from 3,600 to 5,000;
  - an additional €15 million investment in the professional training plan;
  - a voluntary work exemption plan.

  The agreement achieved positive outcomes in 2018: nearly 2,100 permanent hires were made in 2018 in the CAP 2020 scope. The target to integrate 1,000 work/study contracts was also met. Investment in training and working conditions was also higher than specified by CAP 2020 and the Technocentre modernization program continued.

  A three-year Disabilities agreement was signed on December 15, 2017, between Groupe Renault management and the unions CFDT, CFE-CGC, CGT and FO. This agreement sets out Renault's disability targets in France, based on both solidarity and performance. It enhances the support offered to employees with disabilities and also employees with a disabled dependent (spouse or child).

  On January 19, 2018, a new gender equality and diversity agreement was signed by the CFDT, CFE-CGC and FO unions.

  The agreement promoting social dialog and encouraging the exercise and promotion of union responsibilities at Renault was signed on July 17, 2018, incorporating the Macron law measures on social dialog. Application of this agreement at the Cléon and Technocentre sites led to the creation of employee representative bodies at both sites.

  Finally, negotiations began in the last quarter of 2018 on new ways of working, and remote working in particular.
- In **Slovenia**, the competitiveness agreement entered into with Sindikat Revoz – SDR and SKEI Revoz for the 2017-2020 period, providing for the hiring of 300 new permanent employees by 2020, is still in force. Since 2017, Revoz has hired over 200 new employees.
- An agreement was also entered into at Renault Retail Group Deutschland GmbH in **Germany**, setting out the terms and condition of business travel and expenses to ensure compliance with Groupe Renault's Code of Ethics, and two agreements were entered into at Renault Retail Group Belgique in **Belgium**, one granting luncheon vouchers and the other on the new working hours in connection with the new after-sales strategy ("Next" project).

88.26% of Groupe Renault employees are covered by a **collective agreement**.

Summary of collective agreements EFPD4b

The 47 major collective agreements signed this year with social partners at country level, and in force in 2018, testify to its desire for sustainable and responsible social dialog, in line with Group strategy and its Human Resources policy. There were five major areas of focus this year:

- competitiveness agreements, being introduced or renewed;
- company collective agreements;
- salary policy, profit-sharing and social protection agreements;
- agreements promoting social dialog;
- special agreements.

No.	Country	Description
		Competitiveness agreements being introduced or renewed
6	Argentina	*Acuerdo* of January 3, 2017
	Spain	*Acuerdo de competitividad y empleo* 2017-2020 by Renault España SA of April 5, 2016 *Convenio colectivo* by Renault España, SA 2017 of July 11, 2016 *Convenio colectivo interprovincial de la empresa* Renault España Comercial SA 2016-2019 of June 24, 2015
	Portugal	*Acordo de competitividade da empresa* Renault Cacia SA of September 30, 2016
	Slovenia	Competitiveness agreement for the 2017–2020 period of February 13, 2017
		Company competitiveness agreements being introduced or renewed
10	Brazil	*Acordo coletivo de Trabalho 2018*-2020 of May 7, 2018
	Chile	*Contrato colectivo de trabajo sindicato* of December 1, 2017
	Colombia	*Pacto colectivo de los trabajadores de Renault* – Sofasa s.a.s. Of September 17, 2018
	France	Renault France – Cap 2020 – *Contrat d'activité pour une performance durable de Renault en France 2017-2019* (business contract for sustainable Renault performance in France, 2017-2019) of January 13, 2017 Amendment of April 16, 2018 to the Cap 2020 agreement
	Morocco	Renault Tanger Exploitation memorandum of understanding of March 5, 2018 SOMACA memorandum of understanding of March 8, 2018 Renault Commerce Maroc memorandum of understanding of March 9, 2018
	Romania	*Contract colectiv de Munca* – Renault Dacia of April 12, 2018 *Contract colectiv de Munca* of April 27, 2018 – RTR
		Salary policy, profit-sharing and social protection agreements being introduced or renewed
17	Argentina	Agreements of January 20, April 4 and 26, July 1 and November 16, 2018
	Belgium	Collective agreement of January 2, 2018, implementing non-recurring performance-related benefits for Renault Belgique Luxembourg
	France	Renault profit-sharing agreement for 2017, 2018 and 2019 dated March 10, 2017 Alpine agreement on Company performance-related employee profit-sharing for 2017-2018-2019 dated June 29, 2017 Fonderie de Bretagne Agreement on Company performance-related employee profit-sharing for 2017-2018-2019 dated March 20, 2017 MCA agreement on manufacturing performance-related profit-sharing for 2017-2018-2019 dated March 27, 2017 Agreement on performance-related profit-sharing for Sofrastock International 2017-2019, dated June 19, 2017 SOVAB agreement on Company performance-related profit-sharing for 2017, 2018 and 2019 dated March 31, 2017 RCI Banque – Agreement resulting from the annual negotiation on compensation, working time and Company profit sharing for 2018, dated February 27, 2018 RCI Banque – Employee incentive agreement based on RCI Banque performance, dated June 25, 2018 Amendment to the employee profit-sharing agreement based on the Diac group's performance, dated May 18, 2018 RRG – 2018-2019 agreement on the UES RRG mandatory collective employee healthcare cost reimbursement scheme dated October 26, 2017 Agreement on the career path for manufacturing and maintenance workers other than manufacturing operators at MCA dated May 25, 2018
		Agreements promoting diversity and quality of life at work
7	France	Revised amendment dated July 9, 2018 to the agreement of December 15, 2017 in favor of people with disabilities Agreement on gender equality and diversity within the Company dated January 19, 2018 Telecommuting agreement – MCA – dated February 11, 2018 Telecommuting agreement – STA – dated April 23, 2018 STA agreement on gender equality and diversity within the Company – dated June 25, 2018 RCI Banque – Telecommuting agreement dated July 5, 2018 RCI Banque – Agreement on the quality of life at work dated October 18, 2018
		Special agreements
4	Argentina	*Convenio para la formacion profesional y capacitacion del personal* dated May 15, 2018
	Germany	*Prozedur RRG Deutschanland GmbH* dated July 10, 2018 on travel and business expenses Collective agreement dated June 11, 2018 on the introduction of new hours as part of the "Renault Next" project
	Belgium	Amendment to the collective labor agreement dated December 6, 2013 on the granting of electronic meal vouchers
		Agreements to promote social dialog
3	France	Agreement on the collective bargaining timetable for 2017 and 2018, dated June 7, 2017 Agreement on social dialog and encouraging the exercise and promotion of union responsibilities at Renault s.a.s. dated July 17, 2018 Agreement on social dialog in the RRG UES dated September 4, 2018

D. A global framework to ensure long-term convergence between Group performance and employee quality of life in the workplace

While the automotive sector is undergoing profound changes and technological developments are accelerating, implying constant adaptation of skills, and new working practices are developing, Groupe Renault endeavors to offer all its employees an environment and working relationships that are favorable to their individual development and 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.

Accordingly, **a large modernization program** – the e-TCR – was launched in 2018 at the Technocentre in France. It will continue until 2022. In particular, it provides for new adaptation of co-working and relaxation areas, which encourage dialog between employees, as well as spaces dedicated to thinking and concentration. The ideas that are tested there are intended to be rolled out Group-wide. Similar programs are already under development in Romania and India.

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 use of digital technology is developing everywhere. In the industrial sectors, smart automation and connectivity of software, data and equipment are gradually revealing the factory of the future. This new digital landscape smooths access to information in real-time and facilitates decision-making. It also enables staff to access, at any time, the Group's intranet and social information concerning them, including from their own smartphones if they so wish.

Regarding the prevention **of psychosocial risks and work-related stress**, a training course to help identify people who might be having problems and to improve quality of life at work was introduced in 2012. A training course entitled "Addressing the quality of life at work, preventing psychosocial risks" has been introduced at several sites. More than 2,900 managers have received training in France since 2014. A module adapted to new managers was deployed in 2017 and continued in 2018.

With the same concern for reconciling employee commitment and Company performance in an automotive environment that is constantly developing, in 2018, the Group began negotiations with the international federation IndustriALL Global Union, the French trade union federations and other union federations or trade unions represented within Groupe Renault Committee, **relative to a new Global Framework Agreement**, supplementing that concluded in 2013. This new agreement aims to define a social framework around four essential topics: the importance of collaborative management, the long-term commitment of the Group for inclusion, work/life balance and the transformation of working areas. This negotiation should be completed during 2019.

E. A flexible working organization EFPD2a

Groupe Renault complies with the legal obligations and collective agreements in terms of working hours of the countries where it has operations.

To preserve jobs and adapt to fluctuations in automotive markets, Renault has instituted a system of flexible work time. It aims to find the best possible balance between the Company's interests and quality of life in the workplace for the employees in question, through consultations with employee representatives and labor unions. The measures focus in particular on the conditions for reorganizing work time, such as by adding mandatory shifts to meet heavy demand and reducing work time when demand falls, notably by using individual or collective rest days.

At sites in France, for example, the average working week is 35 hours. In plants, the principle is two alternating eight-hour shifts with, in the event of spiking demand, the possibility to add a fixed night shift team.

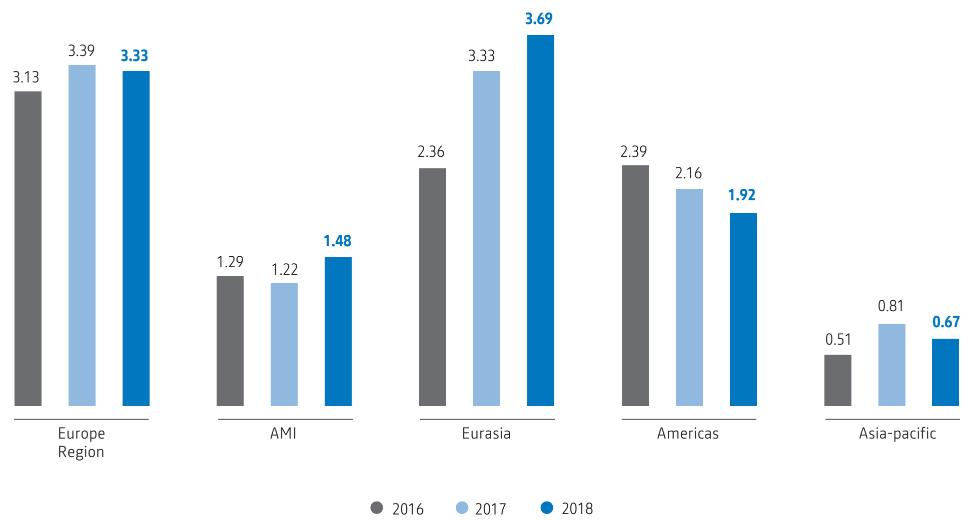
Groupe Renault is also introducing an alternative, flexible work time organization, allowing a better personal work/life balance for its employees with, for example, telecommuting being used in countries where this is possible.

In France, Renault s.a.s. has had a telecommuting agreement for the last 10 years. It has had constant and growing success, now with more than 3,200 telecommuters. In order to develop this arrangement in line with the new working modes favored by digitization and the new expectations of employees, notably in terms of work/life balance, at the end of 2018, Renault s.a.s. began negotiation of new working modes with the representative trade unions. This agreement, signed on February 7, 2019 by the representatives of the trade unions CFDT, CFE-CGC, FO and CGT, facilitates and simplifies access to telecommuting by responding to changes in working modes and the new expectations of employees. In particular, it facilitates access for employees who are eligible for a maximum of two days of telecommuting each week, after registration in the new dedicated workflow, with the option to fix sessions or use them in a variable manner. The Company also undertakes to improve the working environments on the sites, allocating €1 million per year in 2019 and 2020 to improve the working environments of establishments in the Paris region (excluding the Technocentre) and increasing the employer's contribution to the canteen at the Technocentre.

Group absenteeism EFPD2b

In 2018, the consolidated absenteeism rate for the Groupe Renault scope rose to 3.14%.

Absenteeism by region



The rates vary greatly from one country to another, particularly because of the extent of social security coverage (whether provision is covered by public bodies or not). Rates decreased in all Regions except Eurasia, where they have remained stable since last year.

The absenteeism rate is expressed as a percentage and is calculated on the basis of the average monthly workforce and the yearly theoretical number of working days.

The number of days of absence is expressed in working days, excluding short-time working, layoffs, strikes, training and leave (including maternity and paternity leave). An explanation of the calculation method is available in the Methodological note.

F. Responsive internal communications

Dialog within the Group is at the same time nurtured by responsive and varied internal communication. The Group ensures that its employees are always kept up to date on what is happening in the Company, through a network of communication teams working within the business lines and countries.

Global is Groupe Renault's in-house magazine. It has a circulation of nearly 100,000 copies and is available worldwide to all employees who wish to receive it, as well as being accessible on the Group intranet. In January 2018, the new-look magazine began focusing on employees' experiences, communicating the Group's news through their stories. "Regional" pages were also added, featuring more local information. Several countries are also adapting the magazine.

The preferred medium for employees with a work computer, **Declic is the Group's intranet site**. It gives employees access to more tailored information: in addition to Group communications, their news feed contains information from their region, country, site and business line. Articles published on Declic can be commented on and sometimes shared on social media.

Strategic Company events (commercial and financial results, partnership announcements, press conferences to unveil a new model, *etc.*) can also be streamed by video on Declic. To strengthen the link between employees and the Group's management team, Q&A sessions (Open Discussion or We Are Live) are held several times a year.

Information packs are also sent out to managers each month so that they can share the Group's performance and news with their teams.

The Yammer digital communication tool was rolled out in 2017 to all Groupe Renault employees. Numerous communities have been created since then, enabling employees to discuss a wide range of topics.

Lastly, in addition to internal news media, programs of activities and events are put together featuring vehicle displays and test drives designed to develop employees' knowledge of subjects related to the Company's strategy and vehicles.

2.3.1.5 Health, safety and the environment (HSE) EFPD3

In accordance with the law no. 2017-399 dated March 27, 2017 relative to the duty of vigilance, the Group establishes and implements a vigilance plan.

Groupe Renault, jointly with its stakeholders, has defined reasonable vigilance measures in the framework agreement in matters of the health and safety of people. This preventive policy in matters of health, safety and the work environment is based on nine general preventive principles and is applied in all of the Group's establishments. All of these provisions are subject to annual monitoring, carried out jointly by the signatories of the framework agreement, based on indicators.

In line with Groupe Renault's philosophy of continual im tradeprovement, the Health, Safety and Environment (HSE) division was established in September 2016. Under the direct responsibility of the Executive Committee, it covers the entire Group scope: manufacturing, logistics, sales and after-sales, engineering and tertiary activities. It is the cause of the implementation, since 2017, of health and safety indicators that are more demanding than in the past.

A. Risk mapping EFPD3a DV1a

The HSE department undertook to visit numerous sites and departments covering all areas of activity of the Group. These visits led to the improvement of the 10 Mandatory Rules (MR) on safety and the detailing of the associated 74 Key Requirements (KR). These emphasize a broad range of key safety requirements to which Renault is committed in order to reduce risks and improve working conditions: 5S (a Japanese method covering order, tidiness, and cleanliness), work on installations (lock-out/ shut-down of power supplies), access to dangerous parts of machines, management of traffic flows (safe sites, safe vehicles, safe drivers), storage and handling of lifting equipment, chemical products, joint activities, work at height, management of subcontractors, fire prevention, ergonomics, as well as many other issues.

The 10MR/74KR approach applied in all areas of the Group's activity (production, logistics, marketing, engineering and tertiary activities) continued in 2018.

B. Regular evaluation procedures EFPD3a DV2a

Groupe Renault has established a roadmap for implementing 10MR/74KR that involves measurable stages of compliance with 10MR/74KR, going from a score of E to a score of A (E being the lowest level of compliance – 0 to 33%, A being the highest level – 90 to 100%). Construction of the action plan for new audits or coaching on sites takes their previous rating into account.

Renault scoring criteria for Renault's 10 Mandatory Rules audits

Classification	G	D	C	B	A
Verdict	Unacceptable	Unsatisfactory	Partly satisfactory	Satisfactory/good	Excellent (Want to be)
Score	≤33%	34% to 57%	58% to 74%	75% to 89%	>90%

Compliance with each Key Requirement is mapped and each department of each site must provide proof that a concrete action plan has been put in place to improve its compliance with 10MR/74KR.

The purpose of this approach is to control and measure the continual improvement in a consistent manner and to simultaneously define the priority issues to be targeted.

C. Actions adapted to mitigate risks EFPD3a DV3a

The definition of action plan forms an integral part of the 10MR/74KR process. Under a continuous improvement approach, the sites may benefit from support through audits, as well as through support on the ground for the deployment of best practices (coaching). Audits and coaching are repeated every two, four or six months, depending on the individual site's performance. In 2018, around 100 audits and coaching sessions were performed. At this stage, the initial results of the audits of the 10 Mandatory Rules are used to identify areas for improvement. This approach will continue in 2019 to cover all of the necessary topics. To go further in reducing risks, the HSE department has listed various areas of expertise related to key safety issues (machine safety, ergonomics, fire protection, work at height and traffic-flow safety) that it is developing or is likely to acquire. In 2018, specialists in safety, ergonomics and industrial hygiene supplemented the team.

In connection with the 74 key points, the HSE department continued to work on standards, the aim of which is to help the sites in various at-risk activities and make sure that the new projects are compliant with the expectations of the HSE department. The technical aspects of these standards and progress on their implementation are reviewed with the Group Health and Safety network during meetings of the business-line clubs and at conventions, as well as during the coaching stages that are systematically associated with the site audits.

Furthermore, the analysis of audit findings and compliance percentages with the 10MR/74KR and the work with new industrial projects have enabled identification of missing standards and standards that exist but require adaptation.

The HSE department is also developing risk-evaluation tools dedicated to priority safety areas such as work at height (assessment of risks, work permits and directives), the management of subcontractors, the management of traffic flows, fire prevention and machine security, to mention but a few.

Each plant has its own safety Dojo (a safety training school where learning takes place under simulation conditions) with a workshop dedicated to each of the 10 Mandatory Rules. The HSE division has approved a standard safety Dojo. Implementation at all sites was completed in 2018. If necessary, it may be supplemented by additional workshops to highlight the risks specific to each site. Thus, in accordance with internal rules and regulations, any person required to carry out an activity on Groupe Renault premises must be informed of and trained in the risks associated with the on-site work they are carrying out.

Groupe Renault is also continuing its work with companies and organizations whose expertise is recognized at the national and/or international level, such as IPAF, EEF, TÜV SÜD, PILZ.

- IPAF (International Powered Access Federation) is an organization that promotes best practices in the safe and efficient use of accesses at height worldwide;
- EEF (Engineering Employers Federation) has carried out a series of safety audits in the Renault RRG sales network;
- TÜV SÜD has carried out risk evaluations on equipment belonging to the sales network, such as vehicle lifts;
- PILZ supports Renault in the safe design of new machines alongside the HSE and Engineering departments.

D. System for monitoring measurements and their effectiveness EFPD3a EFPD3b DV5a

A method of evaluating the performance of sites in matters of health and safety at work has been developed by the Group. The head of management systems and audit of the HSE division monitors Groupe Renault sites' overall performance in accordance with the annual objectives.

As well as actions related to the 10MR/74KR, the HSE department performs statistical monitoring of accidents which take place on Renault premises and sets up cross-Company actions to avoid similar accidents occurring.

The overall effectiveness of the action plan is evaluated through changes in the percentage of compliance at 10MR/74KR audits and monthly statistical reports on accident rates shared with the management of the Group.

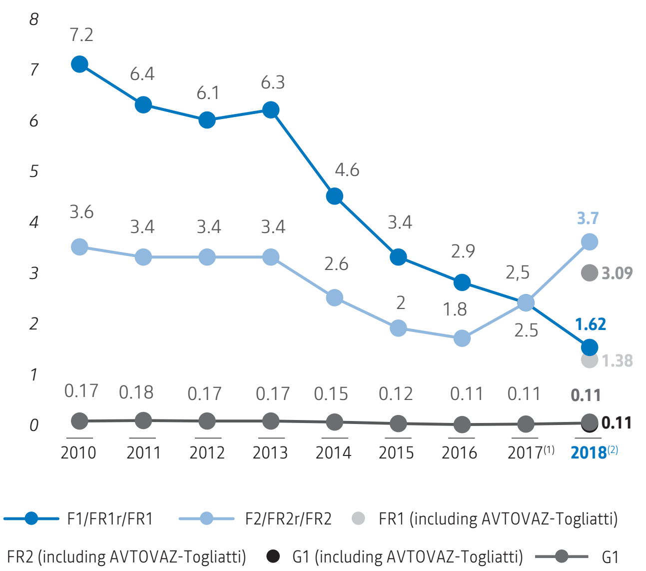
The HSE division has developed new software for reporting, notifying and monitoring occupational illnesses and accidents, which has been operational since the end of 2018. It aims to provide the HSE division with the tools to analyze, faster and more accurately, the events which caused the accidents (in particular, to better understand, and thus limit accidents on public roads and occupational illnesses). By sharing this information, the tool helps us work towards our objective of avoiding similar accidents occurring elsewhere. It should also enable us to conduct a more in-depth analysis of accidents on public roads and occupational illnesses and draw up more appropriate action plans.

Workplace accidents EFPD3b

The action plan implemented since late 2013 has yielded significant results and a continuous reduction in F1/FR1r-type accidents. Following an improvement in 2017, 2018 also saw a reduction in the accident rate. This rate continues to improve, despite the scope being extended to include temporary employees in the indicator.

The reduction in the rate of workplace accidents experienced a slight setback in 2018. This must however be put into context, as the calculation methods were tightened and the figures now include temporary employees.

A campaign to address the number of sick leave days was launched in 2018.



(1) In 2017: application of new definitions for indicators FR1 and FR2r.

(2) In 2018: temporary staff included in FR1 and FR2 rates.

FR1r rate = 1.41.

FR2r rate = 2.53.

F1 rate: frequency rate of workplace accident for Renault employees requiring external care.

FR1r rate: frequency rate of workplace accident for Renault employees requiring more significant medical intervention than first aid. This corresponds to a defined list of injury types on which Groupe Renault intends to focus.

FR1 rate : frequency rate of workplace accidents for Renault and temporary employees requiring more significant medical treatment than first aid. This corresponds to a defined list of injury types on which Groupe Renault intends to focus.

F2 rate: frequency rate of workplace accident for Renault employees with sick leave.

FR2r rate: frequency rate of workplace accident for Renault employees with sick leave (several additional exclusions compared with F2).

FR2 rate : frequency rate of workplace accidents for Renault and temporary employees with sick leave (several additional exclusions compared with F2).

G1: severity of workplace accidents (calculated from the number of days of sick leave).

Most of the AVTOVAZ (plant and subsidiaries) health and safety data comes from dispencaries managed by government authorities.

The main difference between F1 and FR1r is that the new definition is based on the type of injuries, whereas the previous definition was more concerned with the nature of the treatment given to the injured person (on-site/off-site).

Safety audit results EFPD3a

In 2018, the HSE division conducted 95 audits at Groupe Renault sites. It should be noted that the manufacturing sites have all now been audited at least once. The logistics and engineering site audits in 2018 were all first-time audits, thereby increasing the audit coverage.

	Manufacturing	S&AS	Logistics	Engineering	All functions
Number of audits completed in 2018	38	45	7	5	95
Number of sites audited in 2018	30	34	6	5	75

S&AS: Sales and after-sales.

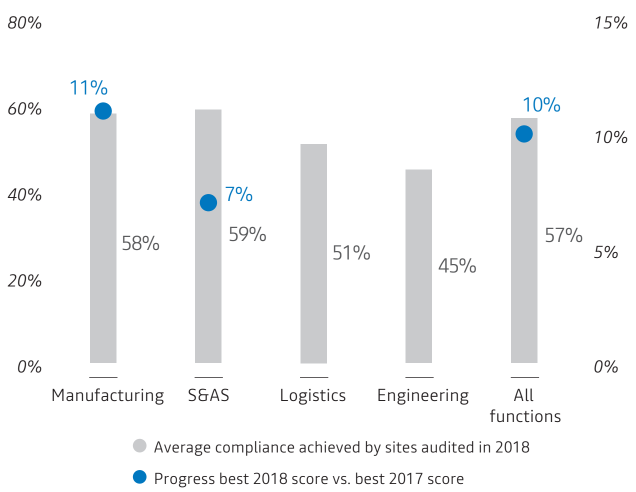
Despite variable results across the sites, there is a general trend emerging that shows a clear improvement in compliance with the 10 Mandatory Rules. The results also reveal the areas for improvement on which the Group intends to focus.

In 2018, several sites achieved excellent results.

The table and chart below show the average compliance rates of the sites audited in 2018 by activity type and the improvement on 2017 for the sites which were audited in both years.

	Manufacturing	S&AS	Logistics	Engineering	All functions
Progress best 2018 score vs best 2017 score	11%	7%	NC	NC	10%
Number of sites audited in 2017 and 2018	20	7	0	0	27
Avg. compl. achieved by sites audited in 2018	58%	59%	51%	45%	57%

S&AS: Sales and after-sales.



In 2018, the average score of the sites audited for compliance with the Mandatory Rules was 57%.

Workstation ergonomy EFPD3a

In 2018, the ergonomics team became part of the HSE division. This team works on new installation projects and new industrial activities, coordinating the action taken by the Ergonomics Officers deployed at Group sites.

By establishing this link between the actions taken at the project stage and during series manufacture, we can ensure a smoother application of the steps we take to limit ergonomic risks.

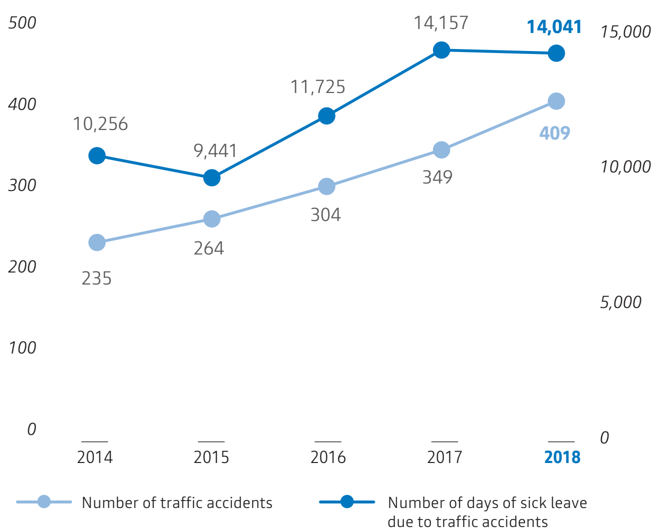
Likewise, coordination of site ergonomics drives efficiency and enables us to implement Group-wide initiatives.

A new generation of work situation analysis tools will be developed in 2019 to help us ensure that the improvements to be made target the most critical cases.

Accidents on public roads EFPD3b

Since 2017, our definition of travel accidents now covers any accident occurring on public roads (between work and home, between work and a supplier's premises, between home and a supplier's premises, between different Renault sites, *etc.*).

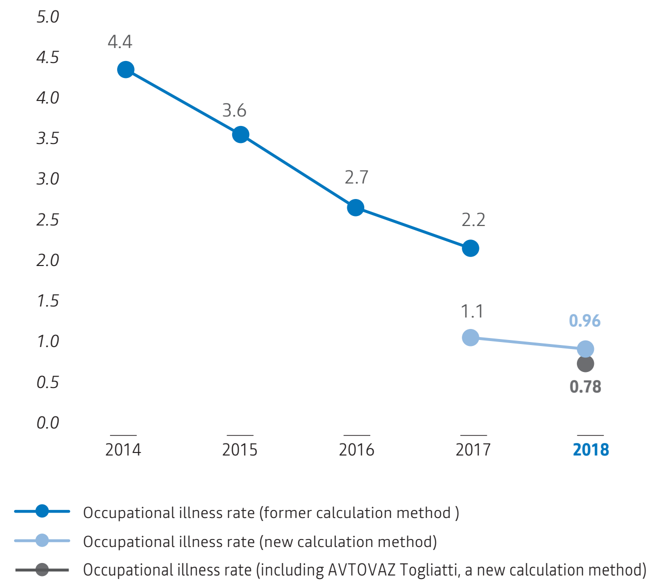
Traffic accidents within the geographical scope of Renault sites will now be monitored as part of the frequency rate of workplace accidents.



Groupe Renault does not have the same leverage to reduce accidents on public roads as it has to reduce workplace accidents. It has however launched initiatives to reduce all accidents, including those on public roads. Accordingly, the HSE and CSR divisions have in particular developed a road safety e-learning module that has been made available to Groupe Renault employees. The impact of the QR code (coded label affixed to vehicles to help the emergency services rescue accident victims) was tested with Renault Retail Group in a sales network operation. Two hundred QR code labels were distributed.

Occupational illnesses EFPD3a

The rate of occupational illnesses has been decreasing steadily since 2014. The Ergonomics Golden Rules implemented in new projects and improvements to the work environment have contributed to this improvement.



* Rate of occupational illnesses contracted by Renault employees following prolonged exposure to an occupational risk (noise, chemicals, posture, *etc.*), reported as such to an external body if the regulations in force in the country so provide. Rate of reported occupational illness per 1,000 employees to end-2016. Occupational illness rate reported per million hours of exposure to occupational risks from 2017 onwards. This rate includes occupational illnesses, reported with or without sick leave.

2.3.2 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.

2.3.2.1 Relations with schools/universities worldwide

How do we create a permanent link between the Company and academic institutions, knowing that education is critical to value creation and to the development of the next generation of future employees. Over the years, Groupe Renault has sought to address this question by taking action in partnership with schools, high-level colleges and universities throughout the world.

A. The Renault Foundation's academic programs EFPD14d

As part of its activities with academic partners, the Foundation continued its action in higher education based on the principle of equality of opportunities, entirely devoted to higher education. It is designed to create a permanent link between academic institutions (in France and in the rest of the world) and the Company. The Foundation's role, in collaboration with its academic partners and Company management, consists in particular of anticipating new professional skills requirements.

It supports:

- the financing and joint creation of academic programs in partnership with prestigious universities in France (Paris Dauphine University, École des Ponts ParisTech, Arts et Métiers ParisTech) and worldwide (Saint Joseph University in Lebanon);
- the allocation of "foundation scholarships" (study and accommodation costs) to French and foreign students selected in partnership with the Foundation's partner universities located in 12 countries worldwide;

- the financial support provided to other foundations dedicated to supporting deserving young French students from underprivileged backgrounds (Georges Besse Foundation) or to sharing knowledge and innovation (Fonds de dotation Universcience).

On the academic side, the Foundation continued to support five educational programs in 2018 and one MOOC, with particular focus on three areas at the heart of the Company's concerns: multicultural management, sustainable mobility and road safety:

- a professional degree in Electric Vehicles and New Mobilities (LPVNM);
- three master's degrees: Transportation and sustainable development (TRADD), Mobility and Electric Vehicles (MVE), and Road Safety Management (Manser);
- an MBA in International Management, for which it is the final cycle;
- a MOOC (Massive Online Open Course) on the challenges of electric mobility, in collaboration with the historical partner of the Foundation, the École Nationale des Ponts et Chaussées ParisTech. This MOOC has been included in the educational curriculum of two of the Foundation's programs: MVE and LPVNM.

The Foundation identifies young talents, and then offers them training programs and support in partnership with its academic partners. For example, it organizes and finances in full a year of study in France (and in Lebanon for one of its programs) for its scholarship students: monthly grants, enrollment in the French schools and universities, social security, round-trip travel between the home country and France or Lebanon, economic and cultural discovery trips.

In 2018, it welcomed 75 new students. In accordance with its articles of incorporation, Renault Foundation is not an incubator of young talent for Renault. It operates independently of the Company's recruitment policy. As it deals with corporate sponsorship, its role is to train young people in the professions of tomorrow's automotive sector. However, Renault does offer work placement/apprenticeship opportunities for those young people who want to undertake this part of their training at the Company.

In 2018, the Foundation put together two new academic programs, which will be launched in September 2019:

- the MS Digital Transformation & Innovation with the ESSEC Business School;
- the MS Electric Vehicles and Autonomous Vehicles (replacing the master's in Mobility and Electric Vehicles).

B. Within Groupe Renault

Groupe Renault subsidiaries are also involved in higher education in their respective countries. For example:

- in Romania 30 students enrolled on the Electronic Systems Engineering Masters at Bucharest Polytechnic University, Valahia Targoviste University and Cluj Technical University received a study bursary from the Group;
- the Renault Foundation Colombia continues to provide support to underprivileged engineering students through its "Renault German Camilo Calle" program. In 2018, it supported 27 students.

C. Bringing schools into the corporate world

Groupe Renault works to develop ties between the corporate and academic worlds because it believes this is the only way to improve the performance of economic and social models. To do so, the Group carries out numerous actions and initiatives in France and around the world:

- **support from academic world**. The sharing of knowledge is part of the Group's DNA. The Company makes appropriate expertise available, giving the employees involved a sense of satisfaction.

  Many employees spend some of their work time teaching classes at different schools/universities. These activities are organized either through official partnerships such as the Renault Foundation's academic programs, or at schools and universities in countries where Renault operates;
- **donations of equipment**. Groupe Renault, well aware that knowledge is acquired by the practical application of academic knowledge, made numerous gifts of vehicles and tools to schools.

  In France, many plants make such donations for educational purposes to high school students in their area. As an example, the Maubeuge plant (MCA) has donated over €30,000 worth of scrap vehicles or parts in 2018;
- **welcoming and/or supporting students into the Company to accompany them toward the professions of tomorrow**. Whether within the context of apprenticeships, internships, or even during business orientation programs, Groupe Renault places great importance on bridging the gap between young people and the professional world on every continent.

  A plant like Douai offers Groupe Renault the chance to support 140 apprentices and an average of 150 interns each year. It is a commitment that involves the mobilization of tutors, who accompany young people from a range of academic backgrounds, from technical school certificates to master's degrees. Tutors are can be required to perform some of their duties in schools, in the same way as teachers can have a role to play in plants. The Douai plant also devotes a week every month to class visits (secondary schools and higher education). During the year, nearly 1,500 schoolchildren or students visit workshops where the SCENIC , TALISMAN and ESPACE models are made.

  In Argentina, the Renault Argentina Foundation supports "TED-ED" sessions aimed at helping students voice and share their ideas by expressing them effectively. In 2018, 8,500 young people and 1,300 teachers were involved in this program (for more information, go to: www.youtube.com/watch?v=bq-YYOOXfVc).

  In Russia, Renault Russia, with the help of Renault Design, organized a competition for young designers entitled "The Future of Autonomous Mobility in Russia". Five hundred students from four major Russian design schools competed. The best projects were selected by a dedicated panel of judges. The winning teams were invited to press days at the Moscow International Auto Show in August 2018, where they presented their projects to the Groupe Renault Design Director;

- **reception and/or training of teachers**. For the Company, training teachers, strengthening their leadership to give them ways to transform their institutions, and inspiring and achieving change among young people is a challenge as big as educating students. In Colombia, the Renault Colombia Foundation joined forces with the Empresarios por la Educacion Foundation in 2018 to train 12 school principals and three coordinators in Envigado (the city where the Groupe Renault plant is located). The program goes by the name "*Rectores lideres transformadores*".

2.3.2.2 Supporting access to education throughout the world

Renault is aware of the importance of education in creating value within a company, a region and in society overall, and this is why the Company has placed, at the heart of its CSR policy, corporate sponsorship actions enabling social inclusion through access to education and the fight against student drop-out.

For example, the Douai plant and its local employment, vocational training and social work partners have been working together since 1999, and have already helped more than 1,500 people obtain a degree. Each year, a "New Skills" class starts preparing for a qualification as part of a professionalization contract. With the Renault Foundation, the Douai plant has supported the Lens Production School from the outset. Its support comes in the form of visits and the donation of an ESPACE. But it also includes sponsorship: the Groupe Renault Regional External Affairs Manager is sponsoring the second class going through the school. The Production School is a private technical school that prepares pupils for CAP and Bac Pro diplomas and certifications.

Schooling and inclusion

Conclusion is at the core of Groupe Renault's CSR values and access to education is a natural fit. Renault's commitment to the most impoverished is evident in several of its actions in this area.

In Morocco, Renault contributes to the improvement of school conditions in the province of Fahs Anjra. It encourages the schooling of children, in particular for girls, and fights against the phenomenon of dropping out of school in rural areas, through the supplying of school buses, and initiatives such as educational workshops or mobile libraries.

In all, 1,700 students benefited each day from the school bus service provided by Renault in 2018. The Moroccan subsidiary is also very involved in the prevention of road accidents. With the "Tkayes school" initiative, more than 10,000 children and their families benefited from the road safety education program in 2018. Renault Maroc has also opened four preschool classes in the province of Fahs Anjra for 90 children in the region.

In Brazil, Renault Experience celebrated its tenth anniversary in 2018. This innovation and entrepreneurship program, organized by the Renault Institute, is aimed at students wishing to create start-ups. Candidates whose applications are selected by the Institute benefit from a year's support for their project. On top of financial support, the winners are mentored by people from Renault and the broader automotive world and universities, who give them advice throughout the year. For more information, go to: https://renaultexperience.com.br/.

2.3.3 Contributing to the development and vitality of the regions

2.3.3.1 Renault, an active participant in the economic growth and development of its operating regions EFPD14c

Groupe Renault is a major player in the economic and social development of the regions in which it works. Present in 37 countries, the Company considers that it has a responsibility to make sure that its impact on the regions where it is located is positive and to contribute to their sustainable development. The Group's ambition is to create shared value for the mutual benefit of the Company and all of its stakeholders. It therefore takes care to identify the requirements and expectations of the stakeholders that surround it (2.1.5) and to respond to them as far as possible through its core business and setting up innovative solutions.

A. An active participant through its core business activities EFPD14b

It is difficult to truly isolate the Company's contributions within a complex and interdependent socioeconomic tissue. Beyond direct employment generated and the taxes paid by the Company, the other direct and indirect contributions and benefits are shared among the members of a network.

According to the figures published in February 2019 by the ACEA, the association of European automotive manufacturers, 13.3 million people – representing 6.1% of the active population – work in the European automotive sector. The number of jobs stands at 3.4 million, totaling more than 11% of jobs in the automotive industry in the EU.

Direct employment includes automotive manufacturing, equipment and accessories, and coachbuilders. Indirect employment includes other manufacturing fields, vehicle sales, parts and accessories, maintenance, fuel, leasing and transportation, as well as construction and road maintenance and associated activities.

The ACEA also points out that, for the 15 European countries for which tax data is available, the automotive industry has generated annual tax revenue totaling €413 billion for governments. This includes VAT on vehicles, parts and accessories, taxes on fuel, and lubricants, registration, insurance, driver's licenses, road fees, tolls, *etc.*

The automotive sector is also an essential factor in innovation. It is the most important European private contributor in terms of Research and Development, with €54 billion invested each year.

B. An active participant through its philanthropic activities EFPD15b

Groupe Renault is regularly approached by NGOs, charities, volunteer organizations and employees seeking support for projects in the areas of general interest, solidarity or good citizenship, in areas linked to the Group's CSR policy. Since 2010, the Group has been using a standard procedure to collect and analyze these applications (both in France and internationally). It was updated in 2018. See the Renault Foundation website: www.fondation.renault.com/.

The corporate sponsorship activities of the Renault Foundation

The bylaws of the Renault Foundation evolved in 2018. In accordance with the CSR strategy (2.1.1) of Groupe Renault, it now includes sustainable mobility. Its vocation therefore consists of supporting academic and non-profit corporate sponsorship (including higher education, the historical activity of the Foundation).

2018 also saw the formalization of a Group procedure to ensure the Group's philanthropy activities are in compliance with the anti-corruption regulations (Sapin II Law). These principles are set out in the Corporate Social Responsibility (CSR) department guidelines sent to all Group CSR Officers and Directors of subsidiaries.

Each year, the Board of directors of the Foundation decides on the budgetary amount intended for non-profit corporate sponsorship for the current fiscal year. The Philanthropy Committee, formed of 15 members (from senior corporate posts and five other employees), decides how the donations are to be allocated based on calls for projects on the two themes of inclusion and sustainable mobility. In 2018, the Foundation launched two calls for projects, one external and one internal.

The Foundation now also centralizes corporate sponsorship of 20 associations that were previously supported by Renault SAS.

In the context of its corporate sponsorship activities, in 2018, Groupe Renault assigned donations (excluding donations in kind) of €912,900, an amount which was multiplied by 3.2 compared to 2017 (€283,000) (see the details of non-profits in section 2.5.4.2).

It should also be noted that all the charities that are successful in a call for projects must offer the opportunity for employees who so wish to get involved in their project (volunteering, skill sharing, *etc.*).

Groupe Renault foundations

Some Group subsidiaries now carry out their philanthropic activities within a foundation or similar structure. This not only strengthens CSR governance and strategy, but also demonstrates, from an internal and external standpoint, to the importance given to the identified issues. 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' objective, as identified in the bylaws, encompasses all or part of the Group's CSR priorities. The activities performed on behalf of the Foundations are primarily aimed at populations outside the Company, and range from the local to the international, depending on the country and the programs implemented. The Activity Reports are available directly on their respective websites.

Country	Name	Year of creation	Principal activities	Scope of action	Annual budget
Argentina	Fundación Renault Argentina www.fundacionrenault.org.ar/	1960	Education Environment Road safety Health Local development	Local and regional	€160K
Brazil	Instituto Renault do Brasil www.renault.com.br/mais_renault/instituto-renault/	2010	Education Environment Road safety Diversity Local development	Local and regional	€406K
Colombia	Fundación Renault Colombia	2014	Education Diversity Environment Road safety	National	€202
Spain	Fundación Renault España	1963	Education Sports	National – for employees' children	€300K
	Foundation for inclusion and sustainable mobility (FRIMS) www.fundacionrenaultmovilidadsostenible.com/	2012	Education Diversity Environment Road safety Local development	National	€200K
France	Renault Corporate Foundation www.fondation.renault.com/	2001	Inclusion Education	International	€3.7 M
Morocco	Renault Morocco Foundation	2018	Education Road safety	National	€400K
Portugal	Renault Portugal Foundation	2018	Environment Sustainable mobility	National	
Romania	Renault Romania Foundation	2018	Inclusion Sustainable mobility	National	

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**.

In 2018, nearly €103,000 was distributed. The FASH made a large part of its donations to associations that work to provide aid to children (creation of new schools, orphanages, research against child cancer, purchase of school books, *etc.*).

C. 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 implementation 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.

  More than 137,000 hours of training were provided to 11,800 people at the IFMIA-TM in 2018.

  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 2.2.2.1), 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.

2.3.4 Making mobility as widely accessible as possible

2.3.4.1 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.

It is often the first time that these retail customers have the opportunity to buy a new, safer and more environmentally friendly car (than previous generations of vehicles).

Dacia vehicles are now marketed in 44 countries and over 5.6 million vehicles have been sold since the Logan was launched in 2004.

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 three 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 1,300 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.

Lastly, for over 60 years, Renault has carried out standard exchanges, *i.e.*, industrial refurbishing of mechanical parts such as engines, gearboxes, starters, compressors, steering, *etc.* 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. Please see section 2.2.3.B

Renault is concerned with adapting its spare parts pricing to the change in the residual value of its vehicles, in order to optimize their reparability, particularly for bodywork repairs. The cost of repair is an essential criterion for insurers to avoid premature scrapping. Thus, between three and six years after the date of launch, depending on the range, Renault concentrates its price reduction efforts on parts related to passive safety (airbags, seat belts, dashboard, *etc.*). Likewise, from the cessation of marketing of vehicles, the price of bodywork parts (bumpers, doors, wings, *etc.*) and glazing regularly drops each year.

Renault Tech: mobility solutions to serve disabled people

For 10 years, Renault Tech has placed people with reduced mobility at the focus of its concerns, offering them a complete range of adaptations enabling them to travel in complete autonomy and safety.

Through Renault Tech, Renault is the only European manufacturer engaged in the design, manufacture and marketing of vehicles dedicated to the transport of people with reduced mobility.

Each year, more than 1,000 adapted vehicles leave the factory at Heudebouville in Normandy and the Renault Tech site located in the Renault factory at Sandouville.

This offer is available in the whole of the French distribution network, and internationally via Renault subsidiaries.

www.renault.fr/vehicules/mobilite-reduite.html.

2.3.4.2 Embracing inclusive mobility solutions

Although mobility is a key element for the social and professional inclusion of people, millions of them nevertheless remain limited everyday in their travel. Penalized by financial, geographical and social hindrances, too many people have to give up a job or a training course quite simply because they cannot get there.

As a major player in mobility, Groupe Renault therefore decided to act for more inclusive and socially-responsible mobility by setting up a social entrepreneurship program, which aims to favor the mobility of the most vulnerable.

Initiated in 2010 and officially launched in France in July 2012, it is drawn up in cooperation with players in the social and cooperative economy, the academic world and the public sector. As such, it has formed partnerships to promote entrepreneurship and encourage inclusive mobility projects with Ticket for Change and the French government employment service, Pôle Emploi. With the aim of being implemented as widely as possible within the Company in France and in all the other countries where it is present, it is applied in three areas of intervention:

1) Develop specific offers intended for vulnerable people

This concerns the development, with a viable entrepreneurial approach, of projects that have meaning for the employees of the Group, its customers and its partners, maximizing the social impact rather than the profit.

Garages Renault Solidaires (GRS)

The **Garages Renault Solidaires** (GRS) offers are intended to support people who need a car to work but who cannot afford the financial cost.

Renault's network of garages voluntarily helps low-income individuals identified by welfare providers (charities, mobility platforms, welfare organizations, employment partners, *etc.*) by offering them servicing and repair work at cost price but maintaining Groupe Renault service quality. In this way, 3,322 people were directed to this program in 2018, 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 €90 including tax per month) and light commercial vehicles (KANGOO from €145 including tax per month). These services are exclusively aimed at individuals who are not eligible for conventional loans. DIAC (Groupe Renault's finance provider for the Renault and Dacia brands) is a stakeholder in this operation, which was offered to nearly 2,000 people in 2018.

At the end of 2018, within the Renault network there were around 360 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://mobiliz.groupe.renault.com/offres-solidaires/garages-renault-solidaires

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. MobilizeInvest is a certified "Solidarity and Social Utility Enterprise" company (ESUS). The capital provided by Renault is increased by contributions from the employee savings funds through the intermediary of the **FCPE Renault Mobilize Solidaire** [(1)].

The Management and Investment Committee (CDI) is the central governance body of MobilizeInvest S.A.S. Chaired by the Director of Groupe Renault's Expert Leaders, Expert Fellow and member of Renault's Management Committee, the CDI has 14 members, including one employee representative and two external investment and social business experts.Mobilize Invest s.a.s. has already provided funding (capital or debt) for 13 projects, appointing Renault employees as mentors. The details of the companies supported can be found on the website https://mobilize.groupe.renault.com/mobilize-invest.

The companies supported by Mobilize Invest are asked to measure the social impact of their respective activities. A common framework of seven result and activity indicators, put together with HEC, was deployed in 2018. Six companies contributed their results, of which the following three are examples:

- **Ecov** is a social and solidarity economy start-up that develops car-sharing solutions for short journeys in rural and suburban areas, 3,336 people benefited from their services, travelling over 8,000km using ecomobility solutions in 2017
- **Titi Floris** is a transport cooperative for all members of society, including those with disabilities. 3,500 people, 85% of whom are disabled, used Titi Floris transport. In 2017, the company employed 160 disabled workers,
- **Human Concept** provides a comprehensive self-service hybrid bike service which reduces the cost of bike usage through advertising. 430 people used the solution, travelling 64,850km,

In addition, in 2018, Groupe Renault introduced a system to objectively measure the social impact of each of its social business initiatives. Thus, in collaboration with the teams at HEC and the consultancy Nuova Vista, it undertook to measure the impact of Garages Renault Solidaires (GRS) in terms of satisfaction of beneficiaries, jobs created or made possible and increased self-esteem. The final results will be known in mid-2019.

(1) The Renault Mobilize Solidaire employee mutual fund (FCPE), created in 2015, now has more than 5,500 subscriber employees who have chosen to invest more than €17 million.

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 has decided to create a Social Business SAE in the CSR department in order to anchor permanently social business in the corporate strategy, by making this domain coexist with those traditionally recognized as being core business.

This Social Business SAE complements the other SAE's of the Group and brings a new perception of the Company's activities. It enables employees seeking more meaningful work-related initiatives and wanting to bring about change to get involved.

The HEC Paris "Enterprise & Poverty" academic Chair

- Groupe Renault sponsors this Chair (www.hec.fr/espace-entreprises/chaires-et-centres/social-business) and thus, in partnership with research and education, works to train younger generations and devise new social business solutions.
- Groupe Renault also collaborates with the Entreprise and Poverty Action Tank, chaired by Martin Hirsch (Director General of Assistance Publique des Hôpitaux de Paris (APHP)) and Emmanuel Faber (CEO of Danone) to share existing knowledge about social business, hold discussions with other businesses committed to this approach and benefit from expert support and advice.

2.3.5 Facilitating a global CSR network

To ensure the consistent and appropriate implementation of the Mobilize initiative, the Corporate Social Responsibility (CSR) department facilitates, coordinates and relies on a network of CSR liaison officers in the main departments and most of the countries where the Group operates. Each year, it sends a letter containing CSR guidelines, setting out the main principles and priorities of the coming months, to all of the Group's CSR liaison officers and subsidiary managers. It also calls all CSR liaison officers to meet in Paris for the annual CSR Convention. This event, which takes place over several days, is an opportunity for thinking on the major commitments made in Mobilize, and to share experiences and achievements in a multicultural context. Workshops are also organized for collective thinking on given themes and to explore new ideas.

Mobilize Days: an annual meeting dedicated to inclusion and sustainable mobility in the Group

In 2018, the CSR department launched the inaugural Corporate Social Responsibility (CSR) Week covering Groupe Renault as a whole. Called "Mobilize Days" or "Mobilize Week" depending on the country, the event took place between June 4 and 8. The aim now is to make it an annual event. Its purpose is to inform and raise awareness among employees about the company's CSR approach and initiatives taken throughout the Group in the fields of inclusion and sustainable mobility. It also aims to inspire employees, strengthen their sense of pride in belonging to the company and encourage them to become agents of change. A dozen countries – France (15 sites including eight plants and six sites in Île-de-France), Spain (three sites), Portugal, Slovenia, Algeria, Morocco, Brazil, Argentina (two sites), Colombia, Korea, India and China – organized "Mobilize Days" to mark the inaugural edition. A wide range of events from lectures to forums, exhibitions, film screenings, games and site visits, *etc.* were organized in line with the main pillars of the company's CSR strategy (see section 2.1.1). In Argentina, for instance, several events were organized on the themes of diversity, education and road safety, and were widely publicized internally (see video www.youtube.com/watch?v= Jv92Xz3Lwog). In Algeria, several awareness-raising campaigns on diversity and road safety were also carried out as part of the "Ramadhan Caravan", an event that brought together as many women as men to distribute a hundred food baskets to poor families in Oran.

Calculating the impact of societal initiatives

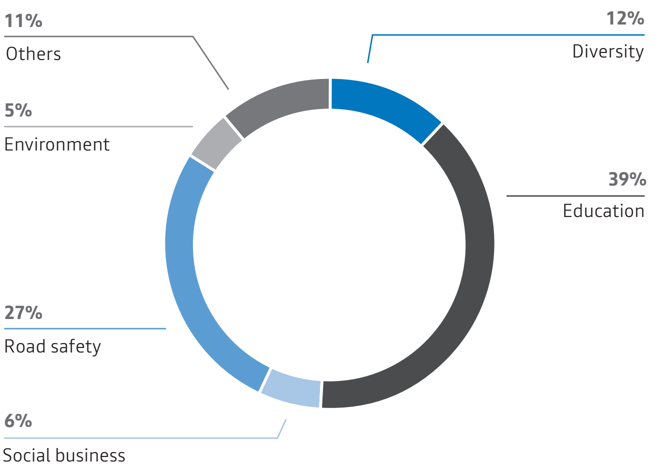
To ensure consistency between social and societal actions undertaken in the company and the Mobilize approach, the Group aims to allocate 80% of its societal expenditure to the five commitments listed above, namely diversity, education, social entrepreneurship, environment and road safety. The remaining 20% are used to support needs in other areas as identified locally.

Information on these actions is reported centrally. Since the end of 2018, the CSR liaison officers have been asked to share their actions using a standardized process, on a dedicated platform known as Global CSR. Details on the reporting scope are provided in section 2.5.4.1.B.Selected key figures from 2018:

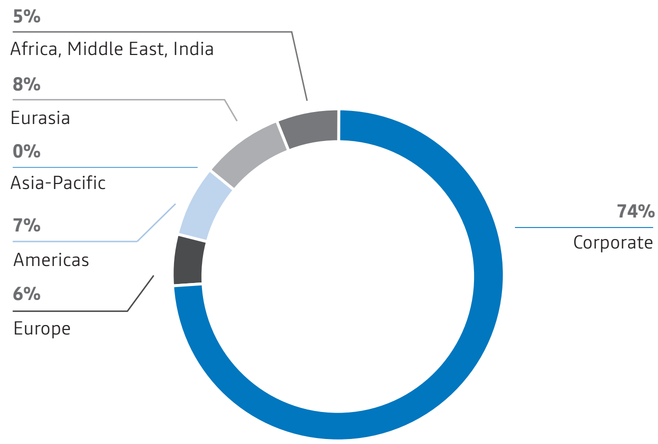
- 335 initiatives have been identified in Groupe Renault's five geographical regions;
- 89% of funds provided to the five Mobilize commitments.

DISTRIBUTION OF INVESTMENTS WITH A SOCIAL OR SOCIETAL GOAL

BY PRIORITY THEME COMMITMENT



BY REGION



Renault's environmental policy, included as the fourth strand of CSR since 2014, is reflected in the core of its industrial strategy, its products and services (see 2.2.2). 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	Africa, Middle-East, India	Americas	Asia–Pacific	Eurasia	Europe	Total
Total	335	6,067,366	389,693	613,951	20,000	631,000	520,654	8,242,664
Education	61	2,069,500	235,000	289,435	0	607,500	19,355	3,220,790
Road safety	62	1,919,523	134,018	32,662	20,000	8,000	98 568	2,212,771
Diversity	128	664,404	274	68,727	0	10,500	260 195	1,004,100
Social business	14	392,000	0	86,292	0	0	0	478,292
Environment	31	253,827	11,713	8,055	0	0	143,526	417,121
Communications and others	39	768,112	8,688	128,780	0	5,000	49,000	959,580

2.4 ETHICS AND GOVERNANCE

2.4.1 Business ethics

Details of the ethics and anti-corruption policies can be found in section 3.4.

2.4.2 Strengthening the responsible purchasing approach in the supply chain EFPD15a EFPD15b

The Group also extends its social, societal and environmental responsibility to its relationships with suppliers. Groupe Renault, which has several thousand suppliers, implements a responsible purchasing policy along its entire supply chain.

In order to do this, Renault has incorporated compliance with social and environmental requirements into its supplier relations standards. “Responsible purchasing” assessment of suppliers is therefore included in the selection criteria, alongside quality, financial health, costs and industrial and logistical capacities.

2.4.2.1 A CSR-focused purchasing team DV3b

In order to prevent serious infringements under the duty of vigilance, the Group operates using a dedicated purchasing structure. This department’s targets include:

- 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, traceability of conflict minerals or cobalt, OECD Guidelines, *etc.*);
- improving the identification and reduction of CSR risks in the supply chain;
- consolidating external CSR supplier audits;
- continuing to strengthen CSR criteria in key Purchasing processes;
- promoting business links with suppliers who develop an active CSR policy.

This corporate team relies on a network of correspondents working in local Purchasing departments.

2.4.2.2 Responsible purchasing tools and standards, cornerstone of the supplier relationship DV3b

In order to prevent serious infringements under the duty of vigilance, Groupe Renault relies on:

- **an Internet platform** for informing the purchasing teams, as well as the suppliers and subcontractors, of their CSR performance;
- **purchasing processes** that include CSR criteriain the process of selecting suppliers and subcontractors;
- **documents** setting out the principles of the contractual relationship with suppliers:
  - Renault-Nissan "Corporate Social Responsibility (CSR)" guidelines for suppliers. Distributed to all Groupe Renault suppliers and subcontractors, this document summarizes the Group's expectations of suppliers and subcontractors in matters of safety and quality, human and labor rights, the environment, compliance and non-disclosure of information. The Group asks its suppliers and subcontractors to undertake to comply with these guidelines. They are also requested to use them with their own suppliers,
  - Global Framework Agreement: signed on July 2, 2013 with the IndustriALL Global Union and the Works Council (see section 2.3.1.4). Under the terms set out in Chapter 3, Groupe Renault undertakes to communicate the framework agreement to its suppliers and subcontractors. It requests them to commit to implementing the fundamental social rights mentioned in Chapter 1 of the framework agreement in their own companies and encourages them to do likewise with their own suppliers. If necessary, corrective action plan are put in place with the support of Groupe Renault,
  - Renault Green Purchasing Guidelines: Distributed to all suppliers of Groupe Renault, this document describes the requirements in matters of environmental management, policies on chemicals and recycling,
  - APO Purchasing Way: distributed to all suppliers and subcontractors of Groupe Renault, this guide reiterates the duties of the Purchasing department, details the specific tools and processes relative to the selection of suppliers and subcontractors, the technical support to be provided to them and the conditions of the partnership. It reiterates the essential

values of the Purchasing department: mutual respect, transparency and trust,

- on any topics relating to the content of these documents, any uncorrected non-compliance could result in measures being taken that may include the termination of relations with the company in question.

The purchasing function also has **a dedicated Code of good conduct** which complements Groupe Renault's Code of Ethics. This document is available on the Group's intranet site. It is aimed at all managers and employees in the Purchasing department and the Alliance Purchasing Organization (APO), and at anyone who is in contact with suppliers and/or who has an influence on purchasing activities within Groupe Renault and/or for Groupe Renault. The code applies to all Groupe Renault purchasing processes and, in particular, to compliance with Renault's strategy, to selecting suppliers, reviewing performance and, more generally speaking, to any contact or communication with suppliers.

Professional whistle-blowing DV4

See section 2.1.6, "Professional whistle-blowing."

2.4.2.3 An ambitious 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.

The Group therefore seeks to continuously increase the level of local integration of its production units. It has set itself the objective of 80% local integration throughout the world, together with an objective of 50% integration in the local currency to limit the impact of monetary fluctuations.

These objectives are not yet reached in all of the Group's markets because they are highly dependent on the presence of local suppliers, their ability to innovate and therefore the maturity of the local automotive industrial fabric. In the countries where automotive production is strong, the local integration rate meets the target, or even exceeds the target. However, in the countries where production volumes are more limited, they are significantly below the target.

To promote local integration, Groupe Renault has created "local supply hubs", firstly in Russia, then in Brazil and India. These dedicated teams, from purchasing, engineering, sales costs and logistics, launch local calls for tenders to purchase parts that until then were imported.

The Alliance, since the end of 2015, has also had a tool for improving local integration: the TOP Alliance. This aims to locate the supply of parts as close as possible to the factories, to improve performance, secure supplies and reduce costs. Shared by Renault, Nissan and Mitsubishi, it lists 130 parts – which alone represent 80% of the volume of vehicle parts transported to the factories – to be sought closer to the factories of the Alliance. For each of these parts, the TOP Alliance determines a maximum distance between the supplier and the customer factory: this is the sourcing guideline. Today, the average rate of compliance with TOP Alliance per vehicle project in each factory is 75%. There is still room for further progress. The objective for Renault, Nissan and Mitsubishi is to reach a situation where the TOP Alliance for a new vehicle is better than that of the one that preceded it.

2.4.2.4 Internal tools to assess and mitigate risk, monitor measures and assess their effectiveness DV1b DV2b DV3b

Risk mapping of suppliers

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.

The prevention of serious harm at suppliers is dealt with in sections 2.4.2.1, 2.4.2.2. and 2.4.2.5.

Based on the mapping of supplier risks, the most at-risk production sites were identified. In order to reduce the risks, these sites are audited based on a triennial plan (2018/2019/2020).

In the context of monitoring the measures implemented, in 2018, Renault carried out 43 audits of sites performed by three external companies in six countries in which the Group is present: Algeria, China, India, Romania, Russia and Turkey. The main anomalies were identified in the area of health and safety.

To ensure the effectiveness of the measures put in place, certain site audits carried out in 2018 will be followed by corrective action plan and a second audit in 2019 to make sure that the major or critical anomalies are dealt with.

Mapping of minerals and materials risks

Groupe Renault is particularly vigilant as regards the origin of certain minerals and materials, for which risk mapping is also conducted.

2.4.2.5 Specific work on the cobalt/electric battery sector

In 2017 and 2018, Groupe Renault prioritized work with its electric battery supplier in the cobalt sector, as this mineral is an integral part of electric batteries. In 2018, the Group selected a specialist audit firm in this sector to fully map its supply chain and perform on-site audits for the relevant stakeholders.

Renault is a member of the Responsible Mineral Initiative (RMI). The RMI's Objective is strive to implement a responsible supply chain for minerals and materials originating from conflict zones or high-risk areas. RMI brings together the major players in the electronics and automotive industries. It meets monthly and the minutes of these meetings are sent to all of its members. Cobalt was the initiative's main priority for 2018

2.4.2.6 CSR performance indicators – 2018 Results DV5b

Groupe Renault traditionally measures the CSR performance of its suppliers through two main criteria:

- the percentage of the volume of parts, services & equipment purchased that are the subject of CSR evaluation;
- the percentage of the volume of "CSR evaluated" parts, services and equipment purchased for which the CSR score reflects a high or very high performance.

In 2018, the CSR performance of Groupe Renault's suppliers was as follows:

As % of volume purchased concerned	Parts	Services	Total 2017	Total 2018
Rate of CSR evaluation over 3 years (% of total volume purchased)	82.3%	65.4%	78.8%	82%
Rate of high or very high CSR performance over 3 years (% of total volume purchased)	64.5%	53%	62.1%	67%

In 2018, a new indicator was set up to record the number of tier-1 supplier sites audited (see 2.4.2.4).

2.4.3 Tax policy EFPD15c

Groupe Renault has always applied a reasonable tax policy aimed at protecting shareholders' interests, while maintaining a relationship of trust with the authorities of countries in which the Group is present.

Groupe Renault's central and local fiscal teams work, within their respective duties, to manage the relationship of trust with these authorities and to implement the Group's fiscal policy, the primary objective being to comply with both its national and international fiscal obligations.

However technical discrepancies may arise during audits, which may lead to tax disputes, due in particular to uncertainties in interpreting legislation or the fulfillment by Renault of its fiscal obligations.

Where necessary and after analyzing the risk materiality, provisions shall be set aside in the financial statements to reflect any financial consequences of these discrepancies.

Moreover, Groupe Renault does not advocate or promote tax evasion.

2.4.4 Cybersecurity and data protection

2.4.4.1 Cybersecurity

To manage risks and protect its data, Groupe Renault has set up an organization/governance and operational measures in matters of cybersecurity. (The details of these measures are shown in Chapter 1.6.1.3 - Risks related to cross-group functions - Risks related to data processing)

2.4.4.2 Data protection

Respect for the protection of personal data is an important factor in trust, a value in which Renault S.A.S. believes particularly strongly, taking care to respect the fundamental rights of its customers. The protection of personal data is accordingly one of our ethical references for conducting 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, Groupe Renault implemented legal, technical and organizational measures to ensure compliance with French law no. 78-17 dated January 6, 1978 relative to IT, data and civil liberties and the protection of the personal data of its customers and users of connected services.

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.

A legal team dedicated to the protection of personal data was also created, together with multi-disciplinary working groups bringing together all of Renault's functional departments.

Renault also participated in the working group tasked with building the "connected vehicle" compliance pack together with the French data protection authority (CNIL). This pack was published in October 2017 and proposes guidelines for the responsible use of data in the next generations of cars.

Furthermore, Renault supports the "principles for the protection of personal data in services and connected vehicles" from the European Automobile Manufacturers' Association (ACEA), which represents the interests of the automotive industry in the European Union.

2.5 APPENDICES

2.5.1 Materiality appendices

2.5.1.1 Objective and governance

In 2015, Groupe Renault conducted a materiality analysis with a specialized firm to identify and prioritize corporate social responsibility stakes that may affect its ability to generate value in the short and medium term. The matrix generated presents the challenges seen by Senior Management and the corresponding key functions compared to their positive or negative impact on the value creation for the Company and the level of importance given to them by all of its stakeholders.

At each stage, the deliverables were approved by a cross-functional Steering Committee (CSR, Environment, Strategy, Human Resources, Public Affairs, Legal, Finance, Audit and Risk Management, Ethics).

2.5.1.2 Methodological approach

An *a priori* list of stakes was prepared on the basis of international criteria such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), an industry benchmark (manufacturers and suppliers) and surveys and published studies. This list was then tailored to Renault's corporate culture to better reflect the organizational structure and vocabulary commonly used.

Based on a comprehensive review of the literature, the 30 stakes identified were pre-positioned in a nine-box matrix. An explanatory file accompanied each of the stakes to justify the pre-positioning. A series of meetings with the Group Executive Committee and with officers for the main functions concerned was then organized to challenge and review the initial version, followed by in-depth discussions with representatives of the primary stakeholders, which included employee representatives, consumer associations, an NGO, the automotive press, a sustainable development (SD) analyst, an international consortium of specialist SD companies, a supplier and a consultancy firm specializing in SD for the benefit of future generations.

The matrix was adjusted to include feedback from this series of interviews and submitted to the Steering Committee, the Risk and Internal Compliance Committee, and finally to the members of the Executive Committee for approval.

The table below details the content of each of the stakes identified:

CSR stakes	Description	Reference
REG01. Business ethics and compliance	Prevention of corruption and unfair practices Regulatory compliance and anticipation	2.4 3.4.3
REG02. Cybersecurity and data protection	Protection of privacy and personal data Information security	2.4.4
REG03. Stakeholder dialog	Responsible engagement with stakeholders (public authorities, NGOs, investors, *etc.*) Responsible lobbying	2.1.5
REG04. Corporate governance	Respect for corporate governance and transparency principles Risk management	2.1.4 2.1.7.2
REG05. Relationships with suppliers and network	Relationships of managers with suppliers, subcontractors and the distribution network Responsible management of the supply chain, CSR audits of suppliers	2.4.2
REG06. Community and local development	Education, social involvement, job creation, payment of taxes, and skills development, investment/economic development	2.3.2 2.3.3
INC01. Affordability of products and services	Range of vehicles, parts and services "for everyone" Social entrepreneurship (Mobiliz)	2.3.4
INC02. Health, safety and working environment	Health and well-being (management and performance), environment and work spaces, professional/private life balance (telecommuting, services to employees, collaborative tools, *etc.*)	2.3.1.5
INC03. Responsible management	Support employee engagement	2.3.1
INC04. Physical accessibility of products and services	Consideration of reduced mobility and/or elderly persons in products and services Equipment/transformations for people with reduced mobility	2.3.4
INC05. Diversity and equal opportunity	Promotion of diversity and equal opportunity Relationships with schools, policy on young people	2.3.1.2
INC06. Human rights	Compliance with and promotion of human rights throughout the value chain (Global Compact, ILO declaration, IndustriAll worldwide framework agreement)	2.3.1.4
INC07. Skills management	Dynamic skills management: Human resource planning, training, expertise, evaluation and development Attractiveness and retention of talent	2.3.1.3
INC08. Compensation and social benefits	Compensation, benefits, incentive system	2.3.1.2
INC09. Philanthropy	Donations of any kind, skill-based sponsorship, partnerships	2.3.3.1
SUM01. Carbon footprint of vehicles (full life cycle)	Reduction of CO_2 emissions from internal combustion engines (weight reduction, aerodynamics, downsizing, management of thermal losses and friction) Reduction of CO_2 emissions related to manufacturing techniques and logistics Reduction of the carbon footprint of parts and materials purchased (supplier chain) Large-scale marketing of electric vehicles and electrification of internal combustion engine vehicles Eco-driving (equipment and training)	2.2.2.3.A
SUM02. Impact of vehicles on air quality	Reduction of pollutant emissions in internal combustion vehicles: NO_x, SO_x, particles Large-scale marketing of electric vehicles	2.2.2.3.C.a
SUM03. Vehicle safety	Driver assists, primary, secondary and tertiary safety equipment	2.2.3
SUM04. Management of resources and the circular economy	Decreased use of raw materials: design of vehicles that use materials sparingly, that are recyclable and recoverable, channels for end-of-life vehicles (collection, reuse, refurbishment of powertrain parts, recycling), inclusion of recycled materials Second life and recycling of batteries from electric vehicles Control of exposure to materials risk (shortages, conflict minerals)	2.2.2.3.B
SUM05. Connected and/or autonomous vehicles	Product innovation and service for connected and/or autonomous vehicles	2.2.1
SUM06. Safety of road users	Training and awareness-raising Skills development	2.2.3
SUM07. Energy management (industrial and logistics sites)	Management of energy in manufacturing techniques: control of consumption, optimization of processes, energy yield, renewable energy Energy management and logistics: location, reduction in the number of trucks/containers, alternative transport modes, driver training	2.2.2.3.A
SUM08. Passenger health	Management of chemical substances (REACH, SVHC, *etc.*) and anticipation of regulatory changes Cabin air quality	2.2.2.3.C.a 2.2.2.3.C.b
SUM09. Sustainable cities (including urban mobility and congestion) and Smart mobility	Transportation and urban development (global and local), Smart cities, multimodality/modal shifts, urban logistics Shared mobility (collaborative mobility, car-sharing, carpooling, *etc.*)	2.2.1.2
SUM10. Industrial site safety management	Prevention and management of industrial risks (fire, explosion) natural risks (extreme climatic phenomena, earthquakes, *etc.*) and associated environmental damage (accidental pollution)	1.6.1.2 2.3.1.5 2.2.2.3
SUM11. Waste management	Industrial waste management (hazardous and non-hazardous): reduce, reuse, recycle, recover, remove	2.2.2.3.B
SUM12. Industrial sites impact on air quality	Reduction in emissions of atmospheric pollutants from industrial sites: COV, SO_2, NO_x	2.2.2.3.C.a
SUM13. Water management	Management of water consumption and quality in manufacturing processes: reduce, reuse, recycle, minimize impact from discharges, control pollution risks Responsible management of water supply	2.2.2.3.D
SUM14. Biodiversity	Protection of biodiversity of species and ecosystems	2.2.2.3.F
SUM15. Vehicle noise	Management of noise emissions from vehicles	2.2.2.3.C

2.5.2 Appendices concerning social commitment

Data collection

Several methods are used to collect employee data:

- the HR information system collects part of the data for the entire scope and ensures the overall consistency of results;
- the Talent@Renault tool deployed in 35 countries as of year-end 2018, provides data for white collar staff (Algeria, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Denmark, France, Germany, Hungary, India, Ireland, Italy, Malta, Mexico, Morocco, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey and United Kingdom);
- a questionnaire is sent to the Regions. This questionnaire includes a number of indicators: number of employees 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.

Group workforce at December 31 of a year is equal to the total of its workforce at the end of the month for all Regions except the Europe Region. For the Europe Region, the regional workforce is equal to end-of-month total workforce excluding employees under exemption of activity in the framework of the CAP 2020 Agreement in France.

Region average workforce = (Region workforce at December 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.

Percentage of women managers: number of women in managerial roles out of the total number of managers as of the end of December. "Manager" is defined as a white collar employee, supervising at least one other white collar employee.

Key position: position identified as key at a local, regional or global level, within the scope used in the Talent@Renault tool (excluding RCI and the expertise network).

"Critical" skills: skills which, if lacking, may put Renault's strategy at risk, which creates value for the customer, or which strengthen or provide a competitive advantage.

"Sensitive" skills: skills whereby future economic outlook, organizational decisions or technological changes will be likely to result in a reduction of the number of jobs in a particular profession, and/or major changes in the scope and knowledge required for these jobs, for which preparations must be made for individual training and retraining measures over the next three to five years.

Number of hours of training: cumulative number of training hours taken, 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 total workforce at December 31.

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 holidays (including maternity and paternity leave).

Formula: number of absence days per year/(active workforce x number of theoretical days per year) x 100.

The choice of assumptions for the calculation of theoretical days number is left up to the entities, since local factors may result in minor differences.

All definitions of **health and safety indicators** were updated on January 1, 2017.

The FR0, FR1 and FR2 rates correspond to the incident rates divided by 1,000,000 hours worked.

For example:

$$FR0 = \frac{\text{Number of incidents requiring first aid}}{\text{Number of hours worked}} \times 1{,}000{,}000$$

In 2018, accidents involving Renault employees and temporary workers were monitored jointly (FR0, FR1, FR2).

FR0: frequency of workplace accidents requiring first aid for Renault and temporary employees.

FR1: frequency rate of workplace accidents requiring more significant medical treatment than first aid for Renault and temporary employees. This rate corresponds to a defined list of injuries on which Groupe Renault intends to concentrate.

FR2: frequency rate of workplace accidents with sick leave involving Renault and temporary employees (several additional exclusions compared with F2).

The FR0r, FR1r and FR2r rates are defined in the same way as FR0, FR1 and FR2 but apply only to Renault employees and not temporary workers.

Most of the AVTOVAZ (plant and subsidiaries) health and safety data comes from dispencaries managed by government authorities.

Severity rate G1: [number of days of sick leave during the year due to workplace accidents that year or in previous years - number of days of sick leave due to discharges] x 1,000/number of hours of exposure to occupational risks during the year.

Occupational illnesses: rate of occupational illnesses contracted by Renault employees following prolonged exposure to an occupational risk (noise, chemicals, posture, *etc.*), reported as such to an external body if the regulations in force in the country so provide. Rate of reported occupational illness per 1,000 employees to end-2016. Occupational illness rate reported per million hours of exposure to occupational risks from 2017 onwards. This rate includes occupational illnesses, reported with or without sick leave.

Accidents on public roads: accidents involving Renault employees on public roads while commuting to work or traveling on business.

GROUP SAVINGS AND COLLECTIVE RETIREMENT PLAN

Composition		Number of subscribers at December 31, 2018	Assets *(€ million)*	Perf. 2018 *(in %)*
ACTIONS RENAULT MUTUAL FUNDS (GROUP SAVINGS PLAN)				
Renault France Fund [(1)(3)]	Almost 100% Renault shares	19,978	25.01	-6.46%
Actions Renault Fund [(1)]	Almost 100% Renault shares	27,373	270.4	-34.99%
Renault International Fund [(2)]	Almost 100% Renault shares	8,922	7.11	-6.46%
Renault Shares Fund [(2)]	Almost 100% Renault shares	6,167	52.2	-34.99%
DIVERSIFIED MUTUAL FUNDS (GROUP SAVINGS PLAN AND COLLECTIVE RETIREMENT SAVINGS PLAN)				
Multipar Actions Soc Resp	100% euro zone shares	8,416	54.3	-12.96%
CMC CIC Perspective conviction Monde	0 to 40% cash or bonds 60 to 100% shares	5,103	18.2	-7.64%
CMC CIC Perspective certitude	0 to 40% cash or bonds 0 to 100% OECD shares	5,089	15.03	-3.07%
Multipar Equilibre Soc Resp	50% shares 50% bonds	14,290	175.05	-6.94%
Renault Mobilize Solidaire [(3)]	30% diversified shares 30% bonds 30% monetary 10% solidarity	5,574	17.22	-4.30%
Multipar Equilibre Soc Resp	90/95% monetary and bonds 5/10% solidarity securities	11,819	86.6	-0.67%
Multipar Monétaire Soc.Responsable	100% monetary	19,867	93.42	-0.41%
BNP PARIBAS PERSPECTIVES (PERCO) [(3)(4)]				
BNP PARIBAS Perspectives Short Term	Diversified	539	4.5	-1.66%
2021	Diversified	800	8.4	-2.15%
2024	Diversified	697	6.3	-2.82%
2027	Diversified	515	4.0	-5.20%
2030	Diversified	466	3.0	-7.77%
2033	Diversified	420	2.0	-10.05%
2036	Diversified	336	1.5	-11.46%
BNP PARIBAS Perspectives Long Term	International shares	774	2.0	-12.12%

(1) FCPE Actions Renault and Renault France mutual fund for French tax residents.
(2) FCPE Actions Renault and Renault International mutual fund for tax residents outside France.
(3) Fund open for payments throughout the year.
(4) FCPE mutual fund whose maturity date corresponds to the planned date of the employee's departure.

2.5.3 Appendices concerning the environment

2.5.3.1 Methodological comments on a selection of environmental indicators

A. Life-Cycle Assessment

Life-cycle analyses are carried out by 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.

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 services purchased	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	Primary: Renault design database (vehicle composition, recycled materials), sales overview by country Secondary: Thinkstep GaBi LCA database (emissions from the production of materials, spare parts and required processing)
	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: certification 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 is not counted (even if it would contribute significantly to the result) insofar as it is on the own initiative of those suppliers.

The indicator is calculated on a like-for-like basis: when new activities are included, the baseline value (2016) is recalculated.

The contributions taken into account are summarized in the table below.

CONTRIBUTIONS OF THE GROUP AND ITS SUBSIDIARY RENAULT ENVIRONNEMENT

		Method for counting reused
MATERIALS		
Recycling of metals and plastics in a closed loop, 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 Gaïa [1]	Resale revenue of these materials by Gaïa
	Recycled polypropylene sold by Gaïa 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
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 Gaïa 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 Gaïa, 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 2.2.2.3.B Resources and the circular economy.
(2) See "New business areas" in section 2.2.2.2.D Environment and competitiveness.
(3) See "Reuse" in section 2.2.2.3.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 2.2.2.3.B Resources and the circular economy.
(5) See "Reuse" in section 2.2.2.3.B Resources and the circular economy.

2.5.3.2 Methodological comments on the table "Site environmental indicators in 2018"

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2018 Environmental Protocol for Renault Sites. The following is an explanation of the main methodological choices of the Protocol. This Protocol is available on request from Environment department of the Group's HSE division.

Scope

The "scope" of the reported data over the industrial subsidiaries (body assembly, final assembly, powertrain and foundry) and the support sites (product and process design, logistics) in the Groupe Renault financial scope of consolidation.

The following manufacturing sites and subsidiaries are however excluded from the environmental reporting scope:

- AVTOVAZ (Russia), in which Renault acquired a majority stake at end-December 2016, and for which environmental reporting is currently in development;
- the Renault Sport site in Viry-Châtillon, which produces engines exclusively for competition vehicles (Formula 1).

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 2018" table. All the impacts arising from employee catering facilities 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 and Environment 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 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 2.5.6.

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) 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 38% of manufacturing sites (one of which is covered in a partial statement) and 71% of engineering, logistics and support sites.

The Moscow, Santa Isabel de Cordoba and Batilly (SOVAB) sites are subject to specific regulatory requirements, and receive an exemption on the calculation methodology of the specific flows.

Air emissions

The atmospheric emissions of volatile organic compounds (VOC) included in the data are the emissions produced when bodywork is painted (body assembly plants). The application of paint on bumpers and on parts and accessories is not taken into account.

The indicator shown corresponds to the metric tons of VOC emissions and the ratio of VOC emissions per m^2 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 discharges of SO_2 and NO_x counted represent the emissions from the combustion of fossil energies in fixed combustion installations at all sites, excluding on-site transport.

Emissions generated by engine tests are not taken into account, since the SO_2 emissions are insignificant and NO_x emissions are difficult to calculate (unreliable assessment method).

Greenhouse gas (GHG) discharges include the direct and indirect GHG emissions and are expressed in metric tons of carbon dioxide equivalent.

Greenhouse gas (GHG) direct emissions are extracted from an inventory of GHG sources conducted in 2004 and updated in 2011. Following this inventory, Renault modified its guidelines to better reflect the total emissions of Groupe Renault and to comply with the recommendations of the Greenhouse Gas Protocol (GHG Protocol) and the French protocol developed by *Entreprises pour l'Environnement*.

Emissions from the following sources were included:

- combustion of fossil energies transported to the site and those transformed by the site for third parties;
- coolant fill-up of the air conditioning systems fitted in vehicles produced by the plant. Only HFC 134a fill-up is taken into account. It is not considered pertinent to declare HFO1234yf use under French legislation (article R543-75 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 and trials on the test track and 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 air conditioning systems and processes with a nominal load in excess of 5 tCO_2eq (site in the European Union only).

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):

- air conditioning on site and processes for sites outside the European Union;
- 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 SF_6-type circuit breaker installations.

Greenhouse gas (GHG) indirect discharges are related to purchased electricity, steam and hot water. The emission factors used for the 2018 reporting are:

- for electricity, those published by the IEA (International Energy Agency) in its CO_2 Emissions from Fuel Combustion 2018 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, but emissions from fossil fuel combustion in the foundries are taken into account.

Emissions factors used in the calculations of SO_2, NO_x and GHG emissions are taken from the CITEPA's OMINEA National Inventory Report (updated in May 2018) and are consistent with the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

The emission factor from fixed combustion installations of low-NO_x natural gas burners was calculated in 2011, based on an internal study of 88% of sites in the scope having low-NO_x burners. The factor thus obtained (0.0266kg/MWh NCV) is the average of the factors obtained at each site weighted by the power of the installations.

Waste

The waste reported is the waste that leaves the site's geographical scope; the quantities are expressed in metric tons.

The waste reported includes hazardous waste (HW), non-hazardous waste (NHW), and construction site waste.

For the sake of clarity, non-hazardous waste is presented in two sub-categories:

- metallic waste from production processes (scrap metals, machining chips, *etc.*);
- non-metallic waste (mixed ordinary waste, for example).

Construction waste from Renault sites is not reported unless a contractual clause explicitly states that the construction company is not responsible for it.

Energy Consumption

This metric represents the quantity of gas, heating oil, LPG (excluding vehicles), biomass, steam, hot water, and electricity consumed at Renault sites, expressed in MWh LHV (Lower Heating Value). However, the data indicated does not include the propane used by forklift trucks or the fuel consumed by the site (engine and gearbox testing, company vehicles).

The primary or converted energy supplied to third parties is not included. The purpose of the energy consumption indicators is to reflect the energy performance of Renault's manufacturing processes.

The lower heating values (LHV) are consistent with CITEPA's OMINEA National Inventory report (updated in May 2018) 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 1990-2011). The LHVs are consistent with the emissions reported in the EU Emissions Trading Scheme.

2.5.3.3 Site environmental indicators in 2018 [1]

			Liquid discharges				Air emissions							Waste, excluding waste from construction sites [14]						Energy
Site name	Vehicle manu-facturing	External supply of water *in thousands of m³*	Treat-ment plant	Sus-pended solids *in metric tons*	COD *in metric tons*	Toxic metals *in metric tons*	Total GHG *tCO_2eq*	o/w direct GHG	o/w indirect GHG	VOC *in g/m²*	VOC *in metric tons*	SO2 *in metric tons*	NOx *in metric tons*	Total NHW *in metric tons*	o/w non-metallic NHW *in metric tons*	o/w metallic NHW *in metric tons*	Total HW *in metric tons*	Foundry waste *in metric tons*	Share of recycled waste *(excluding foundry and con-struction waste)*	Energy con-sumption *in MWh LHV*
MANUFACTURING SITES																				
BODY ASSEMBLY PLANTS																				
Batilly (SOVAB) [2, 15]	142,617	273.0	PB	1.4	10.5	0.1	36,170	32,445	3,725	35.8	813	0.30	30.69	3,505	3,067	438	2,063	NC	70.6%	222,899
Casablanca (SOMACA) [13]	83,429	141.5	PU	122.8	157.6	2.6	25,742	8,284	17,458	66.1	523	0.27	7.36	6,093	5,717	376	568	NC	84.1%	59,731
Cordoba Santa Isabel [11]	45,220	275.4	PU	5.4	8.9	0.1	26,000	10,672	15,328	57.8	265	0.08	8.64	14,548	10,205	4,343	729	NC	85.5%	80,728
Dieppe	7,237	18.3	U	NC	NC	NC	4,520	4,039	481	52.8	36	0.03	2.65	932	908	24	594	NC	66.9%	27,903
Douai [6, 15]	119,650	626.6	PB	4.8	23.1	0.4	41,747	36,427	5,320	28.0	382	0.44	35.09	39,780	4,129	35,651	1,907	NC	92.5%	266,196
Flins [7, 15]	196,043	950.8	PB	28.2	86.3	1.5	62,617	56,858	5,759	31.7	575	0.49	36.85	50,740	7,044	43,696	1,832	NC	93.1%	324,937
Maubeuge [15]	158,506	256.2	PB	0.8	4.0	0.1	30,949	27,263	3,686	34.0	585	0.24	24.93	35,156	2,616	32,540	1,431	NC	96.3%	195,258
Envigado (Sofasa)	69,253	154.9	PU	4.9	60.8	0.3	9,964	6,006	3,958	60.2	415	0.03	2.80	8,324	7,829	495	300	NC	93.1%	35,948
Moscow	97,738	338.0	PU	20.6	83.7	0.4	45,594	19,844	25,750	63.9	671	0.48	24.74	8,169	7,472	697	1,325	NC	70.8%	182,238
Novo Mesto [15]	209,365	260.4	PU	1.2	59.9	0.0	38,844	17,769	21,075	26.6	464	0.16	14.97	36,884	3,743	33,141	2,158	NC	90.4%	163,458
Palencia [8, 15]	257,036	440.7	PB	1.2	19.1	0.5	49,913	29,575	20,338	25.3	707	0.31	30.50	41,569	5,516	36,053	2,214	NC	98.4%	223,037
Sandouville [10, 16]	126,227	346.3	PB	2.0	12.2	0.1	37,247	31,980	5,267	37.8	700	0.27	29.42	34,834	3,298	31,536	3,209	NC	90.9%	267,064
Valladolid Carrosserie [15]		156.7	PU	1.2	9.1	0.1	23,038	11,223	11,815	NC	NC	0.10	11.62	67,147	1,504	65,643	690	NC	99.9%	101,867
Valladolid Montage [15]	235,052	505.3	PU	3.2	31.0	0.5	57,552	35,276	22,276	26.4	601	0.31	36.68	5,836	5,288	548	2,298	NC	97.7%	254,627
Tangiers	318,653	350.1	PU	NC	NC	NC	6,034	6,034	0	23.3	775	0.17	4.67	72,239	13,438	58,801	4,498	NC	90.8%	245,059
POWERTRAIN PLANTS																				
Villeurbanne		20.4	U	NC	NC	NC	2,396	1,854	542	NC	NC	0.02	1.92	2,536	193	2,343	47	NC	97.7%	19,233
Cacia		88.3	PB	18.3	38.8	0.0	21,163	2,371	18,791	NC	NC	0.02	1.00	9,242	1,159	8,083	1,425	NC	88.1%	74,574
Choisy-le-Roi [5]		15.9	PU	3.9	8.3	0.0	1,347	1,197	150	NC	NC	0.01	1.17	2,583	450	2,133	104	NC	93.3%	8,265
Cléon [15]		1,207.0	PU	11.1	276.8	0.4	35,957	20,532	15,424	NC	NC	0.15	17.48	40,989	8,132	32,857	8,658	3,203	87.4%	378,642
Le Mans [15]		2,245.0	P	53.5	71.8	0.3	29,220	19,613	9,607	NC	NC	0.19	12.48	41,965	20,941	21,024	1,558	21,317	95.6%	266,691
Los Andes		26.8	U	NC	NC	NC	9,544	1,713	7,832	NC	NC	0.02	1.63	3,243	714	2,529	1,044	NC	69.8%	25,387
Ruitz (STA)		21.3	U	1.8	2.6	0.0	5,657	4,243	1,415	NC	NC	0.04	4.04	2,047	274	1,773	764	NC	71.8%	45,721
Seville		102.8	PU	1.0	46.2	0.0	25,113	5,970	19,144	NC	NC	0.05	5.46	9,600	621	8,979	1,598	NC	92.7%	103,175
Valladolid Motores [15]		150.5	PU	1.2	11.6	0.2	57,203	14,512	42,691	NC	NC	0.11	12.86	24,182	4,110	20,072	5,799	116	86.4%	233,206
MIXED PLANTS																				
Bursa [3]	336,555	595.8	PBU	57.0	204.1	1.5	107,310	32,818	74,492	33.,8	1,135	0.29	28.94	66,876	11,461	55,415	2,558	NC	93.7%	312,329
Busan (RSM) [4,16]	215,809	477.9	PBU	0.7	9.0	0.8	98,072	38,342	59,729	22.7	514	0.26	25.22	32,470	7,522	24,948	1,773	829	96.4%	254,737
Curitiba Complexe Ayrton Senna	300,863	495.1	PU	0.5	394.3	1.6	24,201	24,163	39	42.7	1,256	0.19	21.98	59,726	18,420	41,306	3,727	711	93.5%	236,139
Dacia Automobile [9, 15]	335,261	1,315.8	PU	111.9	563.0	0.3	176,507	76,977	99,529	35.5	1,327	0.61	52.74	158,710	13,053	145,657	7,055	1,026	95.3%	638,780
FOUNDRIES																				
Cordoba Fonderie Aluminium		9.7	U	NC	NC	NC	4,148	2,431	1,718	NC	NC	0.02	2.51	336	9	327	2,566	279	1.9%	16,181
Fonderie de Bretagne		84.9	PU	0.5	0.5	0.0	7,606	3,929	3,678	NC	NC	0.03	3.66	12,191	8,018	4,173	254	10,801	71.9%	88,219
Tandil		10.7	U	NC	NC	NC	4,273	1,071	3,202	NC	NC	0.01	1.08	1,843	1,211	632	829	2,142	51.7%	13,516
TOTAL	**3,254,514**	**11,962**		**459.0**	**2,193.1**	**11.9**	**1,105,649**	**585,430**	**520,219**	**34.0**	**11,745.8**	**5.7**	**495.8**	**894,293**	**178,060**	**716,233**	**65,575**	**40,424**	**92.6%**	**5,365,745**

Site name	Vehicle manufacturing	External supply of water *in thousands of m³*	Treatment plant	Liquid discharges: Suspended solids *in metric tons*	Liquid discharges: COD *in metric tons*	Liquid discharges: Toxic metals *in metric tons*	Air emissions: Total GHG *tCO₂eq*	Air emissions: o/w direct GHG	Air emissions: o/w indirect GHG	Air emissions: VOC *in g/m²*	Air emissions: VOC *in metric tons*	Air emissions: SO2 *in metric tons*	Air emissions: NOx *in metric tons*	Waste, excluding waste from construction sites [14]: Total NHW *in metric tons*	Waste: o/w non-metallic NHW *in metric tons*	Waste: o/w metallic NHW *in metric tons*	Waste: Total HW *in metric tons*	Waste: Foundry waste *in metric tons*	Waste: Share of recycled waste *(excluding foundry and construction waste)*	Energy: Energy consumption *in MWh LHV*
ENGINEERING, LOGISTICS AND SUPPORT SITES																				
Aubevoye		31.8	U	NC	NC	NC	14,941	14,158	784	NC	NC	0.02	1.21	1,829	328	1,502	84	NC	90.9%	27,672
Boulogne (Head office andother entities)		36.4	U	NC	NC	NC	5,592	4,653	939	NC	NC	0.02	2.64	565	544	21	14	NC	33.3%	30,187
Cergy-Pontoise		6.3	U	NC	NC	NC	3,812	167	3,645	NC	NC	0.00	0.03	2,588	2,408	180	44	NC	87.5%	18,738
Dacia centre logistique CKD		9.2	U	NC	NC	NC	3,600	2,736	864	NC	NC	0.01	0.79	2,244	2,172	72	-	NC	91.9%	10,971
Giheung (RSM)		51.0	B	NC	NC	NC	12,499	2,979	9,520	NC	NC	0.01	0.72	912	330	582	465	NC	53.3%	25,377
Grand-Couronne		6.7	U	NC	NC	NC	1,527	1,409	118	NC	NC	0.01	0.46	1,028	944	84	5	NC	58.8%	7,003
Guyancourt		265.4	U	NC	NC	NC	21,239	17,214	4,026	NC	NC	0.11	6.20	2,648	2,109	539	282	NC	57.5%	134,783
Heudebouville (Renault Tech)		1.2	U	NC	NC	NC	229	188	41	NC	NC	0.00	0.15	177	86	91	5	NC	66.7%	1,464
Lardy		122.9	U	128.3	219.2	0.1	20,055	16,441	3,614	NC	NC	0.10	4.53	585	446	139	460	NC	66.9%	116,137
Saint-André-de-l’Eure		4.6	U	NC	NC	NC	1,429	1,297	132	NC	NC	0.02	0.54	1,664	1,664	-	39	NC	69.1%	8,086
Titu		61.0	U	NC	NC	NC	13,258	7,735	5,524	NC	NC	0.02	0.82	781	315	466	71	NC	82.3%	25,788
Valladolid Services Centraux		39.6	U	0.2	2.0	0.0	7,436	4,299	3,137	NC	NC	0.05	2.47	468	466	2	88	NC	97.5%	24,081
Villeroy (DLPA)		7.2	U	NC	NC	NC	2,449	2,209	240	NC	NC	0.02	1.02	3,014	2,576	438	65	NC	90.7%	15,118
Villiers-Saint-Frédéric		10.0	U	NC	NC	NC	2,996	2,431	565	NC	NC	0.01	0.65	388	271	117	66	NC	73.9%	17,598
TOTAL		**653.36**		**128.45**	**221.2**	**0.1**	**111,062**	**77,915**	**33,147**	**NC**	**NC**	**0.42**	**22.24**	**18,892**	**14,659**	**4,233**	**1,689**	**NC**	**76.3%**	**463,003**
GROUP TOTAL 2018 [17](√)	**3,254,514**	**12,615**		**587.4**	**2,414.4**	**12.0**	**1,216,711**	**663,344**	**553,366**	**34.0**	**11,746**	**6.1**	**518.0**	**913,185**	**192,719**	**720,465**	**67,265**	**40,424**	**92.2%**	**5,828,748**
GROUP TOTAL 2017 [12]	**3,321,901**	**13,638**		**566.3**	**2,000.8**	**10.8**	**1,284,969**	**674,960**	**610,009**	**34.9**	**12,336**	**6.8**	**541.0**	**936,035**	**159,944**	**776,092**	**65,097**	**37,979**	**92.7%**	**5,914,237**
SITES OUTSIDE THE SCOPE OF CERTIFICATION, FOR INFORMATION PURPOSES ONLY:																				
Dacia Drinking water production site		248.3	U	3.4	0.4	0.00	375	68	307	NC	NC	0.04	0.00	NC	NC	NC	NC	NC	NC	1,336
Dacia Davidesti waste storage facility		0.1	PB	0.1	0.3	0.00	14	0.00	14	NC	NC	0.00	0.00	NC	NC	NC	NC	NC	NC	40
Flins (DLPA)				Included in the Flins site			260	257	3	NC	NC	0.00	0.00	5,477	3,283	2,194	181	NC	90%	41,561
Voisins-le-Bretonneux (TEI)		2.1	U	NC	NC	NC	792	792	0	NC	NC	0.00	0.00	8	8	0	0	NC	100%	15,139

NC: Not concerned (see comments on methodology).
NM: not measured.
Treatment Plant Codes (means of treatment of liquid discharges): P: physico-chemical, B: biological, U: urban.
MES: suspended solids.
COD: Chemical Oxygen Demand.
Toxic Metals: total flow of metals to which a coefficient of toxicity is applied (arsenic 10, cadmium 50, copper 5, mercury 50, nickel 5, lead 10, zinc 1, chrome 1).
GHG: Greenhouse gases (direct and indirect discharges).
VOC: volatile organic compounds.
NHW: non-hazardous waste.
HW: hazardous waste.

(1) The scope of inclusion for the indicators and the associated methodological choices are detailed in the methodological notes in section 2.9.3.2.
(2) Data from the Batilly (SOVAB) plant includes liquid discharges from the Industrial Supplier Park and the Compagnie d’Affrètement et de Transport (CAT) as well as the Industrial Supplier Park waste.
(3) Water consumption at the Bursa plant includes that of the Industrial Supplier Park.
(4) The Welfare Center of the Busan site is excluded from the scope of accounting of the site impacts.
(5) For Choisy-le-Roi, the waste from Gaïa is excluded.
(6) The liquid discharges from the Douai site include those of the Industrial Supplier Park and all the impacts of the Delivery Dispatch Center.
(7) Water consumption at the Flins site includes that of the Spare Parts Distribution Center. The environmental impacts of the company Gaïa are also included in the scope of reporting from the site, excluding waste.
(8) Water consumption at the Palencia plant includes that of the Industrial Supplier Park.
(9) Liquid discharges at the Pitesti (Dacia) plant include those of the Industrial Supplier Park.
(10) Water consumption and liquid discharges at the Sandouville site include those of the Industrial Supplier Park. Waste from the Industrial Supplier Park is excluded.
(11) Liquid discharges from the Santa Isabel Cordoba plant include those of the Compagnie d’Affrètement et de Transport (CAT), the Delivery Dispatch Center and the Parts and accessories department and the ILN (Logistics center).
(12) The total impacts for the previous year are provided for information and relate to the certified scope of the year in question.
(13) Liquid discharges from the Casablanca (SOMACA) plant include those of an industrial complex not operated by Renault and adjacent to the site.
(14) From FY 2013, the waste indicators do not take into account construction waste, for which tonnage is not directly related to the activity of the Group. Because of this change in methodology, the data for 2013 and subsequent years cannot be directly compared with previous years’ data. For a comparison at an equivalent scope of accounting, see section 2.2.2.3.B.
(15) Site subject to the EU Emissions Trading Scheme (EU-ETS).
(16) Site subject to the South Korean Emissions Trading Scheme (KETS).
(17) Within the environmental reporting scope, 20 sites are officially classified for environmental protection purposes under French ICPE regulations. Of these, 18 require permits, one must be declared and one must be registered. The environmental protection classification is specific to the Group’s activities (stamping, surface treatment, painting, foundry, test bench, etc.), on-site utilities (cooling tower, heating system, air conditioning system, etc.) and storage.
(√) Indicators audited by the independent third party KPMG at a reasonable level of assurance for 2018 (excluding VOC in g/m² and foundry waste).

2.5.3.4 Renault Retail Group (RRG) environmental indicators

	France	Europe (excluding France)	Principal management and impact reduction measures
Number of sites [4]	47	36	
Reporting coverage ate	100%	100%	All sites report according to the protocol. Two sites have left the scope: Avignon, sold in June 2018, and Slough, sold in February 2018.
Waste *(metric tons)*	11,752	3,998 [2]	4 accredited service providers in France. Raising awareness of peers to sorting practices.
o/w hazardous	*3,070*	*1,580*	
o/w non-hazardous	*8,682* [2]	*2,418* [2]	
Energy consumption *(MWh LHVs)*	110,864	57,996 [3]	RRG works with Alertéo for better energy consumption management: 42 sites monitored, tracking consumption and anomalies in France. Consumption tracking via invoices for Europe excluding France.
Greenhouse gas emissions *(tCO_2eq)*	16,284	15,102	Energy consumption management plan
o/w from combustion	*13,938*	*6,216*	
o/w from electricity consumption	*2,250*	*8,886*	
o/w from gas coolants	*96*	*Unavailable*	
VOC emissions *(kg)*	58,714	Unavailable	The reliability of the calculation method has been improved
Water consumption *(m^3)*	134,257	136,176	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 between 2003 and end-2018.

(1) A site comprises one or more dealerships and vehicle maintenance facilities.
(2) Figures showing estimates based on activity for some sites
(3) The figure includes an over-estimate of gas consumption on certain UK-based sites (representing around 10% of the total consumed in this country) due to the average calorific value used.
(4) Rules for entering and leaving the reporting scope: newly acquired sites enter the reporting scope from the second full year spent under the operational control of RRG. Sites leaving the RRG operational scope are included in the reporting until their transfer date, if this is after June 30.

2.5.3.5 Environmental indicators for products

ENVIRONMENTAL CHARACTERISTICS FOR THE BEST-SELLING PASSENGER CARS IN EUROPE (EU 28) AT END-2018

		Best-selling version					Lowest CO_2 emitting version at end-2018 Model				
Model	Fuel	Emissions standard	External Noise *(dBA)*	Engine	NEDC consumption* *(l/100km)*	CO_2 Emissions *(g/km)*	Emissions standard	External Noise *(dBA)*	Engine	NEDC consumption* *(l/100km)*	CO_2 Emissions
RENAULT BRAND											
TWINGO III	G	Euro 6	71.9	Sce 70	5.0	112	Euro 6	71.4	Sce 70 S & S	4.2	95
ZOE	EV	NC	70.2	R240	NC	0	NC	70.2	R240	NC	0
CLIO IV	D	Euro 6	72.3	dCi 75	3.3	85	Euro 6	72.3	dCi 90	3.2	82
	G	Euro 6	72.8	Energy TCe 90	4.9	113	Euro 6	72.8	Energy TCe 90	4.2	94
	LPG	Euro 6	72.8	Energy TCe 90	6.9	109	Euro 6	72,8	Energy TCe 90	6.2	98
CAPTUR	D	Euro 6	71.0	dCi 90	3,7	95	Euro 6	71.0	dCi 90	3,7	95
	G	Euro 6	71.5	Energy TCe 90	5.1	113	Euro 6	71.5	Energy TCe 90	5.1	113
MEGANE IV	D	Euro 6	72.0	Energy dCi 90	3.7	95	Euro 6	70.6	Energy dCi 110	3.4	86
	G	Euro 6	69.8	Energy TCe 130	5.3	119	Euro 6	69.8	Energy TCe 130	5.3	119
SCENIC IV	D	Euro 6	72.5	Energy dCi 110	3.9	100	Euro 6	66.0	Energy dCi 110 Hybrid Assist	3.6	94
	G	Euro 6	70.9	Energy TCe 130	5.8	129	Euro 6	70.9	Energy TCe 130	5.8	129
KADJAR	D	Euro 6	72.9	Energy dCi 110	3.8	99	Euro 6	72.9	Energy dCi 110	3.8	99
	G	Euro 6	73.3	Energy TCe 130	5.6	126	Euro 6	69.9	Energy TCe 130	5.5	123
TALISMAN	D	Euro 6	69.2	Energy dCi 130 EDC	4.5	118	Euro 6	70.6	Energy dCi 110	3.6	95
	G	Euro 6	68.0	Energy TCe 150 EDC	5.8	130	Euro 6	67.8	Energy TCe 150 EDC	5.6	127
ESPACE V	D	Euro 6	69.8	Energy dCi 160 EDC	4.6	120	Euro 6	70.3	Energy dCi 130	4.4	116
	G	Euro 6	70.1	Energy TCe 200 EDC	6.2	140	Euro 6	70.1	Energy TCe 200 EDC	6.2	140
KANGOO II	D	Euro 6	72.2	Energy dCi 90	4.3	112	Euro 6	72.2	Energy dCi 90	4.3	112
	G	Euro 6	71.1	Energy TCe 115	6.2	140	Euro 6	71.1	Energy TCe 115	6.2	140
KOLEOS II	D	Euro 6	69.0	Energy dCi 180	5.9	156	Euro 6	68.0	Energy dCi 120	4.6	120
TRAFIC	D	Euro 6	73.9	Energy dCi 125	5.6	145	Euro 6	73.9	Energy dCi 125	5.6	145
MASTER	D	Euro 6	74.9	Energy dCi 145	7.9	207	Euro 6	69.7	Energy dCi 170	6.3	163
DACIA BRAND											
SANDERO	D	Euro 6	74.7	dCi 90	3.8	98	Euro 6	73.8	dCi 75	3.5	90
	G	Euro 6	74.0	Sce 75	5.1	115	Euro 6	74.0	Tce 90	4.9	109
	LPG	Euro 6	74.0	Tce 90	6.2	98	Euro 6	74.0	Tce 90	6.2	98
LOGAN II	D	Euro 6	73.8	dCi 90	3.5	90	Euro 6	73.8	dCi 90	3.5	90
	G	Euro 6	74.0	Tce 90	4.9	109	Euro 6	74.0	Tce 90	4.9	109
	LPG	Euro 6	74.0	Tce 90	6.2	98	Euro 6	74.0	Tce 90	6.2	98
DUSTER II	D	Euro 6	75.0	dCi 90	4.4	115	Euro 6	74.5	dCi 90	4.4	115
	G	Euro 6	73.8	Sce 115	6.4	145	Euro 6	73.8	Sce 115	6.4	130
LODGY	D	Euro 6	73.9	dCi 110	4.0	105	Euro 6	73.5	dCi 90	4.0	103
	G	Euro 6	74.0	Sce 100	6.1	139	Euro 6	72.3	Tce 115	5.5	124
DOKKER	D	Euro 6	73.2	dCi 90	4.2	108	Euro 6	73.2	dCi 75	4.0	103
	G	Euro 6	74.0	Sce 100	6.2	140	Euro 6	74.0	Tce 115	5.7	130

G: Gas
D: Diesel
NC: Not concerned
EV: Electric Vehicle
* *For vehicles certified in accordance with the new WLTP procedure, CO_2 emissions and consumption are recalculated as NEDC equivalents using the correlation procedure developed by the European Commission (NEDC back-translation).*

2.5.3.6 TCFD cross-reference table

The Task Force on Climate-related Financial Disclosures (TCFD) published in June 2017 its recommendations on information regarding climate change to be published by companies.

The correspondence table below identifies the actions taken by the Group in response to these recommendations. In addition to information published in the Registration Document, this table also refers to the Group's responses to the CDP Climate Change questionnaire, which has taken into account TCFD's recommendations since 2018. The Group's responses are public and may be accessed at www.cdp.net.

Theme		Recommendations of the TCFD	Groupe Renault
Governance	Disclose the organization's governance around climate related risks and opportunities.	a/ Describe the Board's oversight of climate-related risks and opportunities.	DR: 1.5.1.3, 1.6.1, 2.1.7, 2.2.2.3.A CDP: C1
		b/ Describe management's role In assessing and managing climate-related risks and opportunities.	DR: 1.5.1.3, 1.6.1, 2.1.7, 2.2.2.3.A CDP: C2
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: 2.2.2.3.A CDP: C2, C3
		b/ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	DR: 2.2.2.3.A CDP: C2
		c/ Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	DR: 2.2.2.3.A CDP: C2, C3
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks.	a/ Describe the organizations processes for identifying and assessing climate-related risks.	DR: 1.6.1, 2.1.7, 2.2.2.3.A CDP: C2
		b/ Describe the organization's processes for managing climate-related risks.	DR: 1.6.1, 2.1.7, 2.2.2.3.A CDP: C2
		c/ Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	DR: 1.6.1, 2.1.7, 2.2.2.3.A CDP: C2
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a/ Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	DR2018: 2.2.2.3.A CDP:C4
		b/ Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	DR2018: 2.2.2.3.A CDP : C6, C7
		c/ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	DR: 2.2.2.3.A CDP: C4

2.5.4 Appendices concerning societal commitments

2.5.4.1 Methodological comments on key societal reporting figures

The information included in the comprehensive reporting of societal initiatives is collected from a network of correspondents covering all countries in which Renault operates. This information includes:

- actions that fall under one of the five CSR strategy priorities: diversity, education, social business, environment, road safety plus "communication and other" (including CSR communication, humanitarian aid, culture, sport, health, *etc.*);
- the purpose of each initiative determines the category to which it is assigned. For example, donating a vehicle for transporting children to school would be classified under "education";
- actions stemming from Renault S.A.S. philanthropy (see 2.5.4.2).

The various CSR initiatives undertaken internally by Groupe Renault employees (disability awareness, road safety operations, Mobilize Days, *etc.*) are included in societal investments.

But 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 480 vehicles donated by the CSR Department to firefighters in France, which are valued at €960,000 (€2,000 per vehicle).

The many visits organized by the sites are not included. 1,500 schoolchildren and students visited the Douai plant in 2018, while the Ile-de-France sites (mainly the Technocentre and Lardy) welcomed more than 1,700 visitors.

2.5.4.2 Organizations having benefited from sponsorship in 2018

Theme	Name
Sustainable mobility	FNSP Fédération Nationale des Sapeurs-Pompiers
	WWF
	La Prévention Routière
	GRSP/IFRC Global Road Safety Partnership (International Federation of Red Cross)
Inclusion	Handicap international
	FFH
	Special Olympics
	ONU Femmes
	Elles Bougent
	Femmes pour le Dire Femmes pour Agir
	Led By Her
	Action Tank Entreprise et Pauvreté
	Fondation HEC
	Nouvelle Cour
	Fonds Universcience
	Fondation Georges Besse
	La cravate solidaire
	Les Amat'cœurs

2.5.5 Extra-financial ratings and indexes

The development of Socially Responsible Investment (SRI) give rise to the need for an extra-financial rating. This rates the company not only on its financial performance but also on its attitude toward the environment, respect for social values, societal commitment and corporate governance.

Each area analyzed produces a rating based on different criteria (transparency, innovation, communication, *etc.*) and is weighted to obtain a final rating. This serves as a reference for fund managers and investors who wish to invest in companies which are successful in terms of social responsibility. Some of these rating agencies have developed, most of the time in partnership with providers of equity indexes, some specific indexes composed of the top-rated companies for environmental, social or governance (ESG) aspects.

Groupe Renault is evaluated each year by the main international extra-financial rating agencies on the basis of its public and declarative information.

Extra-financial performance

The CDP (formerly the Carbon Disclosure Project), founded in 2000, is tasked by a group of institutional investors to enhance understanding of the impacts of climate change on the value of the assets managed by its signatories. It is an independent not-for-profit organization which collates and maintains a large global climate change database.

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).

2018 results: having submitted its responses to the CDP Climate Change questionnaire, which can be seen at www.cdp.net, Groupe Renault obtained an A- rating, which keeps it in the "Leadership" category.

ISS-Oekom is one of the largest sustainability ratings agencies in the world. It has 1,800 employees, a presence in 13 countries and analyzes over 20,000 companies worldwide.

Latest results - January 2019: Groupe Renault ESG performances received a Prime rating. The Group received a score of 1/10 for environment, 2/10 for social and 5/10 for governance (on a scale of 1 to 10, 1 being the highest score). For more information see: www.issgovernance.com/esg/.

Sustainalytics is one of the global leaders in environmental, social and governance (ESG) research and analysis related to Socially Responsible Investment (SRI). This independent agency offers extra-financial rating services and advice to institutional investors and asset managers.

Latest results – July 2018: Groupe Renault obtained a score of 78/100 for environment, 67/100 for social and 64/100 for governance. It ranks fourth (out of 44) of companies in the automotive sector and second of companies of the same size in the automotive sector. For more information see: www.sustainalytics.com.

MSCI is a leading supplier of investment decision-support tools worldwide. Companies are rated on a scale from AAA to CCC according to the standards and performance of their segment peers. MSCI also manages the MSCI Global Sustainability index series, which includes companies whose MSCI ESG rating is high compare to segment peers in a given region.

Latest results - August 2018: Groupe Renault was once again awarded an overall A ESG performance, and ranks third out of the major automotive industry players. Groupe Renault is a component of the MSCI Global Sustainability index series, which includes the MSCI ACWI ESG index, the MSCI World ESG index, the MSCI EM ESG index and the MSCI USA IMI ESG index. For more information: www.msci.com.

Vigeo Eiris is a European agency specializing in ESG challenges which rates, 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.

Latest results – March 2019: Groupe Renault's performance was classed as robust and it held onto its good rating. For more information: www.vigeo-eiris.com.

EcoVadis is a French agency established in France in 2008. It established the first collaborative platform to enable large groups to assess the environmental performance of their suppliers. Its methodology is based on 21 criteria and four topics (environment, fair working conditions, business ethics and responsible purchasing). It covers 190 sectors and 150 countries.

Latest results – September 2017: Groupe Renaut obtained Gold status with an overall score of 70/100. For more information see: www.ecovadis.com.

Inclusion in socially responsible indexes

Renault is part of the following indexes:

The Global Challenges index, set up in 2007 by the German agency oekom research, lists 50 companies worldwide recognized for their contribution to sustainable development through their products and services and for initiatives related to the development of their businesses. Groupe Renault is still part of this index at April 8, 2019.

The MSCI global sustainability index series, which contains the MSCI ACWI ESG Index, the MSCI World ESG Index, the MSCI EM ESG Index and the MSCI USA IMI ESG Index. The MSCI ACWI ESG Index covers mid- and large-cap companies in 23 developed market countries and 21 emerging market countries. The MSCI World ESG Index covers mid- and large-cap companies in developed markets. The MSCI EM ESG Index covers mid- and large-cap companies. The MSCI USA IMI ESG Index covers small-, mid- and large-cap US companies.

Indices of the STOXX family. On March 21, 2019, Renault is part of **the STOXX Global ESG Impact** which counts 882 companies. Renault is also in the **STOXX Europe 600 ESG-X, STOXX Global Climate Awareness, STOXX Europe Climate Impact, and the STOXX Global Electric & Driving Technology indices.**

2.5.6 Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial performance statement in the Management Report

This is a free English translation of the Statutory Auditors' 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, 31st 2018

To the shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as the independent third party, certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049 [1], we hereby report to you on the consolidated non-financial performance statement for the year ended December, 31st 2018 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

It is the Management Board's responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

It is our responsibility to express, at the request of the entity and outside of the scope of accreditation, reasonable assurance that information selected [2] by the entity and identified with the symbol √ in chapter "Renault: a responsible company" of the Management Report has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly relating to Duty of Care and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

(1) *Accreditation scope available at www.cofrac.fr.*
(2) ***Reasonable assurance***
Environmental indicators for industrial sites: Water consumption, Total energy consumption, Total greenhouse gas emissions (scopes 1 & 2), Tonnage of waste excluding site waste and foundry waste, Share of recycled waste (excluding site and foundry waste), Emissions of Volatile Organic Compounds (VOC) emissions, Liquid discharges: Suspended solids, Chemical Oxygen Demand (COD), Toxic Metals (METOX), SO_2 Emissions, NO_X Emissions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 and seq. of the French Commercial Code (*Code de commerce*), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- We gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes a clear, substantiated explanation in the event that the information required by sub-paragraph two of Article L.225-102-1, Paragraph III of the French Commercial Code is missing;
- We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators;
- We verified that the Statement presents the disclosures required under article R. 225-105, Paragraph II, of the French Commercial Code if they are relevant given the main risks or policies presented;
- We obtained an understanding of the process for selecting and validating the main risks;
- We enquired about the existence of internal control and risk management procedures implemented by the entity;
- We assessed the consistency of the outcomes and key performance indicators with the main risks and policies presented;
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- For key performance indicators and the other quantitative outcomes(1) that we considered the most important, we set up:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing(2) to the reported data and represents between 18% and 79% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the qualitative disclosures (actions and outcomes) that we deemed the most important (3);
- We assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

*(1) **Limited assurance***
Social indicators: Total workforce and breakdown of employees by gender, age and geographic area, Number of Group redundancies, Number of Group hires, Absenteeism rate, Frequency rate of workplace accidents without suspension (FR1r) and with work suspension (FR2r) for Renault employees without AVTOVAZ, Frequency rate of workplace accidents without suspension (FR1) and with work suspension (FR2) for Renault employees and temporary workers without AVTOVAZ, Severity rate (G1) for Renault employees without AVTOVAZ, Number of occupational diseases, Number of training hours delivered to the employees present at the end of the year, Number of employee trained, Number of disabled employees, Number of major agreements signed.

*(2) **Entities or contributing sites***
Environmental indicators for industrial sites: Spain (Sevilla and Palencia), Roma
nia (Dacia automobile), Brazil (Curitiba), Slovenia (Novo Mesto), Turkey (Bursa), Morocco (Casablanca, Tangier), France (Maubeuge, Le Mans, Cléon, Lardy, Sandouville).
Environmental indicators for the Renault Retail Group (RRG) distribution network: NCA plate (Nice Grenoble and Cagnes sur Mer) and Germany plate (Fennpfuhl and Germaniastrasse).Social indicators: France (Renault SAS, Guyancourt, Cléon, Le Mans, Douai, RRG France, and Maubeuge).

*(3) **Qualitative infor***
mation
Social topics: Better reflecting the diversity of our customers within Renault teams; Performance evaluation, development and compensation; Dynamic skills management; Organization of social dialogue at the global level; Permanent local social dialogue; Renault Group safety results; Responsible management.
Environmental topics: Exchanges with the academic world; Cross-company environmental management; Acting throughout the life cycle; Energy and climate change; Impact of vehicles on air quality; Vehicle carbon footprint & Eco-driving.

Means and resources

Our work drew on the skills of eight individuals and was conducted between November 2018 and April 2019 for a total working time of approximately thirty weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted around thirties interviews with the individuals responsible for preparing the Statement, particularly from General Management, Administration and Finance, Risk Management, Compliance, Human Resources, HSE and Purchasing. [1]

Opinion

Based on our work, we have no material misstatements to report that would call into question the compliance of the non-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Comments

Without qualifying our opinion, in accordance with article A. 225-3 of the French Commercial Code, we draw your attention to the following matters:

Due to the gradual integration of AVTOVAZ (plant and subsidiaries) into the Renault Group's CSR reporting scope, environmental indicators for industrial sites are reported for the Group excluding AVTOVAZ, representing 73% of the Group's consolidated workforce.

Reasonable assurance on a selection of non-financial information

Nature and scope of our work

With regard to the information selected by the entity and identified with the symbol √ in chapter "Renault: a responsible company", we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 44% and 75% 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 √ in the chapter "Renault: a responsible company" of the management report.

Conclusion

In our opinion, the information selected by the entity and identified with the symbol √ in chapter "Renault: a responsible company" has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, April 4th 2019

KPMG SA

Anne Garans

Partner
Sustainability Services

Laurent des Places

Partner

(1) Societal topics:
Stakeholder dialogue; Renault's road safety policy; Integration of new technologies; Employee safety; The Renault Foundation; Investing to bring schools into the corporate world; Actor through voluntary commitment; Actor through philanthropic activity; Towards solidarity mobility; Responsible purchasing tools and standards, the foundation of the supplier relationship; Specific work on the cobalt / electric batteries sector; Personal data protection; Sustainable cities and Smart Mobility; Actions to prevent corruption; Tax policy; Business ethics and compliance; Other actions in favor of human rights.

DIRECTORS WITH A RANGE OF KEY SKILLS SERVING RENAULT

CORPORATE GOVERNANCE

03

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, the application of the principle of balanced gender representation, and how the Board's work is prepared and organised;

(ii) compensation of corporate officers; and

(iii) the factors likely to affect takeover bids or share exchange offers.

Pursuant to the provisions of Article L. 225-37-4 8° of the French Commercial Code, the Company declares that it has opted to refer to the AFEP-MEDEF corporate governance code of listed corporations (hereinafter, the "**AFEP-MEDEF Code**") in particular for the purposes of drafting this report. The potential recommendations from this code which have not been followed are shown in a section (see table Chapter 3.1.8).

The AFEP-MEDEF Code is available for consultation at the Company's registered office and on its website.

This report was approved by the Board of Directors during its meeting held on April 3, 2019.

3.1 COMPOSITION, PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS

This chapter describes the method for managing and directing Renault SA as a listed company and the parent company of Groupe Renault. This management method is also applicable to Renault s.a.s., a subsidiary of the Company 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

Following a recommendation by the Appointments and Governance Committee, on May 6, 2009 the Company's Board of Directors decided, pursuant to the provisions of Article L. 225-51-1 of the French Commercial Code, to adopt a governance structure combining the offices of Chairman of the Board of Directors and Chief Executive Officer. Mr Carlos Ghosn was appointed as Chairman and Chief Executive Officer on that date; his term of office was renewed in 2010 and 2014.

During its meeting held on February 15, 2018, the Board of Directors decided to renew Mr Carlos Ghosn's terms of office as Chairman of the Board and Chief Executive Officer of the Company at the time his office as director of the Company was renewed by the Annual General Meeting of June 15, 2018.

Taking into account the combination of the offices of Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors had implemented various measures to ensure the balance of powers, in line with best governance practices:

- the presence of a majority of Independent Directors on the Board of Directors;
- the presence of a Lead Independent Director, Mr Philippe Lagayette, chosen from among the Independent Directors, whose duties are set out in the Board Charter; and
- limitations on the powers of the Chairman and Chief Executive Officer, set out in the Board Charter.

Following Mr Carlos Ghosn's resignation as Chairman of the Board of Directors and Chief Executive Officer of the Company effective January 23, 2019, the Board of Directors of January 24, 2019, on the recommendation of the Appointments and Governance Committee, decided to split 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 managing and implementation of the Company's mid-term plan.

The office of Chairman of the Board of Directors was entrusted to Mr Jean-Dominique Senard following his appointment as a Director pursuant to the provisions of Article L. 225-17 para. 3 of the French Commercial Code. The ratification of his appointment as a Director will be submitted to the Annual General Meeting of June 12, 2019.

The office of Chief Executive Officer was entrusted to Mr Thierry Bolloré, who was previously appointed Deputy Chief Executive Officer on November 20, 2018.

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.

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 Appointments and Governance 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 fulfil 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: 1,700

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.

Jean-Dominique Senard has been CEO of the Michelin Group since May 2012. He supervises the Executive Committee and the Legal and Digital Activities Corporate Directions.

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:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Chief Executive Officer and General Partner of Michelin (France)

Lead Independent Director and Chairman of the Strategy and CSR Committee of Saint-Gobain (France)

Non-listed companies:

None

Other legal entities:

Chairman of Association Française des Entreprises pour l'Environnement (France)

Co-Chairman of the Agence Auvergne-Rhône-Alpes Entreprises (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Managing Partner of Compagnie Financière Michelin SCmA (France)	2017

Finance | Senior Executive experience | Automotive industry | International experience | Digital and innovation | Environmental, Social and Governance

Powers of the Chief Executive Officer

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.

THIERRY BOLLORÉ

Chief Executive Officer

Birth date:
05/30/1963

Nationality: French

Date of first appointment: January 2019

Number of registered shares held: 53,152 shares and 116.64 FCPE units

Main areas of expertise and experience: see biography hereafter

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Thierry Bolloré started his career in 1990 at Michelin, as shop manager in a heavy truck tire factory. In 1993, he became Global Chief of Process and Quality for Heavy Truck factories, prior to taking the head of Method Group for Heavy Truck business units in Europe, South America, Africa and Asia. In 1997, he moved to Japan, as Industrial Assistant at the Ohta passenger car tire factory, and to Thailand in 1998, as Heavy Truck Factory Production Manager, before being appointed Managing Director of Heavy Truck and Aircraft Businesses. He was appointed Vice President in charge of Industry for Michelin Aircraft Business worldwide in 2002.

In 2005 Thierry Bolloré joined Faurecia to become Vice President Asia of Exhaust Systems Product Group, based in China, and then Vice President Worldwide in charge of Marketing, R&D, Programs, Strategy, Business Development. In 2010, he moved to Faurecia Emissions Control Technologies, as Vice President in charge of Europe and South Africa and then was appointed as Vice President Worldwide, in charge of Industry, Quality and Purchasing.

Thierry Bolloré joined Groupe Renault in September 2012. He was appointed Executive Vice President for Manufacturing and Supply Chain in October 2012. In September 2013, he was appointed as Chief Competitive Officer. On February 19, 2018 he was appointed Groupe Renault Chief Operating Officer.

Thierry Bolloré was appointed as Deputy Chief Executive Officer of Groupe Renault on November 20, 2018, then as Chief Executive Officer as of January 24, 2019.

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)

Director of AVTOVAZ (Russia)

Non-listed companies:

Chairman of Renault s.a.s. (France)

Chairman of the Management Board of Renault Nissan b.v. (Netherlands)

Director of Dongfeng Renault Automotive Company (China)

Director of Renault Brilliance Jinbei Automotive Co. (China)

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
Deputy Chief Executive Officer	2019

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. 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.

The Board Charter also specifies the following limitation on powers:

Board Charter provisions governing the limitations on the powers of the Chief Executive Officer

The Chief Executive Officer must obtain the authorization of the Board of Directors for any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €250 million.

The Chief Executive Officer must inform the Board of Directors of any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €60 million.

The Board of Directors shall determine every year the total amount of sureties (*cautions*), endorsements (*avals*) or guarantees (*garanties*), which the Chief Executive Officer may provide without requesting the Board's specific authorization.

3.1.2 Composition of the Board of Directors

The members of the Board of Directors are appointed by the Annual General Meeting, with the exception of the director designated by the French State pursuant to Article 4 of French Order no. 2014-948 of August 20, 2014 on corporate governance and equity transactions in publicly-owned companies 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.

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.

Board diversity policy

Pursuant to Article L. 225-37-4 of the French Commercial Code, the Board, on the recommendation of the Appointments and Governance Committee, has defined a diversity policy based on its past practices.

The composition of the Board seeks a balance between experience, competence, independence and ethics, all while respecting a balanced representation of women and men and a diversity of recruitment in line with the internationalization of Groupe Renault. More precisely:

- regarding the size of the Board, the number of Board members must allow to reconcile the skills, independence and specificities of Groupe Renault's shareholding;
- regarding gender balance, the Company must comply with the law, the recommendations of the AFEP-MEDEF Code and best market practices;
- diversity is not limited to different nationalities and cultures but extends to the knowledge of foreign markets and of international development challenges;
- in terms of skills, the Company seeks above all the complementarity of skills, profiles and experiences but also their relevance to the Company's strategy and to the challenges it faces;
- in terms of seniority, the Company seeks a balance between experience within the Board and progressive renewal of its composition;
- the Board expects a high level of commitment and ethics from each of its members.

To implement this diversity policy, the Board relies on the annual evaluations of its work. 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.

The progress and results of this diversity policy are as follows:

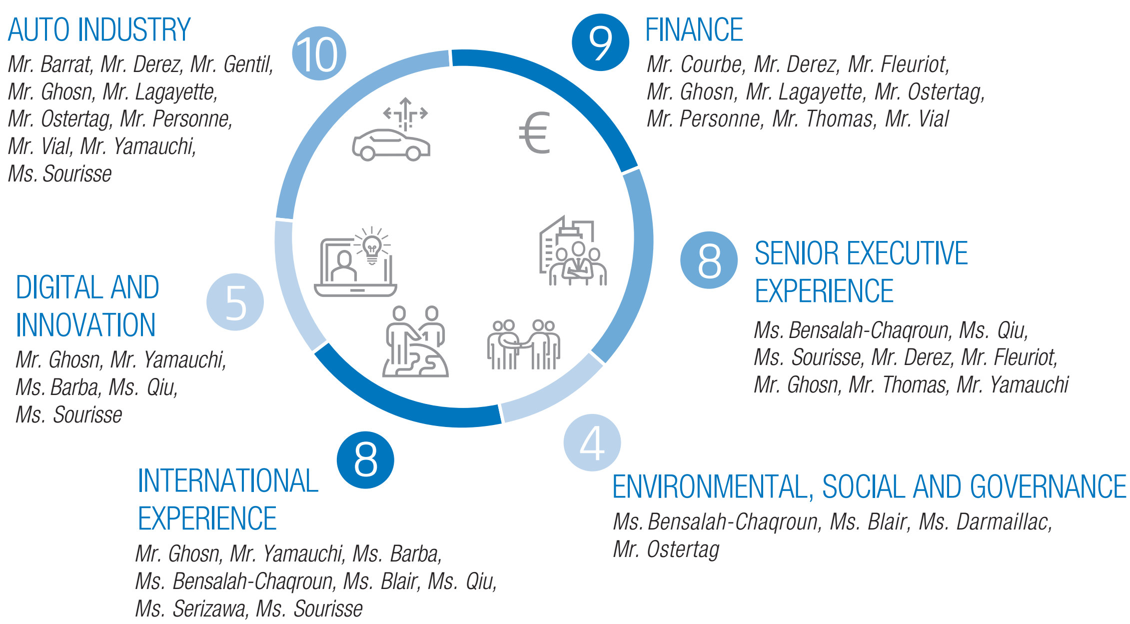
- the number of members of the Board, which exceeds the average number of members in the boards of the CAC 40 companies, is explianed by the significant number of directors elected or designated directly pursuant to the law, the articles of association or agreements entered into with Nissan, and given the will to ensure the presence of a majority of Independent Directors;
- seven women sit on the Board, *i.e.*, 43.7% at the end of the 2018 Annual General Meeting. Two women chair committees of the Board. Two members of the Executive Committee are women. Globally, just under 20% of white-collar employees are women and an action plan is in place to continue to increase the percentage of women in the 250 key positions;

- six 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 fully associated in the work of the Board and its committees. Each year, these four directors benefit from a training cycle. They benefit from in-house training provided by Groupe Renault's employees and training provided by external organizations. This training helps them to exercise their mandate to the fullest, by enabling them to quickly acquire the specific skills of a company director. In addition, their professional background as well as their trade union activity within Groupe Renault gives them a solid knowledge of the Group's organization and activities (see the biographies in Chapter 3.1.3). The arrangements for implementing these training courses have long been compliant with the provisions of the French Decree no. 2015-606 of June 3, 2015 on the training of directors representing employees;
- the commitment of its members is reflected in the attendance rate to the Board's and its committees' meetings;
- the renewals and appointments at the Annual General Meeting of June 12, 2019, as well as the changes in the composition of its committees are part of the continuing implementation of this diversity policy of the Board.

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.

For further information on the diversity policy applied within the Group Executive Committee and, more generally, within the Group, see Chapter 2.3.1 of the Registration document.

MAPPING OF BOARD MEMBERS' SKILLS AT DECEMBER 31, 2018



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 2018 FINANCIAL YEAR

Director	Event	Replaced by	Date
Thierry Desmarest	Resignation	Thierry Derez	February 15, 2018
Thierry Derez	Co-opting	-	February 15, 2018 (ratification by the Annual General Meeting of June 15, 2018)
Marc Ladreit de Lacharrière	Term expiry	Pierre Fleuriot	June 15, 2018
Pierre Fleuriot	Appointment	-	June 15, 2018
Catherine Barba	Term renewal	-	June 15, 2018
Carlos Ghosn	Term renewal	-	June 15, 2018
Pascale Sourisse	Term renewal	-	June 15, 2018
Patrick Thomas	Term renewal	-	June 15, 2018
Yasuhiro Yamauchi	Term renewal	-	June 15, 2018
Pascal Faure	Resignation	Thomas Courbe	October 5, 2018
Thomas Courbe	Co-opting	-	October 5, 2018

OVERVIEW OF THE BOARD OF DIRECTORS

	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	CARE	AGC	CC	IISC
Carlos Ghosn	M	64	French-Brazilian	957,394 (as at April 3, 2019)	Chairman and CEO	April 2002	2022 AGM	16 years and 9 months				
Catherine Barba	F	45	French	100	ID	June 2017	2022 AGM	1 year and 7 months		m		m
Frédéric Barrat	M	46	French	194.53 units in an FCPE	DRE	November 2016	November 2020	2 years and 2 months				m
Miriem Bensalah Chaqroun	F	56	Moroccan	250	ID	June 2017	2021 AGM	1 year and 7 months				
Cherie Blair	F	64	British	100	ID	April 2015	2019 AGM	3 years and 9 months	m			
Thomas Courbe	M	46	French	N/A	FSR	October 2018	2021 AGM	3 months				
Marie-Annick Darmaillac	F	64	French	100	ID	June 2017	2021 AGM	1 year and 7 months		m	c	
Thierry Derez	M	61	French	300	ID	February 2018	2020 AGM	11 months				m
Pierre Fleuriot	M	64	French	100	ID	June 2018	2022 AGM	7 months	m			
Richard Gentil	M	50	French	1	DRE	November 2012	November 2020	6 years and 2 months				m
Philippe Lagayette	M	75	French	2,680	ID	May 2007	2019 AGM	11 years and 8 months	c		m	
Benoît Ostertag	M	53	French	152.09 units in an FCPE	DRES	May 2011	2021 AGM	7 years and 8 months	m			m
Éric Personne	M	56	French	100 shares and 151.98 units in an FCPE	DRE	November 2012	November 2020	6 years and 2 months	m		m	
Olivia Qiu	F	52	French-Chinese	800	ID	April 2016	2020 AGM	2 years and 9 months	m			c
Yu Serizawa	F	60	Japanese	100	NR	December 2016	2021 AGM	2 years and 1 month				
Pascale Sourisse	F	56	French	1,000	ID	April 2010	2022 AGM	8 years and 9 months	m			
Patrick Thomas	M	71	French	100	ID	April 2014	2022 AGM	4 years and 9 months		c	m	
Martin Vial	M	64	French	N/A	FSR	September 2015	N/A	3 years and 4 months	m	m		
Yasuhiro Yamauchi	M	62	Japanese	2,785	NR	February 2017	2022 AGM	1 years and 11 months				m

M: Male
F: Female
CARE: Audit, Risks and Ethics Committee
AGC: Appointments and Governance Committee
CC: Compensation Committee
IISC: International and Industrial Strategy Committee
m: Member
c: Chairperson
ID: Independent Director
DRE: Director representing employees
DRES: Director representing employee shareholders
FSR: French State Representative
NR: Nissan representative

AS OF DECEMBER 31, 2018

19
DIRECTORS

58.3 AVERAGE AGE

4.4 YEARS SENIORITY

66.7%(1) INDEPENDENT DIRECTORS

6 NATIONALITIES

7 WOMEN including 2 committee chairs

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

PARTICIPATION TO THE BOARD AND ITS COMMITTEES (1)

Directors as at December 31, 2018	Board	Audit, Risks and Ethics Committee	Compensation Committee	Appointments and Governance Committee	International and Industrial Strategy Committee
Mr Ghosn	71.43%	-	-	-	-
Mrs Barba	100%	-	-	77.78%	100%
Mr Barrat	100%	-	-	-	100%
Mrs Bensalah Chaqroun	71.43%	-	-	-	66.67%
Mrs Blair	100%	83.33%	-	-	-
Mr Courbe (2)	0%	-	-	-	-
Mrs Darmaillac	100%	-	100%	100%	-
Mr Derez	100%	-	-	-	100%
Mr Fleuriot	100%	100%	-	-	-
Mr Gentil	100%	-	-	-	100%
Mr Lagayette	85.71%	100%	100%	-	-
Mr Ostertag	100%	100%	-	-	100%
Mr Personne	100%	100%	100%	-	-
Mrs Qiu	100%	66.67%	-	-	100%
Mrs Serizawa	85.71%	-	-	-	-
Mrs Sourisse	85.71%	83.33%	-	-	-
Mr Thomas	100%	-	100%	100%	-
Mr Vial	100%	83.33%	-	100%	-
Mr Yamauchi	85.71%	-	-	-	100%

(1) For directors whose term of office on the Board or one of the committees commenced or ended during the 2018 financial year, the attendance rate is calculated based on the time spent in office rather than on the entire financial year.
(2) Director co-opted on October 5, 2018. Due to constraints imposed by his office within the French State Holding Agency, Mr Thomas Courbe was not able to attend the Board meetings held on November 20, 2018 and December 13, 2018.

OVERVIEW OF THE TERMS OF OFFICE OF DIRECTORS

Year of expiry	Director	Method of appointment	Date of first appointment
2019	Mrs Blair *	Director elected by the Annual General Meeting	April 2015
	Mr Lagayette *	Director elected by the Annual General Meeting	May 2007
2020	Mr Barrat	Director elected by the employees	November 2016
	Mr Derez *	Director elected by the Annual General Meeting	February 2018
	Mr Gentil	Director elected by the employees	November 2012
	Mr Personne	Director elected by the employees	November 2012
	Mrs Qiu *	Director elected by the Annual General Meeting	April 2016
2021	Mrs Bensalah Chaqroun *	Director elected by the Annual General Meeting	June 2017
	Mr Courbe	Director elected by the Annual General Meeting, proposed by the French State	October 2018
	Mrs Darmaillac *	Director elected by the Annual General Meeting	June 2017
	Mr Ostertag	Director elected by the Annual General Meeting, proposed by the employee shareholders	May 2011
	Mrs Serizawa	Director elected by the Annual General Meeting, proposed by Nissan	December 2016
2022	Mrs Barba *	Director elected by the Annual General Meeting	June 2017
	Mr Fleuriot *	Director elected by the Annual General Meeting	June 2018
	Mr Ghosn (1)	Director elected by the Annual General Meeting	April 2002
	Mrs Sourisse *	Director elected by the Annual General Meeting	April 2010
	Mr Thomas *	Director elected by the Annual General Meeting	April 2014
	Mr Yamauchi	Director elected by the Annual General Meeting, proposed by Nissan	February 2017
N/A	Mr Vial	Director designated by the French State	September 2015

* *Independent Director.*
(1) Renault Board of Directors, during its meeting held on April 3, 2019, acknowledged the decision of Mr Carlos Ghosn to resign from his office as director on the date of the Annual General Meeting ruling on the financial statements for the 2018 financial year, scheduled for June 12, 2019.

3.1.3 List of offices and functions exercised by the directors

Directors as at December 31, 2018

The main office or function exercised by a director is underlined.

CARLOS GHOSN

Chairman of the Board of Directors

(until January 23, 2019)

Director (until the 2019 AGM)

Birth date: 03/09/1954

Nationality: French-Lebanese-Brazilian

Date of first appointment: April 2002

Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 957,394

(as of April 3, 2019)

Main areas of expertise and experience: see biography hereafter

Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born in March 1954, Carlos Ghosn is a graduate of the École Polytechnique and the École des Mines in Paris.

He joined Michelin in 1978 as Manager of the Le Puy plant in France. Then he led Michelin South America's business operations based in Brazil. In 1989 he became Chairman and Chief Executive Officer of Michelin North America. Carlos Ghosn joined Renault in 1996 as Deputy Chief Executive Officer. In addition to overseeing Renault's operations in the Mercosur, he was also responsible for research, engineering and Automotive development, manufacturing, powertrain operations and purchasing. In 1999, he became the Chief Executive Officer of Nissan Motor Co., Ltd. He was appointed as Chairman and Chief Executive Officer in 2001.

As well as being Chief Executive Officer of the Group since May 2005, he was still the Chairman and CEO of Nissan Motor Co., Ltd. He was appointed as Renault's Chairman and Chief Executive Officer in 2009 (reappointed in 2014 and 2018).

He left his position as Chief Executive Officer of Nissan Motor Co., Ltd on April 1, 2017, while keeping his office as Chairman of the Board of Directors until November 2018.

He also served as Chairman of the Board of Directors of Mitsubishi Motors from December 2016 to November 2018.

On January 23, 2019, he resigned as Chairman and Chief Executive Officer of Groupe Renault. Then by letter dated April 2, 2019, he also resigned from his office as director of Renault SA as of the Annual General Meeting of June 12, 2019.

Carlos Ghosn was also Chairman of the Board of Directors of Russian manufacturer AVTOVAZ from 2013 to 2016.

Finally, he is a member of the International Advisory Council of Beijing's Tsinghua University, and a member of the Strategic Council for Beirut's Saint-Joseph University.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Chairman and Chief Executive Officer of Renault SA (France), until January 23, 2019

Director of Renault SA (France), until June 12, 2019

Non-listed companies:

Director of Renault s.a.s. (France)

Chairman of Mobiliz Invest (France)

President of the Management Board of Renault-Nissan b.v. (Netherlands), until February 1, 2019, and member of the Management Board until February 28, 2019

Member of the Management Board of Nissan-Mitsubishi b.v. (Netherlands)

Chairman of the Management Board of Alliance Rostec Auto b.v. (Netherlands)

Chairman of the Board of Directors of Renault do Brasil (Brazil)

Member of the Supervisory Board of Alliance Ventures B.V. (Netherlands)

Other legal entities:

None.

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Member of the Board of Directors of Nissan Motor Co., Ltd. (Japan), until April 8, 2019

Member of the Board of Directors of Mitsubishi Motors Corporation (Japan)

Non-listed companies:

Member of the Board of Directors of Saradar Bank (Lebanon)

Member of the Board of Directors of Wines of Lebanon SAL (Lebanon), Cedrar SAL (Lebanon), SGI Holding SAL (Lebanon), Adonis GB Holding SAL (Lebanon)

Other legal entities:

Director of Association des Constructeurs Européens d'Automobiles (Belgium)

Member of the International Advisory Council of Beijing's Tsinghua University (China)

Member of the Strategic Council for Beirut's Saint Joseph University (Lebanon)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Chairman of the Board of Directors of AVTOVAZ (Russia)	2016
Chief Executive Officer of Nissan Motor Co., Ltd. (Japan)	2017
Chairman of the Board of Directors of Nissan Motor Co., Ltd. (Japan)	2018
Chairman of the Board of Directors of Mitsubishi Motors Corporation (Japan)	2018
Chairman of the Fondation d'entreprise Groupe Renault (France)	2018

CATHERINE BARBA

Independent Director

Birth date: 02/28/1973

Nationality: French

Date of first appointment: June 2017

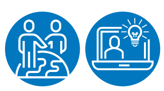
Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:



Member of the Appointments and Governance Committee

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Entrepreneur, e-commerce pioneer, expert in retail digital transformation, Catherine Barba is one of the most active female business angels in France and committed to the promotion of diversity for years.

A graduate of ESCP Europe, she created and sold several e-commerce companies. She has been living in New York since 2015, where she created PEPS Lab to help retail brands accelerate their transformation. She is also the author of several reference books about the future of retail, including "Stores are not dead".

Catherine Barba invests in and serves on the board of directors of successful tech start-ups, including Retency (analytics in store), Reech (influencer marketing), Popshop (next generation of e-commerce), Euveka (CES 2018 Innovation Awards Honoree for mannequin technology), Cargo (in-car commerce) and Showfields (next generation of physical stores).

She was awarded with many distinctions among which that of "Femme en Or" in 2011, "Alumni of the Year" of ESCP Europe in 2012, Women of economic influence in France in 2014, the "Inspiring Fifty" prize in 2015 and 2016 which rewards the 50 most inspiring women of the digital ecosystem in Europe. Catherine Barba is a Director of Etam, Knight of the French National Order of Merit and Knight of the National Order of the Legion of Honor.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

Chairwoman of CB Group (SAS, France)

Member of the Supervisory Board of ETAM (France)

Director of Euveka (France)

Director of Popshop Live (United States)

Director of Reech (France)

Director of RelevanC (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Leetchi (France)	2015
Director of MangoPay (France)	2015
Director of So Shape (France)	2016
Director of Electronic Business Group (France)	2016

FRÉDÉRIC BARRAT

Director elected by employees

Birth date: 09/05/1972

Nationality: French

Date of first appointment: November 2016

Start date of current term of office: November 2016

Current term expires: November 2020

Number of registered shares held: 194.53 units in an FCPE mutual fund

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy 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 International and Industrial 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, not all of these offices are listed here.

Other legal entities:

Member of the Board and Chairman of the Audit Committee of Bank Al Maghrib (Central Bank of Morocco, Morocco)

Director of Al Akhawayn University (Morocco)

Chairman of the Centre Euro-Méditerranéen d'Arbitrage (Morocco)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Eutelsat (France)	2017
Chairman of the Confédération Générale des Entreprises du Maroc (Morocco)	2018

CHERIE BLAIR

Independent Director

Birth date: 09/23/1954

Nationality: British

Date of first appointment: April 2015

Start date of current term of office: April 2015

Current term expires: 2019 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

CBE, QC, Cherie Blair is as a leading barrister, specializing in human rights and international law. She was appointed as Queen's Counsel in 1995.

Founder and Chair of Omnia Strategy LLP, she advises both governments and international corporations on how to sustain and improve strong human rights standards.

As a supporter of the United Nations Global Compact, she also advises businesses on implementing the UN Guiding Principles on Business and Human Rights and works to develop and strengthen corporate social responsibility practices.

With over 35 years of experience as a leading barrister, she has represented over 30 governments as well as numerous multinational corporations in international disputes. She is also an adviser to the B Team, a not-for-profit initiative formed by a group of global leaders, "to create a future where the purpose of business is to be a driving force for social, environmental and economic benefit".

Cherie Blair is Chancellor Emeritus and Honorary Fellow of Liverpool John Moores University; Governor Emeritus and Honorary Fellow of LSE and the Open University (D. Univ. Open 1999); LLD (Hons) University of Liverpool (2003); Hon.D.Lit UMIST (2003); Doctor of Law (University of Westminster). She is also the founder of the Cherie Blair Foundation for Women, which runs programs to support women entrepreneurs across the developing world, including Africa.

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 of Dangote Cement Plc. (Nigeria)

Non-listed companies:

Founder and Chair, Omnia Strategy LLP, London (United Kingdom)

Other legal entities:

Founder, Cherie Blair Foundation for Women (United Kingdom)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

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:

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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:

Censor of Orano SA (France)

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
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 Compensation Committee

Member of the Appointments and Governance Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A magistrate by training, Marie-Annick Darmaillac successively held the positions of judge at the Versailles Court and bureau head at the DGCCRF (the French Directorate-General for Competition, Consumer Affairs and Prevention of Fraud). She was subsequently Deputy Director of Continuing Education at the École Nationale de la Magistrature and Technical Advisor to the French Ministry of Justice.

Marie-Annick Darmaillac also held the position of Deputy of the Mediator of the French Republic, before being appointed Secretary General of the Public Prosecutor's Office of the Court of Appeal of Paris and Deputy-prefect of the City of Paris until October 2005. She then joined the Bolloré group, where, as Deputy General Secretary, she was responsible in particular for oversight of the management of the Group's major talents as well as ethical and sustainable development issues.

In October 2015, Marie-Annick Darmaillac became Director of Internal Talent Promotion and Development for the Canal+ group.

In January 2017, she joined Vivendi as Corporate Social Responsibility (CSR) Director.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Permanent Representative of Financière V on the Board of Bolloré (France)

Permanent Representative of Financière V on the Board of Financière de l'Odet (France)

Permanent Representative of Socfrance on the Board of Société Industrielle et Financière de l'Artois (France)

Permanent Representative of the Société des Chemins de Fer & Tramways du Var et du Gard on the Board of Financière Moncey (France)

Non-listed companies:

President of the Société Immobilière Mount Vernon (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

03

THIERRY DEREZ

Independent Director

Birth date:
02/18/1957

Nationality:
French

Date of first appointment:
February 2018

Start date of current term of office:
February 2018

Current term expires:
2020 AGM

Number of registered shares held: 300

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Admitted to the Paris Bar before joining the insurance group AM-GMF in 1995, first as Deputy Chief Executive Officer of GMF and then as Chairman and Chief Executive Officer of Assurances Mutuelles de France and of GMF in 2001, Thierry Derez was appointed Chairman and Chief Executive Officer of the AZUR-GMF group in September 2003.

He is currently Chairman of the Board of Directors of Assurances Mutuelles de France, of GMF Assurances and Chairman and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (GMF).

He was appointed as Director of MAAF Assurances in November 2004 and became its Chairman and Chief Executive Officer in June 2005.

Since June 2007, he has been the Chairman of the Board of Directors of MMA IARD Assurances Mutuelles, MMA IARD, MMA Vie Assurances Mutuelles and MMA Vie. Since 2008, he has been Chairman and Chief Executive Officer of Covéa.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

Chairman and Chief Executive Officer of Covéa (SGAM) (France)

Thierry Derez holds numerous offices in non-listed subsidiaries and/or participations of Covéa. For the sake of clarity, not all of these offices are listed here.

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Scor SE (France)	2018

Thierry Derez has held numerous offices in subsidiaries of Covéa. For the sake of clarity, not all of these offices are listed here.

PIERRE FLEURIOT

Independent Director

Birth date: 01/31/1954

Nationality: French

Date of first appointment: June 2018

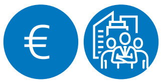
Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:



Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of the Institut d'Études Politiques de Paris, Masters' degree in Law and alumni of the École Nationale d'Administration, Pierre Fleuriot started his career as financial auditor, then became general manager of the Commission des Opérations de Bourse.

In 1997 he joined ABN AMRO, where he held various positions and lastly served as Senior Executive Vice-President of ABN AMRO and Vice-President of Wholesale Clients.

In 2009 he became Chief Executive Officer of Credit Suisse France, in charge of the Investment Banking, Private Banking and Asset Management for France, Belgium and Luxembourg.

Following his departure from the management of Credit Suisse France in 2016, he founded PCF Conseil & Investissement, a consulting firm of which he is the Chairman.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

Chairman of PCF Conseil & Investissement (France)

Director and Chairman of the Governance, Appointments and Remuneration Committee of the Casablanca Stock Exchange (Morocco)

Other legal entities:

Chairman of Cercle 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 employees

Birth date: 04/29/1968

Nationality: French

Date of first appointment: November 2012

Start date of current term of office: November 2016

Current term expires: November 2020

Number of registered shares held: 1

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial 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	

PHILIPPE LAGAYETTE

Independent Director

Birth date: 06/16/1943

Nationality: French

Date of first appointment: May 2007

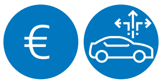
Start date of current term of office: April 2015

Current term expires: 2019 AGM

Number of registered shares held: 2,680

Main areas of expertise and experience: see biography hereafter

Skills:



Lead Independent Director
Chairman of the Audit, Risks and Ethics Committee
Member of the Compensation Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Philippe Lagayette is a graduate of the École Polytechnique and the École Nationale d'Administration (ENA). He began his career in 1970 in the General Inspectorate of Finance.

In 1974, he joined the Treasury department at the French Ministry of Economy and Finance, and was promoted to Deputy Director in 1980. He was appointed Chief of Staff at the Ministry of Economy and Finance in 1981, before moving to the Banque de France as Deputy Governor in 1984. In 1992, Philippe Lagayette was appointed Chief Executive Officer of Caisse des Dépôts et Consignations, a post he held until December 1997.

He headed JP Morgan's activities in France from 1998 to August 2008 and then became Vice-Chairman for the EMEA Region until January 2010.

He was a Senior Advisor for Barclays in France from 2011 to 2016.

Mr Lagayette is a Commander of the French Legion of Honor (*Commandeur de la Légion d'Honneur*) and Grand Officer of the French Order of Merit (*Grand Officier 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:

None

Non-listed companies:

Chairman of PL Conseils (France)

Director of Fimalac (France)

Other legal entities:

Honorary Chairman of the Fondation de France (France)

Chairman of the Fondation de Coopération Scientifique for Alzheimer's research (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Kering (formerly PPR) (France)	2016

BENOÎT OSTERTAG

Director elected upon proposal of the employee shareholders

Birth date: 08/02/1965

Nationality: French

Date of first appointment: May 2011

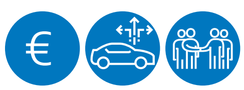
Start date of current term of office: June 2017

Current term expires: 2021 AGM

Number of registered shares held: 152.09 units in an FCPE mutual fund

Main areas of expertise and experience: see biography hereafter

Skills:



Member of the Audit, Risks and Ethics Committee

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of the école Centrale de Paris, Benoît Ostertag started his engineering career at Renault in 1990.

He then worked as a project manager and team leader in mechanical engineering at the Lardy and Rueil sites. He currently works in the Quality department at the Guyancourt Technocentre supporting various Renault engineering projects worldwide.

Meanwhile, he has served as a CFDT trade union representative on the Works Council since 1996 and on the Renault Central Works Council from 2006 to 2011. Through his professional and trade union career, he has acquired extensive knowledge of Renault, both in France and abroad.

Since 2012, he has been the Chairman of the Supervisory Board of the FCPE Actions Renault, a savings plan for employee shareholders.

Since 2015, he has also been the Chairman of the Supervisory Board of the FCPE Renault Mobiliz solidaire, a solidarity-based savings plan for Renault employees based on socially responsible funds. He has represented employee shareholders on Groupe Renault's Board of Directors since May 2011. Convinced that Renault's performance and sustainability are indissociable from Corporate Social Responsibility (CSR), he has long been developing and sharing his CSR expertise.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

ÉRIC PERSONNE

Director elected by employees

Birth date: 10/14/1962

Nationality: French

Date of first appointment: November 2012

Start date of current term of office: November 2016

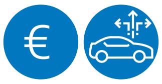
Current term expires: November 2020

Number of registered shares held: 100 shares and 151.98 units

in an FCPE mutual fund

Main areas of expertise and experience: see biography hereafter

Skills:



Member of the Compensation Committee
Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

After starting his career as a photographer, Éric Personne became a Renault dealer in 1988 and led a 15-member team selling 250 vehicles per year. In 2002 he joined the Renault Retail Group where he performed a number of roles including head of after-sales and head of ISO certification.

Since 2007, Éric Personne has been responsible for commercial and quality reporting for Renault Retail Group. From 2005 to 2012, he served as a CFE-CGC representative on the Renault Works Council, and has built up more than 30 years of experience in employer and employee industrial action in his various professional circles.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

Director of *Institut Français des Administrateurs* (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

OLIVIA RONGHONG QIU

Independent Director

Birth date: 08/19/1966

Nationality: French, Chinese

Date of first appointment: April 2016

Start date of current term of office: April 2016

Current term expires: 2020 AGM

Number of registered shares held: 800

Main areas of expertise and experience: see biography hereafter

Skills:

Chairwoman of the International and Industrial Strategy Committee
Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Olivia Qiu graduated from University of Electronic Science and Technology of China (UESTC) with a degree in BS, Electronic Engineering. She obtained her Ph.D. in Management Science from the École Supérieure des Affaires de Grenoble.

In 1987, Olivia Qiu became an engineer responsible for military radar design then for research and development at the China Chengdu Design Institute No. 784.

She joined Alcatel in 1997 as a project manager responsible for negotiating three joint-ventures for Alcatel China Cable Sector. In 1998, she was appointed Sales Director of the Alcatel China East Region then, in 2000, Commercial Operations Director. In 2002, she became Marketing and 3G Operations Vice President for Alcatel Shanghai Bell, and from 2004 to 2005, Asia-Pacific Region Vice President of Business Development for Alcatel Asia Pacific Region.

In 2005, she became Vice President of Sales, Marketing, Technical Solutions and Service Implementation at Alcatel China. In 2008, she was appointed Regional President for Alcatel-Lucent East Asia Region as well as Chief Executive Officer of Alcatel-Lucent Shanghai Bell.

Olivia Qiu was the Global Head of "Strategic Industries Business Group" at Alcatel-Lucent until 2013.

She is currently Chief Innovation Officer at Philips Lighting, renamed Signify.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Saint-Gobain SA (France)	2017

Olivia Qiu has held numerous offices with subsidiaries of Alcatel-Lucent. For the sake of clarity, these offices are not listed here.

YU SERIZAWA

Director appointed upon proposal of Nissan

Birth date: 07/25/1958

Nationality: Japanese

Date of first appointment:
December 2016

Start date of current term of office:
December 2016

Current term expires:
2021 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:

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. She also advises a number of institutional investors.

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.

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

03

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:

Member of the Audit, Risks and Ethics 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 of International Development for the Thales Group.

Pascale Sourisse is an Officer of the French Legion of Honor (*Officier de la Légion d'Honneur*) and Commander of the French Order of Merit (*Commandeur de l'Ordre du Mérite*).

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Director, member of the Appointments and Governance Committee and the Compensation Committee of Vinci (France)

Non-listed companies:

Chairwoman of Thales International SAS (France)

Chairwoman of Thales Europe SAS (France)

Permanent Representative of Thales in its capacity of Director of ODAS (France)

Member of the ODAS Compensation Commission (France)

Other legal entities:

Member of the National Academy of Technology (France)

Member of the Board of Directors of the École Polytechnique (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Permanent Representative of Thales in its capacity as Director of SOFRESA (France)	2015
Director of the Agence Nationale de la Recherche (France)	2016
Président of Conseil d'École de Télécom Paris Tech (France)	2017
Director of the Agence Nationale des Fréquences (France)	2017
Director, member of the Audit and Ethics Committee of Areva SA (France)	2017

Pascale Sourisse has held numerous offices with subsidiaries of Thales and Australian Defence Industries. For the sake of clarity, not all of these offices are listed here.

PATRICK THOMAS

Independent Director

Birth date: 06/16/1947

Nationality: French

Date of first appointment: April 2014

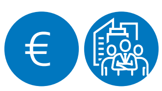
Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:



Chairman of the Appointments and Governance Committee

Member of the Compensation 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 Chairman and Chief Executive Officer of the British company William Grant & Sons.

Patrick Thomas served as Chief Executive Officer of Hermès International from 1989 to 1997. On July 15, 2003 he rejoined the Hermès group as Chief Executive Officer of Hermès International before being appointed manager, a role which he performed from September 15, 2004 until his retirement on January 31, 2014.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Lead Independent Director of Teleperformance SE (France)

Vice-Chairman of the Supervisory Board and Chairman of the Compensation and Corporate Governance Committee of Laurent Perrier (France)

Non-listed companies:

Member of the Supervisory Board of Leica Camera AG (Germany)

Member of the Supervisory Board of Château Palmer (France)

Chairman of the Supervisory Committee, of the Investments Committee and of the Compensation Committee of Ardian Holding (France)

Vice-Chairman of the Supervisory Board of Massilly Holding (France)

Chairman of the Board and Director of Shang Xia Trading (Shanghai)

Chairman and Director of Full More Group (Hong Kong)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Patrick Thomas has held numerous offices within the Hermès group's subsidiaries. For the sake of clarity, not all of these offices are listed here.	

MARTIN VIAL

Director designated by the French State

Birth date: 02/08/1954

Nationality: French

Date of first appointment: September 2015

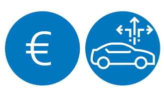
Start date of current term of office: September 2015

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 Ethics Committee

Member of the Appointments and Governance 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)

Non-listed companies:

Director of Bpifrance SA (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Homair vacances (France)	2014
Director of Business Solutions Capital (France)	2014
Director of Europ Assistance South Africa, Germany, China, Spain, Italy, Portugal	2014
Chairman of Europ Assistance Brazil, Belgium, France, UK, USA	2014
Director and Chief Executive Officer of Europ Assistance Holding	2014
Director and member of the Strategy Committee and of the Governance and Appointments of Thales	2017

YASUHIRO YAMAUCHI

Director appointed upon proposal of Nissan

Birth date: 02/02/1956

Nationality: Japanese

Date of first appointment: February 2017

Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 10,385

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yasuhiro Yamauchi holds a degree in Social Sciences from the International Christian University, College of Liberal Arts. He joined Nissan Motor Co., Ltd. in 1981, where he held various management positions in the Purchasing department, as well as in Renault-Nissan Purchasing Organization (RNPO). He joined RNPO in April 2008 as Senior Vice-President in charge of Purchasing.

In April 2014, Yasuhiro Yamauchi was appointed Alliance Global Vice-President, Senior Vice-President, Alliance Purchasing, in charge of the convergence of Management and Human Resources of the Renault and Nissan Purchasing, Engineering, Manufacturing & Supply Chain departments.

In November 2016, he was appointed Chief Competitive Officer of Nissan Motor Co., Ltd. He is responsible for global manufacturing and Research and Development, as well as Purchasing, Manufacturing, Supply Chain Management, R&D, Connected Vehicles and Mobility Services for the Alliance. His role is to ensure that Nissan Motor Co., Ltd. maintains its competitiveness in the global market.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Member of the Management Board of Renault Nissan b.v. (Netherlands)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Chief Competitive Officer of Nissan Motor Co., Ltd. (Japan)

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

The business address of all directors in the context of their duties is that of the Company's registered office (see Chapter 5.1.1.1).

Changes in the Board composition following the Annual General Meeting of June 12, 2019

During its meeting of January 24, 2019, the Board of Directors duly took note of Mr Carlos Ghosn's resignation from his offices as Chairman and Chief Executive Officer effective January 23, 2019. The Board of Directors, on the recommendation of the Appointments and Governance Committee, decided to separate the offices of Chairman of the Board and Chief Executive Officer. The Board appointed Mr Jean-Dominique Senard as a new Director pursuant to the provisions of Article L. 225-17 para. 3 of the French Commercial Code and elected him Chairman of the Board of Directors. The Board also appointed Mr Thierry Bolloré as Chief Executive Officer. The ratification of the appointment of Mr Jean-Dominique Senard as a director will be submitted to the Annual General Meeting of June 12, 2019 for approval.

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Appointments and Governance Committee, decided to propose to the Annual General Meeting of June 12, 2019, the following changes in the composition of the Board:

- the ratification of Mr Thomas Courbe's co-opting as a director representing the French State to replace Mr Pascal Faure who resigned from his office as a director and his position as a member of the International and Industrial Strategy Committee, with effect from the end of the Board of October 5, 2018;
- the non-renewal of the directorships of Mrs Cherie Blair and of Mr Philippe Lagayette who reached the age limit set in the articles of association;
- the appointment of Mrs Annette Winkler as Independent Director.

In addition, during its meeting of April 3, 2019, the Board of Directors took note of Mr Carlos Ghosn's resignation from his term as a director effective June 12, 2019.

Following the Annual General Meeting on June 12, 2019, subject to the favorable votes of the shareholders on the proposed resolutions, the Board of Directors will be composed of 18 members and will be as follows:

	Composition following the 2018 Annual General Meeting	Composition following the 2019 Annual General Meeting
Independence rate	66.7%	71.4%
Feminisation rate	43.7%	46.7%
Rate of non-French directors	40%	35.7%

Therefore :

- the independence rate of the Board will remain above that recommended by the AFEP-MEDEF Code; and
- the feminisation rate will be above that required by law (namely a proportion of women of at least 40%).

It is reminded that, pursuant to the recommendation of the AFEP-MEDEF Code, the directors representing the employees and the directors representing employee shareholders are not taken into account when calculating the independence rate of the Board of Directors.

For the sake of coherence, directors representing the employees are not taken into account when calculating the percentage of non-French directors.

Moreover, pursuant to Article L. 225-27 of the French Commercial Code, directors representing the employees are not taken into account when calculating the percentage of women on the Board of Directors. The director elected on the proposal of the employee shareholders, however, is taken into account when calculating this percentage.

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 Charter recommends that the directors hold a significant number of shares in relation to the attendance fees received, except for directors who do not personally receive attendance fees. In this respect, the directors representing the employees and employee shareholders do not personally receive attendance fees (these being passed on to their respective trade unions); they are therefore not required to hold a significant number of shares in the Company. Furthermore, legislation prohibits directors designated by the French State from personally owning shares. As at December 31, 2018 Renault's directors hold approximately 0.26% of its share capital, not including the French State's stake.

3.1.4.2 No convictions

To the best of the knowledge of Groupe Renault, none of the Board members, and none of the main executives of the Company, except for Mr Carlos Ghosn, has, during the course of the past five years:

- been convicted of fraud;
- taken part as an executive, 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.

Following his arrest in Japan on November 19, 2018, Mr Ghosn was indicted three times by the Tokyo District Public Prosecutors Office:

- on December 10, 2018, for violation of the Japanese Financial Instruments and Exchange Act due to the undervaluation of his compensation in Nissan's annual reports for the financial years 2011 to 2015;
- on January 11, 2019, for violation of Japanese stock market regulations due to the undervaluation of his compensation in Nissan's annual reports for the financial years 2016 to 2018; and
- again on January 11, 2019, for aggravated breach of trust.

3.1.4.3 No conflicts of interest

To the best of the knowledge of the Company, there is no 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 organisation, operation and missions

3.1.5.1 Organisation of the Board

Composition of the Board of Directors as of December 31, 2018

	2018		2017
NUMBER OF MEMBERS	19	vs	19
NUMBER OF MEETINGS	7	vs	7
PERCENTAGE OF INDEPENDENT DIRECTORS	66.7%	vs	66.7%
ATTENDANCE RATE	86.09%	vs	91.88%

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.

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 Appointments and Governance 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 Appointments and Governance 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 if 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.

On February 13, 2019, the Board of Directors established the following list of directors with independent status as at December 31, 2018: Mrs Catherine Barba, Mrs Miriem Bensalah Chaqroun, Mrs Cherie Blair, Mrs Marie-Annick Darmaillac, Mrs Olivia Qiu, Mrs Pascale Sourisse, and Messrs Thierry Derez, Pierre Fleuriot, Philippe Lagayette and Patrick Thomas.

Thus, as of December 31, 2018, the Company’s Board of Directors was composed of 19 members, 10 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%.

The table below summarises the results of the appraisal of the independence of directors in view of the criteria defined by the AFEP-MEDEF Code.

		Business relations	Family ties	Statutory Auditor	12 years on the Board	Employee or CEO	Cross-directorships	Ties with shareholders	Status assigned
Carlos	GHOSN	No	No	No	Yes	Yes	No	No	Non-independent
Catherine	BARBA	No	No	No	No	No	No	No	Independent
Frédéric	BARRAT	No	No	No	No	Yes	No	No	N/A [1]
Miriem	BENSALAH-CHAQROUN	No	No	No	No	No	No	No	Independent
Thomas	COURBE	No	No	No	No	No	No	Yes	Non-independent
Cherie	BLAIR	No	No	No	No	No	No	No	Independent
Marie-Annick	DARMAILLAC	No	No	No	No	No	No	No	Independent
Thierry	DEREZ	Yes	No	No	No	No	No	No	Independent
Pierre	FLEURIOT	No	No	No	No	No	No	No	Independent
Richard	GENTIL	No	No	No	No	Yes	No	No	N/A [1]
Philippe	LAGAYETTE	No	No	No	No [3]	No	No	No	Independent
Benoît	OSTERTAG	No	No	No	No	Yes	No	No	N/A [1]
Éric	PERSONNE	No	No	No	No	Yes	No	No	N/A [1]
Olivia	QIU	No	No	No	No	No	No	No	Independent
Yu	SERIZAWA	No	No	No	No	No	No	Yes	Non-independent
Pascale	SOURISSE	No	No	No	No	No	No	No	Independent
Patrick	THOMAS	No	No	No	No	No	No	No	Independent
Martin	VIAL	No	No	No	No	No	No	Yes	Non-independent
Yasuhiro	YAMAUCHI	No	No	No	No	No	No	Yes	Non-independent

(1) Pursuant to the provisions of the AFEP-MEDEF Code, the director representing the employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.

(2) Mr Lagayette was appointed as director of the Company for the first time by the Annual General Meeting held on May 2, 2017. His term of office was renewed in 2011 and 2015. The renewal of his term of office will not be proposed to the Annual General Meeting of June 12, 2019, due to the age limit provided by the Company's articles of association.

The Board of Directors assessed the degree of significance of the business relations between the directors and the Company in view of the nature of these relations and the amounts involved. Indeed, the AFEP-MEDEF Code recommends, in order for a director to qualify as independent, "not to be a customer, supplier, commercial banker, investment banker or consultant that is significant to the corporation or its group or for which the corporation or its group represents a significant portion of its activities".

The Board ensured 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.

During its meeting of February 15, 2018, the Board of Directors examined with particular attention Mr Thierry Derez's situation.

Pursuant to the recommendations of the French Financial Market Authority, the Board of Directors assessed the relationship between Groupe Renault and Covéa from the point of view of each of the two groups, taking into account both quantitative and qualitative criteria (such as duration, continuity, economic dependence, exclusivity, organization of the relationship).

On this occasion, the Board of Directors concluded that the links between the Company and Covéa – whether it is repairs entrusted to Renault garages, insurance marketed by RCI or real estate affairs – are not sufficiently significant or strategic for Groupe Renault.

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 any potential conflict of interest situation and to refrain from attending the debate and from participating in the vote of the corresponding deliberation.

Lead Independent Director

The office of Lead Independent Director is held by Mr Lagayette, whose term of office will expire at the end of the Annual General Meeting of June 12, 2019.

During its meeting held on March 15, 2019 the Board of Directors decided in principle to maintain a Lead Independent Director who will be appointed from among the independent directors at the end of Mr Philippe Lagayette's term of office.

The powers of the Lead Independent Director are set out in the Board Charter.

Board Charter provisions governing the Lead Independent Director

The Board of Directors may, on the proposal of the Appointments and Governance 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 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 Deputy Chief Executive 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 fulfil 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 shareholders' general meetings.

Review of the Lead Independent Director's activity in 2018

During the 2018 financial year, the Lead Independent Director attended the meetings of the Board and all the meetings of the Compensation Committee and of the Audit, Risks and Ethics Committee (CARE) (which he chairs).

The Lead Independent Director plays a major role in the governance of the Company by fulfilling several missions, which focus on the following areas:

Discussions with the senior management and Independent Directors

As is the case each year, the Lead Independent Director had regular discussions with the following:

- the Independent Directors, to ensure that the conditions are in fact met for them to be able to fully exercise their mandate;
- the Chairman and 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 himself informed of the latest news of the Group and its competitors.

Board meetings

The Lead Independent Director was involved in the preparation of the Board meetings, giving his opinion on the agendas for each of the meetings and overseeing the quality of the information supplied to the members of the Board and its committees.

In 2018, he requested the examination of several particular points by the Board of Directors, on the basis of the Group's current affairs and those of the automotive industry.

He regularly met with all the directors and in particular with the chairpersons of the various committees.

He attended a meeting of the International and Industrial Strategy Committee of which he is not a member.

Pursuant to the Board Charter, in the absence of the Chairman of the Board, impeded, he convened and chaired several meetings of the Board of Directors during November and December 2018. He also held numerous information meetings with the directors on Mr Carlos Ghosn's situation in Japan and the consequences of the lawsuits against him.

Governance and compensation

As a member of the Compensation Committee, the Lead Independent Director contributed, in particular, to establishing the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year and to changes made to the performance criteria for performance share allocation plans.

Examination of the performance of the chairman and Chief Executive Officer in "executive sessions"

He chaired the discussions of the Board of Directors dealing with the evaluation of the performance and the setting of elements composing the compensation of the Chairman and Chief Executive Officer; these deliberations, generally known as "executive sessions", take place without the Chairman and Chief Executive Officer being present.

Relations with shareholders

The Lead Independent Director noted the concerns of the shareholders, especially major shareholders, and took steps to ensure the Company responded to these in a satisfactory manner.

In particular, he co-signed a letter to the shareholders in connection with the renewal of the term of office of the Chairman and Chief Executive Officer at the Annual General Meeting of June 15, 2018.

3.1.5.2 Operation of the Board

The rules governing the operation of the Board of Directors are specified in the Board Charter. The latest version of the Board Charter was adopted by the Board of Directors at its meeting of March 15, 2019, on the basis of the work of the Appointments and Governance Committee. This update aims to take into account both the evolution of the Company's governance and the new version of the AFEP-MEDEF Code of June 2018.

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

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 corporate 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 General 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 social and environmental responsibility issues;
- choose the form of exercise of the General 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 Deputy Chief Executive 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 Appointments and Governance Committee, the members of the committees created in accordance with applicable law and provisions of the articles of association and this Board Charter;
- determine every year, on the proposal of the Appointments and Governance 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 Appointments and Governance 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 General Meeting of Shareholders;
- present to the General Meeting of Shareholders 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 *Code de commerce*;

It being specified that the above list does not purport to be comprehensive.

The Board 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 the Group's social and environmental responsibility, the Group's financial strategy and the Company's policy regarding gender balance and equal pay.

The Board 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 2018

In 2018, the Board of Directors met seven times (including two additional meetings). The average length of the meetings of the Board was three hours, it being specified that one meeting, dedicated to the Group's strategy, lasted a full day. In addition, numerous Directors' meetings were held at the initiative of the Lead Independent Director, in particular to keep them informed of the situation following Mr Carlos Ghosn's impediment.

All decisions on the Board meeting agenda were discussed, the agenda being amended to include items affecting the Company, thus demonstrating the Board's high degree of agility. In 2018, the attendance rate was 86.09% (for details of attendance rate for each individual director, see Chapter 3.1.2).

The Board discussed and passed resolutions on the following items relating to the key aspects of its remit:

The Group's strategy

The Board reviewed the following strategic topics:

- human capital;
- electrification strategy in Group mid-term plan and consequences; and
- the status of digitalization and contribution to higher performance of the Company.

As every year, the Board of Directors organized its annual one-day strategic seminar, held at the heart of the World Motor Show, to discuss important issues for Groupe Renault. During this seminar, the directors were able to discover the vehicles of Groupe Renault's product range and benefit from an in-depth presentation, by operational managers, on the macroeconomic environment of the automotive market, on the strategy of Groupe Renault and its prospects following the "Drive the Future" strategic plan.

Accounts and budget

During the course of 2018, the Board completed the following:

- approved Groupe Renault's consolidated financial statements, the corporate financial statements of the Company, and those of Renault s.a.s., for the 2017 financial year;
- determined the allocation of the 2017 profits and dividend payments proposed to the Annual General Meeting;
- examined the consolidated financial statements for the first half of 2018; and
- approved the budget for 2019.

Corporate governance

During the course of 2018, the Board achieved the following:

- duly noted the resignation of Mr Thierry Desmarest, replaced by Mr Thierry Derez, whose co-opting by the Board of Directors held on February 15, 2018, was ratified by the Annual General Meeting held on June 15, 2018;
- reviewed the governance structure on the occasion of the renewal of Mr Carlos Ghosn's term of office as Chairman and Chief Executive Officer. On this occasion, the Board of Directors asked him, in particular, to strengthen the succession plan at the head of Groupe Renault, specifying that the Appointments and Governance Committee and the Board would be closely involved in the reflections of the Chairman and Chief Executive Officer on this topic;
- duly noted the evolution of the governance and in particular the appointment of Mr Thierry Bolloré as Group Chief Operating Officer;
- proposed the renewal of Mr Carlos Ghosn's directorship to the Annual General Meeting held on June 15, 2018;
- proposed the renewal of the directorships of Mrs Pascale Sourisse and Mrs Catherine Barba, and of Messrs Patrick Thomas and Yasuhiro Yamauchi and the appointment of Mr Pierre Fleuriot replacing Mr Marc Ladreit de Lacharrière;
- duly noted Mr Pascal Faure's resignation, replaced by Mr Thomas Courbe whose co-opting by the Board of Directors held on October 5, 2018 will be submitted to the Annual General Meeting to be held on June 12, 2019 for ratification;
- established the list of Independent Directors, on the proposal of the Appointments and Governance Committee;
- called the Annual General Meeting held on June 15, 2018, *inter alia*, by setting its agenda;
- ruled on the composition of its specialised committees;
- adopted the reports from the Chairs of each specialised committee;
- performed with a formal evaluation of its operation in 2017;
- set the elements composing the compensation of the Chairman and Chief Executive Officer for the 2017 financial year;
- set the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year;
- reviewed the overall budget and the allocation policy for the Directors' attendance fees;
- determined the details of the performance share plan for 2018;
- adopted the management report of the Board of Directors and the report on corporate governance for the 2017 financial year, pursuant to Articles L. 225-37 and L. 225-100 of the French Commercial Code;
- analysed and approved the answers to the written questions asked by shareholders of the Company prior to the Annual General Meeting;
- decided to implement an employee shareholding plan in accordance with the commitments made on November 2, 2017 *vis-à-vis* the French State;
- reviewed the non-discrimination and diversity policy in particular with regard to the balanced representation of women and men in management bodies and beyond, as well as the equal pay policy within the Group, pursuant to Article 1.7 of the AFEP-MEDEF Code and the law no. 2018-771 of September 5, 2018 for the freedom to choose one's professional future;
- appointed, on proposal of the Chairman and Chief Executive Officer, Mr Thierry Bolloré as Deputy Chief Executive Officer on November 20, 2018; and
- examined the implications of Mr Carlos Ghosn's detention in Japan, including his succession as Chairman and Chief Executive Officer.

Related-party agreements

During its meeting held on February 15, 2018, the Board of Directors:

- confirmed that, except for the mutual commitments entered into with the French State on November 2, 2017 following the sale by the French State of 1,400,000 Renault shares to the Company, no related-party agreements were concluded during the course of the 2017 financial year;
- re-examined the related-party agreements entered into and authorised during previous financial years, the performance of which continued during the 2017 financial year; and
- concluded in particular that the commitment made in favor of Mr Carlos Ghosn as regards top-up pensions did not need to be amended as it did not fall within the scope of the law on growth, business, and equal economic opportunities, known as the "Macron Act".

During the meeting of June 15, 2018, the Board of Directors authorized the signing of the second amendment to the “Master Cooperation Agreement” between the Company, Nissan, Daimler, RNBV and Mitsubishi, the purpose of which is the accession of Mitsubishi and the extension of the cooperation between Renault, Nissan, Daimler and RNBV to Mitsubishi.

For futher details on the related-party agreements and undertakings, see Chapter 4.3.2 of the Registration document.

3.1.6 Activity of the specialised committees of the Board of Directors in 2018

To examine specific issues within the remit of the Board of Directors in more detail, four specialised committees have been set up to assist the Board in its remit and work. The recommendations of the committees are presented to the Board in the form of reports given in Board meetings by their respective Chairs.

The general operation of the committees is mainly defined in the Board Charter.

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 Appointments and Governance 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 Appointments and Governance Committee, for a maximum term corresponding to his/her term as member of the Board of Directors. The Chair of a committee may be reappointed.

The Chair of each committee shall determine the conditions under which he/she shall report to the Board of Directors on the work of the committee. If he/she is unable to do so, the Chair shall name a committee member to report to the Board of Directors on such committee’s work.

Any matter falling within a Committee’s area of competence as determined by the Board Charter shall be referred to that Committee.

The Chairman may also refer to a Committee any matter included or to be included on the agenda of the Board of Directors.

Finally, the Board of Directors and the Chairman may also, at any time, refer to a Committee other matters falling within its area of competence.

The Chair of each Committee shall establish the agenda of each meeting and determine its annual program. Where the agenda of a committee meeting includes certain matters that also fall within the area of competence of another committee, the Chair of the first committee shall ensure coordination with the Chair of the second.

Notices of meetings may be issued by any means, including verbally, according to the conditions provided for in respect of each committee.

Committees must be in a position to fully perform their duties. For that purpose, information and documents relating to the agenda of the committee meetings shall be sent, except in case of emergency or where necessary and justified, at least three (3) calendar days prior to the meeting.

Committees shall be held at least two (2) days before the meeting of the Board of Directors during which items examined during committee meetings will be discussed, except in case of emergency or where impossible.

Committees may, in fulfilling their respective remit, hear members of the Executive Committee of the Group and other senior executives of the Group, and request that external technical studies be conducted, at the Company’s expense, after having informed the Chairman or the Board of Directors. If committees resort to the services of external advisors, the committees must ensure that the advisors concerned remain objective.

The committees shall report on the information obtained and the opinions received.

The Chairman and the Chief Executive Officer may, if they so wish, take part in committee meetings, except in cases where their personal situation is under discussion. They have access to the work of the Committees.

3.1.6.1 Audit, Risks and Ethics Committee (CARE)

NUMBER OF MEMBERS			NUMBER OF MEETINGS		
8	vs	8	**6**	vs	5
2018		2017	2018		2017

PERCENTAGE OF INDEPENDENT DIRECTORS			ATTENDANCE RATE		
83.3%	vs	83.3%	**90.7%**	vs	88.1%
2018		2017	2018		2017

MEMBERS AS OF DECEMBER 31, 2018

- Mr Lagayette * (Chairman)
- Mrs Blair *
- Mr Fleuriot *
- Mr Ostertag **
- Mr Personne **
- Mrs Qiu *
- Mrs Sourisse *
- Mr Vial

* *Independent Director.*
** *Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*

Composition

The Board Charter lists the principles for the composition of CARE.

Board Charter provisions governing the composition of CARE

The CARE shall consist of three (3) to eight (8) 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 CARE shall hold qualifications or have technical or managerial experience in the financial or accounting fields.

The CARE Chair, selected from among the Independent Directors on the proposal of the Appointments and Governance Committee, shall be appointed or reappointed after a specific examination by the Board.

Upon their appointment, CARE members shall receive information on the Company's specific accounting, financial, extra-financial and operational features.

The CARE shall meet at least four (4) times per year and, in particular, before the approval of the annual and half-year financial statements. meetings of the CARE shall be convened by the CARE Chair or at the request of half of its members.

The composition of CARE has been designed to ensure that all its members have finance and/or accounting skills or appropriate professional experience in the areas within CARE's remit (see the biographical information on the directors concerned in Chapter 3.1.3).

Mr Philippe Lagayette, committee Chairman, has had a career in economics and finance in both the public and private sectors.

Mrs Cherie Blair, Queen's Counsel, is a leading barrister specialising in human rights and international law. Her career, characterised by a commitment to human rights and corporate social responsibility, makes her membership to this committee especially appropriate.

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. His experience allows him to participate in this committee and enrich its work.

Mrs Pascale Sourisse has had a career in management positions in various large companies in France and abroad. This professional experience means that she is especially suited to making an active contribution to all of the committee's work.

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 Éric Personne is a director representing the employees. He has a thorough knowledge of the Group, having worked for it since 1988, enabling him to have a firm grasp of the committee's business and actively take part in it. In addition, like Mr Benoit Ostertag, he has had specific training for the role of director, including training covering the accounting and financial aspects of company management.

Mrs Olivia Qiu has a background in engineering and has had a career in management positions in various companies internationally. This professional experience means that she is especially suited to making an active contribution to all of the committee's work.

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 a public shareholding.

Missions

Board Charter provisions governing the missions of CARE

The CARE 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 CARE:

- 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 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 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 General 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 General 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 CARE 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 CARE 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 General Management.

The CARE 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

CARE met six times in 2018, with an attendance rate of 90.7% (for details of attendance rate for each individual director, see the table in Chapter 3.1.2).

Pursuant to the applicable laws and regulations in force and the AFEP- MEDEF Code, CARE 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 2017, the Group's consolidated financial statements for the first half of 2018, and the related financial press releases. In particular, CARE 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 2018 performance with respect to the budget;
- the preparation of the 2019 budget;
- monitoring the 2017 internal audit plan and presentation of the 2018 internal audit plan;
- reviewing the draft financial resolutions proposed to the Annual General Meeting of June 15, 2018;
- reviewing the guarantees granted in 2018;
- monitoring the 2018 internal audit plan and presentation of the 2019 internal audit plan;
- the external audit plan presented by the Statutory Auditors as part of their statutory auditing mission;
- the independence of the Statutory Auditors;
- monitoring the non-audit services provided by the Statutory Auditors;
- the Statutory Auditors' renewal process;
- the undertakings and risks in Iran;
- mapping of the corruption risks and update on the action plan for the implementation of the French "Sapin II Act";
- implementation of the duty of vigilance legislation of parent companies and ordering companies;
- risks related to cybercrime;
- RCI's governance and risk control scheme;
- changes to IFRS standards;
- monitoring of financial risks;
- the work of the Ethics department;
- implementation of Regulation (EU) No 2016/679 of the European Parliament and of the 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;
- the implementation of the legislation on the declaration of extra-financial performance;
- internal control and risk control (mapping of the Group's major risks);
- monitoring of the main legal and tax disputes;
- activity report of the Ethics Director;
- strengthening the regulatory compliance system;
- activity report of the Head of Corporate Social Responsibility;
- monitoring of the internal verifications mission entrusted to the Ethics and Compliance Department (for more details regarding this mission, as well as the audit mission carried out on RNBV in 2019, see Chapter 3.5 of the Registration document).

The following points may also be noted:

- the Company's consolidated financial statements and corporate financial statements were examined by CARE during its meetings, held in due time in accordance with the AFEP-MEDEF Code; and
- one of CARE'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 Organisation Management, 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, as well as a report from the Chief Financial Officer describing the Company's risk exposure and off-balance-sheet commitments;
- CARE also auditioned the Company's Statutory Auditors without senior management being present.

After each CARE meeting a report is presented to the next meeting of the Board of Directors. These reports allow the Board to be fully informed, thus facilitating its deliberations. Furthermore, minutes are drawn up after each CARE meeting and approved by all its members.

3.1.6.2 Compensation Committee

NUMBER OF MEMBERS			NUMBER OF MEETINGS		
4	vs	6	**4**	vs	2
2018		2017	2018		2017

PERCENTAGE OF INDEPENDENT DIRECTORS			ATTENDANCE RATE		
100%	vs	100%	**100%**	vs	85.7%
2018		2017	2018		2017

MEMBERS AS OF DECEMBER 31, 2018

- Mrs Darmaillac * (Chairwoman)
- Mr Lagayette *
- Mr Personne **
- Mr Thomas *

* *Independent Director.*

** *Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*

Composition

The Board Charter lists the principles governing the composition of the Compensation Committee.

Board Charter provisions governing the composition of the Compensation Committee

The Committee shall consist of three (3) to five (5) 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 Appointments and Governance Committee, from among the Independent Directors. A director elected by the employees shall be appointed as a member of this committee. The committee may not include any senior executive officer.

Missions

Board Charter provisions governing the missions of the Compensation Committee

The Board assigns the following duties to the Compensation Committee:

- 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 fulfilment 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 four times in 2017. The attendance rate was 100% (for details of attendance rate of each individual director, see the table in Chapter 3.1.2).

Its activity included the following:

- setting the elements composing the Chairman and Chief Executive Officer's compensation for the 2017 financial year;
- the achievement rate of the performance criteria for the variable component of the Chairman and Chief Executive Officer's compensation for the 2017 financial year;
- monitoring the extent to which the performance objectives governing the deferred variable component in the form of shares allocated to the Chairman and Chief Executive Officer for the 2014 and 2015 financial years had been achieved (the Board of Directors having put an end to the adjustment clause for the annual variable component paid in shares as of the compensation due or allocated to the Chairman and Chief Executive Officer in respect of years from 2016 onward);
- monitoring the achievement rate of the 2015 performance share allocation plans;
- the summary table showing the components of the Chairman and Chief Executive Officer's compensation for the 2017 financial year, with a view to submitting it to the shareholders for their opinion pursuant to the AFEP-MEDEF Code;
- setting the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year;
- third-party agreements regarding the Chairman and Chief Executive Officer's compensation as part of the renewal of his term of office;
- performance share allocation plans for the 2018 financial year;
- amendment of the performance criteria for the 2016 and 2017 employee performance share allocation plans; and
- share offering reserved for Groupe Renault's employees.

3.1.6.3 Appointments and Governance Committee

	2018	vs	2017
NUMBER OF MEMBERS	4	vs	5
NUMBER OF MEETINGS	9	vs	4
PERCENTAGE OF INDEPENDENT DIRECTORS	75%	vs	80%
ATTENDANCE RATE	87.5%	vs	81.2%

MEMBERS AS OF DECEMBER 31, 2018

- Mr Thomas * (Chairman)
- Mrs Barba *
- Mrs Darmaillac *
- Mr Vial

* *Independent Director.*

Composition

The Board Charter lists the principles governing the composition of the Appointments and Governance Committee.

Board Charter provisions governing the composition of the Appointments and Governance Committee

The committee shall consist of three (3) to five (5) members appointed by the Board, the majority of whom shall be selected from among the Independent Directors. The committee may not include any senior executive officer.

Missions

Board Charter provisions governing the missions of the Appointments and Governance Committee

The Board assigns the following duties to the Appointments and Governance 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 General 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 social and environmental responsibility:
  - ensure that the Company and Group are sufficiently committed in terms of ethics, extra-financial compliance and environmental, social and societal responsibility,
  - examine the Group's policies, reference texts and charters on these matters, including the Group's code of ethics, and ensure their effectiveness,
  - review and assess procedures for reporting and controlling non-financial indicators (environmental, health and safety indicators and workforce-related reporting),
  - receive, every year, the presentation of the risk-mapping of the Group relating to 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,
  - review 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,
  - work to ensure that the Group takes into account extra-financial issues and long-term outlooks,
  - promote ethics, ensure that ethical rules are harmonized within Group entities and monitor their application,
  - examine Human Resources policies; and
  - receive, 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.

Committee activity

This committee met nine times in 2018. The attendance rate was 87.5% (for details of attendance rate for each director, see the table in Chapter 3.1.2).

Its activity included the following:

- the renewal of the directorships of Mrs Catherine Barba, Mrs Pascale Sourisse and Messrs Patrick Thomas and Yasuhiro Yamauchi;
- the co-opting of Messrs Thierry Derez and Thomas Courbe;
- the appointment of Mr Pierre Fleuriot at the Annual General Meeting of June 15, 2018;
- 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 composition of the Board of Directors' committees;
- the formal evaluation of the Board of Directors for the 2017 financial year assigned to an external firm (see Chapter 3.1.7);
- the renewal of Mr Carlos Ghosn's terms of office as Chairman of the Board and Chief Executive Officer of the Company, subject to renewal of his office as director of the Company;
- the review of the governance structure. The Chairman and Chief Executive Officer associated and consulted the committee on the appointment of Mr Thierry Bolloré as Group Chief Operating Officer. This approach was part of the preparation of a succession plan. The selection process consisted of two parts: first, to evaluate a panel of internal candidates and, second, to map and prepare an external preselection. This process was conducted with the assistance of an expert automotive consultant who established a profile in terms of experience, skills and career. The candidacy of Mr Thierry Bolloré stood out and the committee recommended his appointment to the Chairman and Chief Executive Officer;
- the report on corporate governance published in the 2017 Registration document;
- the implementation of Regulation no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR);
- the agenda of the Annual General Meeting of June 15, 2018; and
- the evolution of the AFEP-MEDEF Code.

3.1.6.4 (International, Industrial and Digital) Strategy Committee

	2018	vs	2017
NUMBER OF MEMBERS	8	vs	7
NUMBER OF MEETINGS	3	vs	5
PERCENTAGE OF INDEPENDENT DIRECTORS	80%	vs	50%
ATTENDANCE RATE	85.2%	vs	88.8%

MEMBERS AS OF DECEMBER 31, 2018

- Mrs Qiu * (Chairwoman)
- Mrs Barba *
- Mr Barrat **
- Mrs Bensalah Chaqroun *
- Mr Derez *
- Mr Gentil **
- Mr Ostertag **
- Mr Yamauchi

* *Independent Director.*

** *Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*

Composition

The Board Charter lists the principles governing the composition of the (International, Industrial and Digital) Strategy Committee.

Board Charter provisions governing the composition of the (International, Industrial and Digital) Strategy Committee

The committee shall consist of three (3) to nine (9) members appointed by the Board. The Chair of the Committee shall be appointed by the Board, on the proposal of the Appointments and Governance 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

Board Charter provisions governing the missions of the (International, Industrial and Digital) Strategy Committee

The (International, Industrial and Digital) Strategy Committee's main duty, as part of the work of the Board of Directors, shall be to regularly review the overall strategy of the Group and the Alliance, including, but not limited to, the following:

- mergers and acquisitions, disposals, strategic and partnership agreements that have a material impact on the strategy of the Group and the Alliance;
- the strategy as regards product and technology development;
- the competitiveness of production sites and of their supplier base;
- growth and financial strategy; and
- the Group's geographical expansion strategy,

and to make recommendations to the Board of Directors in this respect.

Committee activity

During its third year of existence, the committee met three times in 2018, having met five times in 2017. The committee aims to meet three or four times a year in rather long meetings in order to examine Group strategic issues in depth. The attendance rate was 85.2% (for details on the attendance per director, see the table in Chapter 3.1.2).

Its activities included the following:

- AVTOVAZ situation and Lada strategy;
- the launch of the CKD (Complete Knock-Down) phase in Algeria;
- the LCV (light commercial vehicle) offensive in China;
- capacity extension project in Morrocco;
- Alliance Manufacturing and Logistics converged function;
- Africa – Middle-East – India region status following the reimposition of US sanctions on Iran;
- the resilience of the supplier network in the context of geopolitical crisis; and
- the impact of new European emissions regulations (WLTP).

3.1.6.5 CSR Meeting

Board Charter provisions governing the CSR Meeting

The Chairs of the Board Committees shall meet at least once a year and be convened by the Chair of the Appointments and Governance Committee, in order to discuss social and environmental responsibility issues.

The meeting shall be chaired by the Chair of the Appointments and Governance Committee, who shall determine its agenda.

This meeting is set forth in the new Board Charter approved on March 15, 2019. Therefore, no CSR Meeting was held in 2018.

3.1.7 Evaluation of the Board of Directors

Each year, the Board of Directors carries out an evaluation of its operation with a view to improving the efficiency of its work and, at least once every three years, a formal evaluation with the help of external consultants.

Formal evaluations took place in 2014 and 2017.

The Board of Directors evaluated the work of the Board and its committees of 2018.

The Board members answered a survey. A presentation on the evaluation was provided during the meeting of the Appointments and Governance Committee held on February 25, 2019, then the results of the evaluation were presented during the meeting of the Board of Directors held on March 15, 2019.

The questionnaire notably addressed the following topics:

- the missions and tasks of the Board of Directors;
- the process of the Board of Directors;
- governance;
- the perception of the Board of Directors on the committees;
- the work of Audit, Risks and Ethics Committee;
- the work of Compensation Committee;
- the work of Appointments and Governance Committee;
- the work of International and Industrial Strategy Committee;
- the holding of the meetings and preparatory documentation;
- the composition of the Board of Directors;
- the relationships between the Board of Directors and senior management; and
- the individual contribution of each director and collective efficiency.

The evaluation was an opportunity to learn from recent events and reexamine the ways the Board of Directors and its Committees operate.

Directors wish to be more involved in defining strategic directions, monitoring the implementation of the long-term strategy, and better understand the impacts of decisions taken at the Alliance level.

Likewise, they want more time to deal with CSR issues in a transversal way.

In the interests of greater organizational efficiency, they want a more structured and complete restitution of the work of the various Committees.

They wish to continue to intensify the privileged moments of exchange with the members of the Group Executive Committee.

The revision of the AFEP-MEDEF Code in June 2018 and the evolution of the governance structure made it necessaary to amend the Board Charter, which also covers the functioning of the committees. The Board of Directors, on the basis of the work of the Appointments and Governance Committee, took this opportunity to change its practices and meet the expectations of the directors.

The Board noted that the areas of improvement identified by the directors in the 2017 evaluation had been partially taken into account, as follows:

- given the renewal of the Board composition, develop ties between directors by organizing theme days, especially as part of site visits, including meeting with teams. As every year, the Board of Directors organized its annual one-day strategic seminar, held at the heart of the World Motor Show in Paris, to discuss topics of importance for Groupe Renault. During this seminar, the directors were able to discover the vehicles of Groupe Renault's product range and benefit from an in-depth presentation, by operational managers, on the macroeconomic environment of the automotive market, on the strategy of Groupe Renault and its prospects following the "Drive the Future" strategic plan;
- widen the Board's competencies by recruiting directors with experience in the automotive industry and directors from companies that have already successfully implemented a digital revolution. The proposal to appoint Mrs Annette Winkler, former Chief Executive Officer of Smart, furthers this end; and
- allow an even closer participation to the discussions on strategy, notably by allowing directors who are not members of the International, Industrial and Digital Strategy Committee to participate in this committee when they so wish. The allocation of powers between the Board and the Committee will evolve to meet this expectation.

3.1.8 Implementation of the “comply or explain” rule

Pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code, the Company refers to the AFEP-MEDEF Code, whose recommendations it follows.

In application of the “comply or explain” rule specified in Article 27.1 of the AFEP-MEDEF Code and Article L. 225-37-4 of the French Commercial Code, no recommendation of this Code has been set excluded.

3.1.9 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 Registration document).

3.1.10 Factors that may be material in the event of a takeover bid

Factors that may be material in the event of a takeover bid as defined by Article L. 225-37-5 of the French Commercial Code are detailed in Chapter 5.2.6.3 of the Registration document.

3.1.11 Summary table of ongoing delegations in respect of capital increases

The summary table of ongoing delegations authorised by the Annual General Meeting of the Company to the Board of Directors with respect to share capital increases is presented in Chapter 5.2.4.2 of the Registration document.

3.2 COMPENSATION OF OFFICERS

As stated in the introduction to Chapter 3 of the Registration document, and pursuant to the provisions of Article L. 225-37-4 8° of the French Commercial Code, the Company has voluntarily chosen to refer to the June 2018 version of the AFEP-MEDEF Code.

3.2.1 General principles relating to the compensation of the corporate officers

Once a year, as recommended by the Compensation Committee, the Board of Directors sets the components of the compensation due or awarded to the corporate officers.

The Company's compensation policy is regularly reviewed in the meetings of the Compensation Committee, which is composed mainly of Independent Directors and chaired by Mrs Marie-Annick Darmaillac (Independent Director). In its recommendations, the Compensation Committee takes into account the balance of the different components of the corporate officers' compensation.

The compensation policy for the non-executive officer 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 attendance fees.

The compensation policy for the executive officer is based on six simple, stable, transparent practices:

• 1 **Closely linked to the Company's strategy**	• The compensation is closely linked to the implementation and results of the strategy.
• 2 **Performance-oriented**	• The variable component of the executive officer's compensation represents a fraction of the total compensation that is more significant compared to the one usually applied in the market and ensures the interests of the executive officer are aligned with the Company's performance. • No variable compensation is granted in the event of under-performance.
• 3 **Focus on long-term performance**	• Most of the executive officer's 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.

More generally, the Compensation Committee regularly ensures that corporate officers' compensation complies with all applicable laws and requirements in terms of corporate governance.

In addition, the committee takes into account the best market practices regarding the compensation of executive officers:

Market 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; • Review performance criteria and only make modifications when there are material changes to our business strategy and in order to maintain the alignment with shareholders; • Clear mention of a cap for all variable elements; • Set demanding performance conditions; • Include CSR criteria; • 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; • 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 Compensation Committee, assisted by a firm of specialised 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.

The Compensation Committee also takes into account the expectations voiced by Renault main shareholders by way of regular meetings.

Compensation structure for the executive officer

The compensation policy for the Chief Executive Officer consists of:

- **a fixed portion**, corresponding to a fixed compensation in cash determined in line with the role, level of responsibility, and experience of the executive officer;
- **a portion subject to performance conditions**, comprising two distinct sub-components:
  - **annual variable compensation:** this aims to ensure that part of the compensation of the executive officer depends on the Company's main operational, financial, and managerial objectives being achieved,
  - **long-term compensation:** this consists of performance shares, designed to strengthen the alignment of the interests of the executive officer with those of shareholders by making their vesting subject to the achievement of performance criteria assessed over a period of three years. In addition to the performance criteria, the vesting of shares is subject to a presence condition of three years following the allocation of the performance shares.

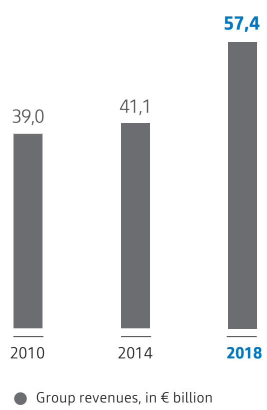
In addition to these compensation components, the Chief Executive Officer benefits from a **top-up pension scheme** and signed a **non-compete agreement** with the Company.

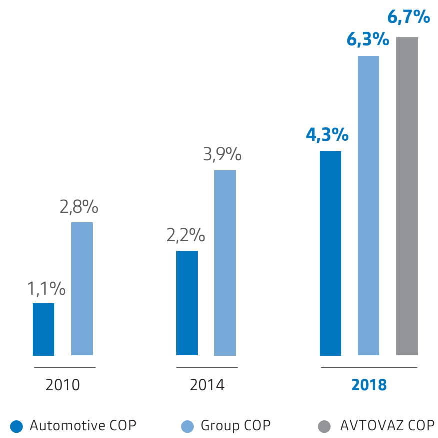
Pursuant to the recommendations of the AFEP-MEDEF Code and the recommendations of the French Financial Market Authority (*Autorité des Marchés Financiers*, **AMF**), the Chief Executive Officer does not hold an employment contract with the Company.

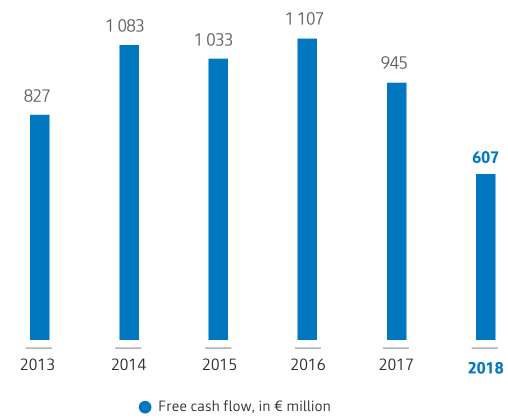
3.2.2 Compensation of the Chairman and Chief Executive Officer for 2018

3.2.2.1 Groupe Renault's performance in 2018

The compensation components of the Chairman and Chief Executive Officer must be viewed in the light of Groupe Renault's financial results for the year ended December 31, 2018.







Once again this year, the Group achieved or exceeded the targets communicated to the financial markets. This performance was achieved despite an environment which was more difficult than expected, especially in the second half of the year, thus demonstrating the resilience of the Company.

In 2018, the Group registered nearly 3.9 million vehicles (+3.2%). This growth reflects the integration of Chinese brands Jinbei and Huasong since January 1, 2018. On a comparable structure, our registrations were down 1.2%, due to the decline in Turkey and India and the cessation of sales in Iran due to the application of American sanctions.

Group revenues amounted to €57,419 million, *i.e.*, a decrease of 2.3%. This decline is explained by the fall of certain currencies which weighed for 4.1 points. At constant exchange rates, revenues would have increased by 2.5%.

Groupe Renault's operating margin reached €3,612 million compared to €3,854 million in 2017. It represents 6.3% of revenue compared to 6.6% the previous year, but the margin was penalized by the implementation of IFRS 15, which weighed 0.2 points.

AVTOVAZ continued its recovery with an operating margin of 6.7% compared to 2% in 2017.

Groupe Renault's net income dropped to €3,451 million compared to €5,308 million in 2017. This decrease is attributable to non-recurring charges higher than last year but mainly to a lower contribution from Nissan. In addition to weaker operating performance, Nissan's result was penalized by the non-recurrence of positive elements recorded in 2017.

The Group's net liquidity position amounted to €3,702 million, up € 493 million.

Automotive operating free cash flow was positive for the ninth year in a row, amounting to €607 million.

The Board of Directors will propose a dividend of €3.55 per share at the next Annual General Meeting; this amount is stable compared to last year.

3.2.2.2 2018 compensation components

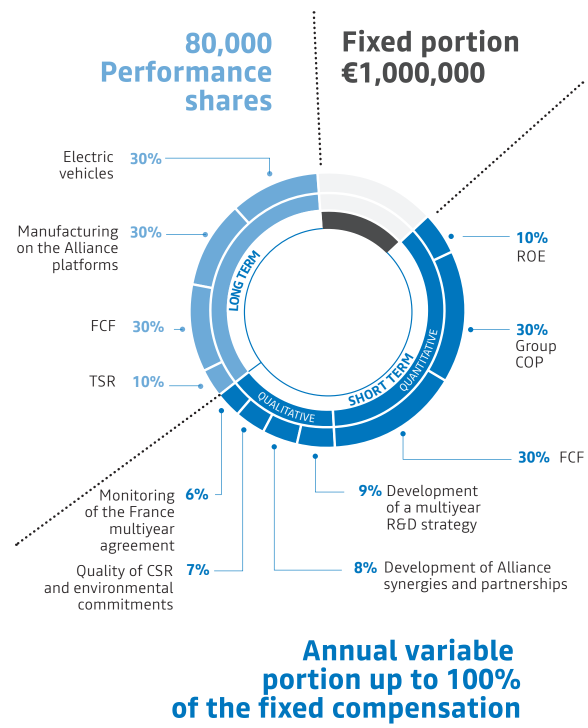
The elements composing the compensation for the Chairman and Chief Executive Officer due or allocated for the 2018 financial year, to be submitted for the vote of the shareholders during the Annual General Meeting on June 12, 2019 pursuant to Article L. 225-100 of the French Commercial Code, are set out below.

These compensation components must take into account not only Groupe Renault's financial results for the 2018 financial year (for more details, see Chapter 3.2.2.1), but also Mr Carlos Ghosn's impediment.

It should be noted that:

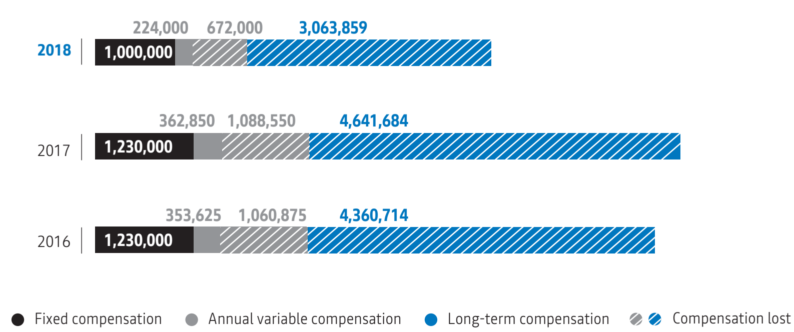
- the compensation policy pursuant to which these compensation elements were paid or allocated to the Chairman and Chief Executive Officer during the 2018 financial year had been approved by the Company's shareholders during the Annual General Meeting of June 15, 2018;
- the payment of the variable and exceptional compensation elements of the Chairman and Chief Executive Officer for the 2018 financial year is subject to the approval by the Annual General Meeting of June 12, 2019 of the components of the overall compensation and of benefits of any kind paid or allocated to the Chairman and Chief Executive Officer for the 2018 financial year.

Structure of the Chairman and Chief Executive Officer's compensation for the 2018 financial year



For more details on the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year, see Chapter 3.4.2 of the 2017 Registration document.

Evolution of the Chairman and Chief Executive Officer's compensation



Due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019, the presence condition applicable both to the deferred portion of his variable compensation for the financial years from 2014 to 2017 and to the performance shares that had been allocated to him in respect of his long-term compensation for the financial years from 2015 to 2018 cannot be met.

Therefore, during its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of all of the shares allocated in respect of the deferred portion of his variable compensation for the financial years from 2014 to 2017 and performance shares that had been allocated to him in respect of his long-term compensation for the financial years from 2015 to 2018.

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded that Mr Carlos Ghosn could not meet the presence condition attached to the shares corresponding to the deferred variable portion of his compensation for the 2018 financial year.

Chairman and Chief Executive Officer's compensation for 2018

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the following compensation components due or awarded to Mr Carlos Ghosn for the financial year ending December 31, 2017, are submitted to the shareholders' vote.

The compensation components concerned relate to the following: (i) the fixed portion, (ii) the annual variable portion including the variable portion paid in the form of deferred shares (iii) the performance shares, (iv) the pension scheme, (v) benefits of any kind, and (vi) the non-compete indemnity.

The compensation components due or awarded to Mr Carlos Ghosn, Chairman and Chief Executive Officer, for the 2018 financial year are as follows:

Compensation components due or awarded for the 2017 financial year	Amounts or book value put to the vote	Comments
Fixed compensation	€1,000,000 (amount paid)	The amount of the fixed portion was decided by the Board of Directors on February 15, 2018, following the recommendation of the Compensation Committee.

Annual variable compensation	€224,000 (amount to be paid in cash)	During its meeting on February 15, 2018, the Board of Directors, on the recommendation of the Compensation Committee, decided that the variable component for the Chairman and Chief Executive Officer should correspond to a percentage of the fixed component of up to 100% if all the performance targets are achieved.
		The performance criteria set by the Board of Directors for the 2018 financial year are as follows:
		• three quantifiable performance criteria relating to financial performance (70% maximum):
		  • rate of return on equity (10% maximum),
		  • Group operating margin (30% maximum),
		  • free cash flow (30% maximum);
		• four qualitative criteria relating to managerial quality (30% maximum):
		  • monitoring of France multiyear agreement (6% maximum),
		  • quality of CSR and environmental commitments (7% maximum),
		  • development of Alliance synergies and partnerships (8% maximum),
		  • development of a multiyear R&D strategy (9% maximum).
		The Board of Directors checked that the criteria chosen for the Chief Executive Officer's variable compensation portion also ensured alignment of his interests with the Company's corporate interests and shareholders' interests.
		The quantified targets for each of the performance criteria are described in Chapter 3.4.2 of the 2017 Registration document.
		
		On April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, deemed that the rate of achievement of the financial criteria was 65.6% and the degree of achievement of the qualitative criteria was 24%, broken down as follows:
		• quantifiable criteria: 65.6% out of a maximum of 70%, broken down as follows:
		  • rate of return on equity: 8.6% out of a maximum of 10%. The return on equity was higher than 8% and lower than 10%,
		  • operating margin: 30% out of a maximum of 30%. The operating margin budget was 6.2% and the 2018 Group operating margin amounted to 6.3%,
		  • free cash flow: 27% out of a maximum of 30%. The free cash flow budget was €450 million and the 2018 free cash flow amounted to €607 million;
		• qualitative criteria: 24% out of a maximum 30%, broken down as follows:
		  • monitoring of the France multiyear agreement: 5% out of a maximum of 6%,
		  • quality of CSR and environmental commitments: 7% out of a maximum of 7%,
		  • development of Alliance synergies and partnerships: 5% out of a maximum of 8%,
		  • development of a multiyear R&D strategy: 7% out of a maximum of 9%.
		Consequently, the variable compensation for the 2018 financial year amounts to 89.6% of the fixed portion, *i.e.*, €896,000 (compared to €1,451,400 for 2017, *i.e.*, 118% of the fixed portion).
		
		On the recommendation of the Compensation Committee, the Board of Directors of April 3, 2019 also validated the means for payment of this variable portion pursuant to the following terms, as follows:
		• 25% payable in cash in 2019, *i.e.*, €224,000;
		• the balance, *i.e.*, €672,000, payable in shares on a deferred basis, pursuant to the terms set out below (the "**Variable compensation paid in shares on a deferred basis**").
		With regard to Mr Carlos Ghosn's variable compensation for the 2018 financial year, the Board of Directors, upon recommendation of the Compensation Committee, noted that the portion of the variable compensation payable by deferred delivery of shares cannot be paid to Mr Carlos Ghosn, due to the end of his duties on January 23, 2019 which makes the attendance condition attached to this delivery of shares impossible to satisfy. Consequently, the Board of Directors noted that Mr Carlos Ghosn's variable compensation for the 2018 financial year would be equal to the sole portion payable in cash, which amounts to a gross amount of €224,000 in accordance with the performance objectives that were set by the Board of Directors in 2018 and approved by the General Meeting on June 15, 2018.
		The Board of Directors also considered that, in assessing Mr Carlos Ghosn's performance, it was appropriate to take into account the questions that emerged, as at the date hereof, in the context of the audit assignment conducted by the Company's Ethics and Compliance Department, about transactions undertaken by the latter in his capacity as Chairman and Chief Executive Officer of the Company, due to questionable and concealed practices. In this context, the Board of Directors has decided to recommend to the Annual General Meeting that the meeting does not approve the resolution to be submitted to it pursuant to Article L. 225-100 of the French Commercial Code, relating to the fixed, variable and exceptional compensation items due or allocated to Mr Carlos Ghosn for the 2018 financial year. If the Annual General Meeting does not approve this resolution, Mr Carlos Ghosn will not receive the portion payable in cash of his variable compensation for 2018.

Variable compensation paid in shares on a deferred basis	€0	Vesting of shares received as part of the variable compensation paid in shares on a deferred basis for the 2018 financial year is subject to a three-year presence condition. Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019 renders him unable to meet the three-year presence condition attached to the shares, so that the variable compensation can not be paid to Mr Carlos Ghosn.

Compensation components due or awarded for the 2017 financial year	Amounts or book value put to the vote	Comments
Multiyear variable compensation	N/A	No multiyear variable compensation.
Exceptional compensation	N/A	No exceptional compensation.
Long-term compensation components: stock options	N/A	No allocation.
Long-term compensation components: performance shares	€0	Pursuant to the authorisation granted by the Annual General Meeting on April 29, 2016 (Resolution 13), following the recommendation of the Compensation Committee, on February 15, 2018 the Board of Directors decided to award 80,000 performance shares to the Chairman and Chief Executive Officer for the 2018 financial year. This allocation represents 1.80% of the overall budget approved by the Annual General Meeting of April 29, 2016, 5.42% of the overall budget allocated to all the beneficiaries on June 15, 2018 and 0.03% of the share capital as at 31 December 2018. Vesting by the Chairman and Chief Executive Officer of the 80,000 shares is subject to the following: • a four (4) year presence condition, starting on the date of allocation, *i.e.*, until February 9, 2022; and • performance criteria, assessed over a cumulative period of three years (2018, 2019 and 2020 financial years). Following the recommendation of the Compensation Committee, the Board of Directors of February 15, 2018 decided on the following performance criteria: • total shareholder return (TSR), compared to the average TSRs of the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index, for 10% of the shares; • free cash flow (FCF), for 30% of the shares; • manufacturing on the Alliance platforms, for 30% of the shares; and • electric vehicles sales volume, for 30% of the shares. The quantified targets corresponding to these criteria are described in Chapter 3.4.2 of the 2017 Registration document. The authorisation granted by the Annual General Meeting on April 29, 2016 covers all performance share allocations as follows: • the total number of performance shares awarded may not exceed 1.5% of the share capital over three years, *i.e.*, an average of 0.5% of the share capital each year; • the number of performance shares allocated to the Chairman and Chief Executive Officer may not exceed 15% of the total number of shares awarded. The Chairman and Chief Executive Officer is not subject to a lock-up period beyond the vesting period with respect to the plan. He is however subject to an obligation to retain 25% of the vested performance shares in his capacity as Chief Executive Officer, until the end of his term of office. During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2018 financial year due to his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.
Long-term compensation components: other components	N/A	No allocation.
Attendance fees	€48,000 (amount to be paid)	This gross amount is paid in respect of his directorship within Renault. The calculation methods applicable to the fees paid to members of the Board of Directors are as follows: • a fixed portion of €18,000 per year, in respect of membership of the Board; and • a variable portion of €6,000 per meeting, in respect of the effective presence of members at Board Meetings. The fixed and variable portions are capped at an overall amount of €48,000 per year. Mr Carlos Ghosn does not receive attendance fees in respect of his participation at any Board Committee Meetings.
Valuation of benefits of any kind	€5,610 (book value)	This amount of benefits in kind corresponds to the healthcare insurance contribution payments.
Termination benefit	N/A	There is no severance pay clause to the benefit of the Chairman and Chief Executive Officer.
Non-compete indemnity	N/A	During the meeting on February 11, 2015, the Board of Directors authorised the signature of a non-compete agreement between the Company and Mr Carlos Ghosn, whereby the latter undertakes, as of the end of his term of office as Chief Executive Officer, not to conduct business in competition with that of Groupe Renault, whether directly or indirectly, either for his own account, or for another company. "Business in competition with that of Groupe Renault" means any activity relating to the design, manufacturing, or marketing of vehicles (particularly private vehicles and commercial vehicles) conducted in the same geographic and sector-based areas as that of Groupe Renault at the time when his term of office expires. In particular, the Board of Directors took into consideration: (i) the particularly competitive nature of the market in which the Group operates, (ii) the importance of the functions and recognised skills of Mr Carlos Ghosn in this market, (iii) the resources placed at his disposal, (iv) the sensitive information which Mr Carlos Ghosn is aware of or may have access to, and (v) the relationships which he has developed during his office, and concluded that it is necessary to protect the legitimate interests of Groupe Renault by introducing this non-compete agreement. In consideration of his non-compete obligation, Mr Carlos Ghosn would receive gross financial compensation from the Company, throughout the period of application of the agreement (2 years), subject to this agreement not being breached, corresponding to 2 years' total gross compensation (fixed and variable components), paid in 24 monthly installments. The Annual General Meeting on April 30, 2015 approved the implementation of this non-compete agreement. During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided to unilaterally waive the benefit of the non-compete agreement and, consequently, not to pay the corresponding compensation equal to two years fixed and variable compensation.

Compensation components due or awarded for the 2017 financial year	Amounts or book value put to the vote	Comments
Top-up Pension scheme	No amount due for the past financial year	Mr Carlos Ghosn benefits from the collective pension scheme arranged for the members of Groupe Renault's Executive Committee. This scheme is open to new beneficiaries. The scheme was approved by the Board of Directors in its meetings on October 28, 2004 and October 31, 2006, and by the Annual General Meeting on April 30, 2010 (Resolution 10). It was further confirmed by the Board of Directors on February 12, 2014, and approved by the Annual General Meeting on April 30, 2014 (Resolution 7). The pension scheme includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme. (a) **Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)** Mr Carlos Ghosn benefits from a defined-contribution scheme; these contributions correspond to 8% of that part of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this 8% total, 5% is paid by the Company and 3% by Mr Carlos Ghosn. The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme. (b) **Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)** Mr Carlos Ghosn also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm. Benefiting from this scheme is subject to a seniority condition (five years minimum with the Company and at least two years on the Group Executive Committee) and a presence condition as Chief Executive Officer, applied as of retirement. The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three highest gross annual compensations (fixed and variable components) over the last ten years of activity prior to retirement. The annual amount paid into this pension scheme is equal to 10% of the reference compensation, this percentage rising by 1.4 percentage points per year of seniority in excess of five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority other than on the Group Executive Committee, in the case of more than five years' seniority with the Company. The amount is capped at 30% of the reference compensation. The reference compensation in question is capped at 65 times the annual French Social Security cap. In any event, the total of these annual pension amounts for the Chairman and Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of the top-up defined-benefit pension will be reduced accordingly. The Company's commitments with respect to its Chairman and Chief Executive Officer as of December 31, 2017, based on his seniority as of December 31, 2017, correspond to the following: • €15,861 per year for the defined-contribution pension scheme; • €774,774 gross annual retirement pension for the top-up defined-benefit pension scheme. Upon the recommendation of the Compensation Committee, the Board of Directors held on April 3, 2019 noted, with regard to the defined contribution pension scheme, that Mr Carlos Ghosn's eligibility conditions for the annual pension can only be assessed on the day on which he would exercise his pension rights. The Board of Directors also noted, with respect to the top-up defined-benefit pension scheme, that the circumstances of Mr Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.

3.2.2.3 Adjustment of annual variable compensation for previous financial years

In addition to a four-year presence condition with the Company, vesting of the shares received as part of the deferred variable component by the Chairman and Chief Executive Officer for the 2013, 2014, and 2015 financial years was subject to financial performance criteria, achievement of which was assessed over three consecutive financial years.

At the time of the annual assessment of achievement of performance criteria, the number of shares corresponding to the deferred variable component of the compensation due to the Chairman and Chief Executive Officer for these financial years was adjusted.

This adjustment, which may have resulted in the number of shares allocated to the Chairman and Chief Executive Officer being reduced or increased by up to 15% each year, was determined on the basis of the same three quantifiable criteria used to calculate the amount of the variable component of the compensation due to the Chairman and Chief Executive Officer for the financial year in question, *i.e.*, the rate of return on equity, the operating margin, and free cash flow.

On the recommendation of the Compensation Committee, during the annual assessment, the Board of Directors had decided that the performance criteria had been achieved to the highest possible degree, as a result of which it had been decided that the adjustment of the deferred variable component should be 115%. This adjustment was the result of the very high growth in financial results during the 2014-2018 period.

The table below summarises deferred variable compensation adjustments due for the 2013, 2014, and 2015 financial years, it being specified that the deferred variable component of this compensation would once again be adjusted for the 2015 financial year, depending on the degree of achievement of performance criteria:

Year	Amount of the deferred component of the variable portion	Average share price 20 days prior to the Board meeting	Number of deferred shares allocated	Number of shares after adjustment for 2014 (x1.15)	Number of shares after adjustment for 2015 (x1.15)	Number of shares after adjustment for 2016 (x1.15)	Number of shares after adjustment for 2017 (x1.15)	Number of shares after adjustment for 2018 (x1.0937)
2013	€1,038,735	€65.11	15,954	18,347	21,099	24,264	-	-
2014	€1,360,687	€67.25	20,233	-	23,267	26,757	30,771	-
2015	€1,337,625	€75.79	17,649	-	-	20,296	23,340	25,527

Vesting of the shares due in respect of the Chairman and Chief Executive Officer's deferred variable component was subject to a presence condition with the Company four years after the date of allocation of the shares, *i.e.*:

- February 2018 for the deferred variable component due for the 2013 financial year;
- February 2019 for the deferred variable component due for the 2014 financial year; and
- February 2020 for the deferred variable component due for the 2015 financial year.

The 24,264 shares for the deferred variable portion for 2013 were delivered on February 13, 2018 and represented a value of € 2,064,866 as at that date (Renault share price as at February 13, 2018: €85,10).

In the event of departure from Groupe Renault prior to the date of vesting, it was stipulated that the Chairman and Chief Executive Officer would lose the benefit of the shares allocated to him, except in the case of enforced or voluntary retirement.

In 2016, the Company's compensation policy was altered in order to discontinue any adjustment of the annual variable component paid in shares for compensation due from the 2016 financial year onwards, with a view to simplifying the compensation structure.

During its meetings of February 13, 2019 and April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's shares corresponding to the deferred variable portion of his compensation for the 2014, 2015, 2016, 2017 and 2018 financial years given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

3.2.2.4 Achievement rates of the performance criteria for previous long-term incentive plans

As part of a transparency process, the Company committed to disclose in its Registration document the achievement rate determined by the Board of Directors for performance criteria applicable to long-term incentive plans of the Chairman and Chief Executive Officer, at the end of the three-year period over which these criteria are assessed. The Board of Directors considers that this approach allows shareholders to better apprehend the stringency level of the performance criteria.

The table below lists the Chairman and Chief Executive Officer's performance criteria achievement rates for long-term incentive plans whose vesting and lock-up periods have ended.

Year plan	LTI Plan	Achievement rate (plans for which the performance evaluation period has ended)
2011	Plan 17	Criteria not achieved
2011-2013	Plan 18	100%
2012	Plan 19	50%
2013	Plan 20	88,48%
2014	Plan 21 bis	95.21%
2015	Plan 22	96.66%

To assess the stringency of the performance criteria for long-term incentive plans, the following should be noted:

- the automotive industry is a cyclical business. Taking into account the capital that needs to be invested, in particular in research, development and production plants, profitability has historically shown a certain degree of volatility;
- the Company's profitability is therefore largely dependent on the situation of automotive markets, in particular the European market, and the quality of execution of strategic plans.

During its meeting held on June 15, 2018, the Board of Directors determined the achievement rate of the performance criteria of the 2015 long-term incentive plan, as follows:

FCF	Automotive OM	TSR	Achievement rate
FCF higher than the budget +10% Achievement rate of 33.33%	3rd place on the overall period Achievement rate of 30%	TSR higher than the index Achievement rate of 33.33%	96.66%

During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2015, 2016, 2017 and 2018 financial years due to the non-fulfillment of the presence condition applicable to these allocations as a result of his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019.

3.2.2.5 Summary tables drawn up pursuant to the recommendations of the AFEP-MEDEF Code and the French Financial Market Authority

The following tables have been drawn up pursuant to the recommendations of the AFEP-MEDEF Code and the French Financial Market Authority (AMF).

Mr Thierry Bolloré was appointed as Deputy Chief Executive Officer on November 20, 2018 and did not receive any compensation for his office during the 2018 financial year (for more details, see Chapter 3.2.3. of the Registration document). Therefore, the information presented in the summary tables below relates only to the Chairman and Chief Executive Officer.

TABLE 1 – SUMMARY OF THE COMPENSATION, OPTIONS, AND SHARES ALLOCATED TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 1 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	2018	2017	2016
Carlos Ghosn – Chairman and Chief Executive Officer			
Compensation due for the financial year (details provided in table 2 below)	1,277,610	2,734,550	2,698,022
Valuation of options allocated during the financial year (details provided in table 4 below) (1)	Nil	Nil	Nil
Valuation of performance shares allocated during the financial year (details provided in table 6 below)	3,063,859	4,641,684	4,360,714
Valuation of other long-term compensation plans	Nil	Nil	Nil
TOTAL (THEORETICAL)	**5,013,469**	**7,376,234**	**7,058,736**
Valuation of shares corresponding to the deferred variable compensation of the financial year and permanently lost	(672,000)	(1,088,550)	(1,060,875)
Valuation of the performance shares allocated during the financial year and permanently lost	(3,063,859)	(4,641,684)	(4,360,714)
TOTAL (ACTUAL)	**1,277,610**	**1,646,000**	**1,637,147**

(1) No option has been allocated since the 2013 financial year. The allocations for the 2013 financial year were made on December 13, 2012.

The Chairman and Chief Executive Officer's theoretical total compensation shown in the summary table no. 1 takes into account the theoretical value of his performance shares and shares corresponding to his deferred variable compensation, which had been allocated to him in respect of the financial years mentioned. However, during its meetings of February 13 and April 3, 2019 the Board of Directors recorded the loss of Mr Carlos Ghosn's performance shares allocated for the financial years from 2015 to 2018, as well as the shares corresponding to his deferred variable compensation for the financial years from 2014 to 2018, given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

TABLE 2 – OVERVIEW OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION

(TABLE NO. 2 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

a) The Chairman and Chief Executive Officer's total compensation paid by the Company was as follows *(in euros)*

	2018 amounts		2017 amounts		2016 amounts	
Carlos Ghosn	**Due**	**Paid**	**Due**	**Paid**	**Due**	**Paid**
Fixed compensation	1,000,000	1,000,000	1,230,000	1,230,000	1,230,000	1,230,000
Variable compensation paid as cash salary (1)	224,000	362,850	362,850	353, 625	353,625	445,875
Variable compensation paid in shares, subject to conditions (2)	672,000	0	1,088,550	0	1,060,875	0
Variable compensation for 2013 paid in shares (3)	Nil	2,064,866				
Exceptional compensation	Nil	Nil	Nil	Nil	Nil	Nil
Attendance fees	48,000	47,540	47,540	47,540	48,000	48,000
Benefits in kind	5,610	5,610	5,610	5,610	5,522	5,522
TOTAL	**1,949,610**	**3,480,866**	**2,734,550**	**1,636,775**	**2,698,022**	**1,729,397**

(1) During its meeting of April 3, 2019, the Board of Directors considered that, in assessing Mr Carlos Ghosn's performance, it was appropriate to take into account the questions that emerged, as at the date hereof, in the context of the audit assignment conducted by the Company's Ethics and Compliance Department, about transactions undertaken by the latter in his capacity as Chairman and Chief Executive Officer of the Company, due to questionable and concealed practices. In this context, the Board of Directors has decided to recommend to the Annual General Meeting that the meeting does not approve the resolution to be submitted to it pursuant to Article L. 225-100 of the French Commercial Code, relating to the fixed, variable and exceptional compensation items due or allocated to Mr Carlos Ghosn for the 2018 financial year. If the Annual General Meeting does not approve this resolution, Mr Carlos Ghosn will not receive the portion payable in cash of his variable compensation for 2018.

(2) Starting from the variable portion for 2016, the Board of Directors decided that 75% of the variable portion due for any given financial year would be converted into shares, the vesting of which would be subject to presence conditions (this scheme is described in Chapter 3.2.2.3 of the Registration document). During its meetings of February 13, 2019 and April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's shares corresponding to the deferred variable portion of his compensation for the 2014, 2015, 2016, 2017 and 2018 financial years given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

(3) It is recalled that the 24,264 shares were delivered on February 12, 2018 in respect of the 2013 variable portion, which represents a value of € 2,064,866 which has been declared in order to pay the corresponding social and tax contributions. For more details on the adjustments of the variable components, see Chapter 3.2.2.3 of the Registration document.

b) Compensation for his offices with Nissan Motor Co., Ltd.

Pursuant to the information published by Nissan on June 29, 2017 and June 28, 2018 in its Yukashoken-Hokokusho annual document for the 2016 financial year (from April 1, 2016 to March 31, 2017) and the 2017 financial year (from April 1, 2017 to March 31, 2018) respectively, the total compensation received by Mr Carlos Ghosn was ¥1,098 million for the 2016 financial year in respect of his offices as Chairman and Chief Executive Officer of Nissan and ¥735 million for 2017 in respect of his offices as Chairman of the Board of Directors of Nissan.

It may be noted that based on the European Central Bank's exchange rate as of March 29, 2018 (*i.e.*, €1 = ¥131.15*),* ¥735 million corresponds to approximately €5,604,270.

In its *Shihanki-Houkokusho* report for the third quarter of fiscal year 2018 (from April 1, 2018 to March 31, 2019), Nissan states that, based on the results of its investigation and the indictments of the Tokyo District Attorney's Office for misstatements in its annual reports regarding Mr Carlos Ghosn's compensation, Nissan recorded ¥9,232 million expenses as of December 31, 2018 for the fiscal years 2009 to 2017.

This information, along with any updates, is directly accessible on the Nissan website at the following URL: https://www.nissan-global.com/EN/IR/.

It should also be noted that on November 22, 2018, Mr Carlos Ghosn was revoked from his office as Chairman of the Board of Directors of Nissan. He was dismissed from his directorship of Nissan by the company's Extraordinary General Shareholders' Meeting of April 8, 2019.

c) Compensation for his offices with Mitsubishi Motors Corporation

As of December 2016, Mr Carlos Ghosn was Chairman of the Board of Directors of Mitsubishi. Japanese Law requires the disclosure of compensations exceeding ¥ 100 million. Mitsubishi has not published any compensation for Mr Carlos Ghosn in its *Yukashoken-Hokokusho* annual document for the 2017 financial year.

It should be noted that on November 26, 2018, Mr Carlos Ghosn was revoked from his office as Chairman of the Board of Directors of Mitsubishi. To date, he retains his directorship of Mitsubishi.

TABLE 3 – OVERVIEW OF THE CHIEF EXECUTIVE OFFICER'S BENEFITS

(TABLE NO. 11 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

Chief Executive Officer	Contract of employment	Pension scheme	Payments and benefits due or liable to be due following cessation/change of office	Payments arising from a non-compete agreement	Other compensation
Carlos Ghosn Chairman and Chief Executive Officer	No	Yes	No	No*	No

* *During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided to unilaterally waive the benefit of the non-compete agreement.*

TABLE 4 – STOCK OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 4 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

No stock options were allocated to the Chief Executive Officer during the 2018 financial year.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 5 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

The Chief Executive Officer did not exercise any stock options during the 2018 financial year. He no longer holds stock options.

TABLE 6 – PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 6 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	Number and date of the plan	Number of shares	Value of performance shares using the method adopted for consolidated accounts	Vesting date	Availability date	Performance conditions
Carlos Ghosn	No. 25 15/02/2018	80,000	3,063,859	15/02/2022	15/02/2022	Yes

During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's performance shares allocated in respect of the 2018 financial year due to his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019

TABLE 7 – PERFORMANCE SHARES AWARDED TO THE CHIEF EXECUTIVE OFFICER WHICH BECAME AVAILABLE DURING THE FINANCIAL YEAR

(TABLE NO. 7 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	Number and date of the plan	Number of shares becoming available during the financial year	Vesting conditions
Carlos Ghosn	Plan No. 21 *bis* Shares February 12, 2014	95,210	1. Free cash-flow ("FCF") 2. Automotive operating margin variation ("Automotive OM") 3. Total Shareholder Return ("TSR")

The performance shares of Plan No. 21 *bis* were definitively acquired on February 12, 2018.

3.2.3 Compensation for the Deputy Chief Executive Officer for 2018

Mr Thierry Bolloré was appointed as Deputy Chief Executive Officer on November 20, 2018. He did not receive any compensation for his office during the 2018 financial year and retained the benefit of his employment contract until his appointment as Chief Executive Officer on January 24, 2019, date on which his employment agreement was terminated.

Pursuant to his employment contract, his compensation elements and benefits in respect of the 2018 financial year were as follows:

- a fixed compensation of €800,000 paid in twelve monthly installments;
- a variable compensation that can represent up to 125% of his fixed compensation if all the qualitative and quantitative performance criteria are achieved;
- a long-term compensation in the form of 50,000 performance shares;
- a profit-sharing scheme;
- benefits in kind (cars);
- a non-compete agreement; and
- the benefit of a collective top-up pension scheme arranged for the members of the Group Executive Committee which includes a defined-contribution scheme and a top-up defined-benefit pension scheme.

The overall achievement rate of the targets for Mr Thierry Bolloré's variable compensation was set at 110.73%. Therefore, his variable compensation for 2018, payable in cash, amounts to €885,840.

3.2.4 Compensation policies for the corporate offers for the 2019 financial year

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, set the compensation policies for the Chairman and Chief Executive Officer (until his resignation on January 23, 2019) (Chapter 3.2.4.1 below), of the Chairman of the Board of Directors (Chapter 3.2.4.2 below) and of the Chief Executive Officer (Chapter 3.2.4.3 below).

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the compensation policy for each corporate officer for the 2019 financial year will be submitted to the Company's Combined General Meeting of June 12, 2019 for approval.

It should be noted that payment of potential variable and exceptional compensation components for the 2019 financial year is subject to the subsequent approval, by a Company Ordinary Annual General Meeting, of the fixed, variable, and exceptional components of the overall compensation and the benefits of all kinds paid or allocated for the 2019 financial year.

3.2.4.1 Compensation policy for the Chairman and Chief Executive Officer

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer for the 2019 financial year

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Company's Chairman and Chief Executive Officer for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, inserted in Chapter 3 of the Company's 2018 Registration document, and which are reminded in the report of the Company's Board of Directors.

During its meeting of March 15, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided that no compensation shall be paid or awarded for the 2019 financial year to Mr Carlos Ghosn, Chairman and Chief Executive Officer, who resigned as of January 23, 2019, given his impediment until this date.

3.2.4.2 Compensation policy for the Chairman of the Board of Directors

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chairman of the Board of Directors for the 2019 financial year

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Chairman of the Company's Board of Directors for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, inserted in Chapter 3 of the Company's 2018 Registration document, and which are reminded in the report of the Company's Board of Directors.

Annual fixed compensation

The annual fixed compensation for 2019 has been set to €450,000 payable in twelve monthly installments (pro rated as of January 24, 2019). The fixed portion of the compensation is generally not subject to an annual adjustment, unless a justified decision is taken by the Board of Directors to the contrary.

Annual variable compensation

The Chairman of the Board of Directors will not receive annual variable compensation.

Multiyear variable compensation

The Chairman of the Board of Directors will not receive multiyear variable compensation.

Exceptional compensation

The Chairman of the Board of Directors will not receive any exceptional compensation in 2019.

Long-term compensation

The Chairman of the Board of Directors will not receive long-term compensation.

Attendance fees

The Chairman of the Board of Directors will not receive attendance fees for his term as director.

Benefits in kind

The Chairman of the Board of Directors benefits from the same healthcare insurance as Groupe Renault employees in France, as well as from two company cars, including one with driver.

Service provision agreements

No service provision agreement has been entered into between the Company and the Chairman of the Board of Directors.

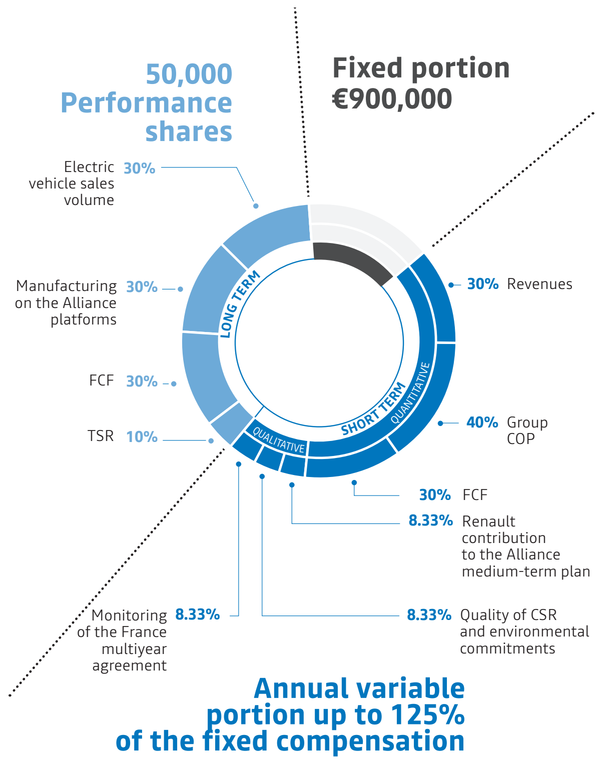
Sign-on bonus

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 clause or top-up pension scheme.

3.2.4.3 Compensation policy for the Chief Executive Officer



During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, set the compensation policy for the Chief Executive Officer for the 2019 financial year, pursuant to the principles set out above (see Chapter 3.2.1 of the Registration document).

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chief Executive Officer for the 2019 financial year

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Company's Chief Executive Officer for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, inserted in Chapter 3 of the Company's 2018 Registration document, and which are reminded in the report of the Company's Board of Directors.

Component	Payment method	Amounts	Performance and weighting criteria
• Fixed compensation	• 100% in cash.	• €950,000.	• Not applicable.
• Annual variable compensation	• 100% in cash.	• **Target variable portion of 100%** of the fixed compensation upon achievement of the quantifiable (financial) criteria budget and 125% maximum upon achievement of the quantifiable (financial) and qualitative (managerial) criteria.	• **Quantifiable (financial) criteria:** 100% upon achievement of the budget and maximum of the fixed compensation: • Group operating margin (Group OM), 40% if on budget and maximum, • Group revenues: 30% if on budget and maximum, • Free cash flow (FCF): 30% if on budget and maximum. • **Qualitative (managerial) criteria:** 25% maximum of the fixed compensation • Renault's contribution to the Alliance Mid-Term Plan: 8.33% maximum, • quality of CSR and environmental, commitments: 8.33% maximum, • monitoring of the multiyear competitive agreement in France: 8.33% maximum.
• Long-term compensation	• Vesting of performance shares subject to a 3-year presence condition and performance criteria being achieved. • 25% of the vested shares must be retained until the end of his term of office.	• **Allocation of 50,000 performance shares**, subject to performance criteria being achieved. • Assessment of the level of achievement of performance criteria over a cumulative 3-year period (2019, 2020 and 2021).	• **Performance criteria:** vesting of 50,000 shares maximum (100%) • TSR (total shareholder return) compared to the average TSRs of the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index: 10%, • Free cash flow (FCF): 30%, • Percentage of models manufactured on the Alliance platforms: 30%, • Electric vehicle sales volume: 30%.

Pursuant to the compensation principles set by the Board of Directors on the recommendation of the Compensation Committee, the compensation policy for the Chief Executive Officer focuses on performance and includes long-and short-term performance criteria that are demanding, stable, verifiable, and quantifiable.

The risk component of the compensation, mainly in the form of shares and, particularly, performance shares, corresponds to a dominant part of the Chief Executive Officer's potential compensation in the event the performance criteria are met.

In addition to these components, the Chief Executive Officer benefits from a top-up pension scheme and entered into a non-compete agreement with the Company.

The compensation policy for Chief Executive Officer for the 2019 financial year is set out below.

Annual fixed compensation

The annual fixed portion of the compensation for 2019 has been set to €900,000 paid in twelve monthly installments (pro rated as of January 24, 2019). The fixed portion of the compensation is generally not subject to an annual adjustment, unless a justified decision is taken by the Board of Directors to the contrary.

Annual variable compensation

The variable portion of the Chief Executive Officer's compensation corresponds to a percentage of the fixed portion, its amount being determined on the basis of performance criteria. On the recommendation of the Compensation Committee, these performance criteria are set by the Board of Directors, which assesses their achievement each year.

The amount of the variable portion may reach 125% of the fixed portion if all performance objectives are achieved to the maximum extent possible.

For the 2019 financial year, the performance criteria set by the Board of Directors, on the recommendation of the Compensation Committee, include three quantifiable criteria and three qualitative criteria. The Board has deemed these to be key indicators of Groupe Renault's performance.

The criteria and their weighting are shown in the tables below.

QUANTIFIABLE CRITERIA FOR THE 2019 FINANCIAL YEAR (0% TO 100% OF FIXED COMPENSATION)

	Group operating margin (Group OM)	Group revenues	Free cash flow (FCF)
Target	• The operating margin reflects the Company's profitability. • Achieving this target is a key indicator of the success of the Company's Mid-Term Plan.	• Revenue is the indicator that reflects the company's level of activity. • It shows the company's ability to "monetize" its activity. • It is one of the objectives of the Drive The Future strategic plan.	• A high level of free cash flow demonstrates that strict financial discipline within the Company. • Positive Automotive operating free cash flow is imposed each year and is a key driver of long-term growth and allows for dividend payments.
Weighting *(as a percentage of fixed compensation)*	• 40% if on budget and maximum.	• 30% if on budget and maximum.	• 30% if on budget and maximum.
Payout rate	• 0% if the operating margin is strictly lower than the budget; no payment is made. • 40% if the operating margin is equal to the budget.	• 0% if the revenues are strictly lower than the budget; no payment is made. • 30% if the revenues are equal to the budget.	• 0% if free cash flow is strictly lower than the budget; no payment is made. • 30% if free cash flow is equal to the budget.

For reasons of commercial confidentiality, the Company does not disclose the target figures for this criterion ex-ante. However, the Company will publish the degree of achievement for this criterion at the end of the performance cycle.

QUALITATIVE CRITERIA FOR THE 2019 FINANCIAL YEAR (0% TO 25% OF FIXED COMPENSATION)

	Renault's contribution to the Alliance Mid-Term Plan (MTP)	Quality of CSR and environmental commitments	Monitoring of the multiyear agreement in France [(1)]
Target	• These criteria measure the Company's strategic progress from a qualitative point of view, using targets that can be evaluated and measured by the Compensation Committee and the Board of Directors. These targets are designed to reflect the management's progress in the development of robust and effective synergies. • The Company aims to offer innovative products and robust returns for its shareholders, in line with the interests of stakeholders (employees, clients, shareholders, purchasers, and suppliers), and generate sustainable growth and profitability.		
Examples of indicators	• Pursuing the standardization policy (CMF – Common Module Family approach). • Communalization of parts.	• Health and safety. • Extension of the Mobiliz program. • Compliance.	• Manufacturing volume. • France Capex. • Recruitment volume.
Weighting (as a percentage of fixed compensation)	• 8.33% if on target and maximum.	• 8.33% if on target and maximum.	• 8.33% if on target and maximum.

(1) For further details regarding this agreement, see Chapter 2.3.1.4 of the Registration document.

Annual variable compensation payment conditions

The annual variable compensation will be fully paid in cash.

It should be noted that pursuant to Article L. 225-37-2 of the French Commercial Code, payment of the annual variable compensation to the Chief Executive Officer for the 2019 financial year is subject to its approval by the Annual General Meetingto be held in 2020 to approve the financial statements for the financial year ending December 31, 2019.

Multiyear variable compensation

The Chief Executive Officer will not receive multiyear variable compensation.

Exceptional compensation

The Chief Executive Officer will not receive any exceptional compensation in 2019.

Long-term compensation

Pursuant to the Company's compensation principles, the Chief Executive Officer's compensation mainly takes the form 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.

Since 2013, Groupe Renault has decided to cease using stock options and implement only performance share plans as part of its long-term compensation policy.

Long-term compensation is allocated annually. The use of this type of long-term compensation is aligned with market practice in France and the worldwide market. 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, with the result that upward and downward fluctuations in the share price affect the corresponding total value.

The Chief Executive Officer is allocated performance shares, with the same vesting conditions as the other executives in the Group (see Chapter 3.4.5 of the Registration document) plus one additional performance criterion applied to him in his capacity as Chief Executive Officer.

Allocation for the 2019 financial year

On the recommendation of the Compensation Committee, the Board of Directors of April 3, 2019 decided that 50,000 performance shares would be allocated to the Chief Executive Officer for the 2019 financial year. This number, decided on the basis of the Company's compensation policy (which dictates that compensation must mainly comprise shares), also constitutes the maximum number of performance shares (except in the case of a change in the par value of Renault shares).

This allocation is conditional on the renewal, at the Annual General Meeting of June 12, 2019, of the authorization granted by the Annual General Meeting of April 29, 2016 which expires in 2019.

Of the 50,000 performance shares to be awarded, the number of shares vested by the Chief Executive Officer will depend on the achievement of the following performance criteria:

LONG-TERM PERFORMANCE CRITERIA [(1)]

	Total shareholder return (TSR)	Free cash flow (FCF)	Percentage of models manufactured on the Alliance platforms	Electric vehicles sales volume
Targets and means of application	• 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 criteria is a strategic pillar for the achievement of the objectives of the "Drive the Future" plan and corresponds to the percentage of models manufactured on the Alliance platforms Common Module Family (CMF) compared to the "Drive the Future" Mid-Term Plan (MTP) indicator. • The capacity to share costs and obtain profits from the Alliance scale effects is key for the sustainability of the Company's profitability.	• This criteria is a strategic pillar for the achievement of the objectives of the "Drive the Future" plan and corresponds to the electric vehicles sales volume. • The success of the electric strategy is crucial in order to face the ongoing energetic revolution and to maintain the Company's lead in this technology.
Weighting *(as a percentage of allocation)*	• 10%	• 30%	• 30%	• 30%
Payment rate	• 0% if the TSR is strictly lower than the benchmark. • 4.5% if the TSR is equal to the benchmark. • 10% 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. • 21% if FCF is equal to the budget • 30% 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 percentage of CMF models is strictly lower than the MTP indicator. • 21% if the percentage of CMF models is equal to the MTP indicator. • 30% if the percentage of the CMF manufacturing is higher than or equal to the MTP indicator +5%. • Linear interpolation if the percentage of CMF models is between the MTP indicator and the MTP indicator +5%.	• 0% if the electric vehicles sales are strictly lower than the budget • 21% if the electric vehicles sales are equal to the budget. • 30% if the electric vehicles sales are higher than or equal to the budget +5%. • Linear interpolation if the electric vehicles sales are between the budget and the budget +5%.
	• 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 degree of achievement at the end of the performance period.	• For reasons of commercial confidentiality, the Company does not disclose the target figures for this criterion *ex-ante*. However, the Company will publish the degree of achievement for this criterion at the end of the performance cycle.		

(1) Except for the TSR criterion, which is only applicable to the Chief Executive Officer, these criteria are the same for all beneficiaries of performance shares.

These performance criteria are measured over a cumulative three-year period (2019, 2020 and 2021). If no criterion is achieved, no shares are allocated at the end of the vesting period.

Vesting of performance shares is subject to a three-year presence condition starting from the allocation by the Board of Directors.

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 Chief Executive Officer, until the end of his term of office. The aim of this requirement is to ensure the interests of the Chief Executive Officer are sufficiently aligned with those of shareholders.

Commitment by the Chief Executive Officer not to engage in risk hedging

Pursuant to the AFEP-MEDEF Code recommendations, 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, 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.
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 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 Compensation Committee, could 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 in the case of change of control.

Attendance fees

The Chief Executive Officer is not a Director. Therefore, he does not receive attendance fees.

Benefits in kind

The Chief Executive Officer benefits from the same healthcare insurance as Groupe Renault employees in France as well as two company cars and one company car with driver.

Service provision agreements

No service provision agreement has been entered into between the Company and the Chief Executive Officer.

Sign-on bonus

The Chief Executive Officer does not benefit from any sign-on bonus, as his recruitment was carried out internally.

Termination benefit

The Chief Executive Officer does not benefit from any severance pay clause.

Non-compete indemnity

During its meeting of April 3, 2019, on the recommendation of the Compensation Committee, the Board of Directors authorised the conclusion of a non-compete agreement with Mr Thierry Bolloré, pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code.

Pursuant to this authorisation, the agreement was entered into between the Company and Mr Thierry Bolloré on April 3, 2019.

The conclusion of this agreement will be subject to the approval of the Annual General Meeting to be held on June 12, 2019 for approval.

The Board of Directors considered that it was in Renault's interest to enter into this non-compete agreement which will allow to protect Groupe Renault's legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and to the recognized skills of Mr Thierry Bolloré 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 Thierry Bolloré 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.

The application of this clause is limited to:

- a period of twenty-four (24) months following the date on which Mr Thierry Bolloré effectively ceased to exercise his term of office (*mandat social*);
- the territories in which the Group operates at the time of the termination of the term of office, excluding countries located in Africa and Oceania, and, in the case of equipment manufacturers, North America (United States, Canada).

In consideration for his non-compete obligation, Mr Thierry Bolloré will receive from the Company, during the period of application of the agreement (twenty-four months) and subject to there being no breach of this agreement, a gross financial compensation corresponding to two years of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twenty-four monthly installments. The gross annual compensation retained for this calculation will be that paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code, on Mr Thierry Bolloré's departure, the Board of Directors of the Company will decide whether to apply this non-compete agreement, and may unilaterally waive it.

Top-up pension scheme

During its meeting of April 3, 2019, the Board of Directors authorised top-up a pension scheme for Mr Thierry Bolloré, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

This pension plan will be subject to the approval of the Annual General Meeting to be held on June 12, 2019.

The Board of Directors considered that the implementation of this scheme to the benefit of Mr Thierry Bolloré allows the Company to retain and to promote the Chief Executive Officer's loyalty.

This scheme was maintained by the Board of Directors of April 3, 2019 and will be submitted to the Annual General Meeting of June 12, 2019 for approval.

The top-up pension scheme for the Chief Executive Officer includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme.

a) Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)

The Chief Executive Officer benefits from a defined-contribution scheme; these contributions correspond to 8% of that part of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this 8% total, 5% is paid by the Company and 3% by the Chief Executive Officer.

The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme.

b) Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)

The Chief Executive Officer also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm. This scheme is open to new beneficiaries.

The eligibility for this scheme is subject to a seniority condition (at least five years with the Company and at least two years on the Group Executive Committee) and a presence condition as an officer of the Company. These conditions must be satisfied at the time he claims his pension rights.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three highest gross annual compensations (fixed and variable components) over the last ten years of activity prior to retirement.

The annual amount paid into this pension scheme is equal to 10% of the reference compensation, this percentagebeing increased by 1.4 percentage points per year of seniority beyond five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority outside the Group Executive Committee, beyond five years of seniority in the Company.

The amount is capped at 30% of the reference compensation.

The reference compensation in question is capped at 65 times the annual French Social Security cap.

In any event, the annual total of these pension amounts for the Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

Pensions are paid by an insurance company to which the Company pays premiums based on the financing needs arising as beneficiaries retire.

Pursuant to the provisions of Article 229 II of the Macron Act, the vesting of new rights under the defined-benefit pension scheme must be conditional upon the satisfaction of performance conditions. In addition, the annual increase in conditional rights is limited to 3% of the annual compensation used as a reference to calculate the pension paid under this scheme.

During its meeting of April 3, 2019, the Board of Directors noted that as at December 31, 2018, Mr Thierry Bolloré had a seniority of 6 years, corresponding to 11.53% of rights.

For information, the estimated amount of the gross annual pension as at 31 December 2018 was €169,138.

Upon the recommendation of the Compensation Committee, the Board of Directors, during its meeting of April 3, 2019, decided to condition the acquisition by Mr Thierry Bolloré of new rights as from January 1, 2019 to the following performance condition: the amount of free cash flow for the 2019 financial year must be positive.

At the end of each year, the Board of Directors will assess the achievement of the performance criterion, during the previous year. Otherwise, the year will not be taken into account in the determination of the pension.

3.2.5 Compensation of directors

Pursuant to the provisions of Article L. 225-45 of the French Commercial Code, the Annual General Meeting may allocate compensation to the directors, in respect of attendance fees, the amount of which is maintained until a new decision.

3.2.5.1 Amount

The Combined General Meeting on June 15, 2018 set the annual amount for attendance fees to be divided among the directors for the 2018 financial year and subsequent financial years at €1,500,000, until the General Meeting decides otherwise.

3.2.5.2 Allocation procedure

Recommendation 20.1 of the AFEP-MEDEF Code stipulates that attendance fees paid to directors must include a variable portion relating to effective participation in Board and committee meetings. This variable portion must be predominant compared to the fixed portion. The rules for the allocation and calculation of attendance fees comply with this recommendation and were last amended by the Board of Directors on February 15, 2018.

For each year of office, the directors receive the following:

- a fixed portion;
- a variable portion which depends on the effective presence of members at Board and/or committee meetings.

Committee Chairs benefit from additional attendance fees for these duties due to their additional responsibilities.

The annual amount of attendance fees allocated to the Chairman and Chief Executive Officer is subject to an overall cap (fixed and variable portions) of €48,000.

The following calculation rules are applicable:

	Fixed portion	Variable portion *(per meeting)*	Overall cap applicable to the Chairman and Chief Executive Officer	Chairmanship
Board of Directors	€18,000	€6,000	€48,000	€0
Committees (excluding CARE)	€1,500	€3,000	N/A	€7,500
CARE	€1,500	€3,000	N/A	€15,000

For the 2018 financial year, the total gross amount of attendance fees allocated to the directors was €1,499,750 (€1,211,625 in 2017), given the significant number of additional meetings of the Board and of the committees in 2018 and the number of directors in each committee.

SUMMARY TABLE

TABLE FOR ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS (TABLE NO. 3 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

The gross amounts are calculated using the calculation methods adopted by the Board of Directors of February 15, 2018 which decided in particular to eliminate the individual cap on the attendance fees, with the exception of that of the Chairman and Chief Executive Officer.

	Gross amount of attendance fees allocated *(in euros)*(2)	
	2018	2017*
Mr Ghosn	48,000	47,539
Mrs Barba	88,875	46,920
Mr Barrat	70,500	54,968
Mr Belda (1)	-	34,912
Mrs Bensalah Chaqroun	55,500	43,949
Mrs Blair	76,500	51,996
Mr Courbe (2)(3)	4,500	
Mrs Darmaillac	108,000	50,758
Mr Desmarest (4)	16,500	68,338
Mr Derez (5)	58,875	
Mr Faure (2)(6)	32,625	54,968
Mr Fleuriot (7)	40,875	
Mr Gentil	70,500	54,968
Mr Ladreit de Lacharrière (8)	34,500	65,367
Mrs de la Garanderie (1)	-	34,169
Mr Lagayette	109,500	83,194
Mr Ostertag	90,000	65,367
Mr Personne	93,000	72,795
Mrs Qiu	83,250	57,939
Mr Riboud (1)	-	14,856
Mrs Serizawa	54,000	47,539
Mrs Sourisse	70,500	57,939
Mr Thomas	124,250	75,766
Mr Vial (2)	105,000	65,367
Mr Yamauchi	64,500	50,387

* *The amount of Directors' fees received for the 2017 financial year was subject to an individual ceiling. In addition, a reduction ratio (of around 0.95%) had been applied to the scale to avoid exceeding the overall budget.*

(1) Director whose term of office ended on June 15, 2017.

(2) Director representing the French State.

(3) Director co-opted on October 5, 2018. Mr Thomas Courbe's co-optation will be submitted to the Annual General Meeting of June 12, 2019 for ratification.

(4) Director whose term of office ended on February 15, 2018.

(5) Director co-opted on February 15, 2018. This co-optation was ratified by the Annual General Meeting held on June 15, 2018.

(6) Director whose term of office ended on October 5, 2018.

(7) Director whose term of office started on June 15, 2018.

(8) Director whose term of office ended on June 15, 2018.

3.2.6 Compensation of senior executives: performance shares

3.2.6.1 Legal framework

In Resolution 13, the Combined General Meeting on April 29, 2016 authorised the Board of Directors to proceed, on one or more occasions, with free allocations of Company existing shares and/or shares to be issued (so-called performance shares) for the benefit of salaried members of staff and/or officers of the Company 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 Compensation Committee.

In accordance with market best 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.

Beneficiaries of performance shares must be employees or officers of Groupe Renault upon vesting of the shares. In the event of departure from Groupe Renault prior to the date of vesting, the beneficiary loses the benefit of the shares allocated to them, except in the case of compulsory or voluntary 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 authorisation are subject to the following caps being observed:

- the total number of performance shares allocated may not exceed 1.5% of the share capital over three years, *i.e.*, an average of 0.5% 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 the Chairman and Chief Executive Officer 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 Chairman and Chief Executive Officer.

Pursuant to Resolution 13 of the Combined General Meeting on April 29, 2016, performance share allocations do not result in any dilution for the shareholders, as performance shares are shares held by the Company itself.

The authorisation granted at the Annual General Meeting of April 29, 2016 to the Board of Directors to allocate free shares expires in 2019. A new resolution will be submitted to the Annual General Meeting of June 12, 2019 to renew this authorisation.

3.2.6.2 General plan allocation policy

Compensation Committee

The Board of Directors approves the performance share plans based on the work and recommendations of the Compensation Committee. The committee examines the allocation proposals for certain Groupe Renault employees presented by the Chief Executive Officer, pursuant to the general scheme decided on 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 powertrain 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 April 1, 2019, the senior management team comprises 36 members of Groupe Renault's Senior Management Committee (CDR), including the 12 members of the Group Executive Committee (CEG).

The proportion of performance share allocation plans allocated to the Chairman and Chief Executive Officer and members of the Group Executive Committee (including the Chairman and Chief Executive Officer) does not exceed 15% and 30% respectively of performance shares allocated.

Senior executives

Senior executives are beneficiaries and benefit in principle from variable allocations, 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 many complementary systems for appraising and selecting these beneficiaries (level of responsibility, annual interviews, career committees, specific follow-up for high-potential managers, *etc.*); these systems constitute a body of observations enabling the most deserving individuals to be distinguished.

All these categories of beneficiary total approximately 1,000 managers each year. The total number of beneficiaries was 861 for the 2013 plan, 898 for the 2014 plan, 1,013 for the 2015 plan, 1,120 for the 2016 plan, 1,060 for the 2017 plan and 1,123 for the 2018 plan.

3.2.6.3 Summary tables

Past allocations of stock options and performance shares

Plan nos. 18, 19 and 20 are share purchase option plans.

Plan nos. 18 *bis*, 19 *bis*, 20 *bis* are performance share allocation plans, of which the Chief Executive Officer is not a beneficiary.

Plan nos. 21 to nos. 25 are performance share allocation plans in which some of the shares are allocated to the Chairman and Chief Executive Officer and subject to an additional performance criterion compared to the shares in the plan allocated to other beneficiaries.

The size of the Plans in progress as of December 31, 2018 corresponds to 2.37% of the Company's share capital.

03

STOCK OPTION PLANS

(TABLE NO. 8 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

Allocation date/ Board of Directors' meeting date		Total number of shares available for purchase	– to the Chairman and Chief Executive Officer Carlos Ghosn	Start date of exercise period	Expiry date	Purchase price (1)	Number of exercised options as of 12/31/2018	Total number of cancelled or lapsed options as of 12/31/2018	Options outstanding as of 12/31/2018
Authorisation by the Shareholders' Annual General Meeting on April 29, 2011									
Plan no. 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	386,550	11,388	92,062
Plan no. 19 (2)	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	114,500	150,000	35,500
Plan no. 20 (3)	12/13/2012	447,800	150,000	12/13/2016	12/12/2020	37.43	275,010	51,578	121,212

(1) The purchase price is equal to the average stock market price over the twenty sessions prior to the date of the Board of Director's meeting.
(2) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved, and that the FCF target had been achieved. Consequently, 50% of the options in Plan no. 19 were cancelled.
(3) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the options in Plan no. 20 were cancelled.

PERFORMANCE SHARE PLANS

(TABLE NO. 9 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND TABLE NO. 10 AS PER AMF POSITION-RECOMMENDATION NO. 2009-16)

Allocation date/ Board of Directors' meeting date		Total number of shares granted	– to the Chairman and Chief Executive Officer Carlos Ghosn	Vesting date	Availability date	Shares cancelled as of 12/31/2018	Outstanding shares as of 12/31/2018
Authorisation by the Shareholders' Annual General Meeting on April 30, 2013							
Plan no. 21 Shares (1)	02/12/2014	313,807	100,000	02/12/2018	02/12/2018	25,371	288,436
Plan no. 21 *bis* Shares (1)	02/12/2014	980,045	0	06/15/2017	06/15/2019	91,045	889,000
Plan no. 22 Shares (2)	02/11/2015	367,605	100,000 (4)	02/11/2019	02/11/2019	14,557	353,048
Plan no. 22 *bis* Shares (2)	02/11/2015	1,053,650	0	06/15/2018	06/15/2020	96,601	957,049
Authorisation by the Shareholders' Annual General Meeting on April 29, 2016							
Plan no. 23 Shares	04/29/2016	361,605 (3)	0	04/29/2020	04/29/2020	13,240	348,365
Plan no. 23 Shares	04/29/2016	977,200 (3)	0	04/29/2019	04/29/2020	13,650 (2)	963,550
Plan no. 23 *bis* Shares	07/27/2016	100,000	100,000 (4)	07/27/2020	07/27/2020	0	100,000
Plan no. 24 Shares	02/09/2017	329,300 (3)	0	02/09/2021	02/09/2021	4,750	324,550
Plan no. 24 Shares	02/09/2017	989,910 (3)	0	02/09/2020	02/09/2021	10,750	979,160
Plan no. 24 *bis* Shares	02/09/2017	100,000	100,000 (4)	02/09/2021	02/09/2021	0	100,000
Plan no. 25 Shares	02/15/2018	311,750	0	02/15/2022	02/15/2022	2,700	309,050
Plan no. 25 Shares	02/15/2018	1,082,200	0	02/15/2021	02/15/2022	3,950	1,078,250
Plan no. 25 *bis* Shares	02/15/2018	80,000	80,000 (4)	02/15/2022	02/15/2022	0	80,000

(1) The Board of Directors of June 15, 2017 noted that the performance criteria had been 92.83% achieved (95.21% for the Chairman and CEO). Consequently, 7.17% of the shares in Plans nos. 21 and 21 bis were cancelled.
(2) The Board of Directors of June 15, 2018 noted that the performance criteria had been 95% achieved (96.66% for the Chairman and CEO). Consequently, 5% of the shares in Plans nos. 21 and 21 bis were cancelled.
(3) Modification of the allocation of the number of performance shares initially granted, due to international mobilities during the vesting period.
(4) During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2015, 2016, 2017 and 2018 financial years due to the non-fulfillment of the presence condition applicable to these allocations as a result of his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019.

INFORMATION RELATING TO THE 10 NON-OFFICER EMPLOYEES

(PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE AND TABLE NO. 9 AS PER AMF POSITION-RECOMMENDATION NO. 2009-16)

Overview of stock options allocated and exercised by the 10 non-officer employees who received the largest number of options	Total number of options allocated/Acquired shares	Exercise price	Plan no. 18	Plan no. 19 (1)	Plan no. 20 (2)
Options granted by the issuer and any company within the scope of allocation of options, to the 10 employees of the issuer and any company within this scope, for whom the number of options thus granted is the highest (overall information)	478,800	Plan no. 18 = €38.80 Plan no. 19 = €26.87 Plan no. 20 = €37.43	240,000	62,000	176,800
Options held for the issuer and companies referred to above, exercised by the 10 employees of the issuer and these companies, for whom the number of options thus purchased or subscribed is the highest (overall information)	297,440		186,738	38,500	72,202

(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 options were cancelled.

(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 options were cancelled.

(PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

Overview of performance shares granted to the top 10 allottee non-officer employees and shares vested by them	Total number of shares allocated	Plan no. 18 *bis*	Plan no. 19 *bis* (1)	Plan no. 20 *bis* (2)	Plan no. 21 (3)	Plan no. 22 (4)	Plan no. 23	Plan no. 24	Plan no. 25
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, 206,000	110,000	68,000	78,000	185,000	185,000	185,000	190,000	205,000
Shares held for the issuer and companies referred to above, vested by the 10 employees of the issuer and these companies, for whom the number of shares thus vested is the highest (overall information)	560,501	110,000	34,000	69,015	171,736	175,750	0	0	0

(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 bis shares were cancelled.

(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 bis shares were cancelled.

(3) On June 15, 2017, the Board of Directors determined that the performance criteria had been 92.83% achieved. Consequently, 7.17% of the Plan no. 21 shares and 21 bis shares were cancelled.

(4) On June 15, 2018, the Board of Directors determined that the performance criteria had been 95% achieved. Consequently, 5% of the Plan no. 22 shares were cancelled.

3.3 INFORMATION CONCERNING SECURITIES TRANSACTIONS

During the course of their duties, the Board of Directors, and certain employees of Groupe Renault, have access to inside information, and, in this respect, are subject to the provisions of Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (the "**Regulation**") and, in particular, the provisions of Article 9 of the regulation on insider trading.

In this respect, pursuant to the provisions of Article 18 of the Regulation, the Company holds at the disposal of the AMF for each piece of inside information, a list of those persons deemed to be insiders, in the form specified in Appendix I of Implementing Regulation (EU) 2016/347 of March 10, 2016.

The persons concerned within the Company are informed of the rules of good conduct and the reporting obligations (to the AMF and to the Company) incumbent on them with respect to transactions carried out personally and involving Company securities.

To the best of the Company's knowledge, the transactions carried out during the past financial year by the members of the Board of Directors, the officers concerned, and the persons closely associated with them, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*), were as follows:

- on January 16, 2018, Mr Philippe Lagayette, Director, purchased 560 shares at a price of €89 per share. On August 20, 2018, he purchased 560 shares at a price of €72.86 per share;
- on February 12, 2018, Mr Carlos Ghosn, Chairman and Chief Executive Officer, purchased 95,210 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 12, 2014. On February 13, 2018, he purchased 24,264 shares corresponding to 75% of the variable portion allocated to him in respect of the 2013 financial year. On August 14, 2018; he purchased 100,000 shares at a price of €71.50 per share. On August 24, 2018, he sold 1,000 €70 strike put options at the price of €397 per option and 1,000 €65 put options at a price of €215 per option;
- on February 12, 2018, Mr Jose Vicente de los Mozos Obispo, Executive Vice-President of Manufacturing and Supply Chain Alliance and Groupe Renault, purchased 13,925 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 12, 2014. On May 31, 2018, he purchased 1,732 shares at a price of €83.97 per share. On September 7, 2018, he purchased 1,400 shares at a price of €71.85 per share. On November 7, 2018, he subscribed 116.76 units in the FCPE Renault International at a price of €58.32 per unit. On December 18, 2018, he sold 13,925 shares at a price of €54.36 per share. On December 21, 2018, he purchased 10,850 shares at a price of €55.58 per share;
- on February 12, 2018, Mr Stefan Mueller, Executive Vice-President, Chief Performance Officer, purchased 13,925 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 12, 2014;
- on February 12, 2018, Mr Yasuhiro Yamauchi, Director, purchased 2,785 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 12, 2014;
- on March 9, 2018, Mrs Marie-Françoise Damesin, Executive Vice-President of Group and Alliance Human Resources, exercised 6,000 options at a price of 38.80 per share and sold the 6,000 resulting shares at a price of €95.15 per share (purchase option plan no. 18 of April 24, 2011). On June 15, 2018, she purchased 19,000 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015;
- on May 14, 2018, Mr Thierry Derez, Director, purchased 300 shares at a price of €88.83 per share;
- on June 15, 2018, Mr Bruno Ancelin, Executive Vice-President of Group Product Planning and Programs, purchased 14,250 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, he subscribed 100.72 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mr Thierry Bolloré, Group Chief Operating Officer, purchased 23,750 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, he subscribed 116.65 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mrs Clotilde Delbos, Executive Vice-President, Group Chief Financial Officer, purchased 10,450 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, she subscribed 114.65 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mr Gaspar Gascon-Abellan, Deputy Alliance Executive Vice-President of Engineering, purchased 14,250 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, he subscribed 92.78 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mr Thierry Koskas, Executive Vice-President of Sales and Marketing, purchased 2,850 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, he subscribed 116.65 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mr Jean-Christophe Kugler, Executive Vice-President, Chairman of Europe Region, purchased 14,250 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, he subscribed 100.72 units in the FCPE Renault France at a price of €58.32 per unit;
- on June 15, 2018, Mrs Mouna Sepehri, Executive Vice-President, Group Office of the CEO, purchased 19,000 performance shares, pursuant to the conditions that had been set by the Board of Directors of February 11, 2015. On November 7, 2018, she subscribed 114.65 units in the FCPE Renault France at a price of €58.32 per unit;
- on August 6, 2018, Mr Pierre Fleuriot, Director, purchased 100 shares at a price of €72.12 per share;
- on November 7, 2018, Mr Frédéric Barrat, Director, subscribed 20.83 units in the FCPE Renault France at a price of €58.32 per unit;
- on November 7, 2018, Mr Benoît Ostertag, Director, subscribed 42.23 units in the FCPE Renault France at a price of €58.32 per unit; and
- on November 7, 2018, Mr Eric Personne, Director, subscribed 151.98 units in the FCPE Renault France at a price of €58.32 per unit.

3.4 ETHICS POLICY

3.4.1 Objectives and guidelines

The Group ethics policy aims to:

- promote ethical values within the Group, thus contributing to its sustainable performance;
- prevent and identify breaches of ethics and integrity;
- ensure that the tools and measures adopted are suitable for the Group's challenges and activities;
- protect employees, customers and shareholders;
- protect the Group's image and assets;
- promote citizenship in a global environment.

The Ethics Guidelines comprise in particular:

- the Code of Ethics Groupe Renault, which sets out the Group's key principles and fundamental values. It is intended for all employees in all countries in which the Group is present;
- the Guide for preventing corruption and influence-peddling, which describes the Group's active global approach to preventing and combating corruption and influence peddling;
- nine dedicated codes of conduct, which describe the rules of good conduct to be applied by the functions in which a stringent ethical approach is required.

3.4.2 Actors and bodies

The Group Ethics Director, who reports directly to the Chairman and Chief Executive Officer, is responsible for this policy. He reports to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE) and to the Group's Board of Directors on actions undertaken under his responsibility.

His/her duties are as follows:

- to define the Group's overall ethics policy, and acting as an adviser to the Company's management teams;
- to ensure that ethics-related incidents are fed back and dealt with;
- to chair the Group's Ethics and Compliance Committee, and reporting conclusions and proposals to the CARE committee;
- to verify the ethical compliance of the Group's various business activities, including purchasing, protection, country departments, HR, communications, *etc.*;
- to reinforce the Group's ethics policy;
- to implement the Group's ethics policy.

In order to carry out his/her duties, the Ethics Director relies on the following in particular:

- the Ethics and Compliance Committee, comprising around 20 people, which is responsible for proposing and adapting the ethics policy;
- the Alert Processing Committee, which includes six directors who are involved in dealing with professional whistle-blowing within the Group;
- a network of Ethics officers that covers all countries in which the Group operates. The officers are responsible for the ethics function in each of their countries, in particular to ensure better compliance with laws and local regulations and lead the Country and Compliance Committees CEEC (*Comité d'éthique et conformité pays*, CECP);
- a network of function representatives and regions supporting the deployment of the ethics system to specific business activities and geographical zones;
- two facilitators, whose mission in France is to resolve conflicts between employees through mediation and contribute to the spreading of ethical values through training.

The Ethics Director or, where applicable, the Ethics officers, also receive alerts issued via a worldwide whistle-blowing tool. This tool is available to Group employees as well as external and occasional employees and suppliers via a dedicated platform.

3.4.3 Highlights of 2018

In 2018, the Ethics Director held regular meetings with the Chairman and Chief Executive Officer to keep him updated on the progress of his missions. Moreover, the Ethics Director presented a business report to the Chairman of CARE on four occasions, including twice with the full committee present.

The Ethics Department became the Ethics and Compliance Department in November 2018, in order to focus the means and resources required for the Group's ethics and compliance issues.

Reinforcement of the network of Ethics Officers

To improve the effectiveness and impact of actions taken by the Ethics Department, the network of Ethics officers was extended to new countries and subsidiaries going from 18 officers in 2017 to 30 in 2018. Their scope covers all countries in which the Group operates.

In addition to regular meetings between the Ethics Department and Ethics officers, an international seminar was held in February 2018, attended by Ethics officers representing the countries and subsidiaries, function representatives and regional representatives, together with the support functions involved in deploying the ethics system. This seminar focused on the deployment of the corruption prevention and influence peddling plan within the various subsidiaries and countries.

New dedicated codes of good conduct

A Customs Code and a code for responsible lobbying were added to the existing dedicated Codes of Ethics.

Deployment of the prevention of corruption and influence-peddling plan EFPD16b

The law of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life, known as "Sapin II", led Renault to continue to strengthen its overall prevention of corruption and influence-peddling system in 2018, in particular in the following areas:

1. A corruption risk mapping was validated by the Executive Committee. Mapping identifies, assesses and prioritizes compliance risks, and particularly those risks inherent to its international activities or links with third parties. These various risks are then taken into consideration when adjusting the Group's ethics system.
2. 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.com website.
3. The Third Party Integrity Management Process was reinforced. By the end of 2018, it had been rolled out in 14 countries: Mexico, Colombia, Brazil, Argentina, Morocco, Algeria, India, Iran, Romania, Ukraine, Turkey, Russia, Korea and France.
4. In 2018, new training was provided for employees and management on the prevention of corruption and influence peddling, as well as the detailed presentation of the Group's prevention plan. It was followed by over 23,300 employees this year, *i.e.*, 82% of the concerned population regarding their jobs in the company
5. A new worldwide whistle-blowing tool was deployed in 39 countries, to replace the tool implemented in 2012. It allows Group employees as well as external and occasional employees and suppliers to activate alerts directly with the Group Ethics function. This system extends the scope of application of the three existing systems (general system, prevention of corruption and influence peddling, duty of vigilance) and brings them together in a single system. It is accessible, via an external site, every day, at any time, via a computer, tablet, and professional or personal smartphone.

Internal verifications mission regarding the regularity of executive officers' compensation

(for more details, see Chapter 3.5)

3.4.4 Outlook for 2019

- Setting up of the new Ethics and Compliance Department;
- Continued deployment of the prevention of corruption and influence peddling system;
- Regular communication with employees and third parties;
- Continued internal verifications mission, extended to a broader scope (for more details, see Chapter 3.5).

3.5 INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT - AUDIT OF RNBV

Following the arrest of Mr Carlos Ghosn in Japan on November 19, 2018, the Company carried out internal investigations to ascertain whether there were facts within the Renault Group similar to those alleged against him by the Japanese judicial authorities.

Compensation and benefits of any kind of the Chairman and Chief Executive Officer and of the members of the Group Executive Committee

The Ethics and Compliance Department was therefore mandated by Renault's General Management on November 23, 2018, to review the regularity of all the compensation components and benefits of any kind paid or awarded by the Group to the Chairman and Chief Executive Officer and to the members of the Renault Group Executive Committee, as well as to verify the accuracy of the information relating to the compensation of the Chairman and Chief Executive Officer included in Renault's Registration documents for the fiscal years from 2010 to 2018. The Ethics and Compliance Department was assisted by a law firm in this mission.

The mission concluded that all the compensation components and benefits of any kind paid or allocated by the Group to the Chairman and Chief Executive Officer and to other members of Renault's Group Executive Committee for the fiscal years from 2010 to 2018, complied with French regulations and the recommendations of the AFEP-MEDEF Code, with the exception of an early, and therefore non-compliant, payment of a non-compete indemnity to a former member of the Group Executive Committee. This situation is currently being regularized.

Additional investigations conducted by the Ethics and Compliance Department

On January 14, 2019, Renault's General Management extended the Ethics and Compliance Department's mission to include the audit of (i) the expenses of the Chairman's office and the General Management, (ii) the operations carried out by Renault with partners based in the Middle-East, whose names have been publicly quoted, and (iii) Renault's operations with other companies whose names have also been publicly quoted, including RNBV and other Nissan or Alliance entities incorporated in the Netherlands.

The Internal Audit Department and the members of the Finance Department took part in carrying out these additional verifications.

As part of these verifications, it appeared that certain counterparties to the sponsorship agreement signed in June 2016 by the Group with the Public Institution of Château de Versailles had been used for the personal benefit of M. Ghosn. These facts were brought to the attention of the judicial authorities on February 7, 2019.

On March 11, 2019, the Audit, Risks and Ethics Committee asked the Ethics and Compliance Department to examine the flows between Renault and an importer based in the Middle-East. These investigations have notably raised concerns regarding certain payments made to this importer. These concerns have been brought to the attention of the French judicial authorities, as part of the response of Renault to a requisition relating more broadly to the commercial relationship between Renault and this importer.

These investigations carried out by the Ethics and Compliance Department finally revealed a number of facts and commitments that could constitute breaches of the rules of ethics in force within the Renault Group. The Board of Directors has recommended that the General Management conducts a review of all actions available, in particular in strengthening internal control, to appropriately address the situation.

Audit of Renault-Nissan BV

Furthermore, in January 2019, Renault and Nissan initiated a joint audit on Renault-Nissan BV (RNBV). The Audit, Risks and Ethics Committee of Renault validated the launch of this audit on January 17, 2019 and a "privileged audit" was launched on February 4. This audit, which is conducted by an audit firm appointed by a Dutsh law firm and under the supervision of Renault and Nissan's Internal Audit Departments, covers the governance, control, compliance, and accounts of RNBV. This audit is, at the date of this Registration document, still in progress.

The Audit, Risks and Ethics Committee, the Board of Directors and the Company's Statutory Auditors are regularly informed of the progress of the investigations of the Ethics Department and Compliance and the audit of RNBV. The Company makes every effort to ensure that these investigations are completed as quickly as possible and, depending on the findings, will implement all necessary or desirable measures if any irregularities are found, in agreement with Nissan with respect to RNBV.

OPERATING MARGIN

3,612

IN 2018

MILLION €

6.3%

IN

REVENUES

FINANCIAL **STATEMENTS**

04

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 information concerning the Group presented in the management report.

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, 2018

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, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

Observation

Without qualifying our opinion expressed above, we draw your attention to the notes 2-A1, 2-A2 and 2-A3 to the notes to the consolidated financial statements which describe the changes resulting from the first application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers", as well as the change in accounting policy regarding the redeemable shares held by Renault SA.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

VALUATION OF THE MANUFACTURING SPECIFIC INTANGIBLE AND TANGIBLE ASSETS (VEHICLES) OF THE AUTOMOTIVE SECTOR (EXCL. AVTOVAZ)

Risk identified	Intangible and tangible assets of the operating segment "Automotive (excluding AVTOVAZ)" amount to 18,448 million euros. The Group carries out impairment tests at the operating segment level as well as at the level of the intangible and tangible assets specific to vehicles or mechanical organs under the approach described in note 2-M of the consolidated financial statements. For the latter, the test consists in comparing the net book value of the intangible and tangible assets specific to the vehicles or mechanicals organs with their recoverable value, defined as the higher amount between the value in use and the fair value net of exit costs. The value in use is calculated based on discounted future cash flows. We have considered that the valuation of the manufacturing specific assets related to vehicles or mechanical organs is a key audit matter because of their contribution to the financial statements and because of the estimates and judgments required from management to prepare these tests.
Our audit response	During our audit of the consolidated financial statements, our procedures mainly consisted in: • Understanding the analysis performed by management in order to identify vehicles presenting indicators of impairment; • Reconciling to the consolidated financial statements the net book value of specific assets subject to the impairment test; • Assessing the consistency of the volumes and margins assumptions used in the tests with the latest projections of management; • Assessing the reasonableness of the main assumptions used through interviews with the economic controllers in charge of the vehicles being tested and by comparing the assumptions with the data used in the previous impairment tests as well as, if applicable, with the historical performance of the vehicles or mechanical organs subject to the test; • Testing the arithmetical accuracy of the discounted cash flows projections prepared by management for vehicles subject to an impairment test; • Comparing the discount rate after tax used with external data available; • Performing sensitivity analysis on the main assumptions used.

CONSOLIDATION METHOD AND RECOVERABLE VALUE OF THE EQUITY INVESTMENT OF RENAULT IN NISSAN

Risk identified	As at December 31, 2018, the Renault equity investment in Nissan amounts to 20,583 million euros, and Nissan contributes for 1 509 million euros to Renault's net profit for the period. As indicated in note 12 to the consolidated financial statements, Renault has a significant influence over Nissan and accounts for its investment using the equity method. The Nissan accounts used to prepare Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards, adjusted for the purpose of the Renault consolidation under IFRS. Renault carries out an impairment test in the event of any indication of impairment of its interest, if applicable. We have considered that the consolidation method and recoverable value of the equity investment in Nissan are a key audit matter given its magnitude to Renault's consolidated financial statements, and given the following areas of attention: (1) the judgement of management to assess the Alliance governance structure as well as facts and circumstances underlying Renault's significant influence over Nissan, (2) the adjustments to Nissan's financial statements required to account for Renault's share in the result and equity of this company and their accuracy, (3) the estimates used by management in determining the recoverable value of Renault's investment in Nissan.
Our audit response	Our audit response to the risks identified mainly consisted in: • Reading the minutes of the Board of Directors meetings and the related party agreements and commitments register, and obtaining confirmation from management that there were no changes in the governance of Nissan and/or no new contracts structuring the relations between Renault and Nissan which could modify the analysis of the significant influence exercised by Renault over Nissan; • Understanding the conclusions and the audit work performed by the independent auditor of Nissan in accordance with our instructions which detail the procedures to be performed and the conclusion format required for our audit purposes; • Understanding the audit work performed by the independent auditor of Nissan over the homogenization adjustments required to Nissan's financial statements to match Renault accounting policies; • Assessing whether there are any identified impairment indicators, the main indicators being significant adverse changes on markets where Nissan operates or a significant and long lasting drop in Nissan stock market value; • Assessing the relevance of the main assumptions used by Renault in the impairment test performed to confirm the recoverable value of its investment in Nissan, by reference to Nissan mid-term plan, historical performance achieved by Nissan as well as the overall perspectives of the Automotive sector; • Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

RECOVERABILITY OF THE DEFERRED TAX ASSETS OF THE FRENCH TAX GROUP

Risk identified	As indicated in Note 8-B to the consolidated financial statements, a net deferred tax asset of 178 million euros is recognized in the Renault consolidated balance sheet with respect to the French integrated tax group. The value of this deferred tax asset depends on the ability of the legal entities of the French tax group to achieve the financial performance expected by management. The recoverability of this asset is a key audit matter given the level of judgment required from management, with regards specifically to the ability of the underlying legal entities to use their tax losses carried forward.
Our audit response	Our audit response to the risks identified mainly consisted in: • Assessing the consistency of the expected financial results of the French tax group with the main assumptions underlying the group mid term plan approved by the Board of Directors; • Comparing budgeted and actual results in prior periods to assess the reliability of the budgeting processes.

CALCULATION OF EXPECTED LOSSES ON SALES FINANCING RECEIVABLES IN ACCORDANCE WITH THE NEW IFRS 9 ACCOUNTING STANDARD

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. Since 1 January 2018, RCI Banque has applied IFRS 9 "Financial Instruments", which defines in particular a new methodology for estimating provisions based on a prospective model, moving from a provisioning of proven credit losses to a provisioning model for expected losses. The effects of the first-time application of IFRS 9 are detailed in Note 2-A1 to the consolidated financial statements. Its impact on shareholders' equity (Group share) at 1 January 2018 amounts to -94 million euros (including -128 million euros from RCI Banque), of which -116 million euros (including a -121 millions euros contribution of RCI Banque) for the depreciation of credits (excluding deferred tax). We consider that the first application of this standard at 1 January 2018 and its implementation for the financial year ended 31 December 2018 are a key point of the audit, due to the size of the amount of customer and network loans on the assets side of the Group's balance sheet, the use of numerous parameters and assumptions in the calculation models and the use of judgment by management in estimating expected credit losses.

Our audit response	Our procedures mainly consisted in:
	• Assessing the methodological principles followed for the construction of the models, in order to check their compliance, in their significant aspects, with the principles of IFRS 9;
	• Assessing the governance established in terms of validation of the key parameters and assumptions applied in these models or included in the ex post review of actual losses over the past financial year (back-testing);
	• Evaluating key controls over processes, IT applications, management accounting data spills and interfaces between applications involved in calculating expected credit losses;
	• On the retail customer credit perimeter:
	  • Testing, and assessing on the basis of a representative sample of customer credit agreements, the appropriateness of the "Probability of Default" and "Loss in the event of Default" parameters with the corresponding agreements;
	  • On the basis of this same sample, recalculating the "Expected Credit Losses" (ECL) on the accounting situation at the beginning and end of the financial year;
	• On the dealer network credit perimeter:
	  • Testing data processing, corroborating and assessing the appropriateness of the "Probability of Default" and "Loss in the event of Default" parameters with the corresponding contracts;
	  • Recalculating the "Expected Losses" on the French perimeter on the opening accounting position for the year and on the exhaustiveness of dealer network credit data at 31 December 2018;
	• Assessing the methodology applied to determine the prospective component of ECL (forward looking) estimation, in particular on the assumptions used in the establishment of the scenarios macro-economic factors, the weighting of these scenarios and their impact on risk parameters;
	• 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 Note 2-A1 to the consolidated financial statements.

Specific verifications

As required by French laws and regulations, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented 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 declaration of extra-financial performance, required under Article L. 225-102-1 of the French Commercial Code (*Code de commerce*), is included in the information relating to the group provided in the management report, being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2018, KPMG SA was in the fifth year of total uninterrupted engagement and Ernst & Young Audit was in the fortieth year of total uninterrupted engagement, of which twenty-five years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Risks and Ethics Committee

We submit a report to the Audit, Risks and Ethics Committee 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 Ethics 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 Ethics 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 Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, April 4, 2019

The Statutory Auditors
French original signed by

KPMG Audit A department of KPMG S.A.		ERNST & YOUNG Audit	
Jean-Paul Vellutini	Laurent des Places	Aymeric de La Morandière	Philippe Berteaux

4.2 CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 Consolidated income statement

(€ million)	Notes	2018 [1]	2017 [2]
Revenues	**4**	**57,419**	**58,770**
Cost of goods and services sold		(45,417)	(46,477)
Research and development expenses	10-A	(2,598)	(2,590)
Selling, general and administrative expenses		(5,792)	(5,849)
Operating margin	**5**	**3,612**	**3,854**
Other operating income and expenses	6	(625)	(48)
Other operating income	*6*	*149*	*214*
Other operating expenses	*6*	*(774)*	*(262)*
Operating income (loss)		**2,987**	**3,806**
Cost of net financial indebtedness	7	(308)	(369)
Cost of gross financial indebtedness	*7*	*(373)*	*(441)*
Income on cash and financial assets	*7*	*65*	*72*
Other financial income and expenses	7	(45)	(22)
Financial income (expenses)	**7**	**(353)**	**(391)**
Share in net income (loss) of associates and joint ventures		**1,540**	**2,799**
Nissan	*12*	*1,509*	*2,791*
Other associates and joint ventures	*13*	*31*	*8*
Pre-tax income		**4,174**	**6,214**
Current and deferred taxes	8	(723)	(906)
NET INCOME		**3,451**	**5,308**
Net income – parent-company shareholders' share		3,302	5,212
Net income - non-controlling interests' share		149	96
Basic earnings per share [3] *(in €)*		12.24	19.23
Diluted earnings per share [3] *(in €)*		12.13	19.04
Number of shares outstanding (*in thousands*)			
for basic earnings per share	9	*269,850*	*271,080*
for diluted earnings per share	9	*272,222*	*273,745*

(1) The figures for 2018 are established in application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". The changes related to the application of these new standards are presented in note 2-A.
(2) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).
(3) Net income – parent-company shareholders' share divided by the number of shares stated.

4.2.2 Consolidated comprehensive income

	2018			2017 (1)		
(€ million)	Gross	Tax effect	Net	Gross	Tax effect	Net
Net income	**4,174**	**(723)**	**3,451**	**6,214**	**(906)**	**5,308**
Other components of comprehensive income from parent-company and subsidiaries						
Items that will not be reclassified subsequently to profit or loss	***(356)***	***(3)***	***(359)***	***13***	***(25)***	***(12)***
Actuarial gains and losses on defined-benefit pension plans	53	(16)	37	13	(25)	(12)
Equity instruments at fair value through equity (2)	(409)	13	(396)			
Items that have been or will be reclassified to profit or loss in subsequent periods	***(483)***	***29***	***(454)***	***(142)***	***(16)***	***(158)***
Translation adjustments on foreign activities (3)	(213)	-	(213)	(272)	-	(272)
Translation adjustments on foreign activities in hyperinflationary economies (3)	(175)	-	(175)			
Partial hedge of the investment in Nissan	(102)	32	(70)	113	(17)	96
Fair value adjustments on cash flow hedging instruments (4)	7	(4)	3	5	-	5
Fair value adjustments on available-for-sale financial assets (2) (5)				12	1	13
Debt instruments at fair value through equity (2) (5)	-	1	1			
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT-COMPANY AND SUBSIDIARIES (A)	**(839)**	**26**	**(813)**	**(129)**	**(41)**	**(170)**
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	***(206)***	***-***	***(206)***	***130***	***-***	***130***
Actuarial gains and losses on defined-benefit pension plans	(68)	-	(68)	130	-	130
Other (2)	(138)	-	(138)			
Items that have been or will be reclassified to profit or loss in subsequent periods (6)	***956***	***-***	***956***	***(1,488)***	***-***	***(1,488)***
Translation adjustments on foreign activities	960	-	960	(1,519)	-	(1,519)
Other	(4)	-	(4)	31	-	31
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**750**	**-**	**750**	**(1,358)**	**-**	**(1,358)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(89)**	**26**	**(63)**	**(1,487)**	**(41)**	**(1,528)**
COMPREHENSIVE INCOME	**4,085**	**(697)**	**3,388**	**4,727**	**(947)**	**3,780**
Parent-company shareholders' share			3,221			3,673
Non-controlling interests' share			167			107

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).
(2) In application of IFRS 9 "Financial instruments", the classification of financial assets is modified from January 1, 2018. The changes related to the application of this new standard are presented in note 2-A1.
(3) The impacts of the application of IAS 29 "Financial reporting in hyperinflationary economies" for foreign activities in Argentina are presented in note 2-A4. There were no reclassifications to profit or loss in 2018 and 2017.
(4) Including €6 million reclassified to profit or loss in 2018 (€(12) million in 2017).
(5) Including €2 million reclassified to profit or loss in 2018 (€3 million in 2017).
(6) There were no reclassifications to profit or loss in 2018 and in 2017.

4.2.3 Consolidated financial position

(€ million)	Notes	December 31, 2018 [(1)]	December 31, 2017 [(2)]
ASSETS			
Non-current assets			
Intangible assets and goodwill	10-A	5,913	5,240
Property, plant and equipment	10-B	14,304	13,582
Investments in associates and joint ventures		21,439	19,811
Nissan	*12*	*20,583*	*19,135*
Other associates and joint ventures	*13*	*856*	*676*
Non-current financial assets	22	928	1,395
Deferred tax assets	8	952	927
Other non-current assets	17	1,485	1,435
TOTAL NON-CURRENT ASSETS		**45,021**	**42,390**
Current assets			
Inventories	14	5,879	6,328
Sales Financing receivables	15	42,067	39,334
Automotive receivables	16	1,399	1,753
Current financial assets	22	1,963	1,932
Current tax assets	17	111	91
Other current assets	17	3,779	4,014
Cash and cash equivalents	22	14,777	14,057
TOTAL CURRENT ASSETS		**69,975**	**67,509**
TOTAL ASSETS		**114,996**	**109,899**

(1) The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 are presented in note 2-A.
(2) The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(€ million)	Notes	December 31, 2018 [(1)]	December 31, 2017 [(2)]
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(400)	(494)
Revaluation of financial instruments		236	809
Translation adjustment		(2,826)	(3,376)
Reserves		30,322	26,322
Net income – parent company shareholders' share		3,302	5,212
Shareholders' equity – parent company shareholders' share		**35,546**	**33,385**
Shareholders' equity – non-controlling interests' share		599	294
TOTAL SHAREHOLDERS' EQUITY	**18**	**36,145**	**33,679**
Non-current liabilities			
Deferred tax liabilities	8	135	180
Provisions for pension and other long-term employee benefit obligations – long-term	19	1,531	1,584
Other provisions – long-term	20	1,603	1,514
Non-current financial liabilities	23	6,209	5,120
Other non-current liabilities	21	1,572	1,579
TOTAL NON-CURRENT LIABILITIES		**11,050**	**9,977**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	19	56	51
Other provisions – short-term	20	1,065	915
Current financial liabilities	23	2,463	3,792
Sales Financing debts	23	44,495	41,395
Trade payables		9,505	9,904
Current tax liabilities	21	289	246
Other current liabilities	21	9,928	9,940
TOTAL CURRENT LIABILITIES		**67,801**	**66,243**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**114,996**	**109,899**

(1) The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 are presented in note 2-A.
(2) The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

4.2.4 Changes in consolidated shareholders' equity

(€ million)	Number of shares *(thousands)*	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent-company shareholders' share)	Shareholders' equity (parent-company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total shareholders' equity
BALANCE AT DECEMBER 31, 2016 AS PUBLISHED IN THE 2017 FINANCIAL STATEMENTS [(1)]	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,643**	**3,419**	**30,743**	**181**	**30,924**
Change in the valuation method of the Renault SA redeemable shares [(1)]							139		139		139
BALANCE AT DECEMBER 31, 2016 [(1)]	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,782**	**3,419**	**30,882**	**181**	**31,063**
2017 net income [(1)]								5,212	5,212	96	5,308
Other components of comprehensive income [(2)]					51	(1,708)	118		(1,539)	11	(1,528)
2017 comprehensive income [(1)]					***51***	***(1,708)***	***118***	***5,212***	***3,673***	***107***	***3,780***
Allocation of 2016 net income							3,419	(3,419)			
Dividends							(855)		(855)	(133)	(988)
(Acquisitions)/disposals of treasury shares and impact of capital increases				(173)					(173)		(173)
Changes in ownership interests [(3)]						3	(155)		(152)	139	(13)
Cost of share-based payments and other						(3)	13		10		10
BALANCE AT DECEMBER 31, 2017 [(1)]	**295,722**	**1,127**	**3,785**	**(494)**	**809**	**(3,376)**	**26,322**	**5,212**	**33,385**	**294**	**33,679**
Transition to IFRS 9 – Opening adjustments [(4)]					(21)		(73)		(94)	(2)	(96)
Transition to IFRS 15 – Opening adjustments [(4)]							(229)		(229)	(9)	(238)
Application of IAS 29 - Opening adjustments [(5)]						14	65		79		79
ADJUSTED BALANCE AT JANUARY 1, 2018	**295,722**	**1,127**	**3,785**	**(494)**	**788**	**(3,362)**	**26,085**	**5,212**	**33,141**	**283**	**33,424**
2018 net income								3,302	3,302	149	3,451
Other components of comprehensive income [(2)]					(538)	487	(30)		(81)	18	(63)
2018 comprehensive income					***(538)***	***487***	***(30)***	***3,302***	***3,221***	***167***	***3,388***
Allocation of 2017 net income							5,212	(5,212)			
Dividends							(958)		(958)	(94)	(1,052)
(Acquisitions)/disposals of treasury shares and impact of capital increases				94					94		94
Changes in ownership interests [(3)]						33	39		72	241	313
Index-based restatement in 2018 of equity items in hyperinflationary economies [(5)]						3	86		89	1	90
Cost of share-based payments and other [(6)]					(14)	13	(112)		(113)	1	(112)
BALANCE AT DECEMBER 31, 2018	**295,722**	**1,127**	**3,785**	**(400)**	**236**	**(2,826)**	**30,322**	**3,302**	**35,546**	**599**	**36,145**

(1) The figures for 2016 and 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period.
(3) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests. In 2017, they include Renault's acquisition of the shares of Alliance Rostec Auto b.v. previously held by Nissan, which took place in September 2017, and a put option for AVTOVAZ shares subscribed with a third party, giving rise to recognition of €(139) million in shareholders' equity (parent-company shareholders' share) and €87 million in shareholders' equity (non-controlling interests' share) (note 3-B). In 2018, they include the effects of capital increases by Alliance Rostec Auto b.v. and AVTOVAZ, and acquisitions of shares in AVTOVAZ by Alliance Rostec Auto b.v. as a result of a mandatory tender offer and a mandatory squeeze out (note 3-B).
(4) The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 for fully consolidated companies are presented in note 2-A.
(5) The impacts of the application of IAS 29 "Financial reporting in hyperinflationary economies" for foreign activities in Argentina are presented in note 2-A4.
(6) In addition to the cost of share-based payments, this item mainly includes the effects of application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 on the investment in Nissan (note 12).

Details of changes in consolidated shareholders' equity in 2018 are given in note 18.

4.2.5 Consolidated cash flows

(€ million)	Notes	2018	2017 (1)
Net income		**3,451**	**5,308**
Cancellation of dividends received from unconsolidated listed investments		(44)	(51)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		3,245	3,046
Share in net (income) loss of associates and joint ventures		(1,540)	(2,799)
Other income and expenses with no impact on cash before interest and tax	26-A	1,396	1,032
Dividends received from unlisted associates and joint ventures		2	3
Cash flows before interest and tax (2)		**6,510**	**6,539**
Dividends received from listed companies (3)		**828**	**761**
Net change in financing for final customers		(3,596)	(4,617)
Net change in renewable dealer financing		(160)	(888)
Decrease (increase) in Sales Financing receivables		**(3,756)**	**(5,505)**
Bond issuance by the Sales Financing segment	23-C	4,245	7,409
Bond redemption by the Sales Financing segment	23-C	(3,148)	(3,797)
Net change in other debts of the Sales Financing segment		2,435	2,353
Net change in other securities and loans of the Sales Financing segment		61	(227)
Net change in financial assets and debts of the Sales Financing segment		**3,593**	**5,738**
Change in capitalized leased assets		**(519)**	**(622)**
Change in working capital before tax	**26-B**	**551**	**(112)**
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		**7,207**	**6,799**
Interest received		67	70
Interest paid		(332)	(451)
Current taxes (paid)/received		(657)	(716)
CASH FLOWS FROM OPERATING ACTIVITIES		**6,285**	**5,702**
Property, plant and equipment and intangible investments	26-C	(4,407)	(3,601)
Disposals of property, plant and equipment and intangible assets		131	153
Acquisitions of investments involving gain of control, net of cash acquired		(29)	(31)
Acquisitions of other investments, net of cash acquired		(215)	(37)
Disposals of other investments, net of cash transferred and other		8	1
Net decrease (increase) in other securities and loans of the Automotive segments		(150)	(117)
CASH FLOWS FROM INVESTING ACTIVITIES		**(4,662)**	**(3,632)**
Dividends paid to parent-company shareholders	18-D	(1,027)	(916)
Transactions with non-controlling interests (4)		11	(41)
Dividends paid to non-controlling interests	18-I	(94)	(133)
(Acquisitions) sales of treasury shares (5)		(41)	(226)
Cash flows with shareholders		**(1,151)**	**(1,316)**
Bond issuance by the Automotive segments	23-C	1,895	2,259
Bond redemption by the Automotive segments	23-C	(1,455)	(2,134)
Net increase (decrease) in other financial liabilities of the Automotive segments		(242)	(516)
Net change in financial liabilities of the Automotive segments	**23-B**	**198**	**(391)**
CASH FLOWS FROM FINANCING ACTIVITIES		**(953)**	**(1,707)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**670**	**363**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) Cash flows before interest and tax do not include dividends received from listed companies.
(3) Dividends received from Daimler (€44 million in 2018 and €51 million in 2017) and Nissan (€784 million in 2018 and €710 million in 2017).
(4) Principally including Renault's acquisition of the shares of Alliance Rostec Auto b.v. previously held by Nissan, which took place in September 2017 (note 3-B).
(5) In compliance with current regulations, Renault acquired Renault shares sold by the French State in November 2017 for the amount of €121 million, for a share offering reserved for current and former employees to be launched within one year. The "Share the Future" employee shareholding plan was executed in the second half-year of 2018. The shares were sold by Renault for net proceeds of €76 million (note 18-C).

(€ million)	2018	2017
Cash and cash equivalents: opening balance	**14,057**	**13,853**
Increase (decrease) in cash and cash equivalents	670	363
Effect of changes in exchange rate and other changes (1)	50	(159)
Cash and cash equivalents: closing balance (2)	**14,777**	**14,057**

(1) Including an adjustment of €11 million related to the implementation of IAS 29 "Financial reporting in hyperinflationary economies" for Argentinian subsidiaries (note 2-A4).
(2) Cash subject to restrictions on use is described in note 22-C.

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4.2.6 Notes to the consolidated financial statements

4.2.6.1 Information on operating segments and Regions

The operating segments defined by Renault are the following:

- the "Automotive excluding AVTOVAZ" segment, consisting of the Group's automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS 10. This segment comprises the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in automotive-sector associates and joint ventures, principally Nissan;
- the "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 "AVTOVAZ" segment, consisting of the Russian automotive group AVTOVAZ and its parent company, the joint venture Alliance Rostec Auto b.v., which was formed after Renault acquired control over them, as defined by IFRS 10, in December 2016.

A – Information by operating segment

A1 Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) [1]	AVTOVAZ [1]	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018 [2]							
External sales	51,171	3,040	-	54,211	3,208		57,419
Intersegment sales	96	815	(815)	96	18	(114)	-
Sales by segment	51,267	3,855	(815)	54,307	3,226	(114)	57,419
Operating margin [3]	2,202	204	-	2,406	1,204	2	3,612
Operating income	1,583	209	-	1,792	1,193	2	2,987
Financial income (expenses) [4]	(97)	(95)	-	(192)	(11)	(150)	(353)
Share in net income (loss) of associates and joint ventures	1,527	(3)	-	1,524	16	-	1,540
Pre-tax income	3,013	111	-	3,124	1,198	(148)	4,174
Current and deferred taxes	(369)	(26)	-	(395)	(330)	2	(723)
NET INCOME	2,644	85	-	2,729	868	(146)	3,451

(1) In 2018 external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €311 million in 2018, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.
(2) The figures for 2018 are established in application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". The changes related to the application of these new standards are presented in note 2-A.
(3) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.
(4) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions.

(€ million)	Automotive (excluding AVTOVAZ) [1]	AVTOVAZ [1]	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017 [2]							
External sales	53,530	2,727	-	56,257	2,513	-	58,770
Intersegment sales	(379)	765	(765)	(379)	532	(153)	-
Sales by segment	53,151	3,492	(765)	55,878	3,045	(153)	58,770
Operating margin [3]	2,630	57	(2)	2,685	1,050	119	3,854
Operating income	2,617	23	(2)	2,638	1,049	119	3,806
Financial income (expenses)	(279)	(112)	-	(391)	-	-	(391)
Share in net income (loss) of associates and joint ventures	2,808	(24)	-	2,784	15	-	2,799
Pre-tax income	5,146	(113)	(2)	5,031	1,064	119	6,214
Current and deferred taxes	(543)	(2)	-	(545)	(325)	(36)	(906)
NET INCOME	4,603	(115)	(2)	4,486	739	83	5,308

(1) In 2017 external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €276 million for the year 2017, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.
(2) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).
(3) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

A2 Consolidated financial position by operating segment

DECEMBER 31, 2018*

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS							
Non-current assets							
Property, plant and equipment and intangible assets and goodwill	18,448	1,422	-	19,870	347	-	20,217
Investments in associates and joint ventures	21,314	11	-	21,325	114	-	21,439
Non-current financial assets – equity investments	6,907	-	(855)	6,052	2	(5,201)	853
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	75	-	-	75	-	-	75
Deferred tax assets and other non-current assets	1,738	342	(107)	1,973	464	-	2,437
TOTAL NON-CURRENT ASSETS	**48,482**	**1,775**	**(962)**	**49,295**	**927**	**(5,201)**	**45,021**
Current assets							
Inventories	5,515	321	-	5,836	43	-	5,879
Customer receivables	1,295	205	(80)	1,420	42,854	(808)	43,466
Current financial assets	1,415	-	(6)	1,409	1,369	(815)	1,963
Current tax assets and other current assets	2,764	157	(4)	2,917	5,028	(4,055)	3,890
Cash and cash equivalents	11,691	89	(3)	11,777	3,094	(94)	14,777
TOTAL CURRENT ASSETS	**22,680**	**772**	**(93)**	**23,359**	**52,388**	**(5,772)**	**69,975**
TOTAL ASSETS	**71,162**	**2,547**	**(1,055)**	**72,654**	**53,315**	**(10,973)**	**114,996**
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity	**36,061**	**908**	**(859)**	**36,110**	**5,249**	**(5,214)**	**36,145**
Non-current liabilities							
Long-term provisions	2,529	27	-	2,556	578	-	3,134
Non-current financial liabilities	5,508	688	-	6,196	13	-	6,209
Deferred tax liabilities and other non-current liabilities	1,070	34	(106)	998	709	-	1,707
TOTAL NON-CURRENT LIABILITIES	**9,107**	**749**	**(106)**	**9,750**	**1,300**	**-**	**11,050**
Current liabilities							
Short-term provisions	1,046	44	-	1,090	31	-	1,121
Current financial liabilities	3,258	94	(9)	3,343	-	(880)	2,463
Trade payables and Sales Financing debts	9,279	495	(78)	9,696	45,311	(1,007)	54,000
Current tax liabilities and other current liabilities	12,411	257	(3)	12,665	1,424	(3,872)	10,217
TOTAL CURRENT LIABILITIES	**25,994**	**890**	**(90)**	**26,794**	**46,766**	**(5,759)**	**67,801**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**71,162**	**2,547**	**(1,055)**	**72,654**	**53,315**	**(10,973)**	**114,996**

* *The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 are presented in note 2-A.*

DECEMBER 31, 2017*

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS							
Non-current assets							
Property, plant and equipment and intangible assets and goodwill	16,818	1,616	-	18,434	388	-	18,822
Investments in associates and joint ventures	19,694	15	-	19,709	102	-	19,811
Non-current financial assets – equity investments	6,241	-	(303)	5,938	2	(4,634)	1,306
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	139	-	(50)	89	-	-	89
Deferred tax assets and other non-current assets	1,709	477	(146)	2,040	411	(89)	2,362
TOTAL NON-CURRENT ASSETS	**44,601**	**2,108**	**(499)**	**46,210**	**903**	**(4,723)**	**42,390**
Current assets							
Inventories	5,939	344	-	6,283	45	-	6,328
Customer receivables	2,238	214	(435)	2,017	39,972	(902)	41,087
Current financial assets	1,181	-	(38)	1,143	1,610	(821)	1,932
Current tax assets and other current assets	2,853	139	(6)	2,986	4,761	(3,642)	4,105
Cash and cash equivalents	11,718	130	(3)	11,845	2,354	(142)	14,057
TOTAL CURRENT ASSETS	**23,929**	**827**	**(482)**	**24,274**	**48,742**	**(5,507)**	**67,509**
TOTAL ASSETS	**68,530**	**2,935**	**(981)**	**70,484**	**49,645**	**(10,230)**	**109,899**
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity	**33,684**	**(99)**	**(138)**	**33,447**	**4,672**	**(4,440)**	**33,679**
Non-current liabilities							
Long-term provisions	2,549	18	-	2,567	531	-	3,098
Non-current financial liabilities	4,111	1,211	(215)	5,107	13	-	5,120
Deferred tax liabilities and other non-current liabilities	1,147	83	(146)	1,084	675	-	1,759
TOTAL NON-CURRENT LIABILITIES	**7,807**	**1,312**	**(361)**	**8,758**	**1,219**	**-**	**9,977**
Current liabilities							
Short-term provisions	868	87	-	955	11	-	966
Current financial liabilities	4,270	532	(41)	4,761	-	(969)	3,792
Trade payables and Sales Financing debts	9,595	824	(400)	10,019	42,248	(968)	51,299
Current tax liabilities and other current liabilities	12,306	279	(41)	12,544	1,495	(3,853)	10,186
TOTAL CURRENT LIABILITIES	**27,039**	**1,722**	**(482)**	**28,279**	**43,754**	**(5,790)**	**66,243**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**68,530**	**2,935**	**(981)**	**70,484**	**49,645**	**(10,230)**	**109,899**

* *The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

A3 Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
Net income	**2,644**	**85**	**-**	**2,729**	**868**	**(146)**	**3,451**
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash							
Depreciation, amortization and impairment	3,066	109	-	3,175	70	-	3,245
Share in net (income) loss of associates and joint ventures	(1,527)	3	-	(1,524)	(16)	-	(1,540)
Other income and expenses with no impact on cash, before interest and tax	825	90	(1)	914	503	(21)	1,396
Dividends received from unlisted associates and joint ventures	2	-	-	2	-	-	2
Cash flows before interest and tax [(1)]	**4,966**	**287**	**(1)**	**5,252**	**1,425**	**(167)**	**6,510**
Dividends received from listed companies [(2)]	**828**	**-**	**-**	**828**	**-**	**-**	**828**
Decrease (increase) in Sales Financing receivables	-	-	-	-	(3,586)	(170)	(3,756)
Net change in financial assets and Sales Financing debts	-	-	-	-	3,593	-	3,593
Change in capitalized leased assets	(509)	-	-	(509)	(10)	-	(519)
Change in working capital before tax	781	16	6	803	(331)	79	551
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**6,066**	**303**	**5**	**6,374**	**1,091**	**(258)**	**7,207**
Interest received	71	5	(2)	74	-	(7)	67
Interest paid	(263)	(95)	2	(356)	-	24	(332)
Current taxes (paid)/received	(388)	(14)	-	(402)	(255)	-	(657)
CASH FLOWS FROM OPERATING ACTIVITIES	**5,486**	**199**	**5**	**5,690**	**836**	**(241)**	**6,285**

(1) Cash flows before interest and tax do not include dividends received from listed companies.
(2) Dividends received from Daimler (€44 million) and Nissan (€784 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
CASH FLOWS FROM OPERATING ACTIVITIES	**5,486**	**199**	**5**	**5,690**	**836**	**(241)**	**6,285**
Purchases of intangible assets	(1,735)	(32)	-	(1,767)	(4)	-	(1,771)
Purchases of property, plant and equipment	(2,557)	(83)	19	(2,621)	(15)	-	(2,636)
Disposals of property, plant and equipment and intangibles	126	31	(24)	133	-	(2)	131
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(15)	(2)	-	(17)	(12)	-	(29)
Acquisitions and disposals of other investments and other	(159)	-	-	(159)	(48)	-	(207)
Net decrease (increase) in other securities and loans of the Automotive segments	(156)	-	6	(150)	-	-	(150)
CASH FLOWS FROM INVESTING ACTIVITIES	**(4,496)**	**(86)**	**1**	**(4,581)**	**(79)**	**(2)**	**(4,662)**
Cash flows with shareholders	(1,149)	-	-	(1,149)	(153)	151	(1,151)
Net change in financial liabilities of the Automotive segments	233	(139)	(7)	87	-	111	198
CASH FLOWS FROM FINANCING ACTIVITIES	**(916)**	**(139)**	**(7)**	**(1,062)**	**(153)**	**262**	**(953)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**74**	**(26)**	**(1)**	**47**	**604**	**19**	**670**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**11,718**	**130**	**(3)**	**11,845**	**2,354**	**(142)**	**14,057**
Increase (decrease) in cash and cash equivalents	74	(26)	(1)	47	604	19	670
Effect of changes in exchange rate and other changes	(101)	(15)	1	(115)	136	29	50
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11,691**	**89**	**(3)**	**11,777**	**3,094**	**(94)**	**14,777**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017 (1)							
Net income	**4,603**	**(115)**	**(2)**	**4,486**	**739**	**83**	**5,308**
Cancellation of dividends received from unconsolidated listed investments	(51)	-	-	(51)	-	-	(51)
Cancellation of income and expenses with no impact on cash							
Depreciation, amortization and impairment	2,852	109	-	2,961	85	-	3,046
Share in net (income) loss of associates and joint ventures	(2,808)	24	-	(2,784)	(15)	-	(2,799)
Other income and expenses with no impact on cash, before interest and tax	499	139	-	638	372	22	1,032
Dividends received from unlisted associates and joint ventures	3	-	-	3	-	-	3
Cash flows before interest and tax (2)	**5,098**	**157**	**(2)**	**5,253**	**1,181**	**105**	**6,539**
Dividends received from listed companies (3)	**761**	**-**	**-**	**761**	**-**	**-**	**761**
Decrease (increase) in Sales Financing receivables	-	-	-	-	(5,568)	63	(5,505)
Net change in financial assets and Sales Financing debts	-	-	-	-	5,871	(133)	5,738
Change in capitalized leased assets	(529)	-	-	(529)	(93)	-	(622)
Change in working capital before tax	447	98	5	550	(613)	(49)	(112)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**5,777**	**255**	**3**	**6,035**	**778**	**(14)**	**6,799**
Interest received	68	17	(4)	81	1	(12)	70
Interest paid	(352)	(128)	4	(476)	-	25	(451)
Current taxes (paid)/received	(487)	(6)	-	(493)	(220)	(3)	(716)
CASH FLOWS FROM OPERATING ACTIVITIES	**5,006**	**138**	**3**	**5,147**	**559**	**(4)**	**5,702**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) Cash flows before interest and tax do not include dividends received from listed companies.
(3) Dividends received from Daimler (€51 million) and Nissan (€710 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
CASH FLOWS FROM OPERATING ACTIVITIES	**5,006**	**138**	**3**	**5,147**	**559**	**(4)**	**5,702**
Purchases of intangible assets	(1,285)	(24)	-	(1,309)	(2)	-	(1,311)
Purchases of property, plant and equipment	(2,221)	(81)	17	(2,285)	(5)	-	(2,290)
Disposals of property, plant and equipment and intangibles	144	29	(20)	153	-	-	153
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(16)	-	-	(16)	(15)	-	(31)
Acquisitions and disposals of other investments and other	(37)	1	-	(36)	-	-	(36)
Net decrease (increase) in other securities and loans of the Automotive segments	(228)	-	-	(228)	-	111	(117)
CASH FLOWS FROM INVESTING ACTIVITIES	**(3,643)**	**(75)**	**(3)**	**(3,721)**	**(22)**	**111**	**(3,632)**
Cash flows with shareholder	(1,267)	-	-	(1,267)	(49)	-	(1,316)
Net change in financial liabilities of the Automotive segments	(54)	(194)	(3)	(251)	-	(140)	(391)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1,321)**	**(194)**	**(3)**	**(1,518)**	**(49)**	**(140)**	**(1,707)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**42**	**(131)**	**(3)**	**(92)**	**488**	**(33)**	**363**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**11,820**	**277**	**-**	**12,097**	**1,894**	**(138)**	**13,853**
Increase (decrease) in cash and cash equivalents	42	(131)	(3)	(92)	488	(33)	363
Effect of changes in exchange rate and other changes	(144)	(16)	-	(160)	(28)	29	(159)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11,718**	**130**	**(3)**	**11,845**	**2,354**	**(142)**	**14,057**

A4 Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow

The net cash position or net financial indebtedness and operational free cash flow are only presented for the Automotive segments, since these indicators are not relevant for monitoring Sales Financing activity.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

NET CASH POSITION (NET FINANCIAL INDEBTEDNESS)

	December 31, 2018			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ*	Intra-Automotive transactions	Total Automotive
Non-current financial liabilities	(5,508)	(688)	-	(6,196)
Current financial liabilities	(3,258)	(94)	9	(3,343)
Non-current financial assets – other securities, loans and derivatives on financing operations	55	-	-	55
Current financial assets	1,415	-	(6)	1,409
Cash and cash equivalents	11,691	89	(3)	11,777
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	**4,395**	**(693)**	**-**	**3,702**

* *The decline in the net financial indebtedness of the AVTOVAZ segment mainly results from capitalization of a debt to Russian Technologies amounting to 30.7 billion roubles, loans from Renault to AVTOVAZ amounting to 6 billion roubles, and long-term liabilities of Alliance Rostec Auto b.v. amounting to 11.5 billion roubles (i.e., a total of €694 million at the exchange rate of December 31, 2017), which were converted into shares.*

	December 31, 2017*			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
Non-current financial liabilities	(4,111)	(1,211)	215	(5,107)
Current financial liabilities	(4,270)	(532)	41	(4,761)
Non-current financial assets – other securities, loans and derivatives on financing operations	139	-	(50)	89
Current financial assets	1,181	-	(38)	1,143
Cash and cash equivalents	11,718	130	(3)	11,845
Capitalizable loans from Renault s.a.s. to AVTOVAZ	(87)	-	87	-
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	**4,570**	**(1,613)**	**252**	**3,209**

* *The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

OPERATIONAL FREE CASH FLOW

	2018			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
Cash flows (excluding dividends from listed companies) before interest and tax	4,966	287	(1)	5,252
Changes in working capital before tax	781	16	6	803
Interest received by the Automotive segments	71	5	(2)	74
Interest paid by the Automotive segments	(263)	(95)	2	(356)
Current taxes (paid) / received	(388)	(14)	-	(402)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(4,166)	(84)	(5)	(4,255)
Capitalized leased vehicles and batteries	(509)	-	-	(509)
Operational free cash flow of the Automotive segments	**492**	**115**	**-**	**607**

	2017			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
Cash flows (excluding dividends from listed companies) before interest and tax	5,098	157	(2)	5,253
Changes in working capital before tax	447	98	5	550
Interest received by the Automotive segments	68	17	(4)	81
Interest paid by the Automotive segments	(352)	(128)	4	(476)
Current taxes (paid) / received	(487)	(6)	-	(493)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,362)	(76)	(3)	(3,441)
Capitalized leased vehicles and batteries	(529)	-	-	(529)
Operational free cash flow of the Automotive segments	**883**	**62**	**-**	**945**

B – Information by Region

The Regions presented correspond to the geographic divisions used for Group management. The Regions are defined in section 1.3.1.3 of the 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 [1]	Americas [2]	Asia-Pacific [2]	Africa-Middle-East-India	Eurasia	Consolidated total
2018						
Revenues	36,704	4,684	4,566	3,903	7,562	57,419
Including AVTOVAZ	*39*	*2*	-	*18*	*3,292*	*3,351*
Property, plant and equipment and intangibles	14,800	821	519	661	3,416	20,217
Including AVTOVAZ	-	-	-	-	*1,422*	*1,422*
2017						
Revenues	36,249	5,114	5,297	4,512	7,598	58,770
Including AVTOVAZ	*44*	*5*	-	*2*	*2,951*	*3,002*
Property, plant and equipment and intangibles	12,956	1,073	522	706	3,565	18,822
Including AVTOVAZ	-	-	-	-	*1,533*	*1,533*

(1) Including the following for France :

(€ million)	2018	2017
Revenues	**13,533**	**12,670**
Property, plant and equipment and intangibles	**11,735**	**10,325**

(2) The Asia-Pacific region comprises sales to Nissan of vehicles made in Korea for the United States market. These sales were previously classified as belonging to the Americas region. The figures for the year 2017 have been restated in the amount of €1,659 million.

4.2.6.2 Accounting policies and scope of consolidation

NOTE 1
APPROVAL OF THE FINANCIAL STATEMENTS

Groupe Renault's consolidated financial statements for 2018 were examined at the Board of Directors' meeting of February 13, 2019 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

NOTE 2
ACCOUNTING POLICIES

In application of European regulations, Groupe Renault's consolidated financial statements for 2018 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2018 and adopted by the European Union at the year-end.

A – Changes in accounting policies

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, 2018.

NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2018

Amendments to IFRS 2	Classification and measurement of share-based payment transactions
IFRS 9	Financial instruments
IFRS 15 and subsequent amendments	Revenue from contracts with customers
IFRIC 22	Foreign currency transactions and advance consideration
Annual improvements to IFRS, 2014-2016 cycle	Various measures concerning IAS 28 "Investments in associates and joint ventures" and IFRS 12 "Disclosure of interests in other entities"

The changes related to application of IFRS 9 and IFRS 15 are presented below.

The other standards and amendments that became mandatory on January 1, 2018 have no significant impact on the Group's financial statements.

The Group has not opted for early application of the new standard and interpretation named below, which have been published in the Official Journal of the European Union and will be mandatory from January 1, 2019 or later.

NEW STANDARD AND INTERPRETATION PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION BUT NOT APPLIED EARLY BY THE GROUP

IFRS 16	Leases
IFRIC 23	Uncertainty over income tax treatments

On November 9, 2017 the European Union published in the Official Journal IFRS 16, "Leases", which will replace IAS 17 and the associated IFRIC and SIC interpretations, and will eliminate the previous distinction between operating leases and finance leases for the lessee. Under IFRS 16, a lessee recognizes an asset related to the right of use and a financial liability that represents the lease obligation. The right-of-use asset is amortized and 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.

The Group has identified its leases that come under the scope of IFRS 16, and has estimated the impacts of application of the new standard. Real estate leases make up the Group's main lease commitments and will account for most of the restated agreements. The Group does not expect application of this standard to have any significant effect on operating income. An additional financial liability corresponding to the operating leases will be recorded at the transition date, of an amount currently estimated to be higher than the amount of off-balance sheet operating lease commitments presented in note 28-A1 but less than €800 million. The cash flows presented in the cash flow statement will be modified in accordance with the standard: the rental expenses previously recognized in cash flows from operating activities will be cancelled, the financial interest will be presented in cash flows from operating activities, and the lease repayments will be presented in cash flows from financing activities.

The Group will apply the standard from January 1, 2019 and plans to do so using the simplified retrospective method.

The Group does not anticipate any significant impact on the reported amounts related to the implementation of IFRIC 23 "Uncertainty over income tax treatments" from January 1, 2019.

A1 Changes in the financial statements as a result of first application of IFRS 9 "Financial Instruments"

On November 29, 2016 the European Union published in the Official Journal IFRS 9, "Financial instruments", which is applied in Groupe Renault's consolidated financial statements from January 1, 2018. The requirements of this standard introduced several changes from the principles laid down by IAS 39, "Financial instruments – recognition and measurement", mainly in the Sales Financing segment. The major changes in the Group's accounting principles are presented below.

A1.1 CLASSIFICATION OF FINANCIAL ASSETS

IFRS 9 defines three approaches to classification and measurement of financial assets based on their initial recognition: amortized cost, fair value through Other components of comprehensive income, and fair value through profit and loss.

Financial assets are classified according to these three categories by reference to the business model the entity uses to manage them, and the contractual cash flows they generate. Loans, receivables and other debt instruments considered "basic lending arrangements" as defined by the standard (contractual cash flows that are solely payments of principal and interest) are carried at amortized cost when they are managed with the purpose of collecting contractual cash flows, or at fair value through Other components of comprehensive income when they are managed with the purpose of collecting contractual cash flows and selling the asset, while debt instruments that are not "basic lending arrangements" and do not correspond to these business models are carried at fair value through profit and loss. Equity instruments are carried at fair value through profit and loss or, under an irrevocable option, at fair value through Other components of comprehensive income.

The former financial asset categories under IAS 39 (loans and receivables, financial assets at fair value through profit and loss, investments held to maturity and available-for-sale financial assets) no longer exist. The Group has prepared a new accounting classification of financial assets under IFRS 9 categories to replace the IAS 39 categories.

Application of these new measures has led the Group to make an irrevocable option to present the Daimler shares acquired under the strategic partnership with Daimler at fair value through Other components of comprehensive income. These shares were previously classified as available-for-sale financial assets. Shares in investment funds (UCITS) are now carried at fair value through profit and loss.

Investments in companies that are controlled but not consolidated because they are non-significant continue to be presented as other non-current assets. These are non-significant investments in companies exclusively controlled by the Group.

However, investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are now presented in compliance with IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated.

A1.2 ACCOUNTING TREATMENT OF FINANCIAL LIABILITIES

IFRS 9 does not introduce any change to classification and measurement of financial liabilities.

In its preparatory work for application of IFRS 9, the Group reviewed the accounting treatment applied to the redeemable shares held by Renault SA and decided to make a voluntary change of accounting method, which is presented in note 2-A3.

A1.3 IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 replaced the IAS 39 impairment model for financial assets, based on incurred credit losses, with a prospective model based on expected credit losses. The scope of application of the new model includes assets carried at amortized cost or at fair value through Other components of comprehensive income, but excludes equity instruments, particularly investment shares.

For operating receivables of the Automotive segment, since they are short-term receivables with no significant financing component, the Group has developed a simplified approach based on prospective assessment of the credit risk at the inception of the receivable and its deterioration over time. As a result of this new impairment model, additional impairment has been recognized on healthy receivables, although the amounts involved are not significant.

In the Sales Financing segment, in-depth analyses have been conducted to define a new impairment methodology. As a result, impairment is booked for expected credit losses in respect of all financial instruments in the scope of the standard under the following rules:

- upon initial recognition, impairment on the instrument is recorded equivalent to the 12-month expected credit loss;
- if there is a significant deterioration in the credit risk after initial recognition, impairment on the instrument is recorded equivalent to the instrument's lifetime expected losses.

The date of initial recognition is the date at which the irrevocable financing commitment is signed, or in the case of securities, their acquisition date.

IFRS 9's definition of the risk of default does not change the definition given by IAS 39, and the Group continues to use the same definitions of doubtful and compromised receivables when measuring realized losses. It is important to note that the accounting concept of "doubtful" used in the Sales Financing segment is very similar to the Basel accords' concept of "default".

To ensure coherence between its prudential risk management policy and its accounting method for establishing provisions, the Sales Financing segment has implemented an advanced approach based on Basel credit risk models for loans, 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 activities, Korea for customer financing only). These assets account for more than 85% of the financial assets covered by IFRS 9. For other assets, a standard approach based on a simplified methodology is applied, since these portfolios are non-significant. The calculation of impairment for expected credit losses in the Sales Financing segment also incorporates forward-looking macroeconomic data to reflect changes in indicators and sector-specific information.

Application of this new impairment methodology has led to an adjustment to the Group's opening consolidated shareholders' equity of -€96 million net of deferred taxes.

A1.4 HEDGE ACCOUNTING

The Group applies IFRS 9 to all of its micro-hedging operations (commodity, currency and interest rate hedges). The changes resulting from the new standard mainly affect documentation of the efficiency of hedges, and have no impact in the financial statements.

Until there is a further change in IFRS, the Group will continue to apply IAS 39 for documentation of macro-hedging operations.

For the hedge of the Group's net investment in Nissan, which is included in the consolidated financial statements under the equity method, IFRS 9 does not introduce any change in the documentation of the hedge's efficiency or recognition of its effects.

A1.5 CHANGES IN THE FINANCIAL STATEMENTS AS A RESULT OF FIRST APPLICATION OF IFRS 9

The changes resulting from adoption of IFRS 9 have been applied under the simplified retrospective method in the 2018 financial statements, using the following simplified measures:

- the 2017 comparative figures have not been adjusted for application of IFRS 9 and are therefore identical to the figures reported in the previous year's financial statements, under the accounting principles of IAS 39, "Financial instruments – recognition and measurement";
- differences in the book value of financial assets at the date of first application of IFRS 9 are recorded at January 1, 2018 in shareholders' equity, in reserves or Other components of comprehensive income.

The table below presents the net-of-tax effects of application of IFRS 9 on Group shareholders' equity at January 1, 2018:

(€ million)	Reserves	Revaluation of financial instruments	Impact of the transition to IFRS 9 – Total
SHAREHOLDERS' EQUITY – PARENT COMPANY SHAREHOLDERS' SHARE			
Impairment related to expected credit losses on Automotive receivables	(5)		(5)
Change in impairment methodology on Sales Financing receivables	(116)		(116)
Impairment related to expected credit losses on debt instruments at fair value through Other components of comprehensive income	(1)	1	-
Reclassifications	26	(26)	-
Taxes	23	4	27
Effect on the opening balance sheet at January 1, 2018	**(73)**	**(21)**	**(94)**
SHAREHOLDERS' EQUITY – NON-CONTROLLING INTERESTS' SHARE			
Impairment related to expected credit losses under IFRS 9			(3)
Taxes			1
Effect on the opening balance sheet at January 1, 2018			**(2)**

The table below gives details of the transition at January 1, 2018 from IAS 39 financial asset categories (as presented in note 24-A to the 2017 financial statements) to the new IFRS 9 categories:

	IAS 39 categories						
(€ million)	**Loans and receivables (amortized cost)**	**Fair value through profit and loss**	**Available-for-sale assets**	**Held for trading**	**As defined in the applicable standard (IFRS 10, 11 or IAS 28)**	**Fair value – hedging instruments**	**Valuation under IAS 39**
Total amounts by IAS 39 category valued under IAS 39	**57,065**	**15**	**2,578**	**4,102**	**141**	**109**	**64,010**
Classification under IFRS 9	**Valuation under IFRS 9**						**Valuation under IAS 39**
Sales Financing receivables	39,212						39,334
Automotive receivables	1,748						1,753
Other receivables	5,292						5,292
Loans	512						512
Cash	7,417						7,417
Cash equivalents	2,757						2,757
Debt instruments at amortized cost	**56,938**						**57,065**
Investments in non-controlled entities – companies neither under significant influence nor joint control			1,165				1,165
Equity instruments at fair value through other components of comprehensive income (no recycling in profit and loss)			**1,165**				**1,165**
Marketable securities and negotiable debt securities			951				951
Cash equivalents			130				130
Debt instruments at fair value through other components of comprehensive income (with recycling in profit and loss)			**1,081**				**1,081**
Investments in non-controlled entities – companies neither under significant influence nor joint control [(1)]			100				100
Equity instruments at fair value through profit and loss			**100**				**100**
Other receivables		15					15
Derivatives on operating transactions of the Automotive segments						10	10
Marketable securities and negotiable debt securities			232				232
Derivative assets on financing transactions of the Automotive and Sales Financing segments				349			349
Derivatives on financing transactions by the Automotive and Sales Financing segments						99	99
Cash equivalents				3,753			3,753
Debt instruments at fair value through profit and loss		**15**	**232**	**4,102**		**109**	**4,458**
Investments in non-controlled entities – companies under significant influence or joint control [(2)]					41		41
Investments in unconsolidated controlled entities [(3)]					100		100
Equity instruments valued as defined in the applicable standard (IFRS 10, IFRS 11 or IAS 28)					**141**		**141**
TOTAL AMOUNTS BY IAS 39 CATEGORY	**56,938**	**15**	**2,578**	**4,102**	**141**	**109**	**64,010**
TOTAL VALUE UNDER IFRS 9				**63,883**			

(1) As allowed by IFRS 9 point 5.7.5, the Group has opted to carry changes in the fair value of the Daimler shares at fair value through Other components of comprehensive income. As a result of this option, gains and losses on these shares will never be recognized in net income, and only the dividends received will remain in the net financial income (note 2-A1.1).

(2) The shares of companies under significant influence or joint control are measured in accordance with the applicable standard: IFRS 11 or IAS 28 (note 2-A1.1).

(3) Investments in unconsolidated companies are now presented in compliance with the applicable standard IFRS 10 and are classified as other current assets (note 2-A1.1).

A2 Changes in the financial statements as a result of first application of IFRS 15

On October 29, 2016 the European Union published in the Official Journal IFRS 15, "Revenue from contracts with customers", which has replaced IAS 11 and IAS 18 and the associated IFRIC and SIC interpretations. IFRS 15 proposes a new approach to recognition of sales revenues described in five stages.

The Group has reviewed its sales contracts and concluded that there is no need to modify the trigger event for revenue recognition. Sales revenues generated by service contracts in which the Group sells additional services such as maintenance or warranty extensions are spread over the duration of the service provided.

The Group makes a distinction between insurance-type warranties, to be covered by provisions, and service-type warranties, for which revenues are spread over the duration of the warranty extension. These principles are in line with IFRS 15 and no modification was therefore made for the transition.

The cost of sales incentive program based on the volume or price of the products sold is deducted from revenues when the corresponding sales are recorded. Provisions are estimated by reference to the most likely amount. The transition to IFRS 15 did not lead the Group to modify its previous practices.

Treatment of incentives granted in the form of reduced interest on the sale of a vehicle with associated financing has been modified such that the effect of the interest reduction is always included in profit and loss at the time of the vehicle sale, instead of being recognized progressively over the term of the financing. The impact of this change is recognized in opening shareholders' equity and amounts to -€238 million net of deferred taxes.

The Group did not identify any significant financing component at the transition date, but will apply the principle of recognizing these effects in the financial statements as soon as they become significant.

Note 4 discloses the amount of sales to partners (principally automakers). Sales to partners include sales of parts, components and vehicles for sale under the partners' own brands, and services such as engineering development.

The Group has applied IFRS 15 since January 1, 2018 under the simplified retrospective method: the 2018 financial statements are prepared in accordance with IFRS 15, while the comparative figures for 2017 remain unchanged as prepared under the previous standards. The effects of modifications are recorded in shareholders' equity at the opening of the 2018 financial year.

The table below presents the net-of-tax effect of application of IFRS 15 and the related clarifications published by the IASB in April 2016 on the Group's shareholders' equity at January 1, 2018 for fully-consolidated companies:

(€ million)	Shareholders' equity – parent-company shareholders' share – Reserves	Shareholders' equity – Non-controlling interests' share
IMPACT OF THE TRANSITION TO IFRS 15		
Discontinuation of progressive recognition of incentives in the form of reduced interest	(308)	(12)
Taxes	79	3
Effect on the opening balance sheet at January 1, 2018	**(229)**	**(9)**

The Group has also modified the presentation of incentives in the form of reduced interest in its segment reporting. These expenses were previously deducted from Sales Financing sales, but are now deducted from Automotive sales. In accordance with IFRS 15, consolidated sales and operating margin in 2018 are presented below under the previously applicable IAS 11 and IAS 18 rules.

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
Sales of goods	48,715	3,018	-	51,733	27	-	51,760
Sales of services	3,011	22	-	3,033	2,626	-	5,659
External sales	**51,726**	**3,040**	**-**	**54,766**	**2,653**	**-**	**57,419**
Intersegment sales	(459)	815	(815)	(459)	573	(114)	-
Sales by segment	**51,267**	**3,855**	**(815)**	**54,307**	**3,226**	**(114)**	**57,419**
Operating margin	**2,202**	**204**	**-**	**2,406**	**1,204**	**114**	**3,724**

A3 Accounting treatment of redeemable shares held by Renault SA

After reviewing the accounting methods for redeemable shares held by Renault SA, in preparation for application of the new standard IFRS 9, the Group decided to make a voluntary accounting change. Although IFRS 9 did not change IAS 39 rules for instruments carried at fair value through profit and loss, the new standard requires the portion of the change in fair value that relates to the issuer's own credit risk to be recognized separately in shareholders' equity. Since the redeemable shares are perpetual instruments, the "own credit risk" component of their fair value could not be reliably and consistently identified.

The characteristics of the return on Renault redeemable shares does not preclude recognition at amortized cost, as this return is partly indexed on Renault revenues. This can be analyzed as a derivative or otherwise, depending on whether the change in consolidated revenues is considered as a financial variable or a non-financial variable, as the choice between the two is a choice of accounting method. When IFRSs were first applied in 2005, the Group opted to consider this indexation as financial in nature and the full value of redeemable shares was stated at fair value through profit and loss, with no separation of the embedded derivative.

The decision was made to opt for the second method from January 1, 2018 (*i.e.*, considering the change in consolidated revenues as a non-financial variable), and consequently to state the redeemable shares at amortized cost. This amortized cost is calculated by discounting the forecast coupons on redeemable shares, applying the corresponding effective interest rate. The Group considered that the minimum contractual return on the redeemable shares, *i.e.*, 9%, was retrospectively the best estimate of the effective interest rate at the shares' issue date (1983 and 1984). The variable portion is now fully included in estimation of the effective interest rate, with regular adjustment in compliance with point B 5.4.6 of IFRS 9, to be recorded in financial income and expenses.

This voluntary change of accounting method is justified since the Group cannot determine the portion of the change in fair value of redeemable shares that relates to the issuer's own credit risk, no other issuer of this type of instrument has been identified that reports it at fair value through profit and loss, and also since it does not appear possible to analyze stock market movements in the redeemable share price in correlation with movements in the underlyings. The new approach will make the net financial income (expenses) clearer and improve comparability with other issuers of this type of instrument.

As this is a voluntary change of method, the comparative figures from 2017 have also been modified, and so has the internal indicator of the net financial indebtedness of the Automotive segments (cf. 4.2.6.1.A4). The book value of these debt instruments at December 31, 2017 was recalculated at January 1, 2017 and in the statement of financial position becomes the amortized cost of the debt instrument. The effects of this change on the 2017 figures are presented in note 2-A5 below.

The stock market value of redeemable shares at the closing date is provided in note 23-C.

A4 Hyperinflation

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. Argentina was identified in the IPTF bulletin of November 27, 2018 as a country with a cumulative 3-year inflation rate above 100%. At June 30, 2018 Argentina's cumulative 3-year inflation rate was higher than 100% by every measurement index, and the country is therefore considered as a hyperinflationary country for the purposes of the 2018 financial statements.

The Group's Argentinian subsidiaries' accounts at December 31, 2018 have been restated by applying price indexes to non-monetary assets and liabilities, income statement items, the comprehensive income and the cash flow statement, in order to express items in terms of the measuring unit current at the end of the reporting period. The financial statements of the Argentinian subsidiaries are then translated at the closing exchange rate.

The gain or loss on net monetary position from index-based restatements of non-monetary assets and liabilities at January 1, 2018 are recorded in consolidated reserves (€65 million) and in translation adjustments (€14 million). Those relating to 2018 are classified as other financial income and expenses (financial expense of -€41 million). The restatements of income statement items have no impact on net income as they are offset by a reverse effect on other financial income and expenses (financial income of €10 million). The restatements of cash flow statement items (a net -€11 million decrease in cash flows) are offset by a reverse effect in the "Effect of changes in exchange rate and other changes" line of the statement.

The indexes applied by the Group are the IPIM (*Índice de Precios Internos al por Mayor*) for operations prior to January 1, 2017, and the IPC (*Indice de Precios al Consumidor Nacional*) from that date, in compliance with resolution 539/18 of the FACPCE (*Federacion Argentina de Consejos Profesionales de Ciencas Economicas*).

At December 31, 2018 Argentina was the Group's ninth-largest market in terms of volume (tenth-largest in 2017), with sales of around €1.23 billion at that date, after index-based restatement and translation at the closing rate in application of IAS 29 (€1.31 billion translated at the average exchange rate without prior restatement). A USD 205 million capital increase was undertaken for the Group's principal subsidiary in this country in June 2018, to limit exposure to changes in the exchange rate.

An impairment test of fixed assets was carried out at December 31, 2018 on industrial assets at January 1, 2018 and December 31, 2018. This test did not indicate any impairment that should be recognized at January 1, 2018, but the industrial assets were fully written off at December 31, 2018 (see note 11-B).

A5 Restatements of the 2017 consolidated financial statements

The change in valuation method for Renault SA's redeemable shares in 2018, which is applied retrospectively (details above in note 2-A3), has led to restatements of the figures published in the 2017 consolidated financial statements. Details of the principal impacts on the condensed financial statements and the internal indicator of net financial indebtedness (or net liquidity position) of the Automotive segments are provided in the tables below.

RESTATEMENTS IN THE 2017 ANNUAL CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares	Year 2017 restated
Revenues	**58,770**	**-**	**58,770**
Cost of goods and services sold	(46,477)	-	(46,477)
Research and development expenses	(2,590)	-	(2,590)
Selling, general and administrative expenses	(5,849)	-	(5,849)
Operating margin	**3,854**	**-**	**3,854**
Automotive (excluding AVTOVAZ)	*2,630*	-	*2,630*
AVTOVAZ	*57*	-	*57*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,050*	-	*1,050*
Intersegment transactions	*119*	-	*119*
Other operating income and expenses	(48)	-	(48)
Operating income	**3,806**	**-**	**3,806**
Automotive (excluding AVTOVAZ)	*2,617*	-	*2,617*
AVTOVAZ	*23*	-	*23*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,049*	-	*1,049*
Intersegment transactions	*119*	-	*119*
Financial income (expenses)	**(504)**	**113**	**(391)**
Automotive (excluding AVTOVAZ)	*(392)*	*113*	*(279)*
AVTOVAZ	*(112)*	-	*(112)*
Intra-Automotive transactions	-	-	-
Sales Financing	-	-	-
Intersegment transactions	-	-	-
Share in net income (loss) of associates and joint ventures	**2,799**	**-**	**2,799**
Nissan	*2,791*	-	*2,791*
Other associates and joint ventures	*8*	-	*8*
Pre-tax income	**6,101**	**113**	**6,214**
Automotive (excluding AVTOVAZ)	*5,033*	*113*	*5,146*
AVTOVAZ	*(113)*	-	*(113)*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,064*	-	*1,064*
Intersegment transactions	*119*	-	*119*
Current and deferred taxes	**(891)**	**(15)**	**(906)**
Automotive (excluding AVTOVAZ)	*(528)*	*(15)*	*(543)*
AVTOVAZ	*(2)*	-	*(2)*
Intra-Automotive transactions	-	-	-
Sales Financing	*(325)*	-	*(325)*
Intersegment transactions	*(36)*	-	*(36)*
Net income	**5,210**	**98**	**5,308**
Net income – parent-company shareholders' share	5,114	98	5,212
Net income – non-controlling interests' share	96	-	96
Basic earnings per share in €	18.87	0.36	19.23
Diluted earnings per share in €	18.68	0.36	19.04
Comprehensive income	**3,682**	**98**	**3,780**
Gross	*4,614*	*113*	*4,727*
Tax effect	*(932)*	*(15)*	*(947)*
Comprehensive income – parent-company shareholders' share	3,575	98	3,673
Comprehensive income – non-controlling interests' share	107	-	107

RESTATEMENTS IN THE CONSOLIDATED FINANCIAL POSITION AND NET LIQUIDITY POSITION OF THE AUTOMOTIVE SEGMENTS AT DECEMBER 31, 2017

(€ million)	December 31, 2017 as published	Change in accounting treatment of Renault SA redeemable shares*	December 31, 2017, restated
ASSETS			
Non-current assets	**42,434**	**(44)**	**42,390**
Deferred tax assets	971	(44)	927
Other non-current assets	41,463	-	41,463
Current assets	**67,509**	**-**	**67,509**
TOTAL ASSETS	**109,943**	**(44)**	**109,899**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**33,442**	**237**	**33,679**
Shareholders' equity – parent-company shareholders' share	33,148	237	33,385
Shareholders' equity – non-controlling interests' share	294	-	294
Non-current liabilities	**10,258**	**(281)**	**9,977**
Non-current financial liabilities	5,401	(281)	5,120
Other non-current liabilities	4,857	-	4,857
Current liabilities	**66,243**	**-**	**66,243**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**109,943**	**(44)**	**109,899**
Net liquidity position of the automotive segments	**2,928**	**281**	**3,209**

* *Automotive (excluding AVTOVAZ) segment.*

RESTATEMENTS IN THE 2017 ANNUAL CONSOLIDATED CASH FLOW STATEMENTS

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares*	Year 2017 restated
Net income	**5,210**	**98**	**5,308**
Cancellation of dividends received from listed unconsolidated investments	(51)	-	(51)
Cancellation of income and expenses with no impact on cash	1,377	(98)	1,279
Dividends received from unlisted associates and joint ventures	3	-	3
Cash flow before interest and tax	**6,539**	**-**	**6,539**

* *Automotive (excluding AVTOVAZ) segment.*

RESTATEMENTS IN THE BREAKDOWN OF THE TAX CHARGE FOR 2017 (NOTE 8-B)

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares*	Year 2017 restated
Income before taxes and share in net income of associates and joint ventures	**3,302**	**113**	**3,415**
Statutory income tax rate in France, including exceptional contribution	34.43%	34.43%	34.43%
Theoretical tax income (charge)	**(1,137)**	**(39)**	**(1,176)**
Effect of differences between local tax rates and the French rate	201	-	201
Tax credits	68	-	68
Distribution taxes	(84)	-	(84)
Change in unrecognized deferred tax assets	(72)	15	(57)
Other impacts	232	9	241
Current and deferred tax income (charge) excluding taxes based on intermediate net results	**(792)**	**(15)**	**(807)**
Taxes based on intermediate net results	(99)	-	(99)
Current and deferred tax income (charge)	**(891)**	**(15)**	**(906)**

* *Automotive (excluding AVTOVAZ) segment.*

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future consolidated financial statements could differ from the estimates established at the time the financial statements were finalized.

On a recurring basis, the main items in the Group's consolidated financial statements that are dependent on estimates and judgments at December 31, 2018 are:

- capitalization of research and development expenses and their amortization period (notes 2-K and 10-A);
- any impairment on fixed assets (notes 2-M and 11) and operating receivables (notes 16 and 17), particularly impairment on assets in Argentina, which has been in a hyperinflationary situation since 2018 (notes 2-A4 and 11-B);
- recoverable value of leased vehicles classified as property, plant and equipment or in inventories (notes 2-G, 10-B and 14);
- investments in associates, notably Nissan (notes 2-M, 12 and 13);
- sales financing receivables (notes 2-G and 15);
- recognition of deferred taxes (notes 2-I and 8);
- provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (notes 2-S and 19) and provisions for workforce adjustment measures (notes 2-T and 6-A) and provisions for legal and tax risks (note 20);
- value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-D) and in general the value of Group assets located in all areas concerned by country risks.

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.

D – Presentation of the consolidated financial statements

Valuation basis

The consolidated financial statements are established under the historical cost convention, except for certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are detailed in the following notes.

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which are by nature unusual or significant and could affect comparability of the margin. Other operating income and expenses cover:

- restructuring costs relating to discontinued activities and workforce adjustment costs;
- gains or losses on partial or total disposal of businesses or operating entities, gains or losses on total or partial disposals of investments in associates and joint ventures, other gains and losses relating to changes in the scope of consolidation such as acquisitions of control, as defined by IFRS 10, over entities previously accounted for under the equity method, and direct acquisition costs for entities that are fully consolidated or consolidated on a line-by-line percentage of interest basis;
- gains or losses on disposal of property, plant and equipment or intangible assets (except leased assets sales);
- impairment on property, plant and equipment or intangible assets and goodwill (excluding goodwill of associates or joint ventures);
- unusual items, *i.e.*, income and charges that are unusual in their frequency, nature or amount, relating to significant litigation or impairment of operating receivables.

Share in net income of associates and joint ventures

The share in net income of associates and joint ventures reported in the Group's consolidated income statement comprises the share in these entities' profits or losses, impairment and recoveries of impairment relating to these entities (note 2-M). The impairment booked is limited to the net book value of the investment, unless an additional commitment has been made.

The gain or loss resulting from the sale or loss of significant influence or joint control over associates and joint ventures accounted for by the equity method, and the gain or loss on acquisition of control, as defined by IFRS 10, over companies that were already consolidated but not controlled, is reported in other operating income and expenses in the Group's consolidated income statement. This includes transfers of accumulated translation adjustments during the period the entity was accounted for by the equity method.

The Group recognizes a deferred tax liability on dividend distributions for all differences between the book and tax values of its investments in associates and joint ventures (note 2-I). This tax is included in current and deferred taxes in the Group's income statement.

Goodwill relating to associates and joint ventures is included in the value of the relevant entities as stated in the assets in the consolidated statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates and joint ventures (note 2-J).

Acquisition expenses related to investments in associates and joint ventures are included in the initial acquisition cost for these investments.

Cross-investments between a consolidated entity and an associate are neutralized in measuring the investment in the associate as stated in the assets of the statement of financial position. Nissan's 15% stake in Renault is therefore neutralized in valuing the investment in Nissan shown in the assets of the consolidated statement of financial position (note 12).

Dividends received from unlisted associates and joint ventures are included in the Automotive segments' operational free cash flow, while dividends received from listed associates and joint ventures, *i.e.*, Nissan, are excluded from the operational free cash flow of the Automotive (excluding AVTOVAZ) segment.

Reporting by operating segment

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" and "Intra-Automotive" columns are reserved for transactions between the segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment are included in the Automotive (excluding AVTOVAZ) segment's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive (excluding AVTOVAZ) segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive (excluding AVTOVAZ) segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive (excluding AVTOVAZ) segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognises 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.

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 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 from 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, the comprehensive income 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. 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.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary assets and liabilities in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (note 2-X).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segments are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-X.

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.

The policies described below apply to the 2018 financial statements prepared in accordance with the standards in force at January 1, 2018. The financial statements for 2017 were prepared in accordance with previously applicable standards and policies, as described in the 2017 publication.

Sales of goods and services and margin recognition

SALES AND MARGIN RECOGNITION

Sales of automotive goods are recognized at the date control is transferred. The transfer of control over automotive goods takes place when the goods are made available to the distribution network in the case of non-Group dealers (at the time they are added to or removed from stock, depending on the contractual arrangements) or upon delivery to the end-user in the case of direct sales. However, there is no transfer of control in the case of goods sold under an operating lease by a Group finance company, or in the case of goods sold with a buy-back 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 buy-back 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. The cost of these operations is recognized immediately in expenses when the vehicle sale takes place, and is not spread over the duration of the financing.

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

Renault offers its customers service contracts such as warranty extensions or maintenance contracts. The revenue from these contracts is recognized progressively over the duration of the contract.

IMPAIRMENT OF CUSTOMER RECEIVABLES

Impairment is booked in respect of the Automotive segment's customer receivables to reflect the prospective assessment of the credit risk at the inception of the receivable and any deterioration of that risk over time. When there is an incurred credit loss, impairment is recorded individually for each receivable.

Sales financing revenues and operating margin recognition

SALES FINANCING REVENUES

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

SALES FINANCING COSTS

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer loan transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks related to receivables. Refinancing comes from diversified sources: public and private bond issues, public and private securitization backed by Automotive segments loans, negotiable debt instruments, savings collected and financing from credit institutions and assimilates.

COMMISSIONS PAYABLE TO BUSINESS INTERMEDIARIES

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

CLASSIFICATION AND IMPAIRMENT OF RECEIVABLES

The impairment method for financial receivables depends on the category concerned. For healthy receivables, impairment is equivalent to the 12-month expected credit loss; for receivables on which the credit risk has significantly deteriorated since initial recognition, impairment is equivalent to the lifetime expected losses; and for receivables in default, impairment is equivalent to the incurred credit loss.

The Sales Financing segment refers to the current recommendations of the Basel Committee to generate the parameters needed to calculate the probability 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 to reflect changes in indicators and sector-specific information.

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 net interest on provisions for pensions, and dividends and impairment of companies that are neither controlled nor under significant influence by the Group.

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.

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.

K – 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.

L – Property, plant and equipment

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 used by the Group under finance leases are treated as assets financed by credit.

Fixed assets leased to customers are vehicles and batteries under a lease of more than one year from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause (note 2-G).

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	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, up to a maximum of 80 years for buildings, 17 years for specific tools, 20 years for machinery and other tools and 13 years for other tangible assets.

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;
- at the level of other cash-generating units

  A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive (excluding AVTOVAZ) segment. Net fixed assets related to cash-generating units notably include goodwill, specific assets and capacity assets, and components of working capital.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the **Sales Financing segment**, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. The value in use is based on a market approach, determined by using multiples for each group of cash-generating units made up of legal entities or groups of legal entities in the same country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate. The forecast horizon for income and losses is one year.

For **AVTOVAZ**, impairment tests are also carried out at two levels (on specific assets and on the whole Group). The AVTOVAZ Group as a whole is considered as one cash-generating unit, and no tests are conducted for individual factories or economic entities.

Impairment of investments in associates and joint ventures

Impairment tests of the value of investments in associates and joint ventures are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the Company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate or joint venture with the recoverable value, which is the higher of value in use and fair value, less selling costs. The value in use is equal to the share of the present value of future estimated cash flows expected by the associate or joint venture. If the associate or joint venture is listed, the fair value is its stock market value.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate or joint venture, and included in the Group's income statement via the share in net income (loss) of associates and joint ventures.

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.

O – Inventories

Inventories are stated at the lower of cost or net realizable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, a share of manufacturing overheads based on a normal level of activity and the results of any related hedges. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment are valued under the FIFO (First In First Out) method. Inventories of AVTOVAZ are valued at weighted average cost.

When the net realizable value is lower than the financial position value, impairment equal to the difference is recorded.

P – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive (excluding AVTOVAZ) and Sales Financing segments.

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. Treasury shares acquired during the sale of Renault shares by the French State in 2017 were used for a share offering reserved for current and former employees enabling them to share in Groupe Renault's results (note 18-C).

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.

R – Stock option plans/performance share attribution plans and other share-based payments agreements

The Group awards stock option plans (purchase and subscription options), 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.

S – Pensions and other long-term employee benefit obligations

The Group's payments for benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

T – Workforce adjustment measures

The estimated cost of workforce adjustment measures, which for accounting purposes is treated as an employee benefit, is covered by a provision over the estimated residual employment period of the employees concerned.

The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress.

U – Financial assets

The policies described below apply to the 2018 financial statements prepared in accordance with the standards in force at January 1, 2018. The financial statements for 2017 were prepared in accordance with previously applicable standards and policies, as described in the 2017 publication.

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the 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 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 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.

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 regulations) or bank accounts allocated to increasing credit on securitized receivables are included in cash and cash equivalents.

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 the instrument.

Financial liabilities and Sales Financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-X).

Redeemable shares

Redeemable shares are listed subordinated debt instruments that earn a variable return indexed on consolidated revenues.

Redeemable shares are carried at amortized cost, determined by discounting forecast coupons using the effective interest rate on borrowings. It was considered that the contractual minimum return on these shares, *i.e.*, 9%, provided the best estimate of the effective interest rate at their issue date (1983 and 1984). The variable portion is now included in estimation of the effective interest rate, with regular reassessment of the amortized cost recognized in financial income and expenses.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Apart from specific hedge accounting methods (note 2-X), financial liabilities are generally recorded at amortized cost using the effective interest rate method. The 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.

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. 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 hedge: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income;
- hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of borrowings in yen used to hedge the investment in Nissan is considered as the ineffective portion, and is therefore recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3
CHANGES IN THE SCOPE OF CONSOLIDATION

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Total
Number of companies consolidated at December 31, 2017	**115**	**65**	**39**	**219**
Newly consolidated companies (acquisitions, formations…)	5	-	1	6
Deconsolidated companies (disposals, mergers, liquidations, *etc.*)	2	11	-	13
Number of companies consolidated at December 31, 2018	**118**	**54**	**40**	**212**

A – Main changes in the scope of consolidation in 2018

The following companies were included in the scope of consolidation for the first time in 2018:

Automotive (excluding) AVTOVAZ segment

- Alliance Ventures b.v. is an investment fund set up and owned by Renault-Nissan-Mitsubishi, with respective stakes of 40%, 40% and 20%, to finance new technology start-ups. The capital initially subscribed during the first half-year of 2018 amounted to $50 million, financed to the extent of $20 million by Renault. Capital increases took place during the second half-year of 2018, subscribed by Renault to the extent of $40 million. Under IFRS 11, Alliance Ventures b.v. is analyzed as a joint venture and is therefore accounted for by the equity method. Its investments will be stated at fair value through profit and loss, since they are minority interests that do not give Alliance Ventures b.v. significant influence.
- On December 15, 2017, the Renault Group announced the acquisition of a joint venture named Renault-Brillance-Jinbei Automotive Company which produces and sells light commercial vehicles in China under the Jinbei, Renault and Huasong brands. Renault owns 49% of this joint venture, which is accounted for by the equity method from January 1, 2018. The shares were acquired for 2 yuan in December 2017. The fair values of the assets and liabilities of Renault Brilliance Jinbei acquired were finalized during the second half-year of 2018. This led to a -€107 adjustment to the net liabilities acquired, comprising -€34 million and -€64 million respectively for intangible and tangible assets, -€1 million for inventories and -€8 million for operating liabilities. At December 31, 2018, the final goodwill was calculated at €111 million. In 2018, Renault subscribed €94 million of a capital increase by this joint venture.
- eGT New Energy Automotive Co., Ltd. is a joint venture formed in 2017, whose purpose is the development and production of electric vehicles in China in partnership with Nissan and the Dongfeng group. This legal entity is directly owned by Dongfeng, Nissan and Renault, with respective stakes of 50%, 25% and 25%. At December 31, 2018, Renault's investment in eGT New Energy Automotive Co., Ltd. amounted to €4 million and the company is accounted for by the equity method from January 1, 2018.
- During the first half-year of 2018 Renault s.a.s. launched a fully-owned holding company, Alliance Media Ventures s.a.s., with share capital of €12 million. On March 22, 2018 this holding company acquired a 40.26% investment in publishing firm Les Editions Croque Futur for €11 million. This company operates in the written press sector, notably owning the magazine titles *Challenges, Historia, Sciences et Avenir, Histoire* and *La Recherche*. Alliance Media Ventures s.a.s. is fully consolidated. Les Editions Croque Futur, over which Renault has significant influence, is accounted for by the equity method from March 31, 2018. Determination of the fair values of assets acquired and liabilities transferred from Les Editions Croque Futur is in process at December 31, 2018 and will be finalized in the first half-year of 2019 at the latest. At December 31, 2018, the provisional goodwill was calculated at €12 million.

Sales Financing

- RCI Servicios Colombia S.A is a company formed and 100% owned by the Sales Financing segment. Its activity consists of collecting commissions for loans arrangement financed by a trading partner. The Group exercises exclusive control over this entity, which is fully consolidated.

B – AVTOVAZ group

The AVTOVAZ group is Russia's leading automaker. It sells Lada brand cars and also makes cars for Renault and Nissan.

The joint venture Alliance Rostec Auto b.v. and the AVTOVAZ group, consisting of the parent-company PJSC AVTOVAZ and its subsidiaries, which were previously accounted for by the equity method, have been fully consolidated since the date of the Alliance Rostec Auto b.v. capital increase subscribed by Renault s.a.s. in late December 2016, which took place after the capital increase by AVTOVAZ subscribed by Alliance Rostec Auto b.v.. The acquisition of control, as defined by IFRS 10, took place on December 28, 2016. Since the impact of these entities on net income and changes in cash between December 28 and December 31, 2016 were judged non-significant, full consolidation was applied from December 31, 2016.

The cash capital increase for Alliance Rostec Auto b.v. subscribed by Renault s.a.s. on December 28, 2016 amounted to 14.85 billion roubles (€236 million at the exchange rate of the capital increase date). This capital increase came after the 26.14 billion rouble cash capital increase for AVTOVAZ, of which 14.85 billion roubles (€231 million at the 2016 year-end exchange rate) were provided by Alliance Rostec Auto b.v.

Alliance Rostec Auto b.v. also invested in a financial instrument with a value of €180 million, substantially conferring economic interests in AVTOVAZ even though this financial instrument does not make Alliance Rostec Auto b.v. the legal owner of any shares in AVTOVAZ. Alliance Rostec Auto b.v. contracted a loan from Renault to finance this operation. Following these capital increases, at December 31, 2016 Renault held 73.30% of the capital (57.30% of voting rights) of Alliance Rostec Auto b.v. which held 64.60% of the capital of AVTOVAZ, such that the indirect investment in AVTOVAZ was 47.35%. Including the financial instrument held by Alliance Rostec Auto b.v., 88.69% of the capital of AVTOVAZ was held by Alliance Rostec Auto b.v., and therefore in substance Renault's indirect percentage ownership of AVTOVAZ was 65.01% at December 31, 2016.

Changes in Renault's investment in AVTOVAZ since Renault acquired control

DURING 2017

Renault's investment in AVTOVAZ changed in 2017 due to Renault's acquisition in September 2017 of the shares in Alliance Rostec Auto b.v. that were previously held by Nissan and a put option for AVTOVAZ shares subscribed with a third party. The impact of the change in the investment was directly recognized in shareholders' equity – parent-company shareholders' share and non-controlling interests' share, in the respective amounts of -€139 million and €87 million.

At December 31, 2017 Renault held 82.45% of the capital of Alliance Rostec Auto b.v., which held 64.60% of AVTOVAZ, such that the indirect investment in AVTOVAZ was 53.26%. Including the financial instrument held by Alliance Rostec Auto b.v., and the put option taken on AVTOVAZ shares in 2017, 89.42% of the capital of AVTOVAZ was held by Alliance Rostec Auto b.v., and therefore in substance Renault's indirect percentage ownership of AVTOVAZ at December 31, 2017 was 73.73%.

DURING 2018

Renault's investment in AVTOVAZ changed in 2018 due to the following operations:

- a 61.4 billion rouble closed-subscription capital increase by AVTOVAZ reserved for Alliance Rostec Auto b.v. and a 61.4 billion rouble capital increase by Alliance Rostec Auto b.v. subscribed by Renault and its Russian partner Russian Technologies (30.7 billion roubles each);
- the contributions of 61.4 billion roubles to Alliance Rostec Auto b.v. were paid up by offsetting Renault trade receivables and loans with AVTOVAZ amounting to 30.7 billion roubles and 30.7 billion roubles corresponding to the nominal value of interest-free loans by the Russian partner to AVTOVAZ, which mature in 2032. The contribution value of these receivables and loans held by the two shareholders of Alliance Rostec Auto b.v. correspond to the book values of its net assets as stated in the AVTOVAZ financial statements prepared for consolidation purposes when control was acquired. The 61.4 billion roubles of contributions by Alliance Rostec Auto b.v.to AVTOVAZ were paid up by offsetting receivables and loans with AVTOVAZ previously contributed by Renault s.a.s and Russian Technologies as described above;
- following these capital increases, as Alliance Rostec Auto b.v. held more than 75% of AVTOVAZ, a mandatory tender offer for minority interests was notified to the Central Bank of the Russian Federation at the end of the first half-year of 2018. This offer opened in early July 2018 and closed in September 2018. For the preparation of the consolidated financial statements at June 30, 2018, it was considered that Alliance Rostec Auto b.v. would be able to purchase all the remaining minority interests via a dedicated capital increase subscribed by Renault s.a.s.. Consequently a related financial liability amounting to 7.4 billion roubles (€101 million at the June 30, 2018 exchange rate) was recorded in the financial statements at June 30, 2018, and 100% of the shares in AVTOVAZ were considered to belong to Alliance Rostec Auto b.v. at that date. The financial statements at June 30, 2018 also reflected Alliance Rostec Auto b.v.'s capital increase by incorporation of existing and future capitalizable advances from Renault s.a.s. to finance the mandatory tender offer. This capital increase was to take place after the offer closed;
- the mandatory tender offer initiated at the end of June 2018 closed on September 25, 2018. As Alliance Rostec Auto b.v. held more than 95% of AVTOVAZ after this operation (96.64%), a mandatory squeeze-out was launched on September 28, 2018 at the price of 12.40 roubles per ordinary share and 12.20 roubles per preference share, in compliance with the applicable Russian regulations. This squeeze-out operation ended in December 2018, and Alliance Rostec Auto b.v. now owns 100% of AVTOVAZ. AVTOVAZ will be delisted from the Moscow Stock Exchange in 2019;
- the shareholder loans by Renault s.a.s. to Alliance Rostec Auto b.v. to finance the mandatory tender offer and the squeeze-out will be partly capitalized in 2019 at the amount of 7,425 million roubles. These operations were initiated in 2018 and are recognized in the financial statements at December 31, 2018.

Following the above operations, Renault held 61.09% of the capital of Alliance Rostec Auto b.v., which held 100% of AVTOVAZ at December 31, 2018. Including the capital increase that should take place in early 2019 in accordance with the shareholders' decisions made on November 28, 2018 and signed by Renault s.a.s., the percentage ownership applied in the consolidated financial statements at December 31, 2018 is the following: Renault held a 67.61% investment in Alliance Rostec Auto b.v.. The impact of these operations and the change in Renault s.a.s.'s investment in Alliance Rostec Auto b.v. and Alliance Rostec Auto b.v.'s investment in AVTOVAZ are recognized directly in shareholders' equity – parent company shareholders' share and non-controlling interests' share, in the respective amounts of €72 million and €245 million.

The value of the non-controlling interest at December 31, 2018 is €52 million (-€236 million at December 31, 2017).

4.2.6.3 Consolidated income statement

NOTE 4
REVENUES

A – Breakdown of revenues

(€ million)	2018	2018 without separate presentation of sales to partners [1]	2017
Sales of goods - Automotive segment (including AVTOVAZ)	**44,226**	**51,733**	**53,978**
Sales to partners of the Automotive segment (including AVTOVAZ)	**8,046**		
Rental income on leased assets [2]	578	578	504
Sales of other services	1,361	1,900	1,775
Sales of services - Automotive segments (including AVTOVAZ)	**1,939**	**2,478**	**2,279**
Sales of goods - Sales Financing segment	**27**	**27**	**29**
Rental income on leased assets [2]	119	119	116
Interest income on sales financing receivables	2,100	2,100	1,478
Sales of other services [3]	962	962	890
Sales of services - Sales Financing segment	**3,181**	**3,181**	**2,484**
TOTAL REVENUES	**57,419**	**57,419**	**58,770**

(1) The Group presents sales to partners from 2018. The concept of "sales to partners" is defined in note 2-A2. The Automotive segments' main partners are Nissan and Daimler. In compliance with IFRS 15, the Group reports 2018 consolidated sales under the presentation rules of IAS 18, i.e., without separate presentation of sales to partners.
(2) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.
(3) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

B – 2017 revenues applying 2018 scope and methods

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Total
2017 revenues	**53,530**	**2,727**	**2,513**	**58,770**
Changes in scope of consolidation	-	(1)	1	-
Adjustments made following the application of IFRS 15*	(516)	-	516	-
2017 revenues applying 2018 scope and methods	**53,014**	**2,726**	**3,030**	**58,770**
2018 revenues	**51,171**	**3,040**	**3,208**	**57,419**

* *In its information by operating segment, the Group has changed the presentation of discounts taking the form of reduced interest. These expenses, which were previously deducted from the Sales Financing segment's revenues, are now deducted from the Automotive segment's revenues (note 2-A2).*

NOTE 5
OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Personnel expenses

Personnel expenses amount to €6,703 million in 2018 (€6,502 million in 2017).

The average workforce during the year for consolidated entities is presented in section 2.4–Human Capital of the 2018 Registration Document.

Details of pensions and other long-term employee benefit expenses are presented in note 19.

The income recorded in respect of the French "CICE" Tax Credit for Competitiveness and Employment amount to €53 million in 2018 and €61 million in 2017. It is allocated between income statement items by purpose.

Share-based payments concern stock options, performance shares and other share-based payments granted to personnel, and amounted to a personnel expense of €97 million for 2018 (€77 million in 2017). This expense includes the costs related to the "Share the Future" plan, amounting to a total of €8 million.

The plan valuation method is presented in note 18-H.

In 2018, personnel expenses also include an exceptional bonus of €20 million to be given to temporary and permanent employees in France whose annual gross salary is less than three times the value of the annual national minimum wage, in accordance with the provisions of the law of December 24, 2018. This bonus will be paid in the first quarter of 2019.

B – Rental expenses

Rents amount to €228 million in 2018 (€252 million in 2017).

C – Foreign exchange gains/losses

In 2018, the operating margin includes a net foreign exchange loss of €72 million, mainly related to movements in the Argentinian peso, Brazilian real and Turkish lira (compared to a net foreign exchange loss of €113 million in 2017 related to movements in the Argentinian peso, Russian rouble and Turkish lira).

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NOTE 6
OTHER OPERATING INCOME AND EXPENSES

(€ million)	2018	2017*
Restructuring and workforce adjustment costs	(306)	(56)
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	3	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	65	96
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(276)	(52)
Impairment related to operations in Iran	(47)	4
Other unusual items	(64)	(40)
TOTAL	**(625)**	**(48)**

* *Including the AVTOVAZ group: €(33) million of restructuring and workforce adjustments costs and €2 million of gains and losses on disposal of property, plant and equipment and intangible assets in 2017.*

A – Restructuring and workforce adjustment costs

Restructuring and workforce adjustment costs mainly concern the Americas, Eurasia and Europe Regions in 2017, and the Europe region in 2018.

In 2018 these costs include €239 million related to revision of the assumptions underlying the previous provision based on real data at the 2018 year-end, and a new French career-end work exemption plan dated on April 16, 2018 replacing the plan set out in the initial agreement signed on January 13, 2017 named *"Renault France CAP 2020 – Contrat d'Activité pour une Performance durable"* (activity contract for sustainable performance).

This amendment broadens the scope of beneficiaries. The initial plan was reserved for employees who have completed 15 years of shift work in and outside Groupe Renault, while the new plan is also open to employees who have worked at least five years for the Group and at the time of joining the plan are no more than three years from the age at which they can claim a full pension under the standard or complementary pension systems. The charge recognized in 2018, based on the estimated population of employees who have signed up or could sign up to the plan between January 1, 2017 and February 1, 2020, covers the total cost for employees who have already earned entitlements to a full pension at December 31, 2018, and a share of the cost for employees who will reach full pension entitlement before the plan ends.

The provision recognized is notably based on an assumption regarding the numbers signing up to the plan, with a potentially significant impact if actual numbers in 2019 are substantially different. The assumption used is coherent with the actual number of plan members observed at December 31, 2018.

B – Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

At December 31, 2018, impairment amounting to -€276 million net was recorded (-€52 million in 2017), comprising -€314 million of new impairment and €38 million of impairment reversals. This impairment concerns intangible assets (net increase of -€42 million) and property, plant and equipment (net increase of -€234 million) (notes 10 and 11). New impairment was principally recorded as a result of impairment tests on the industrial assets in Argentina and on petrol and diesel vehicles (including components) (notes 10 and 11). Reversals of impairment relate to electric vehicles.

C – Impairment related to operations in Iran

Taking note of the US President's announcement on May 8, 2018 of the United States' withdrawal from the JCPOA (Joint Comprehensive Plan of Action, signed as part of the Vienna agreements) and the reinstatement from August 6, 2018 of sanctions for the automobile sector in Iran that existed prior to signature of the JCPOA, the Group has suspended its activities in Iran and an amount of €47 million was recognized in other operating expenses as a result of this suspension.

Consequently, the level of operations with Iran was down in 2018 compared to 2017, with sales of CKD amounting to €319 million in 2018 (€743 million at December 31, 2017). Sales are only recognized once the cash is received, and payments related to the totally written-off receivables dating from before mid-2013 remain very limited, as the amount of impairment recovered indicates (none at December 31, 2018 and €4 million at December 31, 2017).

The Group's exposure to risks on business with Iran has been fully written off since 2013 and consists of securities, a shareholder loan and commercial receivables. This situation changed little during 2018. The gross amount in the assets at December 31, 2018 was €782 million, including €677 million of customer receivables (€784 million and €680 million respectively at December 31, 2017).

D – Other unusual items

In 2018, impairment tests on vehicles led to recognition of unusual expenses of -€71 million consisting of advance and future payments to partners and suppliers in connection with those vehicles. In 2017, other unusual items mainly comprised the costs on vacant leased premises in Korea, estimated until the end of the lease contracts.

NOTE 7
FINANCIAL INCOME (EXPENSES)

(€ million)	2018	2017 [1]
Cost of gross financial indebtedness	(373)	(441)
Income on cash and financial assets	65	72
COST OF NET FINANCIAL INDEBTEDNESS	**(308)**	**(369)**
Dividends received from companies that are neither controlled nor under significant influence	78	55
Foreign exchange gains and losses on financial operations	14	20
Gain/Loss on exposure to hyperinflation [2]	(31)	-
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(25)	(25)
Other	(81)	(72)
OTHER FINANCIAL INCOME AND EXPENSES	**(45)**	**(22)**
FINANCIAL INCOME (EXPENSE)	**(353)**	**(391)**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) The specific accounting treatments for hyperinflation are presented in note 2-A4.

The net liquidity position (or net financial indebtedness) of the Automotive segments is presented in the information by operating segment (see section 4.2.6.1 – A4).

NOTE 8
CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

Groupe Renault also applies other optional tax consolidation systems in Germany, Italy, Spain, Romania and the UK.

A – Current and deferred taxes

(€ million)	2018	2017*
Current income taxes	(690)	(634)
Deferred tax income (charge)	(33)	(272)
CURRENT AND DEFERRED TAXES	**(723)**	**(906)**

* *The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

The current income taxes for entities included in the French tax consolidation group amount to €90 million in 2018 (€148 in 2017). The decrease in the current income tax charge between 2018 and 2017 is notably due to the higher level of research and development expenses which are not capitalized for calculation of current income taxes.

In 2018, €600 million of the current income tax charge comes from foreign entities including AVTOVAZ (€486 million in 2017). This charge increased in 2018, largely due to the higher taxable income in certain subsidiaries, and tax reassessments recognized in 2018.

B – Breakdown of the tax charge

(€ million)	2018	2017 (1)
Income before taxes and share in net income of associates and joint ventures	**2,634**	**3,415**
Statutory income tax rate in France, excluding the exceptional contribution	34.43%	34.43%
Theoretical tax income (charge)	**(907)**	**(1,176)**
Effect of differences between local tax rates and the French rate (2)	249	201
Tax credits	33	68
Distribution taxes	(86)	(84)
Change in unrecognized deferred tax assets (3)	73	(57)
Other impacts (4)	-	241
Current and deferred tax income (charge) excluding taxes based on interim taxable profits	**(638)**	**(807)**
Taxes based on interim taxable profits (5)	(85)	(99)
Current and deferred tax income (charge)	**(723)**	**(906)**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) The main contributors to the tax rate differential are Korea, Spain, Morocco, Romania, Switzerland, Turkey and AVTOVAZ.
(3) The main contributors to the charge corresponding to unrecognized deferred tax assets are Argentina, France and India.
(4) Other impacts mainly include the effect of permanent differences, reduced-rate taxations, tax reassessments, specific tax regimes, prior year adjustments and changes in future year tax rates adopted before the end of the period. In 2018, the decrease in the positive effect of other impacts principally results from the effects of changes in tax rates on deferred taxes calculation in France and other countries. In 2017, other impacts also included the exceptional contribution levied on 2017 net income in France.
(5) The Group's main taxes based on interim taxable profits are the CVAE in France and the IRAP in Italy.

French tax consolidation group

In 2018, the effective tax rate in the French tax consolidation group is 20.6% (30.0% in 2017).

The Group partially recognizes the deferred tax assets of the French tax consolidation group that correspond to tax loss carryforwards, in view of profitability prospects.

The amount of net deferred tax assets recognized in the consolidated financial position totalled €178 million at December 31, 2018, compared to €158 million at the previous year-end (restated due to the change in the accounting treatment of redeemable shares), comprising -€98 million recognized in income (-€81 million at December 31, 2017, restated) and €276 million included in other components of comprehensive income (€239 million at December 31, 2017), due to the respective origins of the taxes concerned.

In 2018, the amount of deferred tax assets recognized increased by €20 million. The corresponding gain has been recognized in income (€6 million), in other components of comprehensive income (€37 million) and in reserves (-€23 million).

In 2017 (restated), the amount of deferred tax assets recognized decreased by -€270 million, incorporating the effect of the gradual reduction in the French income tax rate from 34.43% to 25.83% between 2019 and 2022, in application of the French finance law for 2018. The corresponding charge was recognized in income (-€251 million) and other components of comprehensive income (-€19 million). The impact of the gradual French income tax rate decrease between 2019 and 2022 was included in other impacts in the breakdown of the tax charge for 2017.

Entities not in the French tax consolidation group

The effective tax rate across all foreign entities including AVTOVAZ is 28.7% in 2018 (24.3% in 2017). The increase between 2017 and 2018 in the effective tax rate is mainly explained by the deficits reported in Argentina and to a lesser extent India, without recognition of deferred tax assets on the taxable losses generated in 2018.

C – Breakdown of net deferred taxes

C1 Change in deferred tax assets and liabilities

(€ million)	2018	2017 [(1)]
Deferred tax assets	927	1,188
Deferred tax liabilities	(180)	(124)
Net deferred tax assets (liabilities) at January 1	**747**	**1,064**
Deferred tax income (charge) for the period	(33)	(272)
Deferred tax income (charge) included in other comprehensive income	26	(41)
Translation adjustments	(44)	(7)
Change in scope of consolidation and other [(2)]	121	3
Net deferred tax assets (liabilities) at December 31	**817**	**747**
Including: deferred tax assets	*952*	*927*
Including: deferred tax liabilities	*(135)*	*(180)*

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) In 2018, the other changes mainly correspond to the impacts of the new application of IFRS 9 and IFRS 15 (note 2-A1.5 and 2-A2).

C2 Breakdown of net deferred tax assets by nature

(€ million)	2018	2017 [(1)]
Deferred taxes on:		
Investments in associates and joint ventures excluding AVTOVAZ [(2)]	(181)	(161)
Fixed assets excluding AVTOVAZ	(2,044)	(1,745)
Provisions and other expenses or valuation allowances deductible upon utilization excluding AVTOVAZ	750	814
Loss carryforwards excluding AVTOVAZ [(3)]	4,434	4,353
Other items excluding AVTOVAZ	764	557
NET DEFERRED TAX ASSETS (LIABILITIES) EXCLUDING AVTOVAZ	**3,723**	**3,818**
Fixed assets of AVTOVAZ	(16)	1
Provisions and other expenses or valuation allowances deductible upon utilization of AVTOVAZ	54	38
Loss carryforwards of AVTOVAZ	294	334
Non-interest bearing financial liabilities in roubles of AVTOVAZ	(42)	(60)
Other items of AVTOVAZ	(12)	21
NET DEFERRED TAX ASSETS (LIABILITIES) OF AVTOVAZ	**278**	**334**
Unrecognized deferred tax assets related to tax losses (note 8-C3)	(2,944)	(3,236)
Other unrecognized deferred tax assets	(240)	(169)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**817**	**747**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).
(2) Including tax on future dividend distributions.
(3) Including €3,864 million for the French tax consolidation entities and €570 million for other entities at December 31, 2018 (€3,739 million and €614 million respectively at December 31, 2017).

The residual unrecognized deferred tax assets of entities included in the French tax consolidation group amounted to €2,344 million (€2,592 million at December 31, 2017 restated). These comprise tax losses that can be carried forward indefinitely to set against future taxable income up to a limit of 50% of that income. €265 million of these unrecognized assets were generated by items booked through shareholders' equity (effects of the partial hedge of the investment in Nissan), and €2,079 million were generated by items affecting the income statement (respectively €309 million and €2,284 million at December 31, 2017 restated).

For entities not in the French tax consolidation group, unrecognized deferred tax assets totalled €840 million at December 31, 2018 (€813 million at December 31, 2017), including €82 million for AVTOVAZ (€89 million at December 31, 2017) and €758 million for the Group excluding AVTOVAZ (€724 million at December 31, 2017) and principally comprise tax loss carryforwards generated by the Group in Brazil and India, and to a lesser extent in Argentina.

C3 Breakdown of tax losses by expiry date

Unrecognized loss carryforwards represent a potential tax saving of €2,944 million at December 31, 2018.

	December 31, 2018			December 31, 2017 [1]		
(€ million)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
Tax losses that can be carried forward indefinitely [2]	1,565	2,760	4,325	1,116	3,035	4,151
Tax losses expiring in more than 5 years	5	53	58	2	90	92
Tax losses expiring in between 1 and 5 years	-	49	49	-	22	22
Tax losses expiring within 1 year	2	-	2	-	-	-
TOTAL TAX LOSSES EXCLUDING AVTOVAZ	**1,572**	**2,862**	**4,434**	**1,118**	**3,147**	**4,265**
Tax losses of AVTOVAZ that can be carried forward indefinitely [3]	212	82	294	245	89	334
TOTAL TAX LOSSES OF AVTOVAZ	**212**	**82**	**294**	**245**	**89**	**334**
TOTAL TAX LOSSES OF THE GROUP	**1,784**	**2,944**	**4,728**	**1,363**	**3,236**	**4,599**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).
(2) Including recognized and unrecognized net deferred tax assets corresponding to tax loss carryforwards of entities included in the French tax consolidation group, which amount to €1,520 million and €2,344 million respectively at December 31, 2018 and €1,058 million and €2,593 million respectively at December 31, 2017 (note 8-C2). This increase in the recognition of deferred taxes on tax loss carryforwards is mainly due to the inclusion of future income previously considered to be taxed at reduced rates in the forecast of tax income taxed at the standard rate. The Group is no longer considering opting for the reduced rate tax regime following the reform of this regime.
(3) Following adoption of Russian federal law 401-FZ of November 30, 2016, tax losses can be carried forward indefinitely.

C4 Subsequent events

In early 2019 Groupe Renault signed a special investment contract with the Russian authorities that entitles the Group to reduced-rate taxation for some of its business activities, subject to changes in the existing regulations and certain conditions concerning investments and defined levels of sales, production and job creation. This contract covers a 10-year term and should have the effect of reducing taxable income over that period, and thus extending the period for utilization of tax losses by AVTOVAZ that can be carried forward indefinitely, as shown in note C3 above.

In France, there is a possibility that the government decides in 2019 to defer the reduction in the standard income tax rate applicable in 2019 for one year. This would have an estimated impact of -€41 million on the deferred taxes charge at December 31, 2018, which would be recognized in the net income.

NOTE 9
BASIC AND DILUTED EARNINGS PER SHARE

(in thousands of shares)	2018	2017
Shares in circulation	295,722	295,722
Treasury shares	(6,490)	(5,254)
Shares held by Nissan x Renault's share in Nissan	(19,382)	(19,388)
Number of shares used to calculate basic earnings per share	**269,850**	**271,080**

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.

(in thousands of shares)	2018	2017
Number of shares used to calculate basic earnings per share	269,850	271,080
Dilutive effect of stock options, performance share rights and other share-based payments	2,372	2,665
Number of shares used to calculate diluted earnings per share	**272,222**	**273,745**

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, and rights to shares awarded as part of the variable remuneration for the post of Chairman and CEO, 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

A – Intangible assets and goodwill

A1 Changes in intangible assets and goodwill

Changes in 2018 in intangible assets were as follows:

(€ million)	December 31, 2017	Acquisitions / (amortization and impairment)	(Disposals)/ reversals	Translation adjustment	Change in scope of consolidation and other	December 31, 2018
Capitalized development expenses	8,563	1,717	(596)	(13)	-	9,671
Goodwill	1,114	-	-	(118)	-	996
Other intangible assets	1,044	55	(27)	(28)	-	1,044
Intangible assets, gross	**10,721**	**1,772**	**(623)**	**(159)**	**-**	**11,711**
Capitalized development expenses	(4,846)	(832)	596	4	-	(5,078)
Other intangible assets	(635)	(118)	27	6	-	(720)
Amortization and impairment	**(5,481)**	**(950)**	**623**	**10**	**-**	**(5,798)**
Capitalized development expenses	3,717	885	-	(9)	-	4,593
Goodwill	1,114	-	-	(118)	-	996
Other intangible assets	409	(63)	-	(22)	-	324
INTANGIBLE ASSETS, NET	**5,240**	**822**	**-**	**(149)**	**-**	**5,913**

Most goodwill is located in Europe and Eurasia.

Acquisitions of intangible assets in 2018 comprise €1,717 million of self-produced assets and €55 million of purchased assets (respectively €1,209 million and €101 million in 2017).

In 2018, amortization and impairment of intangible assets include €42 million of impairment concerning vehicles (including components), compared to €31 million of impairment in 2017 (note 6-B).

Changes in 2017 in intangible assets were as follows:

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2016*	**10,798**	**(5,809)**	**4,989**
Acquisitions/(amortization and impairment)	1,310	(961)	349
(Disposals)/reversals	(1,306)	1,302	(4)
Translation adjustment	(106)	7	(99)
Change in scope of consolidation and other	25	(20)	5
Value at December 31, 2017	**10,721**	**(5,481)**	**5,240**

* *The figures at December 31, 2016 include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ group (as presented in note 3-B to the 2017 financial statements), and are thus different from the previously published figures.*

A2 – Research and development expenses included in income

(€ million)	2018	2017
Research and development expenses	(3,516)	(2,983)
Capitalized development expenses	1,717	1,209
Amortization of capitalized development expenses	(799)	(816)
TOTAL INCLUDED IN INCOME	**(2,598)**	**(2,590)**

Research and development expenses are reported net of research tax credits for the vehicle development activity.

The rise in research and development expenses is explained by efforts to respond to new issues for connected, driverless and electric vehicles, and ensure that engines comply with new regulations applicable, particularly in Europe. In addition to reflecting this rise in development expenses, the increase in capitalized development expenses is also attributable to the start of the capitalization phase for development expenses on significant programs, and resumption of capitalization of development expenses concerning electric vehicles.

B – Property, plant and equipment

Changes in 2018 in property, plant and equipment were as follows:

(€ million)	December 31, 2017	Acquisitions/ (depreciation and impairment)	(Disposals)/ reversals	Translation adjustments	Change in scope of consolidation and other (1)	December 31, 2018
Land	569	7	-	(3)	(2)	571
Buildings	6,702	160	(83)	(141)	(15)	6,623
Specific tools	16,431	670	(305)	(230)	265	16,831
Machinery and other tools	12,234	784	(224)	(239)	238	12,793
Fixed assets leased to customers	3,315	1,284	(867)	2	-	3,734
Other tangibles	860	76	(24)	(18)	20	914
Construction in progress (2)	1,232	1,048	(3)	(27)	(134)	2,116
Gross value	**41,343**	**4,029**	**(1,506)**	**(656)**	**372**	**43,582**
Land						
Buildings	(4,066)	(247)	63	49	(25)	(4,226)
Specific tools	(13,535)	(1,039)	304	137	(107)	(14,240)
Machinery and other tools	(8,756)	(605)	206	115	(29)	(9,069)
Fixed assets leased to customers	(766)	(166)	102	(1)	-	(831)
Other tangibles	(638)	(237)	22	12	(71)	(912)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment (3)	**(27,761)**	**(2,294)**	**697**	**312**	**(232)**	**(29,278)**
Land	569	7	-	(3)	(2)	571
Buildings	2,636	(87)	(20)	(92)	(40)	2,397
Specific tools	2,896	(369)	(1)	(93)	158	2,591
Machinery and other tools	3,478	179	(18)	(124)	209	3,724
Fixed assets leased to customers	2,549	1,118	(765)	1	-	2,903
Other tangible	222	(161)	(2)	(6)	(51)	2
Construction in progress (2)	1,232	1,048	(3)	(27)	(134)	2,116
Net value	**13,582**	**1,735**	**(809)**	**(344)**	**140**	**14,304**

(1) Includes the effects of index-based restatement of the assets of Argentinian subsidiaries in application of IAS 29 "Financial reporting in hyperinflationary economies" (note 2-A4) amounting to €119 million net (of which €79 million was recognized at January 1, 2018), corresponding to increases in gross values and depreciation of respectively €349 million (of which €295 million was recognized at January 1, 2018) and €(230) million (of which €(216) million was recognized at January 1, 2018).
(2) Items classified as "construction in progress" are transferred to completed asset categories via "acquisitions / (depreciation and impairment)".
(3) Depreciation and impairment in 2018 include impairment of €234 million, mainly concerning vehicles (including components) (see note 6-B).

Changes in property, plant and equipment in 2017 were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2016	**39,733**	**(26,745)**	**12,988**
Acquisitions / (depreciation and impairment)	3,237	(2,061)	1,176
(Disposals) / reversals	(1,133)	848	(285)
Translation adjustments	(585)	275	(310)
Change in scope of consolidation and other	91	(78)	13
Value at December 31, 2017	**41,343**	**(27,761)**	**13,582**

NOTE 11
IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED ASSETS)

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (note 2-M).

A – Impairment tests on vehicle-specific assets (including components)

Following impairment tests of specific assets dedicated to vehicles (including components), impairment of €126 million was booked during 2018, comprising €63 million for intangible assets and €63 million for property, plant and equipment (impairment in 2017 amounted to €56 million, comprising €31 million for intangible assets and €25 million for property, plant and equipment). This impairment was allocated in priority to capitalized development expenses.

Impairment for intangibles and property, plant and equipment was recognized in 2013 in respect of electric vehicles. As the market for electric vehicles grew substantially in 2017 and that trend was confirmed in 2018, the residual impairment of €38 million was reversed during 2018 (€21 million for intangible assets and €17 million for property, plant and equipment).

B – Impairment tests of other cash-generating units of the Automotive (excluding AVTOVAZ) segment

Argentina and other countries

In 2018, the cash-generating unit corresponding to Argentina was subjected to an impairment test following the application of hyperinflationary accounting, and in view of the recession on the local automobile market in the second half-year. An analysis of specific assets dedicated to the Turkish and Iranian markets was also conducted following the significant decline in automobile sales in Turkey during the first half-year of 2018 and the suspension of Renault's activities in Iran (see note 6-C).

The recoverable value used for the purpose of impairment tests of industrial assets in Argentina is the value in use, determined for vehicles currently in production under the discounted future cash flow method on the basis of the following assumptions.

	Argentina	
	January 1, 2018	December 31, 2018
Business plan duration	7 years	7 years
After-tax discount rate	18.0%	19.5%

The tests performed for the Argentina cash-generating unit led to recognition of impairment on its assets amounting to €188 million at December 31, 2018 (*i.e.*, the total value of the industrial assets). No impairment was booked at January 1, 2018.

No impairment was recognized on intangibles and property, plant and equipment dedicated to the Iranian and Turkish markets as a result of the impairment tests conducted.

Automotive (excluding AVTOVAZ) segment

The recoverable value used for the purpose of impairment tests for the Automotive (excluding AVTOVAZ) segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	2018	2017
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon (units)	4,163,000	4,407,000
Growth rate to infinity	1.9%	1.9%
After-tax discount rate	8.7%	8.6%

In 2018 as in 2017, no impairment was recognized on assets included in the Automotive (excluding AVTOVAZ) segment as a result of the impairment test.

The assumptions used for impairment testing at December 31, 2018 are taken from the six-year strategic plan, Drive the Future 2017-2022, which was announced in October 2017, after adjustment due to the impact of suspension of business in Iran as of 2018. The assumptions used for impairment testing at December 31, 2017 were taken from the six-year strategic plan, Drive the Future 2017-2022, which was announced in October 2017.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the assets tested.

C – Impairment tests on the AVTOVAZ cash-generating unit and the Lada brand

Impairment tests of the AVTOVAZ cash-generating unit

The market capitalization of AVTOVAZ, which amounts to €1,733 million at December 31, 2018 based on the exchange rates used for the mandatory tender offer that was launched in September 2018 and completed in December 2018 (€750 million at December 31, 2017), is higher than the book value of AVTOVAZ net assets (including goodwill) at that date. AVTOVAZ is to be delisted from the Moscow Stock Exchange in early 2019.

An impairment test is carried out on goodwill at June 30 every year. As there were no indications of impairment during the second half-year of 2018, no impairment test was carried out at December 31, 2018.

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 (€116 million at the exchange rate of December 31, 2018). Since this brand is an intangible asset with an indefinite useful life, an impairment test was carried out at December 31, 2018 based on a discount rate of 14.4% and a growth rate to infinity of 4%. No impairment was booked in 2018, as the recoverable value was higher than the book value.

A 5% increase in the discount rate would lead to recognition of impairment of 512 million Russian roubles (€7 million before deferred taxes and €6 million after deferred taxes).

Using a 0% growth rate to infinity would not lead to recognition of impairment.

NOTE 12
INVESTMENT IN NISSAN

Renault's investment in Nissan in the income statement and financial position:

(€ million)	2018	2017*
Consolidated income statement		
Share in net income (loss) of associates accounted for by the equity method	1,509	2,791
Consolidated financial position		
Investments in associates accounted for by the equity method	20,583	19,135

* *Including a positive €284 million impact of the disposal of Calsonic Kansei in the first quarter of 2017, and a positive €737 million impact of the US tax reform in the fourth quarter of 2017, giving a total impact of €1,021 million in 2017.*

A – Nissan consolidation method

Renault and the Japanese automaker Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; Renault cannot unilaterally appoint the President of Nissan. At December 31, 2018, Renault occupied two of the nine seats on Nissan's Board of Directors (unchanged since December 31, 2017);
- Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is a joint entity formed by the Alliance, with decision-making power restricted to certain strategic issues concerning either group. As it coordinates common activities at the worldwide level, it can make decisions that respect each partner's independence. This decision-making power was conferred on Renault-Nissan b.v. to generate synergies and bring both automakers worldwide economies of scale. This entity does not enable Renault to direct Nissan's financial and operating strategies, which are governed by Nissan's Board of Directors and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault-Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- 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.

B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January through December are consolidated in Renault's annual financial statements).

Nissan held 0.7% of its own treasury shares at December 31, 2018. Consequently, Renault's percentage interest in Nissan is 43.7% and Renault holds 43.4% of voting rights in Nissan (unchanged since December 31, 2017).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

(€ million)	Share in net assets: Before neutralization	Share in net assets: Neutralization proportional to Nissan's investment in Renault (1)	Share in net assets: Net	Goodwill	Total
At December 31, 2017	**19,423**	**(974)**	**18,449**	**686**	**19,135**
2018 net income	1,509		1,509		1,509
Dividend distributed	(784)		(784)		(784)
Translation adjustment	948		948	49	997
Other changes (2)	(274)		(274)		(274)
At December 31, 2018	**20,822**	**(974)**	**19,848**	**735**	**20,583**

(1) Nissan has held 44,358,000 Renault shares since 2002, corresponding to an investment of around 15%.
(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. In 2018, they also include the impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018, amounting to €(126) million.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(¥ billion)	December 31, 2017	2018 net income	Dividends	Translation adjustment	Other changes (1)	December 31, 2018
Shareholders' equity – Parent-company shareholders' share under Japanese GAAP	**5,312**	**485**	**(215)**	**(142)**	**(102)**	**5,338**
Restatements for compliance with IFRS :						
Provision for pension and other long-term employee benefit obligations	(6)	(25)	-	(1)	(33)	(65)
Capitalization of development expenses	663	50	-	(1)	-	712
Deferred taxes and other restatements	(102)	(17)	-	(10)	30	(99)
Net assets restated for compliance with IFRS	**5,867**	**493**	**(215)**	**(154)**	**(105)**	**5,886**
Restatements for Groupe Renault requirements (2)	133	(42)	(16)	10	26	111
Net assets restated for Groupe Renault requirements	**6,000**	**451**	**(231)**	**(144)**	**(79)**	**5,977**
(€ million)						
Net assets restated for Groupe Renault requirements	**44,442**	**3,453**	**(1,794)**	**2,169**	**(620)**	**47,650**
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	19,423	1,509	(784)	948	(274)	20,822
Neutralization of Nissan's investment in Renault (3)	(974)					(974)
RENAULT'S SHARE IN THE NET ASSETS OF NISSAN	**18,449**	**1,509**	**(784)**	**948**	**(274)**	**19,848**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares. In 2018, they also include the impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018, amounting to €(126) million.
(2) Restatements for Groupe Renault requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for under the equity method.
(3) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2018 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2017 financial year and the first three quarters of its 2018 financial year.

	January through March 2018		April through June 2018		July through September 2018		October through December 2018		January through December 2018	
	Fourth quarter of Nissan's 2017 financial year		First quarter of Nissan's 2018 financial year		Second quarter of Nissan's 2018 financial year		Third quarter of Nissan's 2018 financial year		Reference period for Renault's 2018 consolidated financial statements	
	(¥ billion)	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**
Net income –Parent-company shareholders' share	169	1,268	116	890	130	1,006	70	547	485	3,711

* *Converted at the average exchange rate for each quarter.*

F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated under IFRS for the purposes of the Renault consolidation, for the years 2018 and 2017. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for under the equity method.

	2018		2017	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Revenues	11,764	90,201	11,869	93,711
Net income				
Parent-company shareholders' share	451	3,458	813	6,415
Non-controlling interests' share	20	151	22	173
Other components of comprehensive income				
Parent-company shareholders' share	(220)	(1,688)	198	1,567
Non-controlling interests' share	31	237	7	57
Comprehensive income				
Parent-company shareholders' share	231	1,771	1,011	7,982
Non-controlling interests' share	51	388	29	230
Dividends received from Nissan	101	784	93	710

	December 31, 2018		December 31, 2017	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Non-current assets	7,886	62,664	7,978	59,095
Current assets	11,797	93,736	12,314	91,206
TOTAL ASSETS	**19,683**	**156,400**	**20,292**	**150,301**
Shareholders' equity				
Parent-company shareholders' share	5,887	46,775	5,868	43,462
Non-controlling interests' share	297	2,359	288	2,133
Non-current liabilities	5,874	46,675	6,951	51,484
Current liabilities	7,625	60,591	7,185	53,222
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**19,683**	**156,400**	**20,292**	**150,301**

(1) Converted at the average exchange rate for 2018 i.e., 130.4 JPY = 1 EUR for income statement items, and at the December 31, 2018 rate i.e., 125.8 JPY = 1 EUR for financial position items.
(2) Converted at the average exchange rate for 2017 i.e., 126.7 JPY = 1 EUR for income statement items, and at the December 31, 2017 rate i.e., 135.0 JPY = 1 EUR for financial position items.

G – Hedging of the investment in Nissan

The Group has partially hedged the yen/euro exchange risk on its investment in Nissan since 1999.

At December 31, 2018, the corresponding hedging operations totalled ¥204 billion (€1,624 million), comprising ¥24 billion (€191 million) of private placements on the EMTN market and ¥180 billion (€1,433 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2018, these operations generated unfavorable foreign exchange differences of -€102 million (favorable difference of €113 million in 2017). The net unfavorable effect of -€70 million after deferred taxes is recorded in the Group's translation adjustment reserve (note 18-E).

H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2018 of ¥880 per share, Renault's investment in Nissan is valued at €12,809 million (€15,244 million at December 31, 2017 based on the price of ¥1,123.5 per share).

I – Impairment test of the investment in Nissan

At December 31, 2018, the stock market value of the investment was 37.8% lower than the value of Nissan in Renault's statement of financial position (20.3% lower at December 31, 2017).

In application of the approach presented in the note on accounting policies (note 2-M), an impairment test was carried out at December 31, 2018. An after-tax discount rate of 9.6% and a growth rate to infinity (including the effect of inflation) of 3.3% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan at December 31, 2018.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the investment in Nissan.

J – Operations between Groupe Renault and the Nissan group

J1 Automotive (excluding AVTOVAZ) and Sales Financing

Renault and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. Since April 1, 2014 the two companies have also been engaged in a convergence project for four key functions: Engineering, Manufacturing and Supply Chain Management, Purchasing and Human Resources. This cooperation is reflected in synergies that reduce costs, particularly in the support functions and sales to Nissan.

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
  - sales by Groupe Renault to the Nissan group in 2018 totalled approximately €4,162 million (€4,961 million in 2017), comprising around €2,871 million for vehicles (€3,362 million in 2017), €1,169 million for components (€1,501 million in 2017), and €123 million for services (€98 million in 2017). 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 2018 totalled approximately €2,184 million (€2,400 million in 2017), comprising around €1.068 million of vehicles (€1,240 million in 2017), €884 million of components (€1,028 million in 2017), and €223 million of services (€132 million in 2017),
  - the balance of Groupe Renault receivables on the Nissan group is €859 million at December 31, 2018 (€853 million at December 31, 2017) and the balance of Groupe Renault liabilities to the Nissan group is €872 million at December 31, 2018 (€795 million at December 31, 2017);
- 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 €18 billion of forex transactions on the foreign exchange market for Nissan in 2018 (€20.9 billion in 2017). 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 €30 million at December 31, 2018 (€63 million at December 31, 2017) and derivative liabilities amount to €69 million at December 31, 2018 (€41 million at December 31, 2017).

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 2018, RCI Banque recorded €158 million of service revenues in the form of commission and interest received from Nissan (€137 million at December 31, 2017). The balance of sales financing receivables on the Nissan group is €133 million at December 31, 2018 (€107 million at December 31, 2017) and the balance of liabilities is €148 million at December 31, 2018 (€191 million at December 31, 2017).

The Alliance partners hold investments in associates and joint ventures that manage their cooperation. Details of these entities' activity and location, and Groupe Renault's influence over them, are given in note 13.

J2 AVTOVAZ

In 2018, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €260 million and €35 million respectively (€233 million and €30 million in 2017).

In the AVTOVAZ financial position at December 31, 2017, the balances of transactions between AVTOVAZ and the Nissan group consist mainly of:

- a non-current receivable for jointly controlled assets amounting to €27 million (€38 million at December 31, 2017);
- operating receivables and payables amounting respectively to €12 million and €37 million (€25 million and €69 million at December 31, 2017).

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)	2018*	2017
Consolidated income statement		
Share in net income (loss) of other associates and joint ventures	**31**	**8**
Associates accounted for under the equity method	27	10
Joint ventures accounted for under the equity method	4	(2)
Consolidated financial position		
Investments in other associates and joint ventures	**856**	**676**
Associates accounted for under the equity method	420	380
Joint ventures accounted for under the equity method	436	296

* *From 2018, investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are presented as required by IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated (notes 2-A1 and 22). Uncontrolled investments from now on included in investments in other associates and joint ventures accounted for by the equity method amount to €16 million for associates and €12 million for joint ventures at December 31, 2018. The results of these companies are included in the share in net income (loss) of other associates and joint ventures in 2018, in the amount of €(1) million for associates.*

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, 2018	Percentage ownership and voting rights held by the Group: December 31, 2017	Investments in other associates and joint ventures at December 31, 2018	Investments in other associates and joint ventures at December 31, 2017
Associates						
Automotive (excluding AVTOVAZ)						
Motorlu Araclar Imal ve Satis A.S (MAIS)	Turkey	Automotive sales	49%	49%	34	46
Renault Nissan Automotive India Private Limited (RNAIPL)	India	Vehicle manufacturing	30%	30%	206	205
Sales Financing						
RN Bank	Russia	Automotive sales financing	30%	30%	63	48
Joint ventures						
Automotive (excluding AVTOVAZ)						
Renault Algérie Production	Algeria	Vehicle manufacturing	49%	49%	8	16
Dongfeng Renault Automotive Company	China	Automaker	50%	50%	260	243
Renault Brilliance Jinbei Automotive Company*	China	Commercial vehicle manufacturing in China	49%	49%	74	-
Alliance Ventures b.v.*	Netherlands	Finance for new technology start-ups	40%		51	-
Other non-significant associates and joint ventures					160	118
TOTAL					**856**	**676**

* *Newly consolidated companies in 2018.*

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The tables below show the total amount of sales and purchases made between Groupe Renault and the principal other associates and joint ventures accounted for by the equity method, as well as Groupe Renault's balance sheet positions with those entities:

(€ million)	2018		2017	
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 A.S (MAIS)	1,261	12	1,858	14
Renault Nissan Automotive India Private Limited (RNAIPL)	3	(357)	6	(538)
RN Bank	(3)	-	2	-
Renault Algérie Production	9	(102)	6	(59)
Dongfeng Renault Automotive Company	206	(7)	233	(16)

(€ million)	December 31, 2018					
In the consolidated financial position	**Financial assets**	**Automotive receivables**	**Other assets**	**Other liabilities**	**Sales Financing debts**	**Trade payables**
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	-	-	4	-	25
Renault Nissan Automotive India Private Limited (RNAIPL)	18	54	402	3	-	57
RN Bank	80	-	2	3	3	-
Renault Algérie Production	-	86	-	3	-	115
Dongfeng Renault Automotive Company	-	9	-	3	-	9

(€ million)	December 31, 2017					
In the consolidated financial position	**Financial assets**	**Automotive receivables**	**Other assets**	**Other liabilities**	**Sales Financing debts**	**Trade payables**
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	-	2	5	-	32
Renault Nissan Automotive India Private Limited (RNAIPL)	16	57	262	2	-	37
RN Bank	150	-	16	-	-	-
Renault Algérie Production	-	56	-	2	-	82
Dongfeng Renault Automotive Company	-	31	-	2	-	-

B – Cumulative financial information on other associates accounted for under the equity method

(€ million)	December 31, 2018	December 31, 2017
Investments in associates	420	380
Share in income (loss) of associates	27	10
Share of associates in other components of comprehensive income	(29)	(28)
Share of associates in comprehensive income	(2)	(18)

C – Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	December 31, 2018	December 31, 2017
Investments in joint ventures	436	296
Share in income (loss) of joint ventures	4	(2)
Share of joint ventures in other components of comprehensive income	(7)	(23)
Share of joint ventures in comprehensive income	(3)	(25)

NOTE 14
INVENTORIES

	December 31, 2018			December 31, 2017		
(€ million)	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,748	(299)	1,449	1,845	(328)	1,517
Work in progress	395	(3)	392	390	(1)	389
Used vehicles	1,383	(126)	1,257	1,589	(91)	1,498
Finished products and spare parts	2,931	(150)	2,781	3,076	(152)	2,924
TOTAL	**6,457**	**(578)**	**5,879**	**6,900**	**(572)**	**6,328**

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NOTE 15
SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	December 31, 2018	December 31, 2017
Dealership receivables	10,233	10,210
Financing for end-customers	23,606	22,085
Leasing and similar operations	9,008	7,649
Gross value	**42,847**	**39,944**
Impairment	(780)	(610)
Net value	**42,067**	**39,334**

Details of fair value are given in note 24-A.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve

B1 Assignment of sales financing assets

	December 31, 2018		December 31, 2017	
(€ million)	Balance sheet value	Fair value	Balance sheet value	Fair value
Assigned receivables carried in the balance sheet	11,010	10,980	10,391	10,344
Associated liabilities	2,781	2,645	2,272	2,326

The Sales Financing segment has undertaken several public securitization operations and several conduit financing operations (in Germany, Brazil, France and Italy) involving loans to final customers and receivables on the dealership network. Both types of operation are conducted through special purpose vehicles. Some public operations were subscribed by RCI Banque, which makes it possible to have securities eligible as collateral for the European Central Bank.

The receivables assigned through such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, and are recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

B2 Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France under France's central collateral management system 3G (*Gestion Globale des Garanties)* in the form of assets with book value of €7,454 million at December 31, 2018 (€6,949 million at December 31, 2017). These guarantees comprise €6,184 million in the form of shares in securitization vehicles, €159 million in euro bonds and €1,111 million in sales financing receivables (€5,676 million of shares in securitization vehicles, €168 million in euro bonds and €1,106 million in sales financing receivables at December 31, 2017). The funding provided by the Banque de France against these guarantees amounts to €2,500 million at December 31, 2018, as at December 31, 2017. All assets provided as guarantees to the Banque de France remain in the balance sheet.

C – Sales financing receivables by maturity

(€ million)	December 31, 2018	December 31, 2017
-1 year	21,184	20,067
1 to 5 years	20,403	18,819
+5 years	480	448
TOTAL SALES FINANCING RECEIVABLES – NET	**42,067**	**39,334**

D – Breakdown of sales financing receivables by level of risk

(€ million)	Healthy receivables	Receivables showing a deterioration since initial recognition	Receivables in default	Total
Gross value of sales financing receivables at December 31, 2018	38,454	3,770	623	42,847
Impairment of sales financing receivables at December 31, 2018	(239)	(163)	(378)	(780)
Net value of sales financing receivables at December 31, 2018	**38,215**	**3,607**	**245**	**42,067**

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 €678 million at December 31, 2018 (€660 million at December 31, 2017).

Customer credit risk is assessed (using a scoring system) and monitored by type of activity (customers and dealers). There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base as defined by the regulations.

NOTE 16

AUTOMOTIVE RECEIVABLES

Net value of Automotive receivables

(€ million)	December 31, 2018	December 31, 2017
Gross value	2,178	2,572
Impairment for incurred credit losses (1)	(770)	(819)
Impairment for expected credit losses (2)	(9)	
AUTOMOTIVE RECEIVABLES – NET VALUE	**1,399**	**1,753**

(1) Including €(674) million related to Iran at December 31, 2017 and €(677) million at December 31, 2017.
(2) In application of IFRS 9 "Financial instruments", the Group recognizes impairment for expected credit losses from January 1, 2018 (note 2-A1.3).

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.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned receivables of the Automotive (excluding AVTOVAZ) segment that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2018.

There is also no significant concentration of risks in the Automotive customer base (excluding AVTOAZ and with AVTOVAZ), and no single non-Group customer accounts for more than 10% of the total sales revenues of the Automotive segments.

The management policy for credit risk is described in note 25.

The maximum exposure to credit risk for Automotive (excluding AVTOVAZ) receivables is represented by the net book value of those receivables.

The impairment model for Automotive receivables is presented in notes 2-A3 and 2-G.

Details of fair value are given in note 24-A.

NOTE 17
OTHER CURRENT AND NON-CURRENT ASSETS

	December 31, 2018			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	245	368	613	249	307	556
Tax receivables (excluding current taxes due)	465	1,712	2,177	527	1,846	2,373
Taxes due [1]	19	111	130	4	91	95
Other receivables	603	1,566	2,169	555	1,728	2,283
Investments in controlled unconsolidated entities [2]	153	-	153	100	-	100
Derivatives on operating transactions of the Automotive segments	-	10	10	-	10	10
Derivatives on financing transactions of the Sales Financing segment	-	123	123	-	123	123
TOTAL	**1,485**	**3,890**	**5,375**	**1,435**	**4,105**	**5,440**
Gross value	*1,613*	*4,082*	*5,695*	*1,470*	*4,307*	*5,777*
Impairment	*(128)*	*(192)*	*(320)*	*(35)*	*(202)*	*(237)*

(1) Current taxes due are reported separately in the consolidated financial position (section 4.2.3).
(2) Investments of over €10 million in controlled unconsolidated entities concern Carizy, iCabbi, PI-VI Ricambi S.r.l., Marcel and Renault Venture Capital.

A – Tax receivables

Tax receivables (excluding current taxes due) do not include French tax receivables assigned outside the Group (the "CIR" Research Tax Credit and "CICE" Tax Credit For Competitiveness and Employment), when substantially all the risks and benefits associated with ownership of the receivables are transferred. In the case of tax receivables, assignment only gives rise to recognition if the risk of dilution is deemed to be non-existent, notably when the assigned receivables have already been subject to a tax inspection or preliminary audit.

The total amount of tax receivables assigned and derecognized in 2018 is €278 million, comprising €218 million of CIR receivables and €60 million of CICE receivables (€50 million of CICE receivables in 2017). No assigned tax receivables remained in the balance sheets at December 31, 2018 and 2017.

B – Investments in controlled unconsolidated entities

In the last two years, the Group has acquired control over an entity operating in the used vehicle market (Automotive (excluding AVTOVAZ) segment) and three entities operating in the mobility sector (Sales Financing segment): Carizy (a used vehicle selling platform) Flit Tech (a taxi reservation platform), iCabbi (software development for taxis) and Marcel (a private car hire app), for a total purchase price of €106 million. The financial statements of these entities are not fully consolidated at December 31, 2018 because their consolidation would not have a significant impact given the thresholds applied by the Group. However, their contribution to the Group's results, amounting to -€29 million in 2018, is included in the cost of goods and services sold. The most significant entities will be fully consolidated in the next few years.

NOTE 18
SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid at December 31, 2018 is 295,722 thousand, with par value of €3.81 per share (unchanged compared to December 31, 2017).

Treasury shares do not bear dividends. They account for 1.71% of Renault's share capital at December 31, 2018 (2.17% at December 31, 2017).

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).

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 15.46% at December 31, 2018 (15.01% at December 31, 2017).

The Group also partially hedges its investment in Nissan (note 12-G).

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, 2018	December 31, 2017
Total value of treasury plans *(€ million)*	400	321
Total number of treasury shares	5,058,961	4,649,545

In accordance with the applicable regulations, by decision of the Board of Directors, Renault acquired 10% of the shares sold by the French government (1,400,000 shares) at the market price (€121 million) in the second half-year of 2017 in preparation for an offering reserved for current and former Groupe Renault employees that will enable them to share in the Group's results.

In September 2018, Groupe Renault set up "Share the Future", an employee shareholding plan in 10 countries: Argentina, Brazil, France, India, Morocco, Romania, Slovenia, South Korea, Spain, and Turkey.

This plan is part of Groupe Renault's employee shareholding development policy and aims to involve employees more closely in the Group's development and performance. Under the "Share the Future" plan Renault offered employees two options:

- a "classic" formula, including a discount of 20% on the reference price and an employer contribution capped at four shares, in which the subscriber is exposed to changes in the share price;
- a "leveraged" formula (involving an exchange contract with a structuring bank supplementing the employee's investment so that the total amount invested is 10 times the employee's personal contribution), in which the employee receives at maturity a minimum of his/her personal contribution plus either a guaranteed return or a multiple of the increase in the Renault share price over the period if this is higher.

The shares were subscribed by the beneficiaries either directly or through a company investment fund, depending on the country of residence. Subscribers to the offer must hold the shares until May 31, 2023, unless an authorized early release event occurs. In both options, the, subscription price was set at €58.32 on September 7, 2018. The offer closed on October 2, 2018, and attracted subscriptions by 22,615 employees in 10 countries.

The Group recorded an €8 million expense in the income statement for the employer contribution and the fair value of the discount offered to employees. This fair value is equal to the value of the discount less the cost of the shares' mandatory holding period, plus the opportunity gain for employees opting for the leveraged formula.

D – Distributions

At the General and Extraordinary Shareholders' Meeting of June 15, 2018, it was decided to distribute a dividend of €3.55 per share representing a total amount of €1,027 million (€3.15 per share or a total of €916 million in 2017). This dividend was paid in June 2018.

E – Translation adjustment

The change in translation adjustment over the year is analyzed as follows:

(€ million)	2018	2017
Change in translation adjustment on the value of the investment in Nissan	997	(1,467)
Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G)	(70)	96
Total change in translation adjustment related to Nissan	**927**	**(1,371)**
Changes related to hyperinflationary economies	(175)	
Other changes in translation adjustment	(250)	(324)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**502**	**(1,695)**

Changes related to hyperinflationary economies consist of the changes in the translation adjustment attributable to the Argentinian subsidiaries since January 1, 2018 (note 2-A4). In 2017 and 2018, other changes in the translation adjustment mostly resulted from movements in the Russian rouble and the Brazilian real. In 2017, they also resulted from the Argentinian peso.

F – Financial instrument revaluation reserve

F1 Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	Cash flow hedges [1]	Available-for-sale financial assets	Equity instruments at fair value	Debt instruments at fair value	Total
At December 31, 2017 [2]	**(7)**	**810**			**803**
Transition to IFRS 9 – Opening adjustments [2]	-	(810)	787	2	(21)
Adjusted balance at January 1, 2018	**(7)**		**787 [3]**	**2**	**782**
Changes in fair value recorded in shareholders' equity	(7)		(534)	(1)	(542)
Transfer from shareholders' equity to profit and loss [1]	6		-	2	8
Other	(13)		-	-	(13)
At December 31, 2018	**(21)**		**253 [3]**	**3**	**235**

(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) In application of IFRS 9 "Financial Instruments", the classification of financial assets is modified from January 1, 2018. The changes related to the application of this new standard are presented in note 2-A1.
(3) The revaluation reserve for equity instruments at fair value 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)	2018	2017
Operating margin	7	(22)
Other operating income and expenses	1	-
Net financial income (expense)	-	-
Share in net income of associates and joint ventures	-	-
Current and deferred taxes	(2)	10
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**6**	**(12)**

F3 Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	December 31, 2018	December 31, 2017
Within one year	(6)	9
After one year	(9)	(13)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	**(15)**	**(4)**
Revaluation reserve for cash flow hedges – associates and joint ventures	(6)	(3)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(21)**	**(7)**

This schedule is based on the contractual maturities of hedged cash flows.

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 (unless, in the case of the Chairman and CEO, the Board of Directors decides otherwise), and a decision is made for each individual case when an employee leaves at the Company's instigation.

The Board of Directors also decided that from 2013 onwards, a portion of each year's variable remuneration for the post of Chairman and CEO would be converted into shares that vest subject to conditions of performance and continued employment at Renault.

G1 Changes in the number of stock options and share rights held by personnel and other share-based payments

	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, 2018	**299,339**	**37**	**-**	**4,585,849**
Granted			-	1,494,129
Options exercised or vested rights	(50,565) [(2)]	38	49 [(3)]	(1,266,829) [(4)]
Options and rights expired and other adjustments			-	(98,978)
Options outstanding and rights not yet vested at December 31, 2018	**248,774**	**36**	**-**	**4,714,171**

(1) The figures include stock options awarded as part of the variable remuneration for the post of Chairman and CEO.
(2) Stock options exercised in 2018 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.
(3) Price at which the shares were acquired by the Group to cover future options.
(4) Performance shares vested were mainly awarded under plan 21 for non-residents in 2014 and plan 22 for residents in 2015.

The share rights reported in notes G1, G3 and H do not reflect the potential consequences of the resignation of Renault's Chairman and CEO announced by the Board of Directors on January 24, 2019, since it was not possible to determine the potential impact on those rights of this event which occurred after the reporting period (see note 27-A).

G2 Stock options

For plans current in 2018, options attributed vest after a period of four years, and the exercise period then covers the following four years:

Plan	Type of plan	Grant date	Exercise price *(€)*	Options outstanding at December 31, 2018	Exercise period
Plan 18	Stock purchase options	April 29, 2011	38.80	92,062	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	35,500	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase options	December 13, 2012	37.43	121,212	December 13, 2016 – December 12, 2020
TOTAL				**248,774**	

G3 Performance share plans and other share-based payment agreements

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 minimum holding period of two years, reduced to one year for plans introduced from 2016.

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2018	Vesting date	Holding period
Plan 22 [(1)]	Performance shares and shares awarded as part of the variable remuneration	February 11, 2015	- 383,019	February 11, 2018 [(2)] February 11, 2019	February 11, 2018 – February 11, 2020 None
Plan 23 [(1)]	Performance shares and shares awarded as part of the variable remuneration	April 29, 2016	963,550 371,705	April 29, 2019 April 29, 2020	April 29, 2019 – April 29, 2020 None
Plan 23 bis	Performance shares and shares awarded as part of the variable remuneration	July 27, 2016	100,000	July 27, 2020	None
Plan 24 [(1)]	Performance shares and shares awarded as part of the variable remuneration	February 9, 2017	979,160 437,016	February 9, 2020 February 9, 2021	February 9, 2020 – February 9, 2021 None
Plan 25 [(1)]	Performance shares and shares awarded as part of the variable remuneration	February 15, 2017	1,078,250 401,471	February 15, 2021 February 15, 2022	February 15, 2021 – February 15, 2022 None
TOTAL			**4,714,171**		

(1) These figures include shares awarded as part of the variable remuneration for the post of Chairman and CEO. The number of shares for 2014 and 2015 was adjusted in 2018 as achievement of performance objectives is assessed over three successive years.
(2) The performance shares concerned by this plan were issued to beneficiaries in 2018.

H – Share-based payments

Share-based payments exclusively concern stock options and performance shares awarded to personnel, and shares awarded as part of the variable remuneration for the post of Chairman and CEO.

The plans have been valued by the methods described in the accounting policies (note 2-R). The main details are as follows:

Plan	Initial value *(thousands of €)*	Unit fair value	Expense for 2018 *(€ million)*	Expense for 2017 *(€ million)*	Share price at grant date *(€)*	Volatility	Interest rate	Exercise price *(€)*	Duration of option	Dividend per share *(€)*
Plan 18	3,422	9.31	-	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 19	1,608	5.36	-	-	27.50	42.24%	1.99%	26.87	4-8 years	1.19 – 1.72
Plan 20	2,708	6.87	-	-	40.39	35%	0.71%	37.43	4-8 years	1.57 – 2.19
Plan 21*	38,702 13,653	53.09 54.97	- -	(3) (4)	65.76 65.61	N/A N/A	0.20% 0.19%	N/A N/A	3-5 years 4 years	1.72 – 1.97 1.72 – 1.97
Plan 22*	51,509 19,138	66.51 65.19	(10) (7)	(20) (5)	78.75 76.58	N/A N/A	(0.10)% (0.03)%	N/A N/A	3-5 years 4 years	1.90 – 2.22 1.90 – 2.22
Plan 23*	53,728 19,929	66.38 65.72	(18) (5)	(18) (5)	80.25 76.16	N/A N/A	(0.48)% (0.48)%	N/A N/A	3-4 years 4 years	2.40 – 2.88 2.40 – 2.88
Plan 23 bis	5,348	65.34	(1)	(1)	76.99	N/A	(0.48)%	N/A	4 years	2.40 – 2.88
Plan 24*	53,646 22,167	66.18 66.16	(18) (6)	(16) (5)	 82.79	N/A N/A	(0.56)% (0.57)%	N/A N/A	3-4 years 4 years	3.15 – 3.34 3.15 – 3.34
Plan 25*	63,533 23,096	73.37 69.73	(19) (5)	- -	90.64 88.93	N/A N/A	(0.57)% (0.57)%	N/A N/A	3-4 years 4 years	3.55 – 4.25 3.55 – 4.25
TOTAL			**(89)**	**(77)**						

* *For these plans, performance shares were awarded at different dates within the stated period. The figures also include shares awarded as part of the variable remuneration for the post of Chairman and CEO. The information reported may correspond to weighted averages based on quantities awarded per grant date.*

I – Share of non-controlling interests

Entity	Country of location	Percentage of ownership and voting rights held by non-controlling interests		Net income – non-controlling interests' share *(€ million)*		Shareholders' equity – non-controlling interests' share *(€ million)*		Dividends paid to non-controlling interests (minority shareholders) *(€ million)*	
		December 31, 2018	December 31, 2017	2018	2017	December 31, 2018	December 31, 2017	2018	2017
Automotive (excl. AVTOVAZ)									
Renault Samsung Motors	Korea	20%	20%	36	45	205	210	(33)	(32)
Oyak Renault Otomobil Fabrikalari	Turkey	48%	48%	55	51	270	257	(41)	(38)
Other	N/A	N/A	N/A	6	7	27	29	(7)	(10)
TOTAL - AUTOMOTIVE (EXCLUDING AVTOVAZ)				**97**	**103**	**502**	**496**	**(81)**	**(80)**
Sales Financing									
Banco RCI Brasil [(1)]	Brazil	40%	40%	19	20	-	-	(8)	(51)
Rombo Compania Financiera [(1)]	Argentina	40%	40%	(2)	4	-	-	-	-
Other	N/A	N/A	N/A	7	3	45	34	(5)	(2)
TOTAL – SALES FINANCING				**24**	**27**	**45**	**34**	**(13)**	**(53)**
AVTOVAZ									
Alliance Rostec Auto b.v.[(2)]	Netherlands	32%	18%	-	-	663	211	-	-
AVTOVAZ [(2)]	Russia	32%	26%	16	(33)	(603)	(430)	-	-
LLC Lada Izhevsk [(2)]	Russia	32%	26%	7	1	(19)	(24)	-	-
Other	N/A	N/A	N/A	5	(2)	11	7	-	-
TOTAL AVTOVAZ				**28**	**(34)**	**52**	**(236)**	**-**	**-**
TOTAL				**149**	**96**	**599**	**294**	**(94)**	**(133)**

(1) The Group has granted to minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €127 million for the Brazilian subsidiary and €13 million for the Argentinian subsidiary at December 31, 2018 (€129 million and €25 million respectively at December 31, 2017). 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.

(2) The percentages of voting rights held by non-controlling interests under the legal analysis are 39% in Alliance Rostec Auto b.v. and in the AVTOVAZ group at December 31, 2018 (34% and 35% respectively at December 31, 2017).

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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, 2018 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.

J – Joint operations

Entity	Country of location	Main activity	Percentage of ownership held by the Group December 31, 2018	December 31, 2017
Automotive (excluding AVTOVAZ)				
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)*	India	Shared service center	67	67

* *The Group holds 50% of voting rights in the Indian company RNTBCI.*

NOTE 19
PROVISIONS FOR PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

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 €588 million in 2018 (€619 million in 2017).

- 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, *etc.*,
- 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, Switzerland, *etc.*),
- 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), the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns around 1,799 people.

This pension fund (a trust) is a legal entity in its own right. It is administered by a board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, a rise in inflation, *etc.*).

In response to new information in 2018 concerning the implementation of gender equality regulations, an additional €1 million provision for Guaranteed Minimum Pension Equalization has been recognized.

The fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment is underfunded and the Group has made a commitment to cover the shortfall by 2026 through payments amounting to £5 million maximum per year. In application of IAS 19, underfunding at December 31, 2018 is valued at £51 million for the fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment, and £7 million for the fund compartment dedicated to RCI Financial Services Ltd.

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, 2018		December 31, 2017	
	Renault s.a.s.	Others	Renault s.a.s.	Others
Retirement age	60 to 65	60 to 67	60 to 65	60 to 65
Discount rate*	1.69%	0.8% to 2%	1.43%	0.58% to 2%
Salary increase rate	2.5%	1% to 2.7%	2.5%	1% to 2.7%
Duration of plan	13 years	7 to 20 years	13 years	7 to 20 years
Gross obligation	€1,035 million	€174 million	€1,062 million	€175 million

* *The rates used to value the Group's obligations in France vary between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters.*

Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK	December 31, 2018		December 31, 2017	
	Automotive excl. AVTOVAZ	Sales Financing	Automotive excl. AVTOVAZ	Sales Financing
Financial discount rate*	2.85%	2.85%	2.5%	2.5%
Salary increase rate	2%	3.10%	2%	3.1%
Duration of plan	18 years	25 years	20 years	25 years
Actual return on fund assets	-3.95%	-5.37%	7.4%	8.8%
Gross obligation	€325 million	€33 million	€363 million	€37 million
Fair value of assets invested via pension funds	€270 million	€25 million	€284 million	€27 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).*

C – Net expense for the year

(€ million)	2018	2017
Current service cost	94	94
Past service cost and (gain)/loss on settlement*	(3)	(92)
Net interest on the net liability (asset)	25	25
Effects of workforce adjustment measures	(1)	-
Net expense (income) for the year recorded in the income statement	**115**	**27**

* *In 2017, these costs mainly include entitlements to pre-retirement leave as defined in the 1991 competitiveness agreement for France, amended by the agreement signed in January 2017 named "CAP 2020 – Contrat d'Activité pour une Performance durable" (activity contract for sustainable performance). New rights are recognized from the date of vesting, in accordance with IAS 19, and are no longer treated as retirement indemnities. The positive impact of this change on 2017 net income has been classified as other operating income and expenses (note 6-A) since all the impacts of CAP 2020 are included in that category (some were recorded in advance at December 31, 2016).*

D – Detail of balance sheet provision

D1 Breakdown of the balance sheet provision

	December 31, 2018		
(€ million)	Present value of the obligation	Fair value of fund assets	Net defined-benefit liability (asset)
Retirement and termination indemnities			
France	1,209	-	1,209
Europe (excluding France)	15	-	15
Americas	2	-	2
Asia - Pacific	-	-	-
Africa - Middle-East - India	2	-	2
Eurasia [1]	45	-	45
TOTAL RETIREMENT AND TERMINATION INDEMNITIES	**1,273**	**-**	**1,273**
Supplementary pensions			
France	130	(58)	72
United Kingdom	358	(295)	63
Europe (excluding France and the United Kingdom) [2]	267	(176)	91
Americas	4	-	4
Asia - Pacific	2	-	2
TOTAL SUPPLEMENTARY PENSIONS	**761**	**(529)**	**232**
Other long-term benefits			
France [3]	77	-	77
Europe (excluding France)	3	-	3
Americas	2	-	2
TOTAL OTHER LONG-TERM BENEFITS	**82**	**-**	**82**
TOTAL [4]	**2,116**	**(529)**	**1,587**

(1) Essentially Romania and Turkey.
(2) Essentially Germany, the Netherlands and Switzerland.
(3) Flexible holiday entitlements and long-service awards.
(4) Total net liability due within one year: €56 million; total net liability due after one year: €1,531 million.

D2 Schedule of amounts related to net defined-benefit liability

	December 31, 2018				
(€ million)	<1 year	1 to 5 years	5 to 10 years	>10 years	Total
Present value of obligation	66	301	402	1,347	2,116
Fair value of plan assets	(10)	(57)	(76)	(386)	(529)
Net defined-benefit liability (asset)	**56**	**244**	**326**	**961**	**1,587**

The weighted average duration of plans is 14 years at December 31, 2018 (15 years at December 31, 2017).

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, 2017	**2,172**	**(537)**	**1,635**
Current service cost	94	-	94
Past service cost and gain/loss on liquidation	(3)	-	(3)
Net interest on the net liability (asset)	36	(11)	25
Effects of workforce adjustment measures	(1)	-	(1)
Net expense (income) for 2018 recorded in the income statement (19-C)	**126**	**(11)**	**115**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(17)	-	(17)
Actuarial gains and losses on the obligation resulting from changes in financial effects	(68)	-	(68)
Actuarial gains and losses on the obligation resulting from experience effects	13	-	13
Net return on fund assets (not included in net interest above)	-	19	19
Net expense (income) for 2018 recorded in other components of comprehensive income	**(72)**	**19**	**(53)**
Employer's contributions to funds	-	(12)	(12)
Employee's contributions to funds	-	(1)	(1)
Benefits paid under the plan	(120)	19	(101)
Benefits paid upon liquidation of a plan	-	-	-
Effect of changes in exchange rate	(2)	1	(1)
Effect of changes in scope of consolidation and other	12	(7)	5
Balance at December 31, 2018	**2,116**	**(529)**	**1,587**

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €596 million at December 31, 2018 (an expense of €634 million at December 31, 2017).

A 100 base point decrease in discount rates used for each plan would result in a €272 million increase in the amount of obligations at December 31, 2018 (€286 million at December 31, 2017), and a 100 base point increase in discount rates used for each plan would result in a €229 million decrease in the amount of obligations at December 31, 2018 (€230 million at December 31, 2017).

F – Fair value of fund assets

Details of the assets invested via pension funds and insurance companies are as follows:

(€ million)	December 31, 2018		
	Assets listed on active markets	Unlisted assets	Total
Pension funds			
Cash and cash equivalents	1	-	1
Shares	83	-	83
Bonds	177	-	177
Shares in mutual funds and other	37	4	41
TOTAL – PENSION FUNDS	**298**	**4**	**302**
Insurance companies			
Cash and cash equivalents	-	7	7
Shares	8	-	8
Bonds	176	5	181
Real estate property	15	1	16
Shares in mutual funds and other	5	10	15
TOTAL - INSURANCE COMPANIES	**204**	**23**	**227**
TOTAL	**502**	**27**	**529**

Pension fund assets mainly relate to plans located in the United Kingdom (56.1%). Insurance contracts principally concern France (10.9%), Germany (6.1%), the Netherlands (19.7%) and Switzerland (6%). 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 -1.28% in 2018 (5.17% in 2017).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2019 is approximately €14 million.

The Group's pension fund assets do not include Groupe Renault's financial instruments. Real estate investments do not include real estate properties occupied by the Group.

NOTE 20
CHANGE IN PROVISIONS

(€ million)	Restructuring provisions	Warranty provisions	Income tax provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities (1)	Provisions for commitments given (2)	Other provisions	Total
At December 31, 2017	**319**	**973**	**145**	**175**	**432**	**-**	**385**	**2,429**
Increases	294	660	66	98	81	7	95	1,301
Reversals of provisions for application	(145)	(542)	(34)	(30)	(32)	(2)	(96)	(881)
Reversals of unused balance of provisions	(28)	(58)	(10)	(42)	-	(6)	(43)	(187)
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Translation adjustments and other changes	(3)	(32)	(5)	(18)	(1)	6	59	6
At December 31, 2018 (3)	**437**	**1,001**	**162**	**183**	**480**	**5**	**400**	**2,668**

(1) Mainly technical reserves established by the Sales Financing segment's insurance companies.
(2) Including provisions for expected losses on financing and warranty commitments given by the Sales Financing segment amounting to €5 million at December 31, 2018 (€6 million at December 31, 2017 due to application of IFRS 9, presented in translation adjustments and other changes, see note 2-A1.5).
(3) Short-term portion of provisions: €1,065 million; long-term portion of provisions: €1,603 million.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During 2018, the Group recorded no significant new litigation in provisions. Information on contingent liabilities is provided in note 28-A2.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in the Europe region (note 6-A).

At December 31, 2018, "Other provisions" include €99 million of provisions established in application of environmental regulations (€70 million at December 31, 2017). These include provisions to cover expenses relating to end-of-life vehicles and used batteries, the costs of a plan to improve nitrogen oxide (NO_x) emissions by diesel vehicles amounting to €23 million (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell in the Europe region and for industrial sites in Americas and Eurasia Regions. They also include €2 million for depollution of commercial land belonging to Renault Retail Group (€3 million at December 31, 2017).

NOTE 21
OTHER CURRENT AND NON-CURRENT LIABILITIES

	December 31, 2018			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Tax liabilities (excluding current taxes due)	45	1,176	1,221	55	1,278	1,333
Current taxes due	-	289	289	-	246	246
Social liabilities	21	1,451	1,472	22	1,434	1,456
Other liabilities	169	5,723	5,892	189	5,918	6,107
Deferred income	1,337	1,573	2,910	1,313	1,308	2,621
Derivatives on operating transactions of the Automotive segments	-	5	5	-	2	2
TOTAL	**1,572**	**10,217**	**11,789**	**1,579**	**10,186**	**11,765**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€408 million at December 31, 2018 and €518 million at December 31, 2017) and amounts payable under sales incentive programs (€2,442 million at December 31, 2018 and €2,706 million at December 31, 2017).

4.2.6.5 Financial assets and liabilities, fair value and management of financial risks

NOTE 22
FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

	December 31, 2018*			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	853	-	853	1,306	-	1,306
Marketable securities and negotiable debt instruments	-	921	921	-	1,184	1 ,184
Loans	27	664	691	27	485	512
Derivatives on financing operations by the Automotive segments	48	378	426	62	263	325
TOTAL FINANCIAL ASSETS	**928**	**1,963**	**2,891**	**1,395**	**1,932**	**3,327**
Gross value	*928*	*1,974*	*2,902*	*1,400*	*1,936*	*3,336*
Impairment	*-*	*(11)*	*(11)*	*(5)*	*(4)*	*(9)*
Cash equivalents	-	8,091	8,091	-	6,640	6,640
Cash	-	6,686	6,686	-	7,417	7,417
TOTAL CASH AND CASH EQUIVALENTS	**-**	**14,777**	**14,777**	**-**	**14,057**	**14,057**

* *Investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are now presented as required by IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated (note 2-A1 and 13). Investments in non-controlled companies reclassified to investments in other associates and joint ventures accounted for by the equity method as a result of this change amount to €28 million at December 31, 2018 (note 13).*

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in notes 25-B6 and 25-C2.

B – Investments in non-controlled entities

At December 31, 2018, investments in non-controlled entities include €755 million (€1,165 million at December 31, 2017) for the Daimler shares purchased under the strategic partnership agreement. With the application of IFRS 9, these shares are carried at fair value through other components of comprehensive income by option, and their fair value is determined by reference to the stock market price. If the Daimler shares were sold, the gain on sale would not be transferred to profit and loss. At December 31, 2018, the unrealized gain on the Daimler shares held is €171 million. At December 31, 2018, the stock market price (€45.91 per share) was higher than the acquisition price (€35.52 per share). The corresponding decline in fair value over the year, amounting to €409 million (compared to a €2 million decrease in 2017), is recorded in other components of comprehensive income for 2018.

Investments in non-controlled entities also include €57 million at December 31, 2018 (€67 million at December 31, 2017) paid to the Fund for the Future of the Automobile (*Fonds Avenir Automobile* – FAA). Under the support plan for these suppliers introduced by the French authorities and automakers, Renault has made a commitment to pay a total of €200 million as funds are called. The outstanding amount for Renault at December 31, 2018 is €55 million.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FAA's management company, after adjustment for any relevant information that becomes known afterwards.

C – Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables (note 15-B1). These current bank accounts amount to €551 million at December 31, 2018 (€506 million at December 31, 2017).

NOTE 23
FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	December 31, 2018			December 31, 2017 [1]		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	277	-	277	273	-	273
Bonds	4,665	581	5,246	3,233	1,471	4,704
Other debts represented by a certificate	-	649	649	-	609	609
Borrowings from credit institutions	314	643	957	329	806	1,135
Other interest-bearing borrowings [2]	210	152	362	212	181	393
FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)	**5,466**	**2,025**	**7,491**	**4,047**	**3,067**	**7,114**
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	42	353	395	64	234	298
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**5,508**	**2,378**	**7,886**	**4,111**	**3,301**	**7,412**
Borrowings from credit institutions	667	85	752	531	490	1,021
Other interest-bearing borrowings	6	-	6	2	1	3
Other non-interest-bearing borrowings	15	-	15	463	-	463
FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES) [3]	**688**	**85**	**773**	**996**	**491**	**1,487**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ	**6,196**	**2,463**	**8,659**	**5,107**	**3,792**	**8,899**
Diac redeemable shares	13	-	13	13	-	13
Bonds	-	18,902	18,902	-	17,885	17,885
Other debts represented by a certificate	-	4,527	4,527	-	3,363	3,363
Borrowings from credit institutions	-	4,931	4,931	-	4,944	4,944
Other interest-bearing borrowings	-	16,053	16,053	-	15,085	15,085
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT (EXCLUDING DERIVATIVES)	**13**	**44,413**	**44,426**	**13**	**41,277**	**41,290**
Derivatives on financing operations of the Sales Financing segment	-	82	82	-	118	118
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**13**	**44,495**	**44,508**	**13**	**41,395**	**41,408**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ, AND FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**6,209**	**46,958**	**53,167**	**5,120**	**45,187**	**50,307**

(1) The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5). The stock market value of Renault SA redeemable shares is €479 million at December 31, 2018 and €554 million at December 31, 2017.

(2) The Automotive (excluding AVTOVAZ) segment's financial lease liability amounts to €72 million at December 31, 2018 (€79 million at December 31, 2017).

(3) Figures are represented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 4.2.6.1.A2. The AVTOVAZ financial lease liability amounts to €3 million at December 31, 2018 (€5 million at December 31, 2017).

B – Changes in Automotive financial liabilities and derivatives assets on financing operations

(€ million)	December 31, 2017 (1)	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, 2018
Renault SA redeemable shares	273	-	-	-	4	277
Bonds	4,704	440	-	108	(6)	5,246
Other debts represented by a certificate	609	40	-	-	-	649
Borrowings from credit institutions	1,135	(257)	-	85	(6)	957
Other interest-bearing borrowings	393	(40)	(1)	(30)	40	362
FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)	**7,114**	**183**	**(1)**	**163**	**32**	**7,491**
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	298	282	-	(185)	-	395
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**7,412**	**465**	**(1)**	**(22)**	**32**	**7,886**
Borrowings from credit institutions	1,021	(149)	(2)	(118)	-	752
Other interest-bearing borrowings	3	3	-	-	-	6
Other non-interest-bearing borrowings	463	-	-	(29)	(419)	15
FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES) (2)	**1,487**	**(146)**	**(2)**	**(147)**	**(419)**	**773**
TOTAL AUTOMOTIVE FINANCIAL LIABILITIES INCLUDING AVTOVAZ (A)	**8,899**	**319**	**(3)**	**(169)**	**(387)**	**8,659**
Derivative assets on Automotive financing operations (excluding AVTOVAZ) (B)	325	121	-	(16)	(4)	426
NET CHANGE IN AUTOMOTIVE FINANCIAL LIABILITIES IN CONSOLIDATED CASH FLOWS (SECTION 4.2.5) (A) – (B)		**198**				

(1) The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) Figures are presented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 4.2.6.1-A2.

C – Financial liabilities and sales financing liabilities of the Automotive (excluding AVTOVAZ) and Sales Financing segments

Changes in redeemable shares of the Automotive (excluding AVTOVAZ) segment

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock Exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €21 million for 2018 (€19 million for 2017), is included in interest expenses.

Following a voluntary change of accounting method (note 2-A3), redeemable shares are now stated at amortized cost, having previously been carried at fair value through profit and loss. Fair value was determined by reference to the stock market value at each reporting date. These shares are traded for €601 at December 31, 2018 and €695 at December 31, 2017. Continuing to state them at fair value would have generated pre-tax income of €75 million to be included in financial income (other financial income and expenses) corresponding to the change in fair value during the year 2018. The fair value of the redeemable shares at December 31, 2018 is €479 million (€554 million at December 31, 2017).

Changes in bonds of the Automotive (excluding AVTOVAZ) segment

Renault SA issued two bonds under its EMTN program: two Eurobonds, one with nominal value of €700 million issued on April 18, 2018 with 6-year maturity and a coupon of 1%, and the other with nominal value of €750 million issued on September 28, 2018 with 8-year maturity and a 2% coupon.

Also, as part of its "Shelf Registration" program, Renault SA issued a Samurai bond on the Japanese market on July 3, 2018 for a total of ¥57.4 billion. This new Samurai bond has two tranches, one with nominal value of ¥39.1 billion, 3-year maturity and a coupon of 0.36%, and the other with nominal value of ¥18.3 billion, 5-year maturity and a coupon of 0.49%.

In 2018, the total amount of bonds issued by Renault SA is €1,895 million and total bond redemptions amount to €1,432 million. Renault Do Brasil SA redeemed a bond in the amount of €23 million.

Changes in debts of the Sales Financing segment

In 2018, RCI Banque group issued new bonds totalling €4,245 million and maturing between 2019 and 2026, and redeemed bonds for a total of €3,148 million.

Savings deposits collected rose by €929 million in 2018 (€649 million of sight deposits and €280 million of term deposits) to €15,863 million (€12,120 million of sight deposits and €3,743 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, France and in the United Kingdom.

Credit lines

At December 31, 2018, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €3,480 million (€3,405 million at December 31, 2017). These credit lines have maturities of over one year and were unused at December 31, 2018 (and at December 31, 2017).

Also, at December 31, 2018, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,820 million (€4,934 at December 31, 2017). These credit lines were drawn to the extent of €22 million at December 31, 2018 (€23 million at December 31, 2017).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

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, 2018.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

Financial liabilities of the Automotive (excluding AVTOVAZ) segment

	December 31, 2018							
(€ million)	Balance sheet value	Total contractual flows	<1 yr	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
Bonds issued by Renault SA (by issue date)								
2014	500	500	-	-	500	-	-	-
2015	56	56	56	-	-	-	-	-
2016	477	477	477	-	-	-	-	-
2017	2,270	2,270	-	559	-	211	750	750
2018	1,906	1,906	-	-	311	-	145	1,450
Bonds issued by Renault Do Brasil (by issue date)								
2016	29	29	23	6	-	-	-	-
Accrued interest, expenses and premiums	8	31	31	-	-	-	-	-
TOTAL BONDS	**5,246**	**5,269**	**587**	**565**	**811**	**211**	**895**	**2,200**
Other debts represented by a certificate	649	649	649	-	-	-	-	-
Borrowings from credit institutions	957	1,002	649	154	75	-	50	74
Other interest-bearing borrowings	362	341	201	26	28	20	19	47
TOTAL OTHER FINANCIAL LIABILITIES	**1,968**	**1,992**	**1,499**	**180**	**103**	**20**	**69**	**121**
Future interest on bonds and other financial liabilities	**-**	**286**	**30**	**57**	**55**	**39**	**38**	**67**
Redeemable shares	**277**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives on financing operations	**395**	**394**	**353**	**27**	**2**	**9**	**3**	**-**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**7,886**	**7,941**	**2,469**	**829**	**971**	**279**	**1,005**	**2,388**

The portion of financial liabilities of the Automotive (excluding AVTOVAZ) segment maturing within one year breaks down as follows:

	December 31, 2018			
(€ million)	Contractual flows maturing within 1 yr	<1 month	1 to 3 months	3 months to 1 year
Bonds	587	2	20	565
Other financial liabilities	1,499	463	277	759
Future interest on bonds and other financial liabilities	30	-	12	18
Derivatives on financing operations	353	132	63	158
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**2,469**	**597**	**372**	**1,500**

Financial liabilities and debts of the Sales Financing segment

(€ million)	December 31, 2018							
	Balance sheet value	**Total contractual flows**	**<1 yr**	**1 to 2 yrs**	**2 to 3 yrs**	**3 to 4 yrs**	**4 to 5 yrs**	**>5 yrs**
Bonds issued by RCI Banque (by issue date)								
2014	1,392	1,380	880	-	500	-	-	-
2015	1,797	1,781	31	1,000	-	750	-	-
2016	4,432	4,438	2,338	-	750	-	1,350	-
2017	6,967	6,959	223	1,479	777	2,730	-	1,750
2018	4,261	4,242	7	686	1,324	64	861	1,300
Accrued interest, expenses and premiums	53	99	88	5	4	2	-	-
TOTAL BONDS	**18,902**	**18,899**	**3,567**	**3,170**	**3,355**	**3,546**	**2,211**	**3,050**
Other debts represented by a certificate	4,527	4,530	2,397	1,737	280	116	-	-
Borrowings from credit institutions*	4,931	4,931	1,170	2,796	795	165	5	-
Other interest-bearing borrowings	16,053	16,054	14,652	864	334	107	97	-
TOTAL OTHER FINANCIAL LIABILITIES	**25,511**	**25,515**	**18,219**	**5,397**	**1,409**	**388**	**102**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,105**	**259**	**320**	**225**	**154**	**62**	**85**
Redeemable shares	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**82**	**44**	**18**	**8**	**8**	**3**	**7**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**44,508**	**45,563**	**22,063**	**8,895**	**4,997**	**4,091**	**2,382**	**3,135**

* *Including €2.5 billion for "TLTRO" long-term financing operations introduced by the European Central Bank in late 2014 and progressively being used by RCI Banque.*

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

(€ million)	December 31, 2018			
	Contractual flows maturing within 1 year	**<1 month**	**1 to 3 months**	**3 months to 1 year**
Bond	3,567	11	25	3,531
Other financial liabilities	18,219	13,740	1,318	3,161
Future interest on bonds and other financial liabilities	259	19	21	219
Derivative liabilities on financing operations	18	2	1	15
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**22,063**	**13,772**	**1,365**	**6,926**

D – Financial liabilities of the AVTOVAZ segment

The AVTOVAZ segment's current financial liabilities consist of the following:

(€ million)	December 31, 2018	December 31, 2017
Rouble-denominated bank loans	88	494
Foreign currency-denominated bank loans	-	1
Other rouble-denominated interest-bearing loans*	-	37
TOTAL CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**88**	**532**
Current financial liabilities of Alliance Rostec Auto b.v.	6	-
TOTAL CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**94**	**532**
Less current loans and borrowings from Renault s.a.s. and intragroup cash	(9)	(41)*
TOTAL CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**85**	**491**

* *Essentially liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (see note 3-B).*

The AVTOVAZ segment's non-current financial liabilities consist of the following:

(€ million)	December 31, 2018	December 31, 2017
Rouble-denominated bank loans	673	531
Rouble-denominated interest-free loans*	-	442
Rouble-denominated interest-free promissory notes	15	14
Other foreign currency-denominated interest-bearing loans and borrowings	-	51
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**688**	**1,038**
Total non-current loans and borrowings of Alliance Rostec Auto b.v.	-	173
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**1,211**
Less non-current loans and borrowings from Renault s.a.s.	-	(215)*
NON-CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**688**	**996**

* Liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (see note 3-B).

Rouble-denominated interest-free loans and promissory notes consist of the following liabilities:

Issue date	Maturity date (after extension)	December 31, 2018				December 31, 2017			
		Nominal value		Book value		Nominal value		Book value	
		(roubles million)	*(€ million)*	*(roubles million)*	*(€ million)*	*(roubles million)*	*(€ million)*	*(roubles million)*	*(€ million)*
Rouble-denominated interest-free loans*									
June 5, 2009	June 5, 2032	-	-	-	-	25,000	360	25,000	360
April 29, 2010	April 29, 2032	20,582	258	-	-	26,282	379	5,700	82
TOTAL		**20,582**	**258**	**-**	**-**	**51,282**	**739**	**30,700**	**442**
Rouble-denominated interest-free promissory notes									
April 23, 2001	March 7, 2020	1,481	19	1,209	15	1,481	21	987	14

* *Liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (30.7 billion roubles, see note 3-B).*

During 2018, the AVTOVAZ group repaid financial liabilities totalling €347 million and contracted new financial liabilities totalling €206 million.

At December 31, 2018, the AVTOVAZ group's average interest rate was 10.16% for outstanding rouble-denominated bank loans (at December 31 2017, the average rate was 11.15% for loans in roubles and 3.00% for loans in other currencies). At December 31, 2018, the AVTOVAZ group had €414 million of floating-rate bank loans (€193 million at December 31, 2017).

At December 31, 2018, the AVTOVAZ group has confirmed credit lines opened with banks in the amount of €1,299 million (€1,304 million at December 31, 2017). At December 31, 2018, the AVTOVAZ group has €519 million of undrawn available confirmed borrowing facilities (€262 million at December 31, 2017), of which €329 million were available for operating activities and €190 million were available for investment activities (€2 million and €260 million respectively at December 31, 2017).

At December 31, 2018, the AVTOVAZ group was in compliance with all the covenants included in its loan agreements with banks.

Non-current financial liabilities are repayable as follows:

(€ million)	December 31, 2018	December 31, 2017
Current portion of loans and borrowings	82	403
1 to 5 years	711	491
> 5 years	267	936
TOTAL LONG-TERM LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**1,060**	**1,830**
Less current portion of loans and borrowings	(82)	(403)
Less adjustment for discounting interest-free rouble-denominated liabilities	(290)	(389)
Long-term portion of loans and borrowings of the AVTOVAZ group	**688**	**1,038**
Loans and borrowings of Alliance Rostec Auto b.v. with duration of 1 to 5 years	-	173
Long-term loans and borrowings of Alliance Rostec Auto b.v.	**-**	**173**
NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**1,211**
Less long-term portion of loans and borrowings from Renault s.a.s.	-	(215)
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**996**

At December 31, the AVTOVAZ group's loans and borrowings of €357 million are guaranteed by property, plant and equipment in the amount of €86 million (at December 31, 2017, €725 million of loans and borrowings were guaranteed by €164 million of property, plant and equipment, €19 million of finished goods and 100% of the shares of AO Lada-Servis and AO ZAK).

NOTE 24

FINANCIAL INSTRUMENTS BY CATEGORY, FAIR VALUE AND IMPACT ON NET INCOME

A – Financial instruments by category and fair value by level

IFRS 9, which is applicable from 2018, defines three categories of financial instruments:

- financial assets at fair value through other components of comprehensive income;
- financial assets at fair value through profit or loss;
- loans and receivables carried at amortized cost.

The following breakdown by level of fair value is presented for financial instruments carried in the balance sheet at fair value;

- level 1: instruments whose fair values are derived from quoted prices in an active market; fair value is generally identical to the most recent quoted price;
- level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- level 3: instruments whose fair values are derived from unobservable inputs on the market; the fair value of investments in non-controlled entities is generally based on the share of net assets.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In 2018, no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

		December 31, 2018									
		Balance sheet value							Fair value level of financial assets at fair value		
FINANCIAL ASSETS AND OTHER ASSETS *(€ million)*	Notes	Fair value through profit and loss (1)	Fair value of hedging instruments (1)	Equity instruments at fair value through other components of comprehensive income (1)	Debt instruments at fair value through other components of comprehensive income (1)	Equity instruments valued under the applicable standard (1)	Amortized cost (1)	Fair value of financial assets at amortized cost	Level 1	Level 2	Level 3
Sales financing receivables	15	-	-	-	-	-	42,067	41,826 (2)			
Automotive customer receivables	16	-	-	-	-	-	1,399	(3)			
Tax receivables (including current taxes due)	17	-	-	-	-	-	2,307	(3)			
Other receivables and prepaid expenses	17	-	-	-	-	-	2,782	(3)			
Loans	22	-	-	-	-	-	691	(3)			
Cash equivalents	22	-	-	-	-	-	4,293	(3)			
Cash	22	-	-	-	-	-	6,686	(3)			
TOTAL FINANCIAL ASSETS RECORDED AT AMORTIZED COST		**-**	**-**	**-**	**-**		**60,225**				
Derivatives on operating transactions of the Automotive segments	17	-	5	-	-	-	-		-	5	-
Derivatives on financing operations of the Sales Financing segment	17	-	38	-	-	-	-		-	38	-
Investments in non-controlled entities	22	-	-	755	-	-	-		755	-	-
Marketable securities and negotiable debt instruments	22	-	-	-	838	-	-		838	-	-
Derivatives on financing operations by the Automotive segments	22	-	-	-	-	-	-		-	-	-
Cash equivalents	22	-	-	-	86	-	-		86	-	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY		**-**	**43**	**755**	**924**	**-**	**-**		**1,679**	**43**	**-**
Derivatives on operating transactions of the Automotive segments	17	5	-	-	-	-	-		-	5	-
Derivatives on financing operations of the Sales Financing segment	17	17	68	-	-	-	-		-	85	-
Investments in non-controlled entities	22	98	-	-	-	-	-		-	-	98
Marketable securities and negotiable debt instruments	22	-	-	-	83	-	-		83	-	-
Derivatives on financing operations of the Automotive segments	22	425	1	-	-	-	-		-	426	-
Cash equivalents	22	3,712	-	-	-	-	-		3,712	-	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		**4,257**	**69**	**-**	**83**	**-**	**-**		**3,795**	**516**	**98**
Investments in unconsolidated controlled entities	17	-	-	-	-	153	-				
TOTAL UNCONSOLIDATED EQUITY INSTRUMENTS VALUED UNDER THE APPLICABLE STANDARD		**-**	**-**	**-**	**-**	**153**	**-**				
TOTAL FINANCIAL ASSETS		**4,257**	**112**	**755**	**1,007**	**153**	**60,225**		**5,474**	**559**	**98**

(1) Financial assets are presented in accordance with IFRS 9 "Financial instruments" applicable from 2018 or under the applicable standard: IFRS 10 "Consolidated financial statements" for investments in unconsolidated companies.

(2) 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.

(3) The Group does not report the fair value of financial assets such as Automotive customer receivables, tax receivables or cash and cash equivalents because their net book value after impairment is a reasonable approximation of their fair value.

FINANCIAL LIABILITIES AND OTHER LIABILITIES (*€ million*)	Notes	December 31, 2018 – Balance sheet value: Held for trading	Initially designated as measured at fair value through profit and loss	Hedging derivatives	Other financial liabilities	Fair value of financial assets at amortized cost	Fair value level of financial liabilities at fair value: Level 1	Level 2	Level 3
Tax liabilities (including current taxes due)	21	-	-	-	1,510	(1)			
Social liabilities	21	-	-	-	1,472	(1)			
Other liabilities and deferred income	21	-	-	-	8,802	(1)			
Trade payables	21	-	-	-	9,505	(1)			
Renault redeemable shares	23	-	-	-	277	(2)			
Bonds*	23	-	-	-	24,148	23,840 (3)			
Other debts represented by a certificate*	23	-	-	-	5,176	5,039 (3)			
Borrowings from credit institutions*	23	-	-	-	6,640	6,523 (3)			
Other interest-bearing and non-interest-bearing borrowings*	23	-	-	-	16,436	16,337 (3)			
TOTAL FINANCIAL LIABILITIES RECORDED AT AMORTIZED COST		**-**	**-**	**-**	**73,966**				
* *Financial liabilities and debts of the Automotive (excluding AVTOVAZ) segment*					*7,214*	*7,101*			
Financial liabilities and debts of AVTOVAZ					*773*	*788*			
Financial liabilities and debts of the Sales Financing segment					*44,413*	*43,850*			
Derivatives on operating transactions of the Automotive segments	21	-	-	4	-		-	4	-
Derivatives on financing operations of the Automotive segments	23	-	-	2	-		-	2	-
Derivatives on financing operations of the Sales Financing segment	23	-	-	68	-		-	68	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH EQUITY		**-**	**-**	**74**	**-**		**-**	**74**	**-**
Derivatives on operating transactions of the Automotive segments	21	1	-	-	-		-	1	-
Diac redeemable shares	23	-	13	-	-		13	-	-
Derivatives on financing operations of the Automotive segments	23	393	-	-	-		-	393	-
Derivatives on financing operations of the Sales Financing segment	23	8	-	6	-		-	14	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		**402**	**13**	**6**	**-**		**13**	**408**	**-**
TOTAL FINANCIAL LIABILITIES		**402**	**13**	**80**	**-**		**13**	**482**	**-**

(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 redeemable shares is identical to the stock market price.
(3) The fair value of the Automotive (excluding AVTOVAZ) segment's financial liabilities and sales financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2018 for loans with similar conditions and maturities. The rates offered to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value. The fair value of AVTOVAZ financial liabilities measured at amortized cost is determined by discounting future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The discount rate used to estimate the fair value of AVTOVAZ long term borrowings was 11% at December 31, 2018.

B – Changes in Level 3 financial instruments

Level 3 financial instruments mainly correspond to investments in non-controlled entities (€98 million at December 31, 2018 and €100 million at December 31, 2017). 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.

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C – Impact of financial instruments on net income

2018 *(€ million)*	Financial assets other than derivatives			Financial liabilities other than derivatives			
	Instruments measured at fair value through profit and loss	Instruments measured at fair value through equity	Instruments measured at amortized cost	Instruments designated as measured at fair value through profit and loss	Instruments measured at amortized cost*	Derivatives	Total impact on net income
Operating margin	1	-	56	(2)	(147)	2	(90)
Net financial income (expenses)	(9)	60	192	-	(296)	(134)	(188)
Impact on net income – Automotive (excluding AVTOVAZ) segment	**(8)**	**60**	**248**	**(2)**	**(443)**	**(132)**	**(277)**
Operating margin	-	-	(4)	-	-	-	(4)
Net financial income (expenses)	-	-	8	-	(102)	-	(94)
Impact on net income –AVTOVAZ segment	**-**	**-**	**4**	**-**	**(102)**	**-**	**(98)**
Operating margin	(29)	7	1,435	(1)	(795)	49	665
Impact on net income – Sales Financing segment	**(29)**	**7**	**1,435**	**(1)**	**(795)**	**49**	**665**
TOTAL GAINS (LOSSES) WITH IMPACT ON NET INCOME	**(37)**	**67**	**1,687**	**(3)**	**(1,340)**	**(83)**	**289**

* *Including financial liabilities subject to fair value hedges.*

For the Automotive (excluding AVTOVAZ) and AVTOVAZ segments, the impact of financial instruments on the operating margin mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	2018	2017
Change in fair value of the hedging instrument	26	(113)
Change in fair value of the hedged item	(27)	128
Net impact on net income of fair value hedges	**(1)**	**15***

* *Including the Sales Financing segment (€14 million in 2017).*

Hedge accounting methods are described in note 2-X.

NOTE 25
DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Derivatives and netting agreements

A1 Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

December 31, 2018 *(€ million)*	Financial assets		Other assets	Financial liabilities and Sales Financing debts		Other liabilities
	Non-current	Current	Current	Non-current	Current	Current
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Net investment hedge in Nissan	-	-	-	-	-	-
Derivatives not qualified as hedging instruments	35	382	21	24	351	-
TOTAL FOREIGN EXCHANGE RISK	**35**	**382**	**21**	**24**	**351**	**-**
Cash flow hedges	-	-	38	2	68	-
Fair value hedges	-	1	68	-	6	-
Derivatives not qualified as hedging instruments	13	(5)	1	16	10	-
TOTAL INTEREST RATE RISK	**13**	**(4)**	**107**	**18**	**84**	**-**
Cash flow hedges	-	-	5	-	-	4
Fair value hedges	-	-	-	-	-	-
Derivatives not qualified as hedging instruments	-	-	-	-	-	1
TOTAL COMMODITY RISK	**-**	**-**	**5**	**-**	**-**	**5**
TOTAL	**48**	**378**	**133**	**42**	**435**	**5**

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, 2018 *(€ million)*	Amounts in the statement of financial position eligible for netting	Amounts not netted in the statement of financial position: Financial instruments assets/liabilities	Guarantees included in liabilities	Off balance sheet guarantees	Net amounts
Assets					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	427	(240)	-	-	187
Derivatives on financing operations of the Sales Financing segment	123	(31)	-	-	92
Cash and cash equivalents (1)	250	-	-	(250)	-
Sales financing receivables on dealers (2)	425	-	(174)	-	251
TOTAL ASSETS	**1,225**	**(271)**	**(174)**	**(250)**	**530**
Liabilities					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	395	(240)	-	-	155
Derivatives on financing operations of the Sales Financing segment	82	(31)	-	-	51
TOTAL LIABILITIES	**477**	**(271)**	**-**	**-**	**206**

(1) This concerns a loan guaranteed by securities (reverse repo). The securities received as guarantees are included in Assets pledged, provided as guarantees or mortgaged in commitments received (see note 28-B).
(2) 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.

B – Management of financial risks of the Automotive (excluding AVTOVAZ) and Sales Financing segments

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty and credit risks.

B1 Liquidity risks

The Automotive (excluding AVTOVAZ) and Sales Financing segments are financed via the capital markets, through:

- long-term resources (bond issues, private placements, project financing, term deposits, *etc.*);
- short-term bank loans or commercial paper issues and sight deposits;
- securitization of receivables by Sales Financing.

The **Automotive (excluding AVTOVAZ)** segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its gross debt and guarantee liquidity for the Automotive (excluding AVTOVAZ) segment, and this exposes it to liquidity risks in the event of extended market closures or tensions over credit availability. As part of its centralized cash management policy, Renault SA handles most refinancing for the Automotive (excluding AVTOVAZ) segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury note, or financing via the banking sector or public or semi-public bodies.

Medium-term refinancing for the Automotive (excluding AVTOVAZ) segment in 2018 was mostly provided by bond issues. Renault SA issued two bonds under its EMTN program: two Eurobonds, one with a nominal value of €700 million issued on April 18, 2018 with 6-year maturity and a coupon of 1%, and the other with a nominal value of €750 million issued on September 28, 2018 with 8-year maturity and a 2% coupon.

Also, as part of its "Shelf Registration" program, Renault SA issued a ¥57.4 billion Samurai bond on the Japanese market on July 3, 2018. This new Samurai bond has two tranches, one with a nominal value of ¥39.1 billion, 3-year maturity and a coupon of 0.36%, and the other with a nominal value of ¥18.3 billion, 5-year maturity and a coupon of 0.49%.

The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance. However, certain types of financing, particularly market financing, contain standard clauses (*pari passu*, negative pledge and cross-default clauses).

The Automotive (excluding AVTOVAZ) segment also has confirmed credit lines opened with banks worth €3,480 million, maturing at various times up to 2023. None of these credit lines was drawn at December 31, 2018. These confirmed credit facilities form a liquidity reserve.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€11.8 billion) and confirmed credit lines unused at year-end (€3.5 billion), the Automotive (excluding AVTOVAZ) segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines unused are described in note 23-C.

The **Sales Financing** segment is very attentive to diversification of its sources of liquidity. Any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated.

RCI Banque's liquidity risk monitoring follows the recommendations of the European Banking Authority and the European Central Bank for an Internal Liquidity Adequacy Assessment Process (ILAAP). 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 the deposit leak, loss of access to new financing, partial unavailability of certain elements of the liquidity reserve and forecasts for issuance of new credit. The stressed assumptions for deposit leaks are very conservative and are regularly back tested.

In 2018, the Sales Financing segment issued the equivalent of €2.9 billion in public bonds. The Group successively issued a floating-rate €750 million 5-year bond, a dual-tranche €1.3 billion bond (3-year fixed-rate €750 million, and 7-year variable-rate €550 million), then an 8-year fixed-rate €750 million bond. In parallel, the Company issued a CHF125 million fixed-rate 5-year bond, which both diversified its investor base and financed assets in that currency.

Three private placements with maturities of two and three years were also undertaken for a total of €600 million.

On the secured refinancing segment, RCI Banque undertook a public securitization transaction backed by automotive loans in France, totaling €722.8 million, comprising €700 million of senior instruments and €22.8 million of subordinated instruments.

The alternation of different maturities, coupon types 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.

The Sales Financing entities in Brazil, South Korea, Morocco, Argentina and for the first time Colombia also accessed to their domestic capital markets.

Savings deposits collected from private customers increased by €0.9 billion from 2017 and totalled €15.9 billion or 33.8% of net assets at December 31, 2018, in line with the Company's objective of holding customer deposits equivalent to approximately one third of the customer financing issued.

With these resources, as well as resources held in Europe comprising €4.4 billion in undrawn confirmed credit lines with banks, €3.8 billion of collateral eligible for the European Central Bank's monetary policy operations, €2.2 billion of highly liquid assets (HQLA), and short-term financial assets amounting to €0.4 billion, RCI Banque is able to fund its customer financing for more than 12 months with no access to external resources.

Confirmed credit lines open but unused are described in note 23-C.

B2 Foreign exchange risks

MANAGEMENT OF FOREIGN EXCHANGE RISKS

The **Automotive (excluding AVTOVAZ)** segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault Financing and Treasury department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The working capital is also sensitive to movements in exchange rates. Any hedges of such risks require formal authorization from the Finance department or General Management, and the results of these hedges are then reported to the General Management.

In contrast, the Automotive (excluding AVTOVAZ) segment's general policy is to minimize the foreign exchange risks affecting financing and investment flows in foreign currencies, to avoid any exchange-related distortion of the financial result. All the Automotive (excluding AVTOVAZ) segment's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash Management team, with monthly reporting to the Chief Financial Officer. Financing flows in foreign currency originating from Renault entities are hedged in the same currency. If a subsidiary needs external financing in a currency other than the local currency, the parent-company monitors the operations closely. Cash surpluses in countries that are not part of the parent-company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Cash Management department.

Equity investments (in currencies other than the euro) are not generally hedged. However, due to its importance, the investment in Nissan is subject to a partial foreign exchange hedge amounting to ¥204 billion at December 31, 2018 (note 12-G).

The subsidiary Renault Finance can undertake foreign exchange operations on its own behalf, within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed some tens of millions of euros, and cannot therefore have a significant impact on Renault's consolidated results.

The **Sales Financing** segment has low exposure to foreign exchange risks due to the management principles applied. No position can be taken under the central management framework for refinancing; the trading room hedges all flows concerned. Residual, temporal positions in foreign currencies related to the time differences in cash flow inherent to multi-currency cash management may still remain. They are monitored daily and the same hedging policy applies. The sales financing subsidiaries are obliged to obtain refinancing in their own currency and as a result are not exposed. In exceptional circumstances, limits are assigned to subsidiaries where sales financing activities or refinancing take place in several different currencies, and to subsidiaries authorized to invest some of their cash surpluses in a currency other than their local currency.

At December 31, 2018 RCI Banque's consolidated foreign exchange position reached €9 million.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their foreign exchange risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO FOREIGN EXCHANGE RISKS IN THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account hedged assets or liabilities and related hedges for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The impact on shareholders' equity (before tax) of a 1% rise in the euro against other currencies is assessed by converting financial assets, cash flow hedges and the partial hedge of the investment in Nissan. For the Automotive (excluding AVTOVAZ) segment, this impact would be a favorable €16 million at December 31, 2018, mainly associated with the yen bond issues that make up the partial hedge of the investment in Nissan (see note 12-G).

The impact on net income of a 1% rise in the euro against other currencies would be an unfavorable €11 million at December 31, 2018, mainly attributable to unhedged operating assets and liabilities denominated in a currency that is not the functional currency.

CURRENCY DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Currency swaps – purchases	3,101	1,408	1,693	-	3,852	1,207	2,645	-
Currency swaps – sales	3,092	1,393	1,699	-	3,914	1,234	2,680	-
Forward purchases	30,089	28,420	1,669	-	19,088	18,293	795	-
Forward sales	30,105	28,436	1,669	-	19,086	18,291	795	-

B3 Interest rate risks

MANAGEMENT OF INTEREST RATE RISKS

Groupe Renault's exposure to interest rate risks mainly concerns the **Sales Financing** segment's activity exercised by RCI Banque and its subsidiaries. The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin. The Sales Financing segment's aim is to limit these risks as far as possible in order to protect its margin on sales. To take account of the difficulty of precisely matching the structure of borrowings with the structure of loans, a limited amount of flexibility is allowed in each subsidiary's interest rate hedging. This flexibility is reflected in a sensitivity limit assigned to each subsidiary and validated by the Finance Committee, in an individual adaptation of part of the limit Renault assigns to the Sales Financing segment.

Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries), for overall management of interest rate risks across the consolidated scope of the Sales Financing segment.

Each entity's position with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances require. The results of the checks are reported monthly to the Sales Financing segment's Finance Committee, which checks that the positions comply with the Group's financial strategy and current procedural instructions.

Analysis of the Sales Financing segment's structural interest rate risk shows the following:

- virtually all loans to customers by sales financing subsidiaries bear interest at a fixed rate and have terms from one to 72 months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swaps;
- the main activity of the Sales Financing segment's central refinancing department is refinancing the segment's commercial subsidiaries. The outstanding credit issued by sales financing subsidiaries is backed by fixed-interest resources, some of which are micro-hedged by interest rate swaps, and floating-rate resources. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the defined limit.

The **Automotive (excluding AVTOVAZ)** segment's interest rate risk management policy applies two principles: long-term investments generally use fixed-rate financing, and investments for cash reserves generally use floating-rate financing. Fixed-rate borrowings remain at fixed rates as long as the rate curve is close to zero and the hedging ratio of floating-rate assets by floating-rate liabilities remains stable.

The financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

The Automotive (excluding AVTOVAZ) segment's available cash is managed centrally by Renault SA as far as possible, and invested in short-term bank deposits by Renault Finance.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. The risk associated with this arbitrage activity is very limited, and has no significant impact on the Group's consolidated net income.

Interest rate hedging instruments for the Automotive (excluding AVTOVAZ) segment are standard interest swaps that are adequately covered by hedged liabilities, such that no ineffectiveness is expected.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their interest rate risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

The impact on shareholders' equity corresponds to the change in fair value before reclassification in profit or loss (section 4.2.2) of fixed rate debt instruments classified as financial assets at fair value through other components of comprehensive income and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive (excluding AVTOVAZ) segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a positive €106 million and €1 million respectively at December 31, 2018.

For the Sales Financing segment, the overall sensitivity to interest rate risks in 2018 remained below the limit set by the RCI Banque group (€50 million at December 31). At December 31, 2018, a 100 point base point rise in interest rates would have the following impacts on net income and shareholders' equity (before taxes):

- +€3.4 million for items denominated in euros;
- -€0.4 million for items denominated in Brazilian real;
- -€0.7 million for items denominated in Swiss francs;
- +€0.8 million for items denominated in pounds sterling;
- +€0.3 million for items denominated in Korean won;
- +€1.4 million for items denominated in Moroccan dirham;
- -€0.4 million for items denominated in Czech korunas.

The sum of the absolute sensitivities in each currency amounts to €7.8 million.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS OF THE GROUP (EXCLUDING AVTOVAZ), AFTER THE EFFECT OF DERIVATIVES

(€ million)	December 31, 2018	December 31, 2017
Financial liabilities before hedging: fixed rate (a)	27,006	25,887
Financial liabilities before hedging: floating rate (a')	24,621	22,231
Financial liabilities before hedging (without redeemable shares) of the Group (excluding AVTOVAZ)	**51,627**	**48,118**
Hedges: floating rate / fixed (b)	9,844	8,743
Hedges: fixed rate / floating (b')	7,702	7,987
Hedges	**17,546**	**16,730**
Financial liabilities after hedging: fixed rate (a+b-b')	29,148	26,643
Financial liabilities after hedging: floating rate (a'+b'-b)	22,479	21,475
Financial liabilities after hedging (without redeemable shares) of the Group (excluding AVTOVAZ)	**51,627**	**48,118**

INTEREST RATE DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Interest rate swaps	23,867	8,361	13,506	2,000	22,838	7,583	12,905	2,350
Other interest rate hedging instruments	79	79	-	-	1	1	-	-

B4 Equity risks

MANAGEMENT OF EQUITY RISKS

The exposure of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. These two segments do not use equity derivatives to hedge these risks.

The Automotive (excluding AVTOVAZ) segment and the Sales Financing segment made no major changes to their equity risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO EQUITY RISKS

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at the year-end would have an unfavourable impact of €76 million on shareholders' equity. The impact on net income is not significant at December 31, 2018.

B5 Commodity risks

MANAGEMENT OF COMMODITY RISKS

Commodity purchase prices can change suddenly and significantly, and cannot necessarily be passed through on vehicle sale prices. This may lead Renault's Purchases department to hedge part of its commodity risks using financial instruments. These hedges are subject to volume, duration and price limits.

In 2018 Renault undertook hedging operations on base metals and precious metals, within the limits validated by the Chairman and CEO.

The operations in progress at December 31, 2018 are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in Other components of comprehensive income to the extent of the effective portion of the hedges.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO COMMODITY RISKS

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to these risks.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €9 million on Other components of Comprehensive income at December 31, 2018.

COMMODITY DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Swaps	70	64	6	-	94	94	-	-
Zero-premium collars (option)	31	29	2	-	65	65	-	-

B6 Counterparty and credit risks

CREDIT RISK ON AUTOMOTIVE RECEIVABLES

The Automotive segment's exposure to credit risk is limited because of the assignment of many receivables leading to their deconsolidation, and systematic hedging of risks on export receivables. Non-assigned sales receivables and receivables covered by guarantee are regularly monitored.

CREDIT RISK ON RECEIVABLES AND COMMITMENTS GIVEN BY THE SALES FINANCING SEGMENT

Credit risk relating to customers is assessed by a scoring system and monitored by type of activity (customers and dealers). Various internal rating systems are currently in use in the Sales Financing segment:

- a Group rating for "Dealers", used in each phase of relations with the borrower (initial acceptance, risk monitoring, provisioning);
- a Group rating for bank counterparties founded on each counterparty's external rating and equity level;
- several different acceptance score systems for "Customers", depending on the subsidiaries and types of financing involved.

RCI Banque is constantly adjusting its acceptance policy to reflect the conditions of the economic environment.

The Group has detailed management procedures, notably covering collection of outstanding payments, with local versions in all the countries where they apply.

COUNTERPARTY RISK ON OTHER FINANCIAL ASSETS

All entities of the Automotive and Sales Financing segments use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For each of these entities with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, maturity and type, as well as a list of the main exposures.

Most deposits are contracted with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk and lowers the systemic risk.

In the event of volatile macroeconomic situations that may arise in emergent countries and potentially affect their banking systems, the Group introduces an action plan to step up counterparty risk monitoring, and makes adjustments to the counterparty limits if necessary.

The exposure on each banking group is assessed monthly on a consolidated basis, with the Automotive and Sales Financing entities. The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses due to default by a banking counterparty were recorded in 2018.

IMPAIRMENT AND PROVISIONS ESTABLISHED TO COVER COUNTERPARTY RISKS

				Reversals			
(€ million)	Notes	December 31, 2017	Impairment	For application	Of unused residual amounts	Other	December 31, 2018
Impairment of Sales Financing receivables	15	(610)	(500)	360	77	(107)	(780)
Impairment of Automotive receivables	16	(819)	(8)	-	-	48	(779)
Impairment of other receivables	17	(237)	(17)	-	-	(66)	(320)
Impairment of other financial assets	22	(9)	(2)	-	-	-	(11)
Provisions (commitments given)	20	-	7	(2)	(6)	6	5
TOTAL COVERAGE OF COUNTERPARTY RISKS		**(1,675)**	**(520)**	**358**	**71**	**(119)**	**(1,885)**

C – Management of AVTOVAZ group financial risks

The AVTOVAZ group's principal financial liabilities comprise bank loans, finance leases, trade payables and loans received. The main purpose of these financial liabilities is to raise finance for AVTOVAZ group's operations. It has various financial assets such as trade receivables, cash, short-term deposits and loans issued, which arise directly from its operations.

In accordance with the Group's policy no trading in derivatives was undertaken in 2018. The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The AVTOVAZ group is not exposed to any equity price risk.

C1 Foreign exchange risks

The AVTOVAZ group carries out sales both inside and outside the Russian Federation. As a result, the AVTOVAZ group has currency exposures. Such exposure arises from sales in currencies other than AVTOVAZ's functional currency, *i.e.*, the Russian rouble. Almost 98% of sales are denominated in Russian roubles, whilst approximately 6% of costs are denominated in currencies other than Russian roubles.

At December 31, 2018 the AVTOVAZ group had €10 million of cash and cash equivalents, €8 million of trade and other receivables and €42 million of trade and other payables denominated in currencies other than the Russian rouble. Risk management is carried out by PJSC AVTOVAZ Finance department, which identifies, evaluates and manages foreign exchange risks by analyzing the net position in each foreign currency. It has not entered into any hedging arrangements in respect of its foreign currency.

The following table demonstrates the sensitivity to a change in the US dollar, euro, Japanese yen, exchange rates of AVTOVAZ group's profit before tax.

(€ million)	% increase/(decrease) in exchange rate	Effect on profit before tax
2018		
EUR/RUB	13.50	(3)
JPY/RUB	14.00	(1)
USD/RUB	13.50	1
EUR/RUB	-13.50	3
JPY/RUB	-14.00	1
USD/RUB	-13.50	(1)

C2 Counterparty and credit risks

At December 31, 2018, AVTOVAZ group has €86 million in cash and cash equivalents and €361 million of trade receivables and other current assets subject to potential credit risk. Credit risk on these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount.

AVTOVAZ group trades only with recognized, creditworthy third parties. AVTOVAZ group's policy states that all customers requiring credit facilities must be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and as a result, AVTOVAZ group's exposure to bad debts is not significant. The maximum exposure is the carrying amount. There are no significant concentrations of credit risk within the AVTOVAZ group.

C3 Liquidity risks

AVTOVAZ group monitors its risk to a shortage of funds using a liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (*e.g.* accounts receivable, other financial assets) and projected cash flows from its operations.

AVTOVAZ group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and borrowings.

The table below summarizes the maturity of the AVTOVAZ group's financial liabilities at December 31, 2018 based on contractual undiscounted payments.

(€ million)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
December 31, 2018					
Borrowings	52	111	861	269	1,293
including Groupe Renault	-	-	-	-	-
Trade and other payables	567	4	1	-	572
including Groupe Renault	22	-	-	-	22

C4 Cash flow and Interest rate risk

The AVTOVAZ group's interest rate risk arises from borrowings. The majority of interest rates on borrowings are fixed. Existing interest rates can be changed subject to agreement by the third parties. Financial assets are either non-interest bearing or bear interest at fixed rates; the AVTOVAZ group's income and operating cash flows are substantially independent of changes in market interest rates. It has not entered into any hedging arrangements in respect of its interest rate exposures.

At December 31, 2018, AVTOVAZ group had €414 million of bank loans with floating interest rate (note 23-D).

4.2.6.6 Cash flows and other information

NOTE 26
CASH FLOWS

A – Other income and expenses with no impact on cash before interest and tax

(€ million)	2018	2017*
Net allocation to provisions	204	(201)
Net effects of sales financing credit losses	63	(29)
Net (gain) loss on asset disposals	(69)	(93)
Change in fair value of other financial instruments	22	(5)
Net financial indebtedness	308	369
Deferred taxes	33	272
Current taxes	690	634
Other	145	85
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH BEFORE INTEREST AND TAX	**1,396**	**1,032**

* *The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

B – Change in working capital

(€ million)	2018	2017
Decrease (increase) in net inventories	240	(691)
Decrease (increase) in Automotive net receivables	283	78
Decrease (increase) in other assets	(39)	(795)
Increase (decrease) in trade payables	(240)	591
Increase (decrease) in other liabilities	307	705
INCREASE (DECREASE) IN WORKING CAPITAL BEFORE TAX	**551**	**(112)**

C – Capital expenditure

(€ million)	2018	2017
Purchases of intangible assets	(1,772)	(1,310)
Purchases of property, plant and equipment (other than assets leased to customers)	(2,745)	(2,420)
TOTAL PURCHASES FOR THE PERIOD	**(4,517)**	**(3,730)**
Deferred payments	110	129
TOTAL CAPITAL EXPENDITURE	**(4,407)**	**(3,601)**

NOTE 27
RELATED PARTIES

A – Remuneration of directors and executives and Executive Committee members

The table below reports the compensation of the Chairman and CEO and Group Executive Committee members accounted for in expenses in 2018 and 2017. Amounts are allocated *pro rata* to the periods in which the functions were occupied.

(€ million)	2018	2017
Basic salary	5.5	6.1
Variable remuneration	7.4	7.8
Employer's social security charges	11.0	11.0
Complementary pension and retirement indemnities	9.5	8.7
Other components of remuneration	0.5	0.8
TOTAL REMUNERATION PAID IN CASH	**33.9**	**34.4**
Stock options, performance shares and other share-based payments	16.1	15.3
TOTAL REMUNERATION PAID IN SHARES	**16.1**	**15.3**
TOTAL	**50.0**	**49.7**

Directors' fees amounted to €1.5 million in 2018 (€1.2 million in 2017), including the fees for the Chairman's functions.

The commitments under the collective top-up pension scheme arranged for the members of the Group Executive Committee at December 31, 2018 amount to €52 million (€58 million at December 31, 2017).

This table does not reflect the resignation of Renault's Chairman and CEO announced by the Board of Directors on January 24, 2019, and the potential consequences for the elements of his 2018 remuneration shown above. It is not possible to estimate the impact of this event, which occurred after the reporting period, since the decisions to be taken by the Board of Directors, some of which must be submitted for approval at the General Shareholders' Meeting of June 12, 2019, are not all known at the date of publication of the financial statements (note 30).

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.

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 €288 million in 2018, an automotive receivable of €90 million, a sales financing receivable of €371 million and a financing commitment of €31 million at December 31, 2018.

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. The principal companies concerned, in terms of the balance sheet value of the investment, are listed in footnote (2) of the table in note 17.

The only company with sales of more than €100 million and/or a balance sheet value of more than €100 million are Renault Nissan Global Management, which manages Renault's expatriates.

In 2018, Groupe Renault's expenses with this company amounted to approximately €284 million (€266 million in 2017).

In Groupe Renault's financial position at December 31, 2018, the balances of transactions between this company and Groupe Renault consist mainly of operating receivables amounting to €41 million (€43 million at December 31, 2017) and operating payables amounting to €25 million (€25 million at December 31, 2017).

NOTE 28

OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automobile regulation authorities. Any liabilities resulting from these situations (*e.g.* pensions and other employee benefits, litigation costs, *etc.*) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, *etc.*) and may benefit from credit lines with credit institutions (note 28-B).

A – Off-balance sheet commitments given and contingent liabilities

A1 Ordinary operations

The Group is committed for the following amounts:

(€ million)	December 31, 2018	December 31, 2017
Financing commitments in favour of customers (1)	2,367	2,315
Firm investment orders	1,327	952
Lease commitments (2)	661	546
Assets pledged, provided as guarantees or mortgaged (3)	86	187
Sureties, endorsements and guarantees given and other commitments (4)	425	187

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end in the maximum amount of €2,331 million at December 31, 2018 (€2,250 million at December 31, 2017).
(2) Largely as a result of specificities in French lease contracts that allow penalty-free early termination, the irrevocable lease commitments reported here are not fully representative of the financial liability to be recognized in application of IFRS 16. The impact of future application of this standard on the financial liability is described in note 2-A.
(3) At December 31, 2018, assets pledged, provided as guarantees or mortgaged include commitments given by AVTOVAZ amounting to €86 million (€183 million at December 31, 2017) corresponding to fixed assets (note 23-D).
(4) Other commitments include in particular guaranties granted to administrations and share subscription commitments.

Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 15-B.

Operating lease commitments correspond to rent from non-cancellable leases. The breakdown is as follows:

(€ million)	December 31, 2018	December 31, 2017
Less than 1 year	97	101
Between 1 and 5 years	378	296
More than 5 years	186	149
TOTAL	**661**	**546**

A2 Contingent liabilities

Under a customs agreement between Brazil and Argentina for the automotive industry, which was introduced in 2008 and amended in June 2016, imports of vehicles and spare parts for the Argentinean automotive sector are exempt from customs duties as long as the average ratio of imports to exports with Brazil is below 1.5 over the period July 2015 to June 2020 (this ratio may be raised to 1.7 from June 30, 2019). The amount of customs duties potentially due retroactively may be up to 75% of the customs duties on cars and 70% of the customs duties on spare parts in excess of the ratio, using a calculation covering the entire automotive sector.

The ratio for the sector as a whole was above 1.5 for the period July 1, 2015 to November 30, 2018, and Renault contributes to this situation. Only automakers which do not respect their own individual ratio over the period concerned are liable for penalties. The applicable rules, which changed slightly with the introduction of two new regulations in January 2018, explicitly allow purchases of credits from other automakers concerned to avoid paying the penalties due. This customs agreement creates a contingent obligation for Renault that will only be confirmed by the occurrence of uncertain future events that are partly within its control (compliance with the individual ratio) and partly beyond its control, since the ratio to be respected concerns the entire automotive sector. Reliable estimation of the potential risk at the reporting date is difficult, mainly because of uncertainties as to developments in the Argentinean and Brazilian automotive markets between now and 2020. Consequently, no provision has been recognized by the Group.

Since the introduction of regulation 21-E of January 23, 2018, a guarantee of $86 million has been put in place for the provisional penalties calculated in respect of the first 24 months of application of the amended agreement of June 2016. This cannot be considered as an indication of the final amount that may be due at the end of period concerned by the agreement, which ends on June 30, 2020.

A possible extension of the period concerned by the existing system is currently under discussion by the Argentina-Brazil Automotive Committee.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favor. At December 31, 2018, the Group had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group's consolidated financial statements.

Group companies are periodically subject to 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.

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision to be cancelled or fundamentally amended by a court order is high. Also, due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. Consequently, no provision has been recognized in connection with this matter at December 31, 2018.

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, 2018 concern the level of vehicle emissions in Europe.

In the ongoing "emissions" affair in France, Renault acknowledges that a formal legal investigation has been opened. This new stage in the procedure is seen as an indication that the French prosecution office wishes to pursue this matter. No provision was recognized at December 31, 2018 or December 31, 2017.

Beginning in March 2016 Renault decided to roll out a plan to reduce nitrogen oxide (NO_x) emissions by its Euro 6b vehicles by applying new factory calibrations for vehicle production, and a corresponding €20 million provision was recognized for vehicles manufactured before this decision. A step-up in this plan was decided in October 2017, leading to recognition of an additional €24 million provision. At December 31, 2018 the balance of the provision is €23 million (compared to €44 million at December 31, 2017).

Group companies are 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. Details of significant provisions are given in note 20.

B – Off-balance sheet commitments received and contingent assets

(€ million)	December 31, 2018	December 31, 2017
Sureties, endorsements and guarantees received	2,629	2,929
Assets pledged or mortgaged [(1)]	3,739	3,162
Buy-back commitments [(2)]	3,961	3,231
Other commitments	**26**	**29**

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €3,374 million at December 31, 2018 (€2,796 million at December 31, 2017). In addition, AVTOVAZ received €12 million in real estate property rights and ownership rights as guarantees of loans, and €78 million in rights to vehicles as guarantees of customer receivables (€12 million and €79 million respectively at December 31, 2017).
(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23.

NOTE 29
FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The fees paid to the Group's Statutory Auditors and their networks are reported in section 6.3.3 of the 2018 Registration document.

NOTE 30
SUBSEQUENT EVENTS

On January 24, 2019 the Board of Directors of Renault SA formally took note of the resignation of its Chairman and CEO, and decided to give Renault a new governance structure and to separate the posts of Chairman of the Board and Chief Executive Officer. The Board co-opted Jean-Dominique Senard as a new Director and elected him Chairman. Upon the proposal of Jean-Dominique Senard, the Board appointed Thierry Bolloré as Chief Executive Officer.

NOTE 31
CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

Groupe Renault's interest (%)	Country	December 31, 2018	December 31, 2017
Renault SA	**France**	**Consolidating company**	**Consolidating company**
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
France			
Renault s.a.s	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100
Alliance Média Ventures [1]	France	100	-
Fonderie de Bretagne	France	100	100
IDVU	France	100	100
IDVE	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Environnement	France	100	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
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des Automobiles Alpine Caterham	France	100	100
Sofrastock International	France	100	100
Société de Transmissions Automatiques	France	100	100
Société de Véhicules Automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM)	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d'Epone	France	100	100
Société Immobilière pour l'Automobile (SCIA)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
Europe			
Renault Deutschland AG and subsidiaries	Germany	100	100
Renault Österreich GmbH	Austria	100	100
Renault Belgique Luxembourg and subsidiary	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100

Groupe Renault's interest (%)	Country	December 31, 2018	December 31, 2017
Renault España Comercial 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
Renault Group b.v.	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiary	Portugal	100	100
Renault Ceska Republika	Czech Republic	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K.	United Kingdom	100	100
Renault Sport Racing Limited	United Kingdom	90	90
Renault U.K.	United Kingdom	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenija d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Nordic	Sweden	100	100
Renault Développement Industriel et Commercial (RDIC)	Switzerland	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA	Switzerland	100	100
Americas			
Groupe Renault Argentina and subsidiaries	Argentina	100	100
Renault Do Brasil LTDA	Brazil	100	100
Renault Do Brasil SA	Brazil	100	100
Cormecanica	Chile	100	100
Sociedad de Fabricacion de Automotores (SOFASA) and subsidiary	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
Asia – Pacific			
Vehicle Distributors Australia	Australia	100	100
Renault Beijing Automotive Company	China	100	100
Renault Samsung Motors	South Korea	80	80
Renault Treasury Services PTE LTD	Singapore	100	100
Africa – Middle-East – India			
Renault Algérie	Algeria	100	100
Renault India Private Ltd	India	100	100
Renault Maroc	Morocco	80	80
Renault Maroc Service	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100
Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (SOMACA)	Morocco	77	77
Eurasia			
Renault Nissan Bulgaria	Bulgaria	100	100
Dacia	Romania	99	99
Renault Mécanique Romania SRL	Romania	100	100
Renault Commercial Romania	Romania	100	100
Renault Technologie Romania	Romania	100	100
CJSC Renault Russia	Russia	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
Renault Ukraine	Ukraine	100	100

Groupe Renault's interest (%)	Country	December 31, 2018	December 31, 2017
SALES FINANCING			
France			
Diac SA	France	100	100
Diac Location SA	France	100	100
RCI Banque SA and subsidiaries	France	100	100
Europe			
RCI Versicherungs Services GmbH	Germany	100	100
RCI Financial Services SA	Belgium	100	100
Renault AutoFin SA	Belgium	100	100
Overlease	Spain	100	100
RCI ZRT	Hungary	100	100
ES Mobility SRL	Italy	100	100
RCI Insurance Ltd	Malta	100	100
RCI Life Ltd	Malta	100	100
RCI Services Ltd	Malta	100	100
RCI Financial Services b.v.	Netherlands	100	100
Renault Leasing Polska Sp. z.o.o.	Poland	100	100
RCICOM, SA	Portugal	100	100
RCI Gest Seguros – Mediadores de Seguros	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 Finance SA	Switzerland	100	100
Americas			
Courtage SA	Argentina	100	100
Rombo Compania Financiera	Argentina	60	60
RCI Brasil SA	Brazil	60	60
Administradora de Consorcio Renault Do Brasil	Brazil	100	100
Corretora de Seguros RCI Do Brasil	Brazil	100	100
RCI Colombia SA Compania de Financiamiento (1)	Colombia	51	51
RCI Servicios Colombia SA (1)	Colombia	100	-
Asia – Pacific			
RCI Financial Services Korea	South Korea	100	100
Africa – Middle-East – India			
RCI Finance Maroc	Morocco	100	100
RDFM	Morocco	100	100
Eurasia			
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania IFN	Romania	100	100
OOO RN FINANCE RUS	Russia	100	100
AVTOVAZ			
Europe			
LADA International Ltd	Cyprus	68	74
Alliance Rostec Auto b.v.	Netherlands	68	82
Eurasia			
SOAO Minsk-Lada	Belarus	38	42
PAO AVTOVAZ	Russia	68	74
LLC Lada Izhevsk	Russia	68	74
OOO PSA VIS-AVTO	Russia	68	74
OOO PPPO	Russia	68	74
AO Lada-Imidzh	Russia	68	74
AO Lada-Servis	Russia	68	74

Groupe Renault's interest (%)	Country	December 31, 2018	December 31, 2017
OAO Izh-Lada	Russia	67	37
AO ZAK	Russia	68	74
AO Piter-Lada	Russia	61	67
AO Samara-Lada	Russia	48	52
AO Yakhroma-Lada	Russia	59	64
AO Lipetsk-Lada	Russia	45	49
AO Oka-Lada	Russia	59	64
AO STO komsomolskaya	Russia	53	58
AO Tyumen-Lada	Russia	68	74
AO Tsentralnaya STO	Russia	68	74
AO JarLadaservis	Russia	64	70
AO Avtosentr-Togliatti-VAZ	Russia	34	38
AO Bryansk Lada	Russia	51	56
OOO LIN	Russia	68	74
AO Kostroma-Lada-Servis	Russia	43	47
AO Kursk-Lada	Russia	49	54
OOO Lada Sport	Russia	68	74
AO Saransk-Lada	Russia	61	67
AO Smolensk-Lada	Russia	41	45
AO Cheboksary-Lada	Russia	63	69
AO ChitaServisLada (2)	Russia	-	57
OOO Sockultbit-AVTOVAZ	Russia	68	74
AO Dal-Lada	Russia	46	50
AO Mariy El-Lada (2)	Russia	-	58
Other AVTOVAZ subsidiaries	Russia	34 to 68	38 to 74

(1) Newly consolidated companies in 2018 (note 3-A).
(2) Companies sold and removed from the scope of consolidation in 2018.
(3) Renault held 61.09% of the capital of Alliance Rostec Auto b.v., which held 100% of AVTOVAZ at December 31, 2018. The percentage ownership applied in the consolidated financial statements at December 31, 2018 is 67.61% as this percentage includes the capital increase that should take place in early 2019 in accordance with the shareholders' decisions made on November 28, 2018 and signed by Renault s.a.s. (note 3-B).

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, 2018	December 31, 2017
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67

C – Companies accounted for by the equity method (associates and joint ventures)

Groupe Renault's interest (%)	Country	December 31, 2018	December 31, 2017
AUTOMOTIVE EXCLUDING AVTOVAZ			
Renault South Africa	South Africa	40	40
Renault Algérie Production	Algeria	49	49
eGT New Energy Automotive Co., Ltd.*	China	25	-
Dongfeng Renault Automotive Company	China	50	50
Renault Brillance Jinbei Automotive Company Ltd.*	China	49	-
Boone Comenor	France	33	33
Indra Investissements	France	50	50
Les Editions Croque Futur et filiales*	France	40	-
Renault Nissan Automotive India Private Limited	India	30	30
Nissan group	Japan	44	44
Alliance Ventures B.V.*	Netherlands	40	-
Motorlu Araclar Imal ve Satis A.S (MAIS)	Turkey	49	49
SALES FINANCING			
Renault Crédit Car	Belgium	50	50
Nissan Renault Financial Services India Private Limited	India	30	30
RN SF B.V.	Netherlands	50	50
BARN b.v.	Netherlands	30	30
RN Bank	Russia	30	30
Orfin Finansman Anonim Sirketi	Turkey	50	50
AVTOVAZ			
Ferro VAZ GmbH	Germany	34	37
ZAO GM-AVTOVAZ	Russia	34	37
CSC ARMENIA-LADA	Armenia	34	37

* *Newly consolidated companies in 2018 (note 3-A).*

In application of regulation 2016-09 of December 2, 2016 issued by the French Accounting Standards Authority (Autorité des Normes Comptables), the Group is obliged to make the following information available to third parties:

- a full list of consolidated companies;
- a list of companies classified as "unconsolidated investments", namely:
  - investments in companies not controlled exclusively by Renault, included in non-current financial assets (note 22),
  - investments in companies that are controlled exclusively by Renault and not consolidated, classified as other current assets (note 17).

This information is available from the Group's website, on the "Documents & Presentations" section of the "Finance" pages [1].

(1) After publication of the 2018 Registration document.

4.3 STATUTORY AUDITORS' REPORTS

4.3.1 Statutory Auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2018

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, 2018.

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, 2018 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 Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments

Risks identified

At December 31, 2018, investments are accounted for in Renault SA balance sheet for 18 790 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.

Renault S.A. has opted to account for investments in controlled companies under the equity method. The value of these investments is determined based on their contribution to the consolidated equity of Renault, and the change during the year in the overall share of shareholders' equity corresponding to these interests is included in shareholders' equity under "Equity valuation difference".

The other investments mainly relate to Renault's equity investment in Nissan. This investment is valued at the lower amount between the book value and the value in use, which takes into account the share of net assets and profitability prospects of Nissan. The assessment of the recoverable value of Renault's investment in Nissan is based on expected profitability and the stock market value, and requires judgement from management.

In this context, we have considered that the valuation of the investments was a key audit matter.

Our audit response

In order to assess the reasonableness of the value in use of investments, we mainly relied on the work performed for the purpose of the consolidated financial statement audit. Our work mainly consisted in:

Regarding Renault's investments in controlled companies:

- Check that the shareholders' equity in each of these investments corresponds to their contribution to the consolidated equity of Renault.
- Check that Renault has performed the necessary adjustments, if any, to take into account potential impairment losses accounted for in the group's consolidated financial statements.

Regarding Renault investment in Nissan:

- Assess the reasonableness of the main assumptions used by Renault in the impairment test performed to confirm 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 French law.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We confirm the existence in the Report on Corporate Governance of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Regarding the information on factors that your company considered could have a potential incidence in case of public takeover or swap bid, given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have confirmed they are in accordance with the underlying documentation provided to us. Based on this work, we have no matter to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2018, KPMG SA was in the fifth year of total uninterrupted engagement and Ernst & Young Audit was in the fortieth year of total uninterrupted engagement, of which twenty-five years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Risks and Ethics Committee

We submit a report to the Audit, Risks and Ethics Committee 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 Ethics 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 Ethics 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 Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, April 4, 2019

The Statutory Auditors
French original signed by

KPMG Audit
A department of KPMG S.A.

Jean-Paul Vellutini   Laurent des Places

ERNST & YOUNG Audit

Aymeric de La Morandière   Philippe Berteaux

4.3.2 Statutory Auditors' report on related party agreements and commitments

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

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 and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments 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 and commitments. 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 and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with in Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2018, of the agreements and commitments 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 and commitments submitted for approval to the Annual General Meeting

Agreements and commitments authorized and entered into during the year ended December 31, 2018

In accordance with Article L. 225-40 of the French Commercial Code *(Code de Commerce)*, we have been notified of the following related party agreements and commitments which received prior authorization from your Board of Directors.

Second amendment to the "Master Cooperation Agreement" with Nissan Motor Co. Ltd, Daimler AG, Renault-Nissan B.V. and Mitsubishi Motors Corporation

Your Board of Directors authorized on June 15, 2018 the conclusion of the second amendment of the "Master Cooperation Agreement". Pursuant to this authorization, the second amendment was signed by your Company on October 3, 2018.

Persons concerned

Mr Carlos Ghosn, Chairman and Chief Executive Officer of your Company until his resignation on January 23, 2019, member of Nissan Motor Co. Ltd board., Mitsubishi Motors Corporation and of Renault-Nissan B.V.; Ms. Yu Serizawa, member of your Company's Board and appointed upon Nissan's proposal; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon Nissan's proposal and Chief Competitive Officer of Nissan Motor Co. Ltd.

Nature and purpose

On April 6, 2010, Renault and Nissan, Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" defining the terms and conditions of their cooperation.

On December 13, 2013, the Board of Directors of Renault authorized the conclusion of the first amendment of this agreement, in order to extend the scope of this cooperation. The conclusion of this amendment on December 19, 2013 was approved by the Annual General Meeting of April 30, 2014.

In October 2016, Nissan Motor Co. Ltd acquired 34% of the share capital of Mitsubishi Motors Corporation (MMC).

The second amendment concerns the accession of Mitsubishi Motors Corporation to the "Master Cooperation Agreement" and, consequently, the participation of Mitsubishi Motors Corporation in the cooperation.

Conditions

Mitsubishi Motors Corporation has expressed its interest in participating in the cooperation provided for in the "Master Cooperation Agreement". As such, Mitsubishi Motors Corporation has agreed to comply with:

- all the rules of the "Master Cooperation Agreement", and in particular the rules on representation and governance of the strategic cooperation within the framework of the "Cooperation Committee", with the exception of the provisions on cross-shareholdings in which Mitsubishi Motors Corporation is not involved, and
- the general rules governing the strategic cooperation projects.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that it was in Renault's interest to enter into the second amendment insofar as MMC's participation in the cooperation provided for by the "Master Cooperation Agreement" could contribute to the achievement of additional synergies and, therefore, to the success of Renault's mid-term plan.

Agreements and commitments authorized and entered into after closing

We have been notified of the following related party agreements and commitments, authorized and entered into after closing which received prior authorization of your Board of Directors on April 3 2019.

With Mr Thierry Bolloré, Chief Executive Officer

1) Non-compete agreement entered into with the Company and Mr Thierry Bolloré, Chief Executive Officer

Nature and purpose

During its meeting of April 3, 2019, the Board of Directors authorized the conclusion of a non-compete agreement with Mr Thierry Bolloré.

Conditions

Under this agreement, Mr Thierry Bolloré 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 Renault, either on his own behalf, or on the behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and commercial vehicles), or on the behalf of automotive suppliers.

The application of this clause is limited to:

- a period of twenty-four (24) months following the date on which Mr Thierry Bolloré effectively ceased to exercise his term of office (mandate social);
- the territories in which the Group Renault operates at the time of the termination of the term of office, excluding countries located in Africa and Oceania, and, in the case of equipment manufacturers in North America (United States, Canada).

In consideration for his non-compete obligation, Mr Thierry Bolloré will receive from the Company, during the period of application of the agreement (twenty-four months) and subject to there being no breach of this agreement, a gross financial compensation corresponding to two years of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twenty-four monthly instalments. The gross annual compensation retained for this calculation will be the one paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code, at the termination date of Mr Thierry Bolloré's office, the Board of Directors of the Company will decide whether to apply this non-compete agreement, and may unilaterally waive it.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that it was in Renault's interest to enter into this non-compete agreement which will allow to protect Groupe Renault's legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and to the recognized skills of Mr Thierry Bolloré in this market, the resources made available to him, and the sensitive information he holds and to which he can have access.

2) Company's commitment made in terms of Additional pension scheme for Mr Thierry Bolloré

Nature and purpose

The Board of Directors authorized a top-up pension scheme for Mr Thierry Bolloré.

Conditions

The top-up pension scheme of the Chief Executive Officer includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme.

A) DEFINED-CONTRIBUTION SCHEME (ARTICLE L. 242-1 OF THE FRENCH SOCIAL SECURITY CODE)

The Chief Executive Officer benefits from a defined-contribution scheme; these contributions correspond to 8% of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); 5% is paid by the Company and 3% by the Chief Executive Officer.

The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme.

B) TOP-UP DEFINED-BENEFIT PENSION SCHEME (ARTICLE L. 137-11 OF THE FRENCH SOCIAL SECURITY CODE)

The Chief Executive Officer also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm.

The eligibility for this scheme is subject to a seniority condition (at least five years in the Company and at least two years in the Group Executive Committee) and a presence condition as an officer of the Company. These conditions must be satisfied at the time he claims his pension rights.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.

The annual amount paid in respect of this pension scheme is equal to 10% of the reference compensation, this percentage being increased by 1.4 percentage points per year of seniority beyond five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority outside the Group Executive Committee, beyond five years of seniority in the Company.

The amount is capped at 30% of the reference compensation.

The reference activity compensation is capped at 65 times the annual French Social Security cap.

In any event, the annual total of these pension amounts for the Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

Pensions are paid by an insurance company to which the Company pays premiums based on the financing needs arising as beneficiaries retire.

During its meeting of April 3, 2019, the Board of Directors noted that as at December 31, 2018, Mr Thierry Bolloré had a seniority of 6 years, corresponding to 11.53% of rights.

Upon the recommendation of the Compensation Committee, the Board of Directors, during its meeting of April 3, 2019, decided to condition the acquisition by Mr Thierry Bolloré of new rights as from January 1, 2019 to the following performance condition: the amount of free cash flow for the 2019 financial year must be positive.

At the end of each year, the Board of Directors will assess the achievement of the performance criterion, during the previous year. Otherwise, the year will not be taken into account in the determination of the pension.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that the implementation of this scheme to the benefit of Mr Thierry Bolloré allows the Company to retain and to promote the Chief Executive Officer's loyalty.

Agreements and commitments previously approved by the Annual General Meeting

Agreements and commitments approved in prior years

a) whose implementation continued during the year ended December 31, 2018

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 and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2018.

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.

1) Letter of mutual commitments in the context of the sale of Renault shares by the French State

Nature and purpose

In its meeting held on November 2, 2017, your Board of Directors authorized the signature of a letter of mutual commitments between your Company and the French State, following the announcement made by the French State to your Company of its intention to sell 14 million Renault shares purchased in April 2015.

The letter of mutual commitments between Renault and the French State provides for, on the one hand, the sale by the French State of 1,400,000 Renault shares and, on the other hand, the purchase of these shares by your Company and the implementation of an offering reserved for its Group's employees and former employees.

Conditions

Your Board of Directors precised that your Company could acquire these shares only in the event where their price would be at most equal to the latest quotation of the Renault share at the day of the launch of placement and at € 120 (which is the maximum repurchase price set by the Annual General Meeting).

Pursuant to this authorization, the letter of mutual commitments was signed by your Company and the French State on November 2, 2017. The share sale transaction was launched and closed on November 2, 2017, for € 86.60 per share.

On June 15, 2018, your Board of Directors decided the offering terms and conditions reserved for the Group's employees and former employees, who may have subscribed to it between September 18, 2018 and October 2, 2018. Discounts or payment facilitations that may be granted to employees were exclusively supported by your Company. Renault shares subscribed as part of the offering were delivered on November 7, 2018, thus closing the offering implemented pursuant to this agreement. Therefore, the mutual commitments between Renault and the French State were fully performed during the 2018 financial year.

2) 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 at regulating the exercise of the voting rights attached to the Renault shares held by the French State.

Conditions

Pursuant to the authorization granted by your Board of Directors, February 4, 2016, your Company 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, so that they do not affect the adoption or rejection of the resolutions concerned by the limitation. The written agreement also describes the conditions for implementing these restrictions with the registrar of your Company's Annual General Meeting.

The restrictions to the free exercise of the voting rights of the French State notably apply to all decisions which fall within the authority of the Ordinary Annual General Meeting, except for decisions concerning (i) dividend distributions, (ii) the appointment, renewal or removal from office of Board members representing the French State, (iii) the disposal of significant company assets, (iv) related-party agreements that are not approved by the representatives of the French State and (v) repurchase of shares from identified shareholders.

However, the French State retains all of its voting rights for decisions which fall within the authority of the Extraordinary Annual General Meeting, except for the most day-to-day decision-making such as (i) the granting or renewal of ongoing delegations to the management bodies of your Company when they comply with your Company's existing practices conditions, (ii) the granting of stock options, performance shares or shares that give access to the share capital to the benefit of employees and executive corporate officer of the Renault Group, (iii) an amendment to the age limit for the exercise of duties or to the term of office of Board members and executive corporate officer and (iv) a transfer of registered office (except abroad).

The restrictions to the free exercise of the 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 of your company shares, or a shareholder exceeding the threshold of 15% in your Company's capital or voting rights, including Nissan Motor Co. Ltd.

The governance agreement was entered into on February 4, 2016, renewable by tacit agreement for successive periods of ten years unless it is terminated at least two years before the term expiry.

With Nissan Motor Co. Ltd company

Persons concerned

Mr Carlos Ghosn, Chairman and CEO of your Company until his resignation on January 24, 2019, member of Nissan Motor Co. Ltd. board and of Renault-Nissan B.V.; Ms. Yu Serizawa, member of your Company's Board and appointed upon proposal of Nissan; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon proposal of Nissan and Chief Competitive Officer of Nissan Motor Co. Ltd.

1) Master Cooperation Agreement

On April 6, 2010, your Company, Nissan Motor Co. Ltd., Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" which specifies the terms and conditions of the cooperation between these companies.

In its meeting of December 13, 2013, your Board of Directors authorized the signature, on December 19, 2013, of the first amendment to the "Master Cooperation Agreement", in order to extend the scope of this cooperation. This amendment has been approved by the Annual General Meeting of April 30, 2014.

The "Master Cooperation Agreement" continues to produce its effects between the parties. The second amendment was authorized during the previous year which aim is the accession of Mitsubishi Motors Corporation in the "Master Cooperation Agreement".

2) Restated Alliance Master Agreement

On March 28, 2002, your Company and Nissan Motor Co. Ltd ("Nissan") entered into the "Restated Alliance Master Agreement", which governs the share capital relationship between your Company and Nissan, and regulates the Alliance's current governance. This agreement specifies the operational terms and conditions of Renault-Nissan B.V. ("RNBV") as the corporate entity involved in defining the Alliance's strategy.

The first 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 the second amendment to the "Restated Alliance Master Agreement", which modifies the composition of the RNBV Executive Board and consequently the voting conditions within the Executive Board.

In its meeting of December 11, 2015, your Board of Directors authorized the signature of a governance agreement between your Company and Nissan concerning the governance of Nissan, which constitutes the third amendment to the "Restated Alliance Master Agreement". The conditions of this 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 the 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 authorized by the Board of Directors of Nissan. For these resolutions, your Company remains free to vote as it sees fit, however, in the event that your Company does not comply with its commitment, Nissan may acquire Renault shares without the prior approval of the Board of Directors of Nissan, notwithstanding the provisions of the "Restated Alliance Agreement" which prevent the parties from increasing, without prior agreement, their respective holdings. The amendment modifies the "Restated Alliance Master Agreement" without altering its term, which remains indefinite. It has been applicable since it was entered into. This agreement has been approved by the Annual General Meeting of April 29, 2016.

With Mr Carlos Ghosn, Chairman and CEO of your Company until his resignation on January, 23, 2019

1) Additional pension scheme

The top-up pension scheme of Mr Carlos Ghosn includes a defined-contribution scheme and a top-up defined-benefit pension scheme.

(i) Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)

This agreement, initially authorized by your Board of Directors during its meetings held on October 28, 2004 and October 31, 2006 was confirmed during its meetings held on February 12, 2014 and February 15, 2018 in the same conditions as previously. This pension benefit scheme complies with the recommendations of the AFEP-MEDEF Code, and was approved by the Annual General Meetings of April 30, 2014 and of June 15, 2018.

Mr Carlos Ghosn benefits from a defined-contribution scheme; these contributions correspond to 8% of the part of his annual compensation (fixed and variable components) comprised between eight and sixteen times the annual French Social Security cap (Band D); 5% is paid by the Company and 3% by Mr Carlos Ghosn.

The Company's commitment is limited to the payment of its share of the contributions to the insurance firm managing the scheme.

WHICH WERE NOT IMPLEMENTED DURING THE YEAR ENDED DECEMBER 31, 2018

In addition, we have been notified that the following agreements and commitments which were already approved by the Annual General Meeting in prior years, were not implemented during the year ended December 31, 2018.

(ii) Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)

This agreement, initially authorized by your Board of Directors during its meetings held on October 28, 2004 and October 31, 2006 was confirmed during its meetings held on February 12, 2014 and February 15, 2018 in the same conditions as previously. This pension benefit scheme complies with the recommendations of the AFEP-MEDEF Code, and was approved by the Annual General Meetings of April 30, 2014 and of June 15, 2018.

Mr Carlos Ghosn benefits from a top-up defined-benefit pension scheme, arranged and financed by your Company, the management of which is outsourced to an insurance firm.

Benefiting from this scheme is subject to a seniority condition (five years minimum in the Company and at least two years in the Group Executive Committee) and, pursuant to the AFEP/MEDEF Code, a presence condition as Chief Executive Officer, applied as of retirement.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.

The annual amount paid in respect of this pension scheme is equal to 10% of the reference compensation, this percentage rising by 1.4 percentage points per year of seniority in excess of five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority other than on the Group Executive Committee, in the case of more than five years' seniority in the Company.

This amount is capped at 30% of the reference compensation. The reference compensation is capped at 65 times the annual French Social Security cap.

In any event, the total of these annual pension amounts for Mr Carlos Ghosn may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

The commitment made in favor of Mr Carlos Ghosn as regards top-up pensions does not fall within the scope of the "Macron Act" on growth, business, and equal economic opportunities with respect to the requirement to make the acquisition of new rights subject to performance conditions. Indeed, Mr Carlos Ghosn joined Renault and the Group Executive Committee on October 14, 1996 and had a total of over 21 years' seniority as at December 31, 2017, corresponding to a theoretical substitution rate of 32.4% of his reference compensation. The substitution rate being capped at 30%, Mr Carlos Ghosn may no longer acquire any new rights under this scheme.

The Board of Directors of April 3, 2019 noted that the circumstances of Mr Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.

2) Non-compete agreement

In its meeting held on February 11, 2015, your Board of Directors authorized the signature of a non-compete agreement between your Company and Mr Carlos Ghosn whereby he undertakes, upon termination or non-renewal of his term of corporate office as CEO, not to engage, directly or indirectly, in an activity competing to the ones of Renault Group, whether for his own benefit or for the benefit of another company. An activity that competes with the Group's activity refers to any activity of automotive design, construction or marketing (mainly for private vehicles and commercial vehicles) carried out in the same geographical areas and sectors as that of the Group at the time of the termination of his term of office. The non-compete agreement was approved by the General Meeting of April 30, 2015.

The Board of Directors considered notably (i) the particular competitive nature of the market on which the Group operates, (ii) the significant functions and recognized competencies of Mr Carlos Ghosn in this market, (iii) the resources at his disposal, (iv) the sensitive information to which Mr Carlos Ghosn has or could have access to, and (v) the relationships developed by Mr Carlos Ghosn in the course of his term of office, and concluded on the necessity to protect the legitimate interests of the Group by introducing this non-compete provision.

In return for his non-compete obligation, Mr Carlos Ghosn will receive from your Company, during the period of application of the agreement (two years) and under the condition that there are no breaches thereof, a gross financial compensation equal to two years of gross total salary (fixed and variable) payable in twenty-four monthly instalments.

Following the resignation of Mr Carlos Ghosn from the offices of Chairman of the Board of Directors and Chief Executive Officer on January 23, 2019, the Board of Directors unanimously decided, at its meeting of February 13, 2019, to waive Mr Ghosn's non-compete commitment and, consequently, not to pay the corresponding compensation equal to two years fixed and variable compensation.

Your Company notified by mail on February 19, 2019, Board of Directors' decision board to Mr Carlos Ghosn to terminate this agreement.

Paris-La Défense, April 11, 2019

The Statutory Auditors
French original signed by

KPMG Audit A department of KPMG S.A.		ERNST & YOUNG Audit	
Jean-Paul Vellutini	Laurent des Places	Aymeric de La Morandière	Philippe Berteaux

4.4 RENAULT SA ANNUAL FINANCIAL STATEMENTS

4.4.1 Summary financial statement

INCOME STATEMENT

(€ million)	2018	2017
Operating expenses	(20)	(21)
Increases to provisions	(28)	(16)
NET OPERATING EXPENSE	**(48)**	**(37)**
Investment income	1,802	1,054
Increases to provisions related to investments	12	0
INVESTMENT INCOME AND EXPENSES (NOTE 4.4.2.3)	**1,814**	**1,054**
Foreign exchange gains	1	4
Foreign exchange losses	(3)	(16)
Reversals from provisions for exchange risks	2	(0)
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 4.4.2.4)	**0**	**(12)**
Interest and equivalent income	1	2
Interest and equivalent expenses	(123)	(163)
Reversals of provisions and transfers of charges	94	47
Expenses on sales of marketable securities	(88)	(45)
Depreciation and provisions	(4)	(4)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4.4.2.5)	**(120)**	**(163)**
NET FINANCIAL INCOME	**1,694**	**878**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**1,646**	**841**
EXTRAORDINARY ITEMS (NOTE 4.4.2.6)	**(11)**	**1**
INCOME TAX (NOTE 4.4.2.7)	**91**	**95**
NET INCOME	**1,726**	**937**

BALANCE SHEET – ASSETS

	2018			2017
(€ million)	Gross	Depreciation & provisions	Net	Net
Investments stated at equity	11,717		11,717	11,488
Other investments (note 4.4.2.8)	7,095	22	7,073	7,061
Advances to subsidiaries and affiliates (note 4.4.2.9)	11,877		11,877	11,620
FINANCIAL ASSETS	**30,689**	**22**	**30,667**	**30,169**
TOTAL FIXED ASSETS	**30,689**	**22**	**30,667**	**30,169**
RECEIVABLES (NOTE 4.4.2.11)	**727**	**5**	**722**	**746**
MARKETABLE SECURITIES (NOTE 4.4.2.10)	**397**	**3**	**394**	**483**
CASH AND CASH EQUIVALENTS	**31**		**31**	**58**
OTHER ASSETS (NOTE 4.4.2.11)	**151**		**151**	**123**
TOTAL ASSETS	**31,995**	**30**	**31,965**	**31,580**

In 2018 a reclassification was applied to account 478700, Valuation differences on cash instruments, which is now presented in Other assets (translation adjustment), and no longer included in receivables. For reasons of comparability, the 2017 financial statements have been restated accordingly via a reclassification of €95 million.

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(€ million)	2018	2017
Share capital	1,127	1,127
Share premium	4,782	4,782
Equity valuation difference	5,901	5,672
Legal and tax basis reserves	113	113
Retained earnings	8,173	8,263
Net income	1,726	937
SHAREHOLDERS' EQUITY (NOTE 4.4.2.12)	**21,822**	**20,894**
REDEEMABLE SHARES (NOTE 4.4.2.13)	**130**	**130**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 4.4.2.14)	**382**	**354**
Bonds	5,240	4,667
Borrowings from credit institutions	306	474
Other loans and financial debts	3,297	4,257
FINANCIAL LOANS AND BORROWINGS (NOTE 4.4.2.15)	**8,844**	**9,399**
OTHER LIABILITIES (NOTE 4.4.2.16)	**747**	**678**
DEFERRED INCOME (NOTE 4.4.2.17)	**40**	**125**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**31,965**	**31,580**

STATEMENT OF CHANGES IN CASH

(€ million)	2018	2017
Cash flow (note 4.4.2.20)	1,752	1,004
Change in working capital requirements	99	(182)
CASH FLOW FROM OPERATING ACTIVITIES	**1,852**	**822**
Net decrease / (increase) in other investments		
Net decrease / (increase) in loans	(268)	(230)
Net decrease / (increase) in marketable securities	91	(180)
CASH FLOW FROM INVESTING ACTIVITIES	**(177)**	**(410)**
Bond issues	1,895	2,259
Bond redemptions	(1,433)	(2,012)
Net increase / (decrease) in other interest-bearing borrowings	(1,126)	295
Dividends paid to shareholders	(1,027)	(915)
Bond issuance expenses and redemption premiums	(10)	(15)
CASH FLOW FROM FINANCING ACTIVITIES	**(1,701)**	**(388)**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**57**	**33**
Increase/(decrease) in cash and cash equivalents	(26)	24
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**31**	**57**

4.4.2 Notes to the financial statement

4.4.2.1 Significant events

The following disclosures constitute the notes to the balance sheet at December 31, 2018, before appropriation of net profit for the year, which shows total assets of €31,965 million and to the income statement for the year then ended, which shows net profit of €1,726 million.

The financial statements cover the twelve-month period from 1 January to 31 December 2018.

The financial statements for 2018 were approved for issue by the Board of Directors' meeting of Renault SA on 13 February 2019.

These financial statements are included in the consolidated financial statements of Groupe Renault.

In accordance with the applicable regulations, by decision of the Board of Directors, Renault acquired 10% of the shares sold by the French government (1,400,000 shares) at the market price (€121 million) in the second half-year of 2017 in preparation for an offering reserved for current and former Groupe Renault employees that will enable them to share in the Group's results.

In September 2018, Groupe Renault set up "Share the Future", an employee shareholding plan in 10 countries: Argentina, Brazil, France, India, Morocco, Romania, Slovenia, South Korea, Spain, and Turkey.

This plan is part of Groupe Renault's employee shareholding development policy and aims to involve employees more closely in the Group's development and performance. Under the "Share the Future" plan Renault offered employees two options:

- a "classic" formula, including a discount of 20% on the reference price and an employer contribution capped at four shares, in which the subscriber is exposed to changes in the share price;
- a "leveraged" formula (involving an exchange contract with a structuring bank supplementing the employee's investment so that the total amount invested is 10 times the employee's personal contribution), in which the employee receives at maturity a minimum of his/her personal contribution plus either a guaranteed return or a multiple of the increase in the Renault share price over the period if this is higher.

The shares were subscribed by the beneficiaries either directly or through a company investment fund, depending on the country of residence. Subscribers to the offer must hold the shares until May 31, 2023, unless an authorized early release event occurs. In both options, the subscription price was set at €58.32 on September 7, 2018. The offer closed on October 2, 2018, and attracted subscriptions by 22,615 employees in 10 countries.

Renault SA received €916 million of dividends from Renault s.a.s in respect of 2017, compared to the €175 million received in 2017 in respect of 2016, an increase of €741 million.

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 the ministerial decision of September 8, 2014 concerning the French chart of accounts.

The following methods were applied in valuing balance sheet and income statement items:

A – Investments

As allowed by CNC (Conseil National de la Comptabilité) notice N°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 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 depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets and profitability prospects. Provisions are established when the book value of the investments is lower than the gross value.

Loans granted and receivables relating to subsidiaries and affiliates are recorded at historical cost. Impairment is recognized when there is a risk that these advances will not be recovered.

B – Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. These shares are covered by a provision for expenses, corresponding to the difference between the value of the shares (acquisition price or net book value at the date of reallocation) and the exercise price of the options for beneficiaries, when that exercise price is lower than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

The fair value of securities is determined mainly by reference to market prices.

C – Receivables

Receivables are stated at nominal value. Impairment is recognized when their realizable value falls below historical cost, notably based on age and the risk of non-recovery.

D – Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealized exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives);

Unrealized losses affecting Nissan hedge are no longer covered by provisions in the income statement. Under regulation ANC 2015-05, no provisions are recorded in the income statement for unrealized losses on the hedging instrument until the hedged cash flows are realized (date of liquidation or sale of the investment).

E – Redeemable shares

Redeemable shares are recorded in a separate line of shareholders' equity at nominal value with no subsequent revaluation.

F – Loans and financial debts

Loans are stated at their nominal amount. Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other assets, are amortized on a straight-line basis over the corresponding duration.

G – Provisions for risks and liabilities

Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. 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 form January 1, 2017. They are recorded in specific accounts under other receivables or other liabilities and the accumulated amounts will be transferred to the income statement at the date of liquidation or sale of the investment.

The value of derivatives in an "Isolated Open Position" is adjusted to market value in the balance sheet at each year-end, via an entry to the translation adjustment account. If the market value indicates an unrealized loss, an equivalent provision is recognized in the income statement.

The positive or negative difference between the spot price and the forward price of the hedge is spread over the duration of the hedge in the financial result.

Assumptions and methods used

Unrealised foreign exchange gains and losses correspond to the difference between the spot price and the year-end price.

I – Net extraordinary items

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the Company's normal business operations, and are not expected to recur on a frequent or regular basis.

J – Tax Credit for Competitiveness and Employment (CICE)

The CICE receivable shown in the balance sheet corresponds to the amounts of CICE recorded by subsidiaries in the tax consolidation group, which treat it as a reduction to personnel expenses in their accounts.

4.4.2.3 Investment income and expenses

Details are as follows:

(€ million)	2018	2017
Dividends received from Nissan Motor Co. Ltd.	784	710
Dividends received from Daimler	60	53
Dividends received from Renault s.a.s	916	175
Other dividends received	10	58
Interest on loans	32	57
Increases and reversals of provisions related to subsidiaries and affiliates	12	
TOTAL	**1,814**	**1,054**

All interest on loans concerns Group subsidiaries.

4.4.2.4 Foreign exchange gains and losses

Foreign exchange gains and losses in 2018 amount to €1 million (-€12 million in 2017), and comprise the following:

- a foreign exchange loss of €3 million on the receipt of Sofasa ‘s 2016 dividends for a nominal value of €72 billion of Colombian pesos;
- a foreign exchange gain of €2 million on treasury notes (mainly in US Dollar and Pound);
- a reversal of a provision for foreign exchange loss of €3 million and an allocation of €1 million.

4.4.2.5 Other financial income and expenses

In 2018, the financial income and expenses, amounting to a net loss of €120 million (loss of €163 million in 2017) principally comprise interest paid and similar expenses totaling €123 million and the recovery of €3 million of impairment on treasury shares purchased from the French State in late 2017 for the purpose of the Share the Future plan.

Details of interest paid and other similar expenses are as follows:

(€ million)	2018	2017
Net accrued interest after swaps on bonds *	(73)	(105)
Net accrued interest after swaps on borrowings from credit institutions	(5)	(10)
Accrued interest on termination of borrowings from subsidiaries	(9)	(12)
Accrued interest on redeemable shares	(21)	(19)
Other financial expenses	(1)	(0)
Other (treasury notes and brokers commissions)	(14)	(16)
TOTAL	**(123)**	**(163)**

* *The net interest on bonds comprises accrued and paid interest amounting to €74 million (€109 million in 2017), and accrued and received interest on swaps amounting to €1 million (€4 million in 2017).*

In 2018, the €73 million of interest received and paid mainly comprise:

- €23 million on the bond EMTN 42 issued on September 19, 2013;
- €16 million on the bond EMTN 44 issued on March 5, 2014;
- €7.5 million on the bond EMTN 49 issued on March 8, 2017;
- €7.5 million on the bond EMTN 51 issued on November 21, 2017;
- €5 million on the bond EMTN 52 issued on April 18, 2018;
- €4 million on the bond Samurai 17 issued on November 26, 2015;
- €4 million on the bond EMTN 53 issued on September 28, 2018;
- €2 million on the bond Samurai 19 issued on July 6, 2017;
- €1 million on the bond Samurai 20 issued on July 9, 2017.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €1 million: €5 million on the paying leg and €6 million on the receiving leg.

4.4.2.6 Extraordinary items

Exceptional income includes the gain of €82 million on sales of shares in connection with the Share the Future plan, and reinvocing of €28 million to the French subsidiaries for the loss corresponding to the difference between the purchase price and the subscription price.

Exceptional expenses result from the disposal of treasury shares that were allocated to the Share the Future plan (€121 million).

The Share the Future plan generated a loss of €11 million for Renault SA.

No exceptional operations took place in 2017.

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 2018 taxable income which amounts to -€1,213 million at the normal rate.

In 2018, the tax consolation group waived the reduced rate on industrial royalties as permitted by article 39 terdecies of the CGI.

The income generated by income taxes in 2018 was €102 million, corresponding to the income tax paid by the subsidiaries of Renault SA, including any tax adjustments, as if they were taxed separately.

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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	1,646	(16)	16				1,662	1,646
Extraordinary result	(11)	(4)	4				(7)	(11)
Tax consolidation						(102)		102
Impairment						3		(3)
Other						8		(8)
TOTAL	**1,635**	**(20)**	**20**	**-**	**-**	**(91)**	**1,655**	**1,726**

Details of Renault SA's deferred tax position are as follows:

	2018		2017		Variation	
(€ million)	Assets (1)	Liabilities (2)	Assets (1)	Liabilities (2)	Assets (1)	Liabilities (2)
Temporarily non-deductible expenses						
Provisions for risks and liabilities	1		7		(6)	
Temporarily non-taxable income		1		3		(3)
Expenses deducted (or taxed income) not yet recognized for accounting purposes	13	39	41	2	(28)	37
TOTAL	**14**	**40**	**48**	**6**	**(34)**	**34**

(1) i.e., future tax credit.
(2) i.e., future tax charge.

4.4.2.8 Other investments

Changes during the year were as follows:

(€ million)	At start of year	Change over the year	At year-end
Investment in Nissan Motor Co. Ltd.	6,217		6,217
Investment in RNBV	12		12
Investment in Daimler	584		584
Investment in DRAC	282		282
TOTAL BEFORE PROVISIONS	**7,095**	**0**	**7,095**
Impairment	(34)	12	(22)
TOTAL NET	**7,061**	**12**	**7,073**

The impairment recognized relates to Dongfeng Renault Automotive Company (DRAC).

When the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement in 2010, Renault SA acquired 16,448,378 shares in Daimler AG or 1.55% of its capital. These shares are listed on the Frankfurt stock market and have a nominal value of €2.88. At December 31, 2018, their stock market price was €45.91 per share, giving a total of €755 million (€70.80 per share and a total of €1,165 million at December 31, 2017).

In 1999, Renault SA acquired an investment in Nissan Motor Co. Ltd. At December 31, 2018, this investment comprised 1,831,837,027 shares or 43.40% of the capital of Nissan. These shares are listed on the Tokyo Stock Exchange and have a nominal value of ¥50. At December 31, 2018, their stock market price was ¥880 (€6.99) per share, giving a total of €12,804 million (¥1,123.55 (€8.32) per share and a total of €15,244 million at December 31, 2017).

4.4.2.9 Advances to subsidiaries and affiliates

Changes during the year were as follows:

(€ million)	At start of year	Increases	Decreases	At year-end
Dividends receivable (2)	20	9	(20)	9
Loans	11,600	2,111	(1,842)	11,868
TOTAL BEFORE PROVISIONS (1)	**11,620**	**2,120**	**(1,863)**	**11,877**
Impairment		0	0	0
TOTAL, NET	**11,620**	**2,120**	**(1,863)**	**11,877**
(1) Current portion (less than one year)	*11,603*			*11,857*
Long-term portion (over 1 year)	*17*			*20*

(2) Net of foreign exchange revaluations.

Loans include:

- €7,171 million in short-term investments with Renault Finance (€7,524 million in 2017);
- €5.6 million in short-term loans to Renault s.a.s.;
- €4,681 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€4,070 million in 2017).

All loans relate to Group subsidiaries.

4.4.2.10 Marketable securities

Marketable securities include €394 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	6,414,355	2,717,394	1,362,000				5,058,961
Shares allocated	358	(90)	121	0			389
Shares not allocated	129	(121)	0	0			7
Gross Value *(€ million)*	**487**	**(212)**	**121**	**0**			**396**
Impairment *(€ million)*	**(3)**	**0**	**0**	**0**	**(2)**	**3**	**(2)**
Total	483	(212)	121	0	(2)	3	394

On March 2018, Renault SA purchased 1,362,000 shares for €121 million to cover the 2018 performance share plan (Plan 25).

Options exercized and shares vested principally concern:

- vesting of 287,636 shares awarded under plan 21 for non-residents and 954,929 shares under plan 22 for residents;
- in September 2018, Groupe Renault launched the Share the Future plan (an employee shareholding plan reserved for current and former Groupe Renault employees, to enable them to benefit from Groupe Renault performances) following the purchase of Renault shares from the French State in 2017. These shares (1,400,000 in total) were delivered on November 7, 2018.

The impairment booked corresponds to the difference between the purchase price and the average opening price over the last month of the year. It is recognized for shares not allocated to a plan.

The reversal corresponds to the impairment recognized in 2017 on the shares purchased from the French State for the Share the Future 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, 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 (unless, in the case of the Chairman and CEO, the Board of Directors decides otherwise), and a decision is made for each individual case when an employee leaves at the Company's instigation.

The Board of Directors also decided that from 2013 onwards, a portion of each year's variable remuneration for the post of Chairman and CEO would be converted into shares that vest subject to conditions of performance and continued employment at Renault.

A – Changes in the number of stock options and performance share right 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, 2018	**299,339**	**37**		**4,585,849**
Granted				1,494,129
Options exercized or vested rights				(1,266,829) [4]
Options and rights expired and other adjustments	(50 565) [2]	38	49 [3]	(98 ,978)
Options outstanding and rights not yet vested at December 31, 2018	**248,774**	**36**		**4,714,171**

(1) The figures include stock options awarded as part of the variable remuneration for the post of Chairman and CEO.
(2) Stock options exercised in 2018 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.
(3) Price at which the shares were acquired by the Group to cover future options.
(4) Performance shares vested were mainly awarded under plan 21 for non-residents in 2014 and plan 22 for residents in 2015.

B – Stock options

For plans current in 2018, options attributed vest after a period of four years, and the exercise period then covers the four following years:

Plan	Type of plan	Grant date	Exercise price *(€)*	Options outstanding at December 31, 2018	Exercise period
Plan 18	Stock purchase options	April 29, 2011	38.80	92,062	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	35,500	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase options	December 13, 2012	37.43	121,212	December 13, 2016 – December 12, 2020
TOTAL				**248,774**	

C – Performance share plans

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 minimum holding period of two years, reduced to one year for plans introduced from 2016.

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2018	Vesting date	Holding period
Plan 22	Performance shares	February 11, 2015	383,019	February 11, 2018 February 11, 2019	February 11, 2018 – February 11, 2020 None
Plan 23	Performance shares	April 29, 2016	963,550 371,705	April 29, 2019 April 29, 2020	April 29, 2019 – April 29, 2020 None
Plan 23 bis	Performance shares	July 27, 2016	100,000	July 27, 2020	None
Plan 24	Performance shares	February 9, 2017	979,160 437,016	February 9, 2020 February 9, 2021	February 9, 2020 – February 9, 2021 None
Plan 25	Performance shares	February 15, 2017	1,078,250 401,471	February 15, 2021 February 15, 2022	February 15, 2021 – February 15, 2022 None
TOTAL			**4,714,171**		

These figures include shares awarded as part of the variable remuneration for the post of Chairman and CEO.
The performance shares concerned by this plan were issued to beneficiaries in 2018.

4.4.2.11 Receivables and other assets

Receivables mainly comprise:

- an unbilled receivable of €299 million for performance shares (€286 million in 2017), under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012 and invoices issued under Share the Future plan for €4 million;
- tax receivables:

(€ million)	At start of year	Increases	Decreases	At year-end
Tax receivables				
Deposit : Income tax	18	20	(18)	20
CIR : Research Tax Credit	365	174	(218)	321
CICE : Tax Credit	61	54	(61)	54
Other tax receivables	17	15	(3)	29
TOTAL BEFORE PROVISIONS*	**462**	**262**	**(300)**	**424**
Impairment				
CIR : Research Tax Credit	(1)	0	(3)	(4)
CICE : Tax Credit	(1)	1	(1)	(1)
TOTAL	**(2)**	**1**	**(4)**	**(5)**
TOTAL NET	**460**	**263**	**(304)**	**419**
* *Current portion (less than one year)*	*81*			*28*
Long-term portion (over 1 year)	*381*			*396*

The increases mainly concern the Research Tax Credit (€174 million) and the Tax Credit for Competitiveness and Employment (€54 million).

The decreases principally result from the assignment of €141 million of the 2015 Research Tax Credit receivable, €77 million of the 2016 Research Tax Credit receivable and €60 million of the 2017 CICE Tax credit receivable.

Income corresponding to CICE Tax Credit receivables on the assets side of Renault SA's balance sheet is recognized in subsidiaries and mainly in Renault s.a.s.

The major components of Other assets are:

(€ million)	At start of year	Increases	Decreases	At year-end
Other assets				
Deferred charges	13	5	(5)	13
Redemption premiums	9	5	(2)	12
Unrealized losses	101	32	(6)	126
TOTAL*	**123**	**42**	**(14)**	**151**
* *Current portion (less than one year)*	*13*			*38*
Long-term portion (over 1 year)	*110*			*113*

- deferred charges consisting of final payments and issuance expenses on various loans;
- redemption premiums on several long-term bonds (five to seven years);
- translation adjustments resulting from unrealised foreign exchange losses, covered by provisions, on bonds issued in yen.

4.4.2.12 Shareholders' equity

Changes in shareholders' equity were as follows:

(€ million)	Balance at start of year	Allocation of 2017 net income	Dividends	2018 Net income	Other	Balance at year-end
Share capital	1,127					1,127
Share premium	4,782					4,782
Equity valuation difference	5,672				229	5,901
Legal and tax basis reserves	113					113
Retained earnings	8,262	937	(1,027)			8,173
Net incomes	937	(937)		1,726		1,726
TOTAL	**20,894**	**0**	**(1,027)**	**1,726**	**229**	**21,822**

Non-distributable reserves amounted to €6,014 million at December 31, 2018.

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 €54 million, and of Dacia shares valued under the equity method for €177 million.

Renault SA's ownership structure was as follows at December 31, 2018:

	Ownership structure		Voting rights	
	Number of shares held	% of du capital	Number	%,
French State	44,387,915	15.01%	88,775,830	28.60%
Employees	12,098,228	4.09%	20,224,048	6.51%
Treasury shares	5,058,961	1.71%		
Nissan	44,358,343	15.00%		
Daimler AG	9,167,391	3.10%	18,334,782	5.91%
Others	180,651,446	61.09%	183,112,007	58.98%
TOTAL	**295,722,284**	**100%**	**310,446,667**	**100%**

The par value of the Renault SA share is €3.81.

4.4.2.13 Redeemable shares

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal to at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.

797,659 redeemable shares remained on the market at December 31, 2018, for a total of €130 million including accrued interest. These shares are listed on the Paris Stock Exchange. The market price for redeemable shares with par value of €153 was €601.02 at December 31, 2018 (€695.00 at December 31, 2017).

The 2018 return on redeemable shares, amounting to €21 million (€19 million in 2017) is included in interest and equivalent expenses.

4.4.2.14 Provisions for risks and liabilities

Provisions for risks and liabilities break down as follows:

(€ million)	At start of year	Increases	Reversals for application	Reversals without application	At year-end
Foreign exchange losses	3	1	(3)		1
Provisions for expenses*	348	128	(89)	(7)	380
Other provisions for risks	3			(2)	1
TOTAL	**354**	**129**	**(91)**	**(9)**	**382**
* *Current (less than 1 year)*	*100*				*108*
Long-term (over 1 year)	*254*				*274*

The short-term/long-term breakdown of the provision for performance shares is now available, so we have provided it for 2018 and retroactively for 2017.

A provision of €380 million was booked at December 31, 2018 (€348 million at December 31,2017) after it was decided to allocate free shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s, a €299 million share of this provision is considered as unbilled receivable on the subsidiary Renault s.a.s (€286 million in 2017).

Each known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

4.4.2.15 Financial loans and borrowings

A – Bonds

Bonds amounted to €5,240 million at December 31, 2018 (€4,667 million at December 31, 2017).

The principal changes in bonds over 2018 were as follows:

- issuance on April 18, 2018 of a 6-year bond (EMTN 52) with total nominal value of €700 million, and a coupon of 1%;
- issuance on July 3, 2018 of a Samurai bond, with two tranches:
  - the first (Samurai 21) for three years with nominal of ¥39.1 billion and a coupon of 0.36%,
  - the second (Samurai 22) for five years with total nominal of ¥18.3 billion and a coupon of 0.49%;
- redemption on September 19, 2018 of a 5-year bond (EMTN 42) with total nominal value of €900 million and a fixed coupon of 3.625% whose primary strain has been issued on September 19, 2013 with nominal value of €600 million, increased on November 15, 2013 by €300 million;
- issuance on September 28, 2018 of a 8-year bond (EMTN 53) with total nominal value of €750 million, and a coupon of 2%;
- redemption on November 26, 2018 of a 3-year bond (Samurai 17) issued on November 26, 2015 with nominal value of ¥70 billion and a coupon of 0.75% (which ¥13 billion swapped to euros at the fixed rate of 1.115%).

BREAKDOWN BY MATURITY

	December 31, 2018						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	5,209	532	559	811	211	896	2,200
Accrued interest	31	31					
TOTAL	**5,240**	**563**	**559**	**811**	**211**	**896**	**2,200**

	December 31, 2017						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	4,636	1,421	496	522	500	197	1,500
Accrued interest	31	31					
TOTAL	**4,667**	**1,452**	**496**	**522**	**500**	**197**	**1,500**

BREAKDOWN BY CURRENCY

	December 31, 2018		December 31, 2017	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	3,479	3,479	2,929	3,028
Yen	1,761	1,761	1,738	1,639
Renminbi				
TOTAL	**5,240**	**5,240**	**4,667**	**4,667**

BREAKDOWN BY INTEREST RATE TYPE

	December 31, 2018	December 31, 2017
(€ million)	After hedging	After hedging
Fixer rate	5,240	4,667
Floating rate		
TOTAL	**5,240**	**4,667**

B – Borrowings from credit institutions

Borrowings from credit institutions stood at €306 million at December 31, 2018 (€474 million at December 31, 2017) and are mainly contracted on the market.

The principal changes in bonds over 2018 were as follows:

- redemption on March 28, 2018 of a 5-year bond with total nominal value of €50 million;
- redemption on April 19, 2018 of a 5-year bond with total nominal value of €35 million;
- partial redemption on May 30, 2018 of a 6-year bond with a nominal value of €76 million (initial nominal value of €300 million). The nominal remaining amount at December 31, is €77.5 million;
- partial redemption on December 31, 2018 of a 15-year bond with a nominal value of €6 million. The nominal remaining amount at December 31, is €5.6 million.

BREAKDOWN BY MATURITY

	December 31, 2018						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	303	83	95	75		50	
Accrued interest	3	3					
TOTAL	**306**	**86**	**95**	**75**	**0**	**50**	**0**

	December 31, 2017						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	470	217	83	95		75	
Accrued interest	4	4					
TOTAL	**474**	**221**	**83**	**95**	**0**	**75**	**0**

BREAKDOWN BY CURRENCY

	December 31, 2018		December 31, 2017	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	306	306	474	474
TOTAL	**306**	**306**	**474**	**474**

BREAKDOWN BY INTEREST RATE TYPE

	December 31, 2018	December 31, 2017
(€ million)	After hedging	After hedging
Fixed rate	151	107
Floating rate	155	367
TOTAL	**306**	**474**

C – Other loans and financial debts

Other loans and financial debts amounted to €3,297 million at December 31, 2018 (€4,257 million in 2017), and principally comprise:

- €2,649 million in borrowings from Group subsidiaries with surplus cash;
- €648 million in treasury notes.

No loans or financial debts are secured or have a duration over 1 year.

No loans are secured by security rights.

4.4.2.16 Other liabilities

Changes in other liabilities were as follows:

(€ million)	At start of year	Variation	At year-end
Tax liabilities	672	68	740
Liabilities related to other assets	5		5
Other liabilities	1		2
TOTAL*	**678**	**68**	**747**
* *Current portion (less than one year)*	*678*		*747*
Long-term portion (over 1 year)	*0*		*0*

The variation in tax liabilities is mainly due to a €68 million increase in the tax consolidation.

4.4.2.17 Deferred income

Deferred income mainly comprises unrealized foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €39 million.

4.4.2.18 Financial instruments

Management of exchange and interest rate risk

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

	2018		2017	
(€ million)	Notional	Fair value	Notional	Fair value
Interest rates	257	(1)	384	(3)
Currency swaps: Purchases			99	(3)
Currency swaps: Sales			96	
Other forward exchange contracts Purchases	144	4	317	(6)
Other forward exchange contracts Sales	141		322	(6)

All these 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 risk management policies. These operations are undertaken with Renault Finance, a fully-owned Groupe Renault subsidiary.

Liquidity risk

The Group's automotive operating segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the automotive operating segment via the capital markets through long-term resources (bond issues, private placements) and short-term financing such as treasury notes, or by bank financing.

Renault SA also has confirmed credit agreements with banking establishments (see 4.4.2.19).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

4.4.2.19 Other commitments and contingencies

Off-balance-sheet commitments are as follows:

	2018		2017	
(€ million)	Total	Concerning related companies	Total	Concerning related companies
Commitments received				
Guarantees and deposits				
unused credit lines	3,480		3,405	
TOTAL	**3,480**		**3,405**	
Commitments given				
Guarantees and deposits	715	700	796	781
unused opened credit lines	491	491	380	380
TOTAL	**1,206**	**1,191**	**1,176**	**1,161**

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €700 million by Renault SA with RCI Banque.

There are no restrictive clauses on credit lines opened but unused.

Contingent liabilities

As part of the ongoing procedure in France on the issue "emissions", Renault took note of the opening of a judicial inquiry. This new stage in the proceedings indicates the prosecutor's wish to continue the investigations. No provision has been made in the accounts at December 31, 2018 (or December 31, 2017).

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision being cancelled is high. Also, due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. Consequently, no provision has been recognized in connection with this matter at December 31, 2018.

Other information

4.4.2.20 Cash flow

Cash flow is determined as follows:

(€ million)	2018	2017
Net income	1,726	937
Increases to provisions and deferred charges	7	6
Net increase to provisions for risks and liabilities	28	57
Net increases to impairment	(10)	3
Net profit on assets sold	0	0
TOTAL	**1,752**	**1,004**

4.4.2.21 Workforce

Renault SA has no employees.

4.4.2.22 Directors' fees

Directors' fees amounted to €1,500,000 in 2018 (€1,200.000 paid for 2017), of which €48,000 were for the function of Chairman (€47,539 in 2017).

4.4.2.23 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.

4.4.2.24 Subsidiaries and affiliates

Direct holdings

Companies *(€ million)*	Share capital	Reserves and retained earnings	% of capital held	Book value of shares owned
INVESTMENTS				
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt	534	5,055	100.00%	10,659
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA (1)	545	545	99.43%	1042
Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA (2)	590	46	50.00%	261
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN (3) *			43.40%	6,217
Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY *	3,070		1.55%	584
RNBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS	6	35	50.00%	12
Sofasa Carrera 49 N°39 Envigado COLOMBIA (4)	1	32	27.66%	15
TOTAL INVESTMENTS				**18,790**

(1) The exchange rate used for Dacia is 4.6635 Romanian lei = 1 euro.
(2) The exchange rate used for DRAC is 7.8751 Renminbi Yuan = 1 euro.
(3) The exchange rate used for Nissan is 125.85 Yen = 1 euro.
(4) The exchange rate used for Sofasa is 3,711.00 Colombian pesos = 1 euro.

Companies *(€ million)*	**Oustanding loans and advances from Renault SA**	**Sales revenues excluding taxes 2018**	**Net income (loss), prior year**	**Dividends received by Renault SA in 2018**
INVESTMENTS				
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt		48,333	23	916
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA (1)		5,313	159	
Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA (2)		1		
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN (3) *				784
Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY *				60
NBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS		86	5	
Sofasa Carrera 49 N°39 Envigado COLOMBIA (4)		716	16	33

(1) The average exchange rate used for Dacia is 4.654059 Romanian lei = 1 euro.
(2) The average exchange rate used for DRAC is 7.807557 Renminbi Yuan = 1 euro.
(3) The average exchange rate used for Nissan is 130.415117 Yen = 1 euro.
(4) The average exchange rate used for Sofasa is 3,487.387634 Colombian pesos = 1 euro.
* *For Daimler, this information will be available from February 15, 2019 on the Daimler website at: www.daimler.com/investors/reports-news/annual-reports/2018/*
For Nissan, this information can be found in note 12 to Groupe Renault's 2018 consolidated financial statements in Groupe Renault's Registration document at: www.group.renault.com/finance/informations-financieres/documents-et-publications/

Indirect holdings

The full list of subsidiaries held indirectly by Renault SA is contained in the document entitled "additional information on the Groupe Renault composition" available from the financial information section of the Group's website at:

https://group.renault.com/finance/informations-financieres/documents-et-publications/

Investment under the equity method

The value of Renault s.a.s shares valued under the equity method increased by €54 million in 2018 due to the performance of its subsidiaries.

The value of Dacia shares valued under the equity method increased by €177 million.

Acquisition of investments

See note 4.4.2.8.

4.4.2.25 Five-year financial highlights

(€ million)	**2014**	**2015**	**2016**	**2017**	**2018**
YEAR-END FINANCIAL POSITION					
Share capital	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					
Revenues excluding taxes					
Income before tax, amortisation, depreciation and provisions (1)	498	564	1,404	815	1,560
Income tax	95	160	81	95	91
Income after tax, amortisation, depreciation and provisions	684	663	1,382	937	1,726
Dividends paid	554	701	916	1,027	
EARNINGS PER SHARE *(in €)*					
Earnings before tax, amortisation, depreciation and provisions (1)	1.68	1.91	4.75	2.76	5.27
Earnings after tax, amortisation, depreciation and provisions	2.31	2.24	4.67	3.17	5.84
Basic and diluted earnings per share (2)	2.50	2.42	5.04	3.42	6.31
Dilutive potential effect	0.18	0.17	0.37	0.25	0.47
Net dividend	1.90	2.40	3.15	3.55	
EMPLOYEES (3)					

(1) Provisions are those recorded during the year, less reversals and applications.
(2) Based on the average number of shares at year end.
(3) No employees.

4.4.2.26 Subsequent events

The Board of Directors met on January 24, 2019, it has taken note of the resignation of its Chairman and Chief Executive Officer Carlos GHOSN.

The Board of Directors has decided to provide Renault with a new governance structure and to institute a separation of the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors co-opted M Jean-Dominique SENARD as new Director and elected him Chairman.

On the latter's proposal, the Board appointed M Thierry BOLLORÉ as Chief Executive Officer.


Duster

RENAULT AND ITS SHAREHOLDERS

05

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

5.1 GENERAL INFORMATION

5.1.1 Overview

5.1.1.1 Business name and head office

Business name: Renault.

Head office: 13-15, quai Le Gallo, 92100 Boulogne-Billancourt – France.

5.1.1.2 Legal form

Organized as a *société anonyme* (public limited company).

5.1.1.3 Date of incorporation and term of the Company

The Company was founded on January 16, 1945. It will expire on December 31, 2088 except in the case of early dissolution or extension.

5.1.1.4 Summary of corporate purpose

Renault's corporate purpose is principally the design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles. In addition, it includes the performance of services relating to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the By-laws).

Further details of the Company's corporate purpose are provided in Article 3 of the By-laws, available at www.groupe.renault.com.

5.1.1.5 Registration number with the French business register *(Registre du commerce et des sociétés)*

441 639 465 RCS Nanterre (APE code 6420Z).

Head office Siret code: 441 639 465 00018.

LEI number: 969500F7JLTX36OUI695.

5.1.1.6 Access to legal documents

Legal documents such as the Company By-laws, the Board of Directors' Charter, documents relating to Annual General Meetings, Statutory Auditors' reports and all other documents made available to shareholders in accordance with applicable legal provisions may be consulted at the Company's head office.

5.1.1.7 Financial year

The Company's financial year runs from January 1 to December 31.

5.1.2 Special provisions of the By-laws

5.1.2.1 Allocation of net profits

Net profits are allocated in compliance with applicable legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years as specified by law. Upon recommendation by the Board of Directors, the Annual General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares.

Requests for the payment of scrip dividends must be submitted within the time period established by the Annual General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

5.1.2.2 Annual General Meetings

Annual General Meetings are convened in accordance with applicable legal and regulatory provisions. The right to attend Annual General Meetings is evidenced by the registration of the shares in an account in the name of the shareholder or in the name of the registered intermediary acting on his or her behalf, by midnight (zero hours) Paris time on the second working day before the Annual General Meeting, either in the registered share account held by the Company or in the bearer share accounts held by an authorized intermediary. The registration of bearer shares in the share records held by the authorized intermediary is evidenced by a shareholding certificate issued by the said intermediary.

5.1.2.3 Shares and voting rights

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner. However, shares that are not fully paid-up must be in registered form.

Each shareholder has as many votes as he or she owns shares, subject to the provisions below.

Since April 3, 2016, pursuant to Article L. 225-123 of the French Commercial Code, as amended by Law no. 2014-384 of March 29, 2014 (the so-called Florange Law), unless provided otherwise in the Renault By-laws adopted subsequently to the promulgation of the Florange Law, a voting right double to that conferred to other shares is automatically attributed to all fully paid up shares for which proof of registration is provided for at least two years in the name of the same shareholder.

At December 31, 2018, 108,500,030 Renault shares held double voting rights, representing around 36.7% of the share capital and around 69.9% 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.

Treasury shares do not carry voting rights.

The theoretical number of voting rights is 404,222,314.

In view of the 5,058,961 Treasury shares and the 44,358,343 shares held by Nissan Finance Co., Ltd. (see section 5.2.6.1 below), all of which are deprived of voting rights, the total number of exercisable voting rights as at December 31, 2018 was 310,446,667.

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.

Thresholds crossed in 2018

During the 2018 fiscal year, the Company received several declarations that thresholds had been crossed:

- the company BlackRock, Inc., acting on behalf of customers and funds that it manages, declared that it crossed, both above and below, the legal threshold of 5% of voting rights and finally held 4.96% of the capital and 3.63% of its voting rights (notification of May 24, 2018); and
- on December 28, 2018, the company Amundi declared that it crossed above the statutory threshold of 2% of the capital and finally held 2.02% of the capital (notification of December 28, 2018).

5.2 GENERAL INFORMATION RELATING TO RENAULT'S SHARE CAPITAL

5.2.1 Share capital

As at December 31, 2018, the share capital amounted to €1,126,701,902.04, consisting of 295,722,284 shares with a par value of €3.81 each. The shares are fully subscribed and paid up.

5.2.2 Change in the share capital

The Extraordinary General Meeting may, as specified by law, increase or reduce the share capital and grant delegation to the Board of Directors to carry out such transactions, with the faculty of delegation in accordance with applicable legal provisions.

5.2.3 Changes in capital ownership over the past five years

There were no changes in capital ownership over the past five years. The last capital increases date from April 28, 2010. During the reserved capital increases at a price of €37 per share, Nissan Finance Co., Ltd. and Daimler AG respectively subscribed 1,617,775 shares and 9,167,391 shares with a par value of €3.81.

5.2.4 Unissued authorized share capital

5.2.4.1 Overall authorizations

The Annual General Meeting of June 15, 2018, authorized the Board of Directors to proceed with various financial transactions to carry out capital increases to the Company's share capital, with or without preferential subscription rights.

To date, these authorizations have not been used.

These authorizations are detailed hereafter.

5.2.4.2 Table of authorizations granted in respect of capital increases

The table hereafter details the delegations remaining in effect granted by the General Meeting of the Company to the Board of Directors with respect to share capital increases:

	Description of the delegation granted to the Board of Directors	Implementation
20th resolution GM 2018	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 2019 financial statements. Maximum cap for capital increases of €350 million (about 30% of the share capital).	None
21st resolution GM 2018	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 2019 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
22nd resolution GM 2018	Issuance of ordinary shares and/or securities giving access to the share capital without preferential subscription rights for shareholders, by way of private placement. Duration of 26 months, *i.e.*, up to the Annual General Meeting called to approve the 2019 financial statements. Maximum cap for capital increases of €60 million (about 5% of the share capital).	None
23rd resolution GM 2018	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 2019 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
24th resolution GM 2018	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 2019 financial statements. Maximum cap for capital increases of €120 million (about 10% of the share capital).	None
25th resolution GM 2018	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 2019 financial statements. Maximum cap for capital increases of €1 billion.	None
26th resolution GM 2018	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 2019 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 twentieth, twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions submitted to the Annual General Meeting of June 15, 2018 may not exceed €350 million (three hundred and fifty million euros).

5.2.5 Potential share capital

5.2.5.1 Options

The Company has decided to no longer grant any new stock-option purchase plans.

The latest authorization was adopted by the Combined General Meeting of April 29, 2011 for a period of 38 months. There are no plans to request a new authorization from the Annual General Meeting. For details of current grants and options, see table 8 in section 3.2.6.3 of this 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 April 29, 2016, 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, section 3.2.6.3 of this Registration Document.

5.2.5.3 Share buyback program [(1)]

Trading by Renault in its own shares in 2018 and allocation of treasury shares

As at December 31, 2018, Renault held 5,058,961 shares with a par value of €3.81, and a net carrying amount of €394,053,516.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the eighth resolution of the Combined General Meeting of June 15, 2017 authorized the Company to deal in its own shares so as to allow it to benefit from the opportunities granted by applicable law. The authorization was granted until December 15, 2018. A new share buyback program was authorized by the Annual General Meeting of June 15, 2018, rendering the program authorized on June 15, 2017 ineffective from the date of said meeting.

In March 2018, Renault acquired 1,362,000 of its own shares as part of the share buyback program approved by the Annual General Meeting of June 15, 2017. Then, as part of its share repurchase program approved by the General Meeting of June 15, 2018, in November 2018, Renault sold 1,400,000 of its own shares for the implementation of the employee shareholder offer "Share the Future" (for more details on this employee shareholder offer, see section 5.2.6.2 below).

The 5,058,961 shares held directly or indirectly by Renault as at December 31, 2018, are allocated in their entirety to the fulfilment of free performance share plans or any other form of allocation, allotment or transfer granted to employees or senior executives of the Company. The shares acquired by the beneficiaries of share-based compensation (Long-Term Incentives) shall not have any effect on the share capital structure. Therefore, it is planned that shares acquired under a free performance share award shall come from the share buyback program. The aim is to leave the Company's share capital unchanged. The number of shares allocated to this end is 5,058,961 shares.

Percentage of treasury shares held directly or indirectly as at December 31, 2018: 1.71%.

Number of shares canceled over the 24 months preceding December 31, 2018: 0.

Number of shares held in the portfolio as at December 31, 2018: 5,058,961.

Net carrying amount of the portfolio as at December 31, 2018: €394,053,516.

Portfolio value as at December 31, 2018 [(2)] : €275,966,323.

TRADING BY RENAULT IN ITS OWN SHARES IN 2018 AS PART OF THE PROGRAMS AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF JUNE 15, 2017 AND JUNE 15, 2018

	Total gross flows at December 31, 2018		Long and short positions at December 31, 2018	
	Purchase	Sold	Open buy positions	Open sell positions
Number of shares	1,362,000	1,400,000	None	None
Average selling, purchase or exercise price	88.86	58.32	None	None
AMOUNT	**121,022,483**	**81,648,027**	**NONE**	**NONE**

Description of the share buyback program submitted for authorization to the Annual General Meeting of June 12, 2019

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 June 12, 2019.

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 eighteenth 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;

(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 €54.55 at December 31, 2018.

v. use all or some of the shares acquired to be retained for subsequent transfer as an exchange or as payment as part of external growth transactions, contribution, merger or spin-off, in accordance with recognized market practices and applicable regulations; and

vi. 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.

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 €120 per share, and the maximum amount of funds allocated for the completion of the share purchase program at €3,548.7 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, (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, and (c) this number may not exceed 5% in the case of shares acquired by the Company with a view to retaining them and to subsequently transfer them as payment or as an exchange during the course of merger, spin-off, or contribution transactions or external growth operations.

As of December 31, 2018, 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.

The number of shares acquired by the Company for retention or exchange as part of merger, spin-off, or contribution transactions shall not exceed 5% of its capital.

If the event of a capital increase by capitalization of reserves, attribution of bonus shares, increase of the share par value; or if shares are split or merged or if any other transaction affecting the share capital is carried out, the prices indicated above shall be adjusted using a multiplier coefficient equal to the ratio between the number of shares making up the share capital before the operation and the number after the operation.

Once approved by the Annual General Meeting of June 12, 2019, this program shall be valid for a period that expires at the next Annual General Meeting called to approve the 2019 financial statements and shall not exceed 18 months, *i.e.*, until December 12, 2020. This authorization cancels and replaces, up to the amount not yet used, any prior authorization having the same subject.

5.2.6 Renault share ownership

5.2.6.1 Renault shareholders at December 31, 2018

OWNERSHIP STRUCTURE AND EXERCISABLE VOTING RIGHTS FOR THE LAST THREE FINANCIAL YEARS

	12/31/2018			12/31/2017			12/31/2016		
	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%	28.60%	44,387,915	15.01%	28.67%	58,387,915	19.74%	33.95%
Nissan Finance. Co., Ltd.	44,358,343	15.00%	-	44,358,343	15.00%	-	44,358,343	15.00%	-
Daimler Pension Trust e.V.	9,167,391	3.10%	5.91%	9,167,391	3.10%	5.92% (2)	9,167,391	3.10%	3.03%
Employees (3)	7,210,603	2.44%	4.14%	5,994,937	2.03%	3.87%	6,168,600	2.09%	4.07%
Treasury stock	5,058,961	1.71%	-	6,414,355	2.17%	-	4,649,545	1.57%	-
Public	185,539,071	62.74%	61.35%	185,399,343	62.69%	61.54%	172,990,490	58.50%	58.95%
TOTAL	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**

(1) For information on the change in the voting rights held by the French State, see the explanations in the following paragraphs.
(2) The number of shares held by Daimler Pension Trust e.V. remains unchanged from the 2015 Registration Document. The change in the percentage of voting rights is the result of the acquisition of double voting rights on April 27, 2017 and the change in the total number of exercisable voting rights (see section 5.1.2.3 of this 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 fund within the meaning of 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, 2018, this was distributed as follows:

- the French State held 15.01% of the share capital corresponding to 21.96% of theoretical voting rights and 28.60% of exercisable voting rights in Renault (excluding the application of the restrictions described in section 5.2.6.2);
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., held 15% of Renault's share capital (unchanged since December 31, 2017). 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 Pension Trust e.V. held 3.10% of the share capital (9,167,391 shares);
- current and former Renault employees 2.44% of the share capital. These shares are managed through collective investment schemes;
- treasury stock represented 1.71% of the share capital. Under French law, such shares do not carry voting rights;
- lastly, the free float represented 62.74% of the share capital (compared with 62.69% as at December 31, 2017).

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, 2018.

This gave an estimated breakdown of the public ownership's interest by category of major shareholder. At that date:

- the institutional shareholders owned 46.24% of Renault's share capital, it being stated that:
  - French institutional investors held 11.64% of the share capital,
  - foreign institutional investors held 34.60% of the share capital, and
  - the 10 largest French and foreign institutional investors held approximately 13.55% of the share capital;
- the remaining public ownership in the capital *i.e.*, 16.50% was held primarily by individual shareholders.

5.2.6.2 Share the Future employee shareholding offering

In November 2017, Renault bought 1,400,000 shares sold by the French State as part of its share buyback program. These shares were acquired to be used for the Share the Future offering reserved for current and former employees of Groupe Renault, to enable them to share in the Company's results.

Renault's Board of Directors approved the modalities of this operation during its meeting held on June 15, 2018.

This operation was reserved for:

- employees with at least three months seniority on the last day of the subscription period in the workforce of the Company, one of its French subsidiaries or certain of its directly or indirectly majority-owned foreign subsidiaries; and
- retired or former employees that had held a contract or paid activity of a duration of at least five years accomplished within the Company or its French subsidiaries that are members of a company savings plan.

"Share the Future" took place in 10 countries [1] and offered two formulas:

- the so-called "classic" formula allowing employees to benefit from a discount of 20% and possible dividends. The initial investment follows the change in the Renault share price, upward or downward, and is, therefore exposed to a risk of capital loss; and
- a so-called "ratchet effect" formula [2] enabling the subscriber to invest in Renault shares via an FCPE employee savings fund, whilst guaranteeing his/her personal contribution. In exchange for this guarantee, he/she does not benefit from a discount or any dividends, nor the total possible increase in the Renault share price.

Whatever the formula chosen, Groupe Renault provided a matching contribution of 100% to subscribers up to a maximum of four shares.

The sale price of shares of €58.32 was set on September 7, 2018 by the Chairman and Chief Executive Officer of Renault with the Board of Directors' authorization. It included a discount of 20% compared to the benchmark share price set based on the average of the 20 opening prices on Euronext Paris prior to the date of this decision.

Having been acquired as part of a Group savings plan, the proposed shares are subject to a mandatory five-year holding period, except in the cases of early release stipulated by the regulations.

A subscription demand of almost 2.6 millions shares was made for the 1.4 million shares available. This over-subscription led to the implementation of an investment reduction mechanism for subscribers. Taking this operation into account, as at December 31, 2018, Renault's employees own 2.44 % of its share capital and 4.14 % of its exercisable voting rights as at December 31,2018.

5.2.6.3 Shareholder agreements on shares and voting rights of the Company

Absence of concerted action between Renault and Daimler

Renault and Daimler have declared that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the French Commercial Code. To the best knowledge of the Company, and as at the date of this Registration Document, there are no shareholder agreement governing relations between the Company's shareholders, and no concerted actions.

Restrictions on the transfer of shares

As part of the long-term strategic Master Cooperation Agreement signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v. and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-37-5 of the French Commercial Code:

- right of first offer: if Daimler wishes to transfer its Renault shares (either at the end of the lock-up commitment or during that period in case of authorized transfer), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or propose them for sale on the market;
- commitment in the event of a hostile public offer: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a public offer on Renault shares that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

Restrictions on the free exercise of voting rights attached to shares held by the French State

In the context of the discussions conducted, on the one hand between Renault and Nissan and on the other between Renault and the French State, to restore the balance between the investments of these two shareholders in Renault, and on this occasion, to ensure the continuity and development of the Alliance, on February 4, 2016, Renault and the French State entered into a governance agreement aimed at restricting the free exercise of the French State's voting rights in respect of certain decisions submitted to Renault's Annual General Meeting.

This limitation varies depending on the quorum achieved at the Annual General Meeting:

- if the shareholders attending or represented at the Annual General Meeting in question own maximum 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 17.9% of the voting rights exercisable; and
- if the shareholders attending or represented at the Annual General Meeting in question own more than 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 20% of the voting rights exercisable.

(1) France, Romania, Spain, Morocco, Brazil, Turkey, India, South Korea, Argentina and Slovenia.
(2) For regulatory reasons, this formula was not offered to Korean employees.

Beyond this applicable capping threshold, the French State's voting rights are exercised in a neutral way, *i.e.*:

- at 50% in favor, and 50% against the adoption of ordinary resolutions;
- at 66⅔% in favor, and 33⅓% against the adoption of extraordinary resolutions; and
- in full for the adoption of resolutions requiring shareholder unanimity.

The French State's neutralized voting rights do not have an impact on the outcome of the vote for resolutions subject to capping, unlike voting rights that are freely exercisable by the French State and the other shareholders.

The restriction on the free exercise of the French State's voting rights applies to all decisions within the competence of the Ordinary General Meeting, with the exception of the following decisions, for which the French State may freely exercise all of its double voting rights:

- allocation of earnings, fixing of the dividend and its payout date;
- the option of receiving all or part of the dividend payout in cash or in shares;
- appointment of directors representing the French State, renewal of their terms of office or ratification of their appointments by the Board of Directors;
- removal of directors representing the French State;
- approval of the sale of significant assets;
- related-party agreements against which the representatives of the French State voted on the Board of Directors; and
- grant of delegation to the Board of Directors to trade in Renault's shares, in the event of a program to buyback one or more blocks of shares from one or more identified shareholders.

For Extraordinary General Meetings, the French State may freely exercise all of its voting rights, with the exception of the following decisions for which the French State's freely exercisable voting rights are capped, namely:

- grant or renewal of delegations of authority or powers to the management bodies of Renault whose terms are consistent with the existing practices of Renault as demonstrated over the five years preceding the decision;
- decision or delegation granted to the Board of Directors to award stock-options, allocate consideration-free shares or issue shares or securities giving access to the capital to the employees and company officers of the Group;
- modification of the age limit for the exercise of functions or the term of office of directors and senior executive officers; and
- transfer of the head office (except outside of France).

IMPLEMENTATION OF RESTRICTIONS ON THE FREE EXERCISE OF VOTING RIGHTS ATTACHED TO SHARES HELD BY THE FRENCH STATE AT ANNUAL GENERAL MEETINGS

				Quorum less than or equal to 70%		Quorum greater than 70%	
Accounts	Voting conditions	Percentage of voting rights exercisable		Simple majority	Qualified majority	Simple majority	Qualified majority
Account 7			1/3 (2.87%)	No	No	No	No
Account 6	Postal voting	8.6%	1/6 (1.43%)	No	Yes	No	Yes
Account 5			1/2 (4.3%)	Yes	Yes	Yes	Yes
Account 4			1/3 (0.7%)	No	No	Free	Free
Account 3	Voting by proxy	2.1%	1/6 (0.35%)	No	Yes	Free	Free
Account 2			1/2 (1.05%)	Yes	Yes	Free	Free
Account 1	Postal voting	17.9%	1 (17.9%)	Free	Free	Free	Free

Resolutions submitted by a shareholder other than the French State are 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
- whenever 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

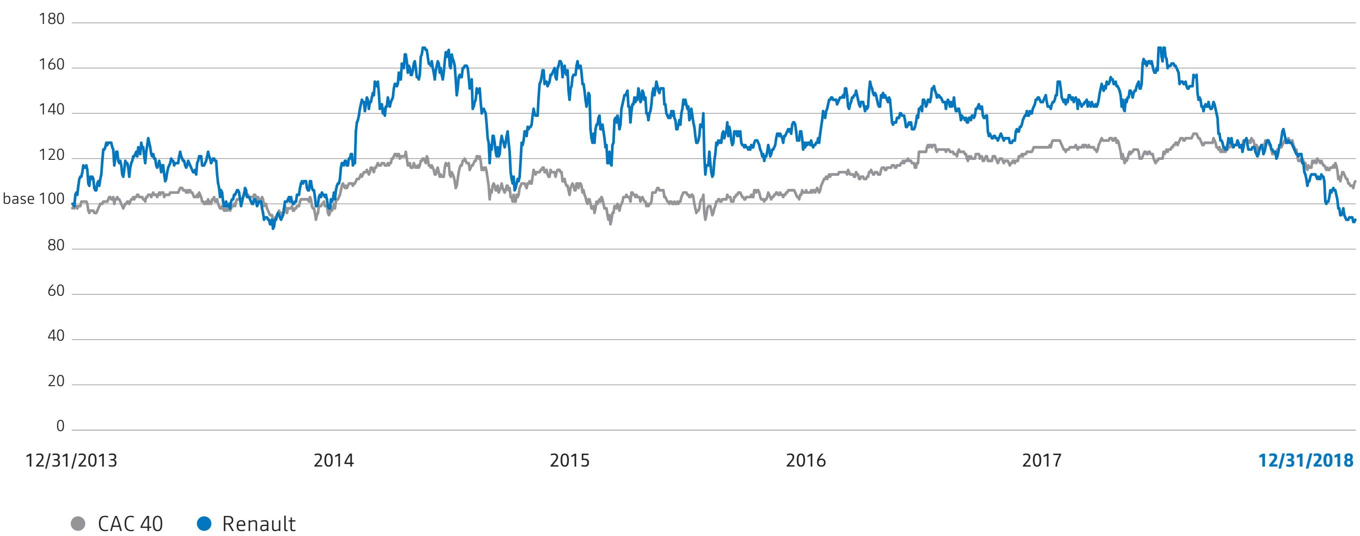
Renault has been listed on the Paris Stock exchange (Euronext) since November 17, 1994, when the Company was partially privatized. The issue price was FRF165 (€25.15). The Renault share has been one of the shares which compose the CAC 40 index since February 9, 1995.

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 section 2.5.5)

5.3.1.2 Renault share price performance over the last five years



CHANGE IN RENAULT SHARE PRICE AND THE MARKETS

	2018	2017	2016	2015	2014
Year high *(€)*	98.75	90.18	90.00	98.81	75.43
Year low *(€)*	53.68	74.27	65.36	57.38	51.95
Closing price *(€)*	54.55	83.91	84.51	92.63	60.53
Change during the year *(%)*	-34.99	-0.71	-8.77	+54.64	+4.04
CAC change during the year (%)	-10.95	+9.26	+4.86	+9.05	+1.08
DJES Auto change during the year *(%)*	-28.10	+13.9	-3.94	+13.8	+5.70
Number of shares exchanged during the year	301,791,893	240,164,421	257,321,509	332,181,829	325,351,180
Market capitalization *(€ million)*	16,132	24,814	24,991	27,393	17,900

Source: Reuters.

The average share price in the last 30 trading days of 2018 was €57.47 *(source: Reuters)*.

5.3.2 Renault and Diac participating shares *(titres participatifs)*

5.3.2.1 Renault participating shares

Characteristics of the main Renault participating shares

Renault issued a total of 2,000,000 participating shares with a par value of FRF1,000/€152.45, in two fungible issues of 1,000,000 shares each in October 1983 and October 1984.

Renault participating shares are listed on Euronext Paris under ISIN code FR0000140014.

The issue prospectus (in French) can be downloaded from the Finance section of the renault.com site or be obtained on request from the Financial Relations department.

Between March and April 2004 Renault made a public repurchase offer for its participating shares at €450 per share. In all, 1,202,341 shares, representing 60.12% of the total shares, were repurchased and cancelled. The number of shares outstanding after the operation was 797,659, unchanged at December 31, 2018.

Compensation

The gross compensation on participating shares paid on October 24, 2018 in respect of 2017 was €25.52 (€10.29 for the fixed portion and €15.23 for the variable portion).

The compensation on participating shares for financial year 2018, payable on October 24, 2019, is €25.17, comprising €10.29 for the fixed portion and €14.88 for the variable portion (based on consolidated revenues of €57 419 million for 2018 and revenues restated at constant Group structure and consolidation methods of €58 770 million for 2017).

TRADING VOLUMES AND PRICES OF RENAULT PARTICIPATING SHARES OVER THE PAST THREE YEARS

	2018	2017	2016
Year high *(€)*	768.99	695.00	554.45
Year low *(€)*	600.01	528.54	465.00
Closing price *(€)*	601.02	695.00	543.90
Number of shares exchanged during the year	59.586	63,239	69,284

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, 2018, the number of participating shares outstanding was 60,269. At the closing price of €218, Diac's participating shares represented a total of €13,138,642 (€9,188,009 at the issue par value of €152.45).

In the course of 2018, the share price fluctuated between €205.90 at its lowest and €222.87 at its highest.

5.3.3 Dividends

During the presentation of the Drive the Future plan in October 2017, Renault announced a dividend policy that aims, by the end of the Plan, to gradually double the rate of distribution of net income Group share, excluding income from associated companies, to which will be added the dividend received from Nissan and Daimler associated companies.

On February 13, 2019, the Board of Directors proposed the payment of a dividend of €3.55 per share in respect of the 2018 financial year. This proposal will be submitted to the vote at the Annual General Meeting on June 12, 2019. The dividend will be paid on June 20, 2019.

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
2013	295,722,284	1.72	May 15, 2014
2014	295,722,284	1.90	May 15, 2015
2015	295,722,284	2.40	May 17, 2016
2016	295,722,284	3.15	June, 23 2017
2017	295,722,284	3.55	June 25, 2018

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 section 2.1.5)

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. In 2018, two site visits were organized: one in Togliatti to present the Group's strategy in Russia with AVTOVAZ, the other to demonstrate the Group's activities in Brazil at the Curitiba plant.

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 2019 financial calendar

February 14 (before market opening)	2018 annual results
April 26 (before market opening)	Q1 2019 revenues
June 12 (afternoon)	2019 Shareholders' Annual General Meeting
July 26 (before market opening)	2019 first half-year results
October 25 (before market opening)	Q3 2019 revenues

5.4.4 Contacts

Shareholders relations department

E-mail: communication.actionnaires@renault.com

Shareholder hotline within France
toll-free number and service): 0 800 650 650

Shareholder telephone line from other countries:
+33 (0) 1 76 84 59 99

Groupe Renault employee shareholder line: +33 (0) 1 76 84 33 38

Website: www.groupe.renault.com/section 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:

Renault Shareholder Relations
9, rue du Débarcadère
93761 Pantin Cedex – France

Tel: 0 800 10 91 19 in France

+33 (0)1 40 14 89 25 from other countries

5.4.5 Public documents

The following documents are available in the Finance section of the website www.groupe.renault.com:

- the Company's By-laws;
- financial press releases;
- the regulatory information that is published in its entirety by electronic means (including on the website of the AMF), in accordance with the Transparency Directive, through a primary information provider named on a list published by the AMF. This information includes the Registration Documents for 2017, 2016, 2015, 2014, 2013, 2012 and 2011, all 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.

THE RENAULT LANGUAGE EXPLAINED!

ADDITIONAL **INFORMATION**

06

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

6.1 CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE DOCUMENT

Contact:

Thierry Bolloré, Chief Executive Officer

I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this 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 appearing in the Registration Document presents a true and fair picture 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.

I have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking information relating to the financial position and financial statements given in this document, as well as reading the document in its entirety.

Paris, April 15, 2019

Chief Executive Officer

Thierry Bolloré

6.2 HISTORICAL INFORMATION ON FINANCIAL YEARS 2016 AND 2017

Pursuant to Article 28 of Commission regulation (EC) No. 809/2004, the following information is incorporated by reference in this 2018 Registration Document:

6.2.1 For financial year 2016

The 2016 Registration Document was filed with the French Financial Markets Authority on April 5, 2017.

The consolidated financial statements appear in Chapter 4, on pages 304 to 389, and the Statutory Auditors' report on the consolidated financial statements appears in Chapter 4, on page 302-303, of the same document.

The financial information appears in section 1.3.2, on pages 73 to 78, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration Document.

6.2.2 For financial year 2017

The 2017 Registration Document was filed with the French Financial Markets Authority on April 5, 2018.

The consolidated financial statements appear in Chapter 4, on pages 318 to 396, and the Statutory Auditors' report on the consolidated financial statements appears in Chapter 4, on page 314-317, of the same document.

The financial information appears in section 1.3.2, on pages 84 to 90, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration Document.

6.3 STATUTORY AUDITORS

6.3.1 Regular Statutory Auditors

KPMG S.A.

represented by Jean-Paul Vellutini and Laurent des Places
Tour Eqho
2, avenue Gambetta
92066 Paris la Défense

KPMG was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

EY Audit

represented by Aymeric de La Morandière and Philippe Berteaux
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris La Défense 1

Ernst & Young Audit was appointed for the first time by order of the Ministry of Economy and Finance on March 27, 1979. Its mandate was then renewed by the Combined General Meetings of June 7, 1996, April 26, 2002, April 29, 2008 and April 30, 2014, for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

6.3.2 Alternate Statutory Auditors

KPMG Audit ID S.A.S.

Alternate for KPMG S.A.
Tour Eqho
2, avenue Gambetta
92066 Paris La Défense

KPMG Audit ID S.A.S. was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Auditex

Alternate for EY Audit
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris La Défense 1

Auditex was appointed for the first time by the Combined General Meeting of June 7, 1996 for a period of six years. Its mandate was renewed by the Combined General Meetings of April 26, 2002, April 29, 2008 and April 30, 2014 for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

6.3.3 Statutory Auditors' fees

TABLE OF FEES OF THE STATUTORY AUDITORS AND THEIR NETWORKS

	EY Audit		EY network		
In € million	Amount	%	Amount	%	Total 2018
Certification of parent company and consolidated financial statements and half-yearly limited review					
• Renault SA and Renault s.a.s.	2.16		0.00		2.16
• Fully consolidated subsidiaries	0.75		3.17		3.92
SUBTOTAL A	**2.91**	**93%**	**3.17**	**83%**	**6.08**
Services other than certification of financial statements required by law and additional services					
• Renault SA and Renault s.a.s.	0.04		0.00		0.04
• Fully consolidated subsidiaries	0.05		0.04		0.08
SUBTOTAL B	**0.09**	**3%**	**0.04**	**1%**	**0.13**
Services other than the certification of financial statements provided at the request of the entity					
• Renault SA and Renault s.a.s.	0.12		0.03		0.15
• Fully consolidated subsidiaries	0.00		0.56		0.56
SUBTOTAL C	**0.12**	**4%**	**0.59**	**16%**	**0.71**
Services other than the certification of financial statements					
SUBTOTAL D = B + C	**0.21**		**0.63**		**0.84**
TOTAL E = A + D	**3.12**	**100%**	**3.80**	**100%**	**6.92**

Services other than the certification of financial statements provided by Ernst & Young Audit during the year to the company and the entities that it controls involve:
(i) comfort letters for bond issues;
(ii) certifications for the purpose of obtaining subsidies; and
(iii)agreed procedures.

	KPMG SA		KPMG network		
In € million	Amount	%	Amount	%	Total 2018
Certification of parent company and consolidated financial statements and half-yearly limited review					
• Renault SA and Renault s.a.s.	2.21				2.21
• Fully consolidated subsidiaries	0.88		2.89		3.78
SUBTOTAL A	**3.09**	**85%**	**2.89**	**77%**	**5.99**
Services other than certification of financial statements required by law and additional services					
• Renault SA and Renault s.a.s.	0.08				0.08
• Fully consolidated subsidiaries	0.05		0.02		0.07
SUBTOTAL B	**0.13**	**3%**	**0.02**	**1%**	**0.15**
Services other than the certification of financial statements provided at the request of the entity					
• Renault SA and Renault s.a.s.	0.41				0.41
• Fully consolidated subsidiaries	0.01		0.85		0.85
SUBTOTAL C	**0.41**	**11%**	**0.85**	**22%**	**1.26**
Services other than the certification of financial statements					
SUBTOTAL D = B + C	**0.54**		**0.87**		**1.40**
TOTAL E = A + D	**3.63**	**100%**	**3.76**	**100%**	**7.39**

Services other than the certification of financial statements provided by KPMG Audit during the year to the company and the entities that it controls involve:
(i) comfort letters for bond issues;
(ii) certification assignments relating to the EFPD and for the purpose of obtaining subsidies; and
(iii) agreed procedures.

6.4 CROSS-REFERENCE TABLES

6.4.1 Headings required by Annex 1 of European commission regulation (EC) No. 809/2004

		Section
1	**Persons responsible**	**6.1**
2	**Statutory Auditors**	**6.3**
3	**Selected financial information**	
	3.1 Historical information	1.1.3 4.2.1-4.2.6.1
	3.2 Interim information	
4	**Risk factors**	**1.6, 4.2.6.5 note 25**
5	**Information about the issuer**	
	5.1 History and development of the Issuer	1.1.2, 1.1.7, 5.2
	5.2 Investments	1.3.2.1, 4.2.5, 4.2.6.1 A3 4.2.6.6 notes 26 and 31
6	**Business overview**	
	6.1 Principal activities	1.1.4,1.1.4.11.1.4.5-1.1.4.8,1.1.5 ,1.3
	6.2 Principal markets	1.1.2
	6.3 Exceptional factors	
	6.4 Potential dependency on patents, licenses, industrial, commercial or financial contracts or on new manufacturing processes	1.4, 1.6.1.3
	6.5 Competitive position	1.1.4.2
7	**Organizational structure**	
	7.1 Brief description	1.1.4, 1.1.6.2
	7.2 List of significant subsidiaries	1.1.6.1, 4.2.6.6 note 31
8	**Property, plants and equipment**	
	8.1 Significant existing or planned material tangible fixed assets	4.2.6.4 note 10 and 11
	8.2 Environmental issues that may affect the utilization of the tangible fixed assets	1.6.1.2
9	**Operating and financial review**	
	9.1 Financial condition	1.3.2, 1.3.2.1-1.3.2.3, 4.1.6.5, 4.2.3, 4.2.6.4, 4.2.6.5
	9.2 Operating results	1.3, 4.2.1, 4.2.2, 4.2.6.3-note 4-6
10	**Capital resources**	
	10.1 Issuer's capital resources	4.2.3, 4.2.4, 4.2.6.1 A2, 4.2.6.4 notes 18, 5.2, 4.2.6.5 notes 23 and 24
	10.2 Source and amount of cash flows	1.1.4.7, 1.6.1.3, 1.6.3.4, 4.2.5, 4.2.6.1, 4.2.6.6 note 26
	10.3 Borrowing requirements and funding structure	1.3.2.1, 4.2.6.5 notes 23 and 24, 5.3.2.1
	10.4 Information on any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	4.2.6.5 note 25
	10.5 Anticipated sources of funds necessary to fulfill the commitments mentioned in points 5.2.3 and 8.1	4.2.6.5 note 25
11	**Research and Development, patents and licenses**	**1.4-1.4.4, 1.2.4, 1.3.2.1, 4.2.6.4 note 10 A2**
12	**Trend information**	**1.3**
13	**Profit forecasts or estimates**	
14	**Administrative, Management and Supervisory bodies, and Senior Management**	
	14.1 Administrative and management bodies	1.1.1, 3.1-3.1.6
	14.2 Administrative, Management, and Supervisory bodies and Senior Management conflicts of interest	3.1.4.3
15	Compensation and benefits	
	15.1 Amount of remuneration paid and benefits in kind	2.3.1.2, 2.5.2, 3.2.2, 4.2.6.3-note 5, 4.2.6.4 note 18, 4.2.6.6 note 27
	15.2 Total amounts set aside or accrued by the issuer to provide pension, retirement or similar benefits	4.2.6.4 note 19, 4.2.6.6 note 27
16	**Board practices**	

		Section
	16.1 Expiration date of current term of office	3.1.2
	16.2 Service agreements binding the members of the administrative, management or supervisory bodies	3.1.5
	16.3 Information about the issuer's audit committee and the remuneration committee	3.1.6.1, 3.1.6.2
	16.4 Corporate governance	1.1, 3.1, 3.2
17	**Employees**	
	17.1 Number of employees	1.1.2, 2.3.1
	17.2 Shareholdings and stock options	2.3.1.2, 2.5.2, 4.2.6.4 note 18
	17.3 Arrangements involving employees in the capital of the issuer	4.2.6.4 notes 18
18	**Major shareholders**	
	18.1 Shareholders owning more than 5% of the share capital or voting rights	1.1.2, 1.1.4.8, 1.2.8, 5.2.6.1
	18.2 Existence of different voting rights	5.2.6.1
	18.3 Control of the issuer	1.1.2, 5.2.6.1
	18.4 Agreements known to the issuer, whose operation could result in a change in control of the issuer at a later date	5.2.6.2
19	**Related party transactions**	
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and loses**	**1.1.4.8, 1.2.8, 4.2.6.4 note12 et 13, 4.3.2, 4.2.6.6 note 27**
	20.1 Historical financial information	1.1.2, 4.2, 6.2
	20.2 Pro forma financial information	1.1.2, 1.3, 1.3.2, 4.2.6.2 note 2A
	20.3 Financial statements	4.2
	20.4 Auditing of annual historical financial information	4.1
	20.5 Age of latest financial information	4.2.1-4.2.6
	20.6 Interim and other financial information	
	20.7 Dividend policy	1.1.2, 1.3, 5.1.2, 5.3.3
	20.8 Legal and arbitration proceedings	1.6.1.3
	20.9 Significant change in the issuer's financial or trading position	1.6.1.3, 1.6.3.2-1.6.3.5
21	**Additional information**	
	21.1 Share capital	1.1.2, 4.2.6.4 note 18, 5.2
	21.2 Memorandum and articles of association	5.1 and 5.2
22	**Material contracts**	
23	**Third party information and statement by experts and declarations of any interest**	**1.4.1, 4.3.2**
24	**Documents on display**	**5.4.5**
25	Information on holdings	**1.1.4.8, 1.1.6.1, 1.1.6.2, 4.2.6.4 notes 12-13, 4.2.6.6 note 31, 4.4.2.1-4.4.2.5.**

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6.4.2 Cross-reference table for the management report and the Corporate governance report

Topic	Reference text	Registration Document section
I – Group position and activity		
Objective and exhaustive analysis of developments in the Company's and the Group's business, results and financial position, particularly its debt position	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.3
Company and Group status during the previous fiscal year	L. 232-1 and L. 233-26 of the French Commercial Code	Chapter 1, Section 1.3
Foreseeable development of the Company and Group and future prospects	L. 232-1 and L. 233-26 of the French Commercial Code	Chapter 1, Section 1.3
Significant events that occurred between the fiscal year reporting date and the date the management report was prepared	L. 232-1 and L. 233-26 of the French Commercial Code	Chapter 1, Section 1.7
Research and development activities	L. 232-1 and L. 233-26 of the French Commercial Code	Chapter 1, Section 1.4
Non-financial key performance indicators	L. 225-100-1 of the French Commercial Code	Chapter 2, Section 2.9
Stakes acquired during the fiscal year in any company headquartered within France	L. 233-6 and L. 247-1-I of the French Commercial Code	Chapter 4, Section 4.2.6.2 note 3A
Activity and results of the entire Company, Company subsidiaries and controlled companies by business sector	L. 233-6 of the French Commercial Code	Chapter 1, Sections 1.1.5 and 1.1.7
II – Risk factors		
Description of the main risks and uncertainties faced by the Company and the Group	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.6
Financial risk management objectives and policy, including the financial risk hedging policy for the effects of climate change	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.6
Objectives and policy regarding the hedging of each main category of transactions for which hedge accounting is used	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.6 Chapter 4, Section 4.2.6.2 note 2X, Section 4.2.6.5 note 25
Exposure to price, credit, liquidity and cash flow risks	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.6
Internal control and risk management procedures put in place by the Company	L. 225-100-1 of the French Commercial Code	Chapter 1, Section 1.5
III – Shareholding structure and other legal information		
Share capital structure of the Company	L. 225-37-5 of the French Commercial Code	Chapter 5, Section 5.2.6.1
Statutory restrictions to the exercise of voting rights and share transfers or clauses of agreements made known to the Company	L. 225-37-5 of the French Commercial Code	Chapter 5, Section 5.2.6.3
Shareholder agreements known to the Company that may result in restrictions on the transfer of shares and the exercise of voting rights	L. 225-37-5 of the French Commercial Code	Chapter 5, Section 5.2.6.3
Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, except in the case of a legal obligation to disclose, would be of serious harm to its interests	L. 225-37-5 of the French Commercial Code	Chapter 5, Section 5.2.6.3
Agreements providing for indemnities for members of the Board of Directors or employees if they resign or are dismissed without real and serious cause or if their employment ends because of a public offer	L. 225-37-5 of the French Commercial Code	N/A
Factors likely to have an effect in the event of a public offer	L. 225-37-5 of the French Commercial Code	Chapter 3, Section 3.1.10 Chapter 5, Sections 5.1.2 and 5.2
Name of the natural or legal persons holding, directly or indirectly, more than 5% of the share capital or voting rights and threshold crossings	L. 233-13 of the French Commercial Code	Chapter 5, Section 5.1.2.5 and 5.2.6.1
Names of the controlled companies and share of the Company's capital they own (treasury shares)	L. 233-12 and L. 233-13 of the French Commercial Code	N/A
Powers of the Board of Directors as regards the issuance or buyback of shares in particular	L. 225-37-5 of the French Commercial Code	Chapter 5, Sections 5.2.2 and 5.2.4.2
Detail of purchases and sales of Company treasury shares during the fiscal year	L. 225-211 of the French Commercial Code	Chapter 5, Section 5.2.5.2 and 5.2.5.3
Statement of employee share capital ownership on the last day of the fiscal year and proportion of the share capital represented by the shares owned by the company's employees	L. 225-102 of the French Commercial Code	Chapter 5, Section 5.2.6.1
Shares acquired by the employees through an employee buyout transaction	L. 225-102 of the French Commercial Code	N/A
Table summarizing the outstanding delegations granted by the General Meeting of Shareholders to the Board of Directors for capital increases, and the use made of these delegations during the fiscal year	L. 225-37-4 of the French Commercial Code	Chapter 5, Section 5.2.4.2
Potential adjustments for share equivalents in the event of share buybacks or financial transactions	R. 228-and R. 228-91 of the French Commercial Code	N/A
Special terms and conditions for shareholder participation in the Annual General Meeting or provisions of the bylaws that provide for such terms and conditions	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.9 Chapter 5, Section 5.1.2.2
Agreements entered into between a significant officer or shareholder and a subsidiary of the Company	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.4.3 Chapter 4, Section 4.3.2
Injunctions or monetary fines for anti-competitive practices	L. 464-2 of the French Commercial Code	N/A

Topic	Reference text	Registration Document section
IV – Financial data		
Table showing the Company's results over the last five fiscal years	R. 225-102 of the French Commercial Code	Chapter 4, Section 4.4.2.25
Changes in the presentation of the financial statements or in the valuation methods used	L. 232-6 of the French Commercial Code	Chapter 4, Section 4.2.6.2 note 2A Chapter 4, Sections 4.4.2.1 and 4.4.2.2
Data on supplier and customer payment terms	L. 441-6, L. 441-6-1, and D. 441-4 of the French Commercial Code	Chapter 4, Section 4.4.2.23
Information on the use of the Tax Credit for Competitiveness and Employment (CICE)	French General Tax Code, Article 244 *quater* C	Chapter 4, Section 4.3.6.5 notes 5-A and 17-A; Section 4.4.2.2 -J
Earnings for the financial year and proposed distribution	223 *quater* and 39-4 of the French General Tax Code;223 *quinquies* and 39-5	Chapter 4, Section 4.4.2.25 Part (II) of this Report
Total amount of certain expenses not fiscally deductible	223 *quater* and 39-4 du CGI ;223 *quinquies* and 39-5	N/A
Amount of loans between authorized partner companies	L. 511-6 3 *bis*, para. 2 of the French Monetary and Financial CodeR. 511-2-1-1 *et seq.* of the French Monetary and Financial Code	Chapter 4, Sections 4.4.2.9 and 4.4.2.15
Amount of dividends distributed during the last three fiscal years	Article 243 *bis* of the French General Tax Code	Chapter 5, Section 5.3.3
V – Corporate governance and compensation of senior executives		
Choice of one of the two methods of exercise of senior management	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.1
Reference to a Code of Corporate Governance and Code provisions rejected and the reasons for which they were rejected	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.8
Composition, preparation and organisation of the Board of Directors	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1
Rules applicable to the appointment and replacement of members of the Board of Directors and the amendment of the Company Bylaws	L. 225-37-5 of the French Commercial Code	Chapter 3, Section 3.1.2
Application of the principle of gender balance	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.2
Possible limitations that the Board may make to the powers of the Chief Executive Officer	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.1
Description of diversity policy applied to members of the Board of Directors and the Executive Committee and results in terms of gender balance in the 10% of positions with the highest responsibility	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.2 Chapter 2, Section 2.3.1
Senior executive compensation policy (Say on Pay)	L. 225-37-2 of the French Commercial Code	Chapter 3, Section 3.2.4
Presentation of the draft resolutions relating to compensation policy	L. 225-37-2 of the French Commercial Code	Chapter 3, Section 3.2.4
Total remuneration and benefits of any kind paid to each company officer by the Company, the controlled companies or the controlling Company during the fiscal year	L. 225-37-3, L. 225-100, II and R. 225-29-1 of the French Commercial Code	Chapter 3, Sections 3.22 and 3.2.3 Chapter 4, Section 4.2.6.6, note 27-A
Commitments of any nature made by the Company for the benefit of its company officers, such as items of compensation, indemnities or benefits owed, or likely to be owed, due to the assumption of a position or a termination or change in position, or subsequently to these events	L. 225-37-3 of the French Commercial Code	Chapter 3, Section 3.2
List of all offices and positions held in any company by each of the company officers during the fiscal year	L. 225-37-4 of the French Commercial Code	Chapter 3, Section 3.1.3
Options granted, subscribed or purchased during the year by corporate officers and each of the Company's top 10 non-corporate officer employees, and options granted to all employee beneficiaries, by category	L. 225-184 of the French Commercial Code	Chapter 3, Sections 3.2.2.5 and 3.2.6.3
Conditions for the exercise and retention of options awarded to the company officers	L. 225-185 of the French Commercial Code	Chapter 3, Section 3.2.2.5
Conditions for the retention of restricted shares awarded to the Chief Executive	L. 225-197-1 of the French Commercial Code	Chapter 3, Sections 3.2.2.5 and 3.2.4
Summary of transactions involving Company shares performed by the senior executives	L. 621-18-2 of the French Monetary and Financial Code Article 223-26 of the AMF General Regulation	Chapter 3, Section 3.3
VI – Corporate social data and environmental data		
Extra-Financial Performance Declaration (EFPD)	L. 225-102-1, R. 225-104, R. 225-105 and R. 225-105-1 of the French Commercial Code	Chapter 2, section 2.1.7
Corporate social data	L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code	Chapter 2, Section 2.1.7.3
Environmental data	L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code	Chapter 2, Section 2.1.7.3
Societal information	L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code	Chapter 2, Section 2.1.7.3
Information on actions to promote human rights	L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code	Chapter 2, Section 2.1.7.3
Vigilance plan	L. 225-102-4 of the French Commercial Code	Chapter 2, Section 2.1.6
Information for companies operating at least one plant appearing on the list provided in Article L. 515-36 of the French Environmental Code	L. 225-102-2 of the French Commercial Code	Chapter 2, Section 2.5.3.3

6.4.3 Cross-reference table of the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the AMF General Regulation

The following cross-reference table facilitates the identification within this Registration Document of the December 31, 2018 annual financial report.

Topic	Section
Financial statements	4.4
Consolidated financial statements	4.2
Management report incorporating, at minimum, the information mentioned in Articles L. 225-100, L. 225-100-3, L. 225-211 paragraph 2 and L. 225-100-2 of the French Commercial Code	See 6.4.2
Statement of the persons assuming responsibility for the annual financial report	6.1
Statutory Auditors' reports on the financial and consolidated statements	4.3, 4.1
Communiqué regarding the Statutory Auditors' fees	6.3.3

GLOSSARY

A

Alliance: Renault, Nissan, Mitsubishi and AVTOVAZ are members of the Alliance (a legal structure described in Chapter 1.2 of this document) with a cumulative sales volume for 2016 of over 9.9 million units.

AVES: Alliance Vehicle Evaluation System. A system of quality checks conducted on new vehicles as they come off the assembly lines. AVES applies a detailed method comprising a static/visual component and a dynamic component to detect any visual or mechanical defects or abnormal noises.

AVTOVAZ: Russian company, manufacturer of the Lada brand in which Renault has a controlling interest, via a joint-venture, fully consolidated in Renault's financial statements since the end of 2016.

C

CAFE: the "CAFE" (Corporate Average Fuel Economy) represents the average level of fuel consumption or CO_2 emissions for all passenger cars sold by a carmaker.

CMF: Common Module Family, a sharing principle, via a series of platforms shared between Renault and Nissan, based on a modular system of architecture that enables a wide range of vehicles to be built from a smaller pool of parts, creating higher added-value for the Group's customers.

CCT: Cross-Company Team, a team consisting of representatives from Renault and Nissan who explore opportunities for synergy between the two companies within the framework of the Alliance.

CVT: Continuously Variable Transmission. A gearbox technology that enable the vehicle to run at optimum power. A CVT delivers better fuel economy than a conventional automatic transmission. It provides a smoother, more comfortable driving experience by shifting seamlessly through gear ratios with no break in acceleration.

D

DPF: Diesel Particulate Filter: a particulate filter removes diesel particulate matter from exhaust gases by trapping them in a microporous honeycomb structure. The filter is automatically regenerated every 500 km.

Downsizing: reduction in engine capacity. Optimizing internal combustion engines remains one of the most effective ways of limiting fuel consumption, and therefore greenhouse gas emissions. Downsizing involves reducing the capacity of the engines – and thus fuel consumption and CO_2 emissions – while maintaining performance.

E

EBA: emergency brake assist, a system that detects emergency braking situations and instantaneously increases braking pressure to shorten the distance the vehicle takes to stop.

Euro NCAP: European New Car Assessment Program. Safety standards for crash tests in Europe.

Euro NCAP performs crash tests to give consumers precise information about the safety of their cars.

Since 2009, Euro NCAP has released a single overall rating for each vehicle tested, which comprises assessments of Adult Occupant Protection, Child Occupant Protection, Pedestrian Protection and Safety Assist. Euro NCAP also publishes information about ESC fitment and the results of rear impact (whiplash) tests in terms of seat design.

Euro 5 and Euro 6: the Euro 5 emission standards are part of the Euro emission standards, which set the maximum pollutant emission limits, excluding CO_2, for cars and other vehicles. The Euro 5 emission standard came into effect in September 2009 for new car certifications and covers all new cars since January 2011. In 2014, Euro 6, which focuses mainly on NOx emissions, took its place.

F

FCF: Free Cash Flow is the amount of cash generated by a company after interest payments, tax and net investments. FCF is used to:

- reduce the Net Financial Debt of Automotive;
- pay dividends;
- buy back the company's own shares and minority interests;
- carry out external growth operations: acquire companies or makeinvestments in associated companies.

The FCF for Automotive sectors is an indicator defined by the Renault Group and calculated from the accounting data in the Statement of Changes in Cash. However, this indicator is neither defined in nor required by IFRS.

The Group has chosen to calculate this indicator on the scope of the Automotive sectors, excluding all elements from the Sales Financing sector, with the exception of dividends paid and capital increases in Sales Financing.

Free Cash Flow is obtained from the elements in the Statement of Changes in Cash for Automotive sectors by summing the following elements:

Cash flow (excluding dividends received from publicly listed companies and including dividends received from Sales Financing)
+ Change in working capital requirements
+ Tangible and intangible investments net of disposals
+ Change in capitalized leased assets (vehicles and batteries)
- Subscription to capital increases from Sales Financing
= Automotive sectors' operational free cash flow

FTT: Functional Task Teams: a team consisting of representatives from Renault and Nissan who share their expertise in processes, standards and management tools within the framework of the Alliance.

Fuel cell: Consisting of a nucleus and a single electron, hydrogen is the simplest and lightest of the elements. It is fourteen times lighter than air. In a fuel cell, hydrogen and oxygen are brought into contact on either side of a polymer electrolyte membrane. They combine to produce water, the only “emission” of the engine, which generates electricity and heat. It is this electrical energy that powers the vehicle’s electric engine.

G

GEC: Group Executive Committee, which is in charge of the Company’s strategic directions and decisions.

Groupe Renault: the Group manufactures and sells passenger cars and utility vehicles under three brands: Renault, Dacia and Renault Samsung Motors for a total volume of over 3.1 million vehicles sold in 2016.

H

HSE: Renault created an HSE division (Health, Safety, Environment) on September 1, 2016. Its task is to converge policies on working conditions, health, safety and the environment. The task of this new entity is to carry out the Group’s HSE governance by defining an overall policy and ambitious progress targets in respect of safety and working conditions, ergonomics, industrial health and the environment in collaboration with corresponding functions.

K

KPI: Key performance indicators. KPIs are used to measure the company’s performance. They provide an overview of the Group’s performance, which is reported monthly to the GEC. KPIs are the main tool for performance management in each geographical region or business line.

L

LAB: Laboratory of Accidentology, Biomechanics and Human Behavior. The LAB reflects will to improve road safety by combining several scientific disciplines at the crossroads between physics and human sciences. The accidentology and driver behavior teams analyze the causes and effects of road accidents with a view to improving prevention. The biomechanics team works toward better occupant protection.

M

Materiality Matrix: the Materiality matrix is a tool which enables prioritization of extra-financial stakes with strategic reach. By conducting a materiality analysis, the Company works on the subjects that have a (potentially) extensive and significant impact on its business model, and then translate these (as far as possible) into indicators. The methodology used must be comprehensible, reproducible and transparent.

The **Monozukuri** is the indicator that measures performance growth for the Purchasing, Warranty, R&D, Production and Logistics business activities over the current year versus the previous year. It is calculated excluding changes in raw materials, mix effects, enrichment, volume and currencies.

N

NEDC: the NEDC (New European Driving Cycle) is a standardized driving cycle and test procedure used to measure the emission levels and fuel economy of all types of vehicles in Europe. The NEDC is thus an objective criterion for assessing the performance of models by different manufacturers. The vehicle is put on a roller test bench and put through the same urban cycle three times (cycle ECE-15), followed by one non-urban cycle. The average of the four cycles is the average fuel economy.

O

Open Innovation Lab: the creation of Open Innovation Labs is part of the Renault-Nissan Alliance's innovation culture and strategy: they enable innovation opportunities to be cultivated based on an opene co-system comprising start-ups, universities and investors and a local economy such as local authorities, associations, customers and markets. These laboratories bring together in one place the three pillars of open innovation: the socialization of knowledge (events, conferences, think tanks, meet-ups), creativity and innovative design methods (design thinking, Fablab) and new economy leveraging (acceleration of start-ups, collaborative and open modes and platforms). Since March 2017, there are three around the world (Silicon Valley, Tel Aviv and Paris).

Operating income: includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs (see operating margin).

Operating margin: the operating margin corresponds to the operating income before taking into account other operating income and expenses which by nature or exception have a significant or unusual character and may affect margin comparisons. Other operating income and expenses mainly include:

- restructuring provisions associated with activity stoppages and the costs of workforce adjustment measures;
- income from disposals of activities or operational investments (total or partial), the income from disposals of investments in associates and joint ventures (total or partial), other income from changes in scope such as takeovers under IFRS 10 of entities previously consolidated under the equity method and the direct acquisition costs of companies consolidated by full consolidation or according to the percentage share specific to each balance sheet and income statement item;
- gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales);
- impairment of intangible assets and property, plant and equipment and goodwill (excluding goodwill from associated companies and joint ventures);
- income and expenses that are unusual in their frequency, nature or amount, in respect of disputes or impairment on significant operating receivables.

Oyak-Renault: Renault's manufacturing partner in Turkey.

R

R&AE: Research and Advanced Engineering. R&AE activities are managed across the company's Engineering departments using a shared, structured plan. The plan covers all vehicle, powertrain, product, process and service applications.

REACH: (for Registration, Evaluation and Authorization of CHemicals) is a regulation adopted in 2006 by the European Parliament and Council. It has enabled the creation of a Community system for the registration, evaluation and authorization of chemical substances managed by the new European Chemicals Agency (ECHA) based in Helsinki.

The implementation of REACH is the result of three main intentions: to expand knowledge of the health and environmental risks of over 30,000 chemical substances, to implement a substitution policy for the most harmful substances and to entrust manufacturing and exporting companies with the evaluation and management of risks linked to these substances.

Revenues: revenues include all income from the sale of the Group's automotive products, less rebates for services linked to these sales, and the different sales financing revenues sold to customers by Group companies.

RMC: Regional Management Committee, which represents most of the Company's central business functions, meets monthly and contributes to growing the Company's presence, in both volume and market share, in the markets of the region in question. GEC: Group Executive Committee, which is in charge of the Company's strategic directions and decisions.

RNPO: Renault Nissan Purchasing Organization, Shared Renault and Nissan division, created in 2001, responsible for purchasing parts and all other activities for the two companies.

S

Shareholders' equity: the Group manages the equity for the Automotive division excluding AVTOVAZ using a ratio, equal to net debt for the Automotive segment excluding AVTOVAZ divided by the amount of shareholders' equity. Net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans. Shareholders' equity is as reported in the Group's financial position.

T

TAM: Total Automotive Market. The TAM is an aggregate figure representing new registrations of all automotive makes in the same market. TAM is frequently used in conjunction with Market Share (MS).

TCE: Turbo Control Efficiency. TCE engines are equipped with a low inertia turbo that ensures minimal lag, thanks to its small-diameter turbine and compressor. The marriage of small capacity and low inertia turbo ensures lively response from low revs.

W

WLTP: Worldwide harmonized Light vehicles Test Procedure. In the vehicle approval process, WLTP is the new procedure for measuring CO_2 emissions and pollutant consumption and emissions under conditions more representative of customer use and the diverse nature of vehicle equipment. It has gradually been replacing the NEDC procedure since September 1, 2017. In line with the Euro 6d standard, which has gradually been implemented since September 1, 2017, this standard laboratory test procedure is supplemented by road tests that use the new Real Driving Emissions (RDE) protocol.

INITIALS AND ACRONYMS

A

AAA: French: automobile manufacturers' association (Association auxiliaire automobile)

ABS: Anti-lock Braking System

ADEME: Environment and energy management agency (Agence de l'environnement et de la maîtrise de l'énergie)

AM: Asset Management

APO: Alliance Purchasing Organization

APP: EU Agency for the Protection of Programs

ARC: EU Accounting Regulatory Committee

ASFE: Alliance for Synthetic Fuels in Europe

AV: Autonomous vehicle

AVES: Alliance Vehicle Evaluation System

AVTOVAZ: Renault's subsidiary in Russia

B

BOP: Bottom Of the Pyramid

BOT: Build Operate Transfer Agreements

BPU: Single Personnel Database

C

CAC: Statutory Auditors

CAE: Computer-Aided Engineering

CAFE: Corporate Average Fuel Economy (indicator)

CARE: Audit, Risks and Ethics Committee

CASA: Ceasing of activity by older employees

CCI: Chamber of Commerce and Industry

CCT: Cross-Company Team

CDC: Public infrastructure investment agency (Caisse des dépôts et consignations)

CDP: Carbon disclosure project

CECC: Country Ethics and Compliance Committee

CESP: Company Employee Savings Plan

CMF: Board of financial markets

CMS: Constant Maturity Swap

CNC: National audit office (Conseil national de la comptabilité)

CNG: Compressed Natural Gas

CVT: Continuously Variable Transmission

D

DRIRE: Regional directorate for industry, research and the environment (Direction régionale de l'industrie, de la recherche et de l'environnement)

E

EBA: Emergency Brake Assist

EBIT: Earnings before Interest and Tax

ECB: European Central Bank

EFNA: Automotive division net financial debt

EIB: European Investment Bank

EIG: Economic Interest Grouping

ELV: End-of-Life Vehicle

EMU: Economic and Monetary Union

EONIA: Euro Overnight Index Average (overnight interest rate)

EPE: Association of environmentally-concerned companies (Entreprises pour l'Environnement)

ESP: Electronic stability control. Trajectory control

EU: European Union

EV: Electric Vehicle

F

FED: US Federal Reserve

G

GEC: Group Executive Committee

GESP: Group Employee Savings Plan

GHG: Greenhouse Gases

GmbH: Limited liability company in German-speaking countries (Gesellschaft mit beschränkter Haftung)

GNP: Gross National Product

H

HMI: Human-Machine Interface

HR: Human Resources

I

IASB: International Accounting Standards Board

IBS: Identifiable Bearer Securities

ICE: Internal Combustion Engine

ICPE: in France, environmentally-sensitive facilities, which must undergo regular inspections *(installations classées pour la protection de l'environnement)*

ICV: International Corporate Volunteer

IFA: French minimum turnover tax *(imposition forfaitaire annuelle)*

IFRS: International Financial Reporting Standards

ILO: International Labor Organization

ISO 9000: International Organization for Standardization quality management standard

ISMP: Information Security Management Policy

ISSP: Information Systems Security Policy

J

JV: Joint-venture

L

LCA: Life-Cycle Assessment

LCV: Light Commercial Vehicle

LIBOR: London Interbank Offered Rate

LTL: Long-term leasing

M

MCV: Multi-Convivial Vehicle

MOU: Memorandum of Understanding

MPV: Multi-Purpose Vehicle

N

NER: New Economic Regulations Act of 2001, requiring listed companies to include environmental impact data in their annual reports *(loi sur les nouvelles régulations économiques)*

NGO: Non-Governmental Organization

NGV: Natural Gas Vehicle

NO_x: Nitrogen oxides

NV: New Vehicle

O

OaO: Overall Opinion

OBSAR: Warrant bond *(obligation à bons de souscription d'actions remboursables)*

OECD: Organization for Economic Co-operation and Development

ONERA: French aerospace research agency (Office national d'études et de recherches aérospatiales)

OOIE: Other operating income and expenses

OPA: Takeover bid

OPE: Public Exchange Offer

OSCE: Organization for Security and Co-operation in Europe

P

PC: Passenger Car

PDCA: Plan, Do, Check, Act

PEA: Equity investment plan *(plan d'épargne en actions)*

PEL: Homebuyers' savings plan *(plan d'épargne-logement)*

PERP: Retirement savings plan *(plan d'épargne retraite personnalisé)*

PIP: Practical Idea for Progress

PPM: Parts Per Million

R

RCS: French business register (Registre du commerce et des sociétés)

REACH: Registration, Evaluation and Authorization of Chemicals

R&D: Research and Development

RGC: Renault Group Committee

RIA: Recyclability Index for Automobiles

RMC: Regional Management Committee

ROCE: Return on Capital Employed

ROE: Return on Equity

S

SAM: Sustainable Asset Management, a sustainability rating agency

SOC: Security Operations Center

SRI: Socially Responsible Investing

SRP: Renault System for Restraint and Protection

SUV: Sport Utility Vehicle

T

TACE: Activity rate excluding holidays

tCO_2eq: Metric tons of CO_2 equivalent

TFI: International French-language proficiency test *(test de français international)*

TPAM: Third-Party Application Maintenance

U

UCITS: Undertakings for Collective Investment in Transferable Securities

UV: Used Vehicle

V

VAR: Value at risk

VPC: mail-order selling

W

WEF: World Economic Forum

WTO: World Trade Organization

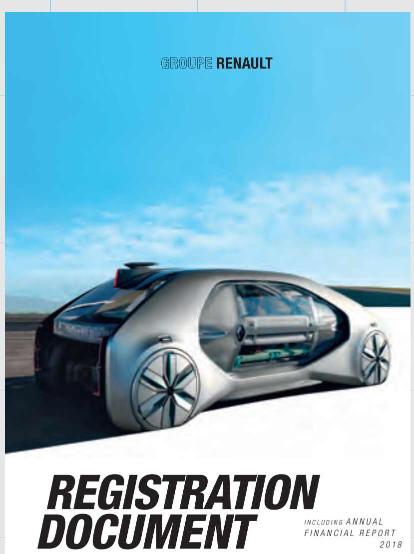
Z

Z.E.: Zero Emission

DISCOVER

The digital versions of the 2018 Annual Report and the 2018 Registration Document

on our website:
http://www.groupe.renault.com



Shareholders relations Department

E-mail : communication.actionnaires@renault.com

Shareholder hotline within France
(Toll-free number and service): 0 800 650 650

Shareholder international hotline:
+33 (0) 1 76 84 59 99

Fax: +33 (0) 1 76 89 13 30

Phone information for employee shareholders:
+33 (0) 1 76 84 33 38

Website: www.groupe.renault.com/rubrique Finance

Contact:

Thierry Huon
Renault Investor Relations Director
Telephone: +33 (0) 1 76 84 53 09
Fax: +33 (0) 1 76 89 13 30

Investor relations Department

E-mail: communication.investisseurs@renault.com

Shareholder hotline within France
(Toll-free number and service): 0 800 650 650

Shareholder international hotline:
+33 (0) 1 76 84 59 99

Fax: +33 (0) 1 76 89 13 30

Website: www.groupe.renault.com/rubrique Finance

Contact:

Thierry Huon
Renault Investor Relations Director
Telephone: +33 (0) 1 76 84 53 09
Fax : +33 (0) 1 76 89 13 30

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Find us on
www.groupe.renault.com
and on the following social networks:

@Groupe_Renault
@GroupeRenault
@GroupeRenault
@GroupeRenault
@GroupeRenault
@RenaultLive
@GroupeRenault

Renault 13-15, quai Le Gallo
92513 Boulogne-Billancourt Cedex France
Tél. : +33 (0)1 76 84 04 04
Groupe Renault Financial Relations Department