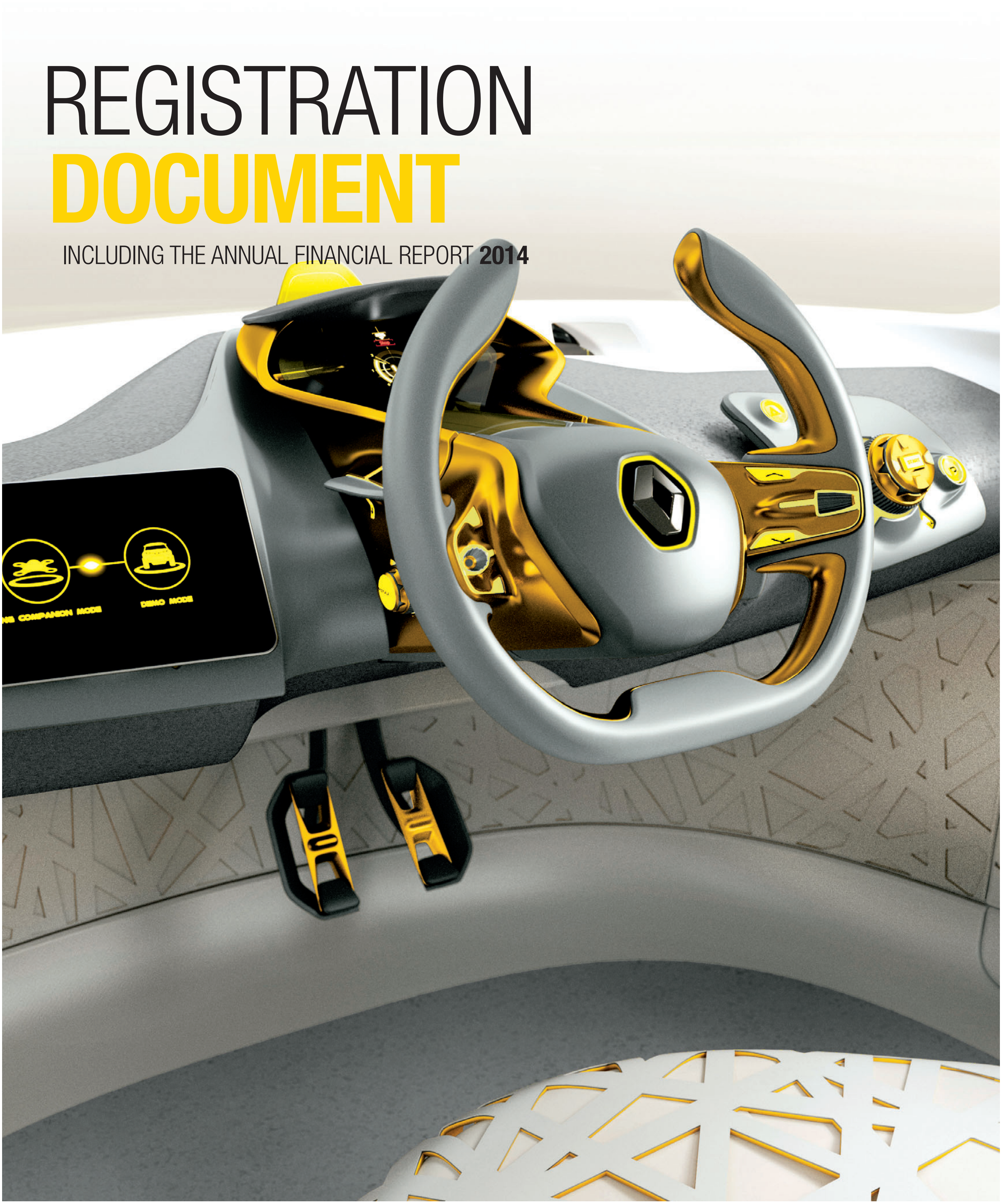
REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT **2014**



GROUPE RENAULT

Summary

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

LABEL TRANSPARENCE
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REGISTRATION DOCUMENT 2014

INCLUDING THE ANNUAL FINANCIAL REPORT
APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 11, 2015

This Registration Document is online on the website www.renault.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

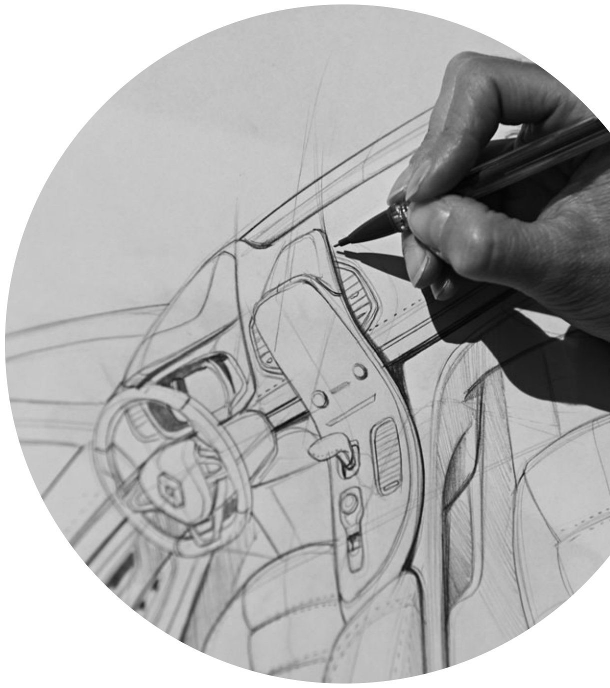
The French version has been filed with the AMF (French Financial Markets Authority) on March 18, 2015.

TOTAL STAFF
AS OF YEAR-END 2014
117,395

GROUP REVENUES
WORLDWIDE (€ MILLION)
41,055

COUNTRIES
REPRESENTED IN MORE THAN
120

1 THE RENAULT GROUP



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

1.1 OVERVIEW OF RENAULT AND THE GROUP

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ladies and Gentlemen,

Thanks to strict implementation of the Renault Drive the Change plan, and despite a very volatile climate, the Renault group delivered results in line with its 2014 forecasts.

At a constant exchange rate, our sales volumes and revenues outperformed those of 2013. The operating margin of both the Group and the Automotive division improved and we can report positive operational free cash flow.

Our European markets recovered beyond all expectations but the situation in our main emerging markets was particularly difficult.

Against this backdrop, Renault group registrations increased by 3.2%, while our global market share remained stable at 3.2%.

We owe our improved performance essentially to the good reception our products received, specifically the New Clio and Captur in Europe, and the New Sandero and New Logan outside Europe.

Sales to partners also picked up considerably, increasing by €1.25 billion, thanks to our industrial capacity optimization strategy.

With global costs down €844 million, we exceeded our cost reduction targets.

2014 is therefore a new step forward which puts us right on track to carry off our “Renault Drive the Change” strategic plan.

Finally, in terms of Social and Environmental Responsibility, the Group continues to take concrete, ambitious action, in line with the strictest international standards in this area.

Despite the economic uncertainty in many countries, global automotive demand should continue to grow in 2015 (+2%). The European market should also experience a slight 2% increase while we anticipate another year of significant volatility in our main emerging markets. In this context Renault aims to:

- further increase its registrations and revenues (at a constant exchange rate);
- continue to improve the operating margin of the Group as a whole and of the Automotive division;
- achieve positive Automotive operational free cash flow.

You will find below the details of all our activities in 2014.

Carlos Ghosn
Renault Group Chairman and Chief Executive Officer

1.1.1 STRATEGIC OBJECTIVES

1.1.1.1 DRIVE THE CHANGE

DRIVE THE CHANGE FIRST STAGE (2011-2013): THREE YEARS OF MAJOR TRANSFORMATION

In 2011, Renault set itself two priorities: revive sales growth, and generate positive free cash flow. Two objectives were set, in order to work on these priorities: reach a sales volume of 3 million vehicles in 2013, and €2 billion of cumulative free cash flow between 2011 and 2013.

To do this, Renault had to make considerable changes. In 2010, Renault was essentially a European car manufacturer; now Renault's sales outside Europe have grown from 37% to 50% in 2013. At the same time, in Europe, Renault has withstood the economic crisis, by offering new, attractive products.

The overhaul of the models was a major factor in Renault's improved performance in Europe, leading to its return to the number one place in segment B in 2013.

- Clio IV epitomizes Renault's design overhaul, while offering the latest innovations, either in terms of the environment or of new connected technologies.
- CAPTUR: its success shows the Group's ability to find new growth opportunities, including in traditional segments such as segment B. CAPTUR was already the number one cross-over seller in France in 2013, and number one in its segment in Europe.
- Lastly, ZOE was launched, spearheading the zero emissions range. Although sales are not at the expected level, at the end of 2013, ZOE was the best-selling EV in Europe, with a record customer satisfaction rate.

Furthermore, Renault has continued to extend its M0 range, which has six vehicles, and began its renewal with the New Logan and Sandero models. This platform resulted in the sale of over a million vehicles in 2013 in 111 countries, assembled at eight manufacturing sites.

- With Duster, the Group has developed a global product, able to meet the very different needs of European, Brazilian, Indian and Russian customers. The best-selling SUV in Russia, and the second best-selling SUV in India, Brazil and Argentina, Duster is now the Group's best-selling model.

Lastly, the light commercial vehicle range was complemented with the arrival of the New Master and Z.E. Kangoo, which are both the best sellers in Europe in their respective categories and both made in France.

The in-depth renewal of this range made Renault an increasingly global competitor as of 2013:

- five out of the Group's ten biggest markets are emerging countries, including Brazil in second place and Russia, in third;
- with the exception of Algeria, where Renault was already the maker of one in every four cars sold, Renault has increased its market share in all emerging countries where it was present;
- in India, major progress has been made; market share is 2.2%, two years after the brand's relaunch.

Renault prepared this product offensive based on the assumption of a European automotive market with 6% growth over the first period of the plan (2011-2013), following an 8% slump between 2008 and 2010. In reality, the market continued its fall, with a new 10% drop resulting in a new 20-year low. This gap of 16 points compared with forecasts, combined with the almost total disappearance of Renault's Iranian market, meant that it was unable to attain its target of sales of 3 million vehicles in 2013, despite the constant progress made in emerging markets.

Nevertheless, thanks to the efforts of the whole Company, Renault has maintained strict financial discipline, and has exceeded its target of generating €2 billion in cumulative free cash flow after three years of the plan.

DRIVE THE CHANGE SECOND STAGE (2014-2017): A NEW PHASE OF ACCELERATION

Today, boosted by this progress, Renault looks confidently towards the future. The strategy defined in Drive the Change in 2011 has had good results. It is now time for a new phase of acceleration.

- To enhance economies of scale and competitiveness, the Group is accelerating the rollout of CMF platforms within the Alliance, which will provide savings that would never have been possible alone, and keep investment and R&D spending at under 9% of TO. Two shared Alliance platforms, CMF C-D and CMF B will each have 3 million vehicles, placing them in the top five worldwide. For Renault, 80% of future vehicles will be produced on a platform shared with a partner. Further, the development of standard modules will make it possible to cover two-thirds of the value of future vehicles, compared with one-third today.
- In line with its international growth, in areas where vehicles are manufactured, Renault expects a local supply rate of 80%. This local sourcing is critical to ensure product competitiveness, particularly to reduce the exposure to changes in exchange rates.
- In Europe, thanks to its partners and the implementation of competitiveness plans, manufacturing capacity will be better used. In France, for example, Renault made a commitment in 2013 to a production volume of 710,000 vehicles by 2017, including 132,000 Micra cars for its partner Nissan.

For the second stage of the plan, the product remains the key to growth and profitability, with attractive, competitive products. The product offensive will be accelerated, both by renewing key models, and by extending the range and its geographical coverage.

- Strengthened by the success of its M0 range, a new vehicle will be added to the range in 2015 to extend the cover of emerging markets. The aim is to offer a modern car for less than €5,000, in India, then in South America. It will be based on a joint Alliance CMF-A platform and developed in Chennai, India.
- In the A-segment in Europe, the new Twingo was launched in 2014. Il is produced on the innovative platform developed with its partner Daimler.
- From 2015, the vehicles from ranges C and D will be entirely renewed using an Alliance CMF platform. In Europe, they will be produced at the Douai and Palencia plants. This approach makes it possible, for example,

for the new generation Mégane to be developed on a platform of 3 million units, compared with 700,000 on the current platform. A new D-segment vehicle will also be developed on this 3 million-unit platform, compared with 160,000 units for the Laguna currently. Replacements for the Espace, Mégane, Scénic and a new D-segment vehicle will thus be launched successively.

- A complete range of crossover vehicles will be offered, after the success of the Captur, by extending the segments C and D offers.
- Finally, the range of light commercial vehicles will be enhanced with two new pick-ups, to better cover this segment, which makes up the core of the market in many emerging countries. In Europe, the new Trafic was launched in 2014. It is produced in the Sandouville plant, and developed in partnership with GM.

A solid product plan must have an appropriate pricing policy. This point has been a particular focus over the last three years.

Further, strengthening the brand remains a priority:

- the product plan, innovations and quality improvement and customer satisfaction will contribute to this;
- the attractiveness and competitiveness of the cars will be improved by making useful, appealing innovations accessible to as many people as possible. In this regard, connected and driverless vehicles are a major area of development opportunities between now and 2020. These vehicles will be launched on the market in successive stages;
- Renault's commitments to environmental responsibility will be honored by continuing to work on developing EVs and reducing the CO_2 emissions of its internal combustion vehicles.

The Company is working to attain three objectives:

- secure Renault's position as the leading French automotive brand in the world;
- position Renault sustainably as the second-largest brand in Europe;
- build on Dacia's position as the leading brand in its category.

Establishing a presence in China is another major priority for Renault. In December 2013, the joint venture with Dong Feng was made official, and the initial 150,000 vehicle capacity plant built in Wuhan is now operational. The first models, C and D segment crossovers, will be launched from 2016.

At the start of 2014 a project to increase synergies between Renault and Nissan was announced. It led to joint management being set up in four spheres: purchasing, engineering, manufacturing and logistics, and human resources. For 2016, the Alliance set itself an objective of at least 4.3 billion of synergies. These synergies will contribute to the success of the Renault plan.

The purpose of Renault's strategy is to secure profitable and sustainable growth for Renault. Two objectives have therefore been set: a growth objective and a profitability objective.

- Growth will be measured by revenue. This will make it possible to better take into account all Group activities: the sale of vehicles, parts and accessories, associated services and sales to partners. This indicator also reflects a desire to increase unit revenues: by adding value to products and brands. Once the plan has been fully rolled out, Renault aims Group revenues of €50 billion at exchange rates forecast by bank consensus in early 2014, measured in 2017.
- Profitability will be measured by operating margin. Over the last three years, free cash flow concentrated the Company's efforts. This proved to be a wise choice in the context of the European economic crisis. Now the balance sheet has been improved, the second stage of the plan is focusing on operational profitability. Once the plan has taken full effect, Renault aims a Group operating margin of at least 5% of revenues. At the same time, and to maintain the greatest possible financial discipline within the Company, positive automotive operational free cash flow is imposed each year.

1.1.2 MANAGEMENT BODIES AT JANUARY 1, 2015

The Renault Board of Directors has chosen as its mode of governance, to combine the roles of Chairman of the Board of Directors and CEO.

A detailed explanation of the mode of governance is given in section 3.1.1.4.

The Chairman and CEO relies on the Group Executive Committee (GEC) to steer the Group's operational management. The GEC benefits from the support of the Renault Management Committee (RMC) and the Operations Review Committee, which have a larger number of members.

1.1.2.1 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.

The Group Executive Committee has 11 members:

- the Chairman and CEO;
- the Chief Performance Officer, and Sales and Marketing Director, whose main role is to ensure market share growth and sales profitability;
- the Chief Competitivity Officer, whose main role is to ensure the development of an attractive product range, make the product offering more competitive, optimize costs, boost quality and improve the profitability of programmes;
- the Executive Vice President, Office of the CEO, who supervises the following: the Legal Affairs Department, the Public Affairs Department, the Communications Department, the Public Relations Department, the Corporate Social Responsibility department, the Property & General Services department, the Prevention and Group Protection department, the Transversal Teams department, the Operational Costs Economic Efficiency Programme;
- the Executive Vice President, Engineering;
- the Executive Vice President for Human Resources Group and Alliance;
- the Executive Vice President for Group Product and Planning Programmes;
- the Executive Vice-President for Group Manufacturing and Logistics;
- the Executive Vice President for quality and customer satisfaction;
- the Group Chief Financial Officer;
- the Executive Vice President, Europe Region.

The Renault Executive Committee meets once a month and at seminars held twice a year.

1.1.2.2 RENAULT OPERATIONS REVIEW COMMITTEE

The Operations Review Committee is in charge of operational decisions and reviewing performance at the regional level:

- business KPIs;
- free cash flow management;
- profitability, programmes and planning;
- various reports: quality, electric vehicles, fixed costs, etc.

The Operations Review Committee has 16 permanent members:

- the 11 members of the Group Executive Committee;
- the Executive Vice Presidents of the Eurasia, Americas, Africa-Middle East-India and Asia-Pacific Regions (the Executive Vice President for Europe is on the Group Executive Committee and takes part in the Operations Review Committee in this capacity);
- the SVP, Group Control;
- the SVP, Purchasing.

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

1.1.2.3 RENAULT MANAGEMENT COMMITTEE

At RMC meetings, decisions and discussions of the Group Executive Committee are presented for implementation within the Group.

The Management Committee includes the 11 members of the Group Executive Committee and the representatives of the Group's main departments. It is chaired by Mr Carlos Ghosn.

The RMC meets once a month.

GROUP EXECUTIVE COMMITTEE

UNITED FOR PERFORMANCE

JOSÉ-VICENTE DE LOS MOZOS
EVP, Group Manufacturing & Logistics

GASPAR GASCON ABELLAN
EVP, Engineering

MOUNA SEPEHRI
EVP, Office of the Renault CEO

THIERRY BOLLORÉ
Chief Competitiveness Officer

CARLOS GHOSN
Chairman and CEO

2014 was a decisive year for ensuring the continued success of the first half of the «Renault Drive the Change» (2011-2013) strategic plan and resolutely beginning the initiatives in the second half of the plan (2014-2016). These initiatives relate to renewing the product range, international expansion and renewed ambitions in Europe, increasing competitiveness, growing synergies in the Alliance and managing investments. At the end of the plan*, the Group aims to deliver 50 billion in revenue and an operating margin of more than 5% of revenue, with positive free cash-flow every year.

*Measurement to be carried out in 2017.

“We have met all of the objectives announced for 2014. This is a new step forward which puts us right on track to carry off our «Renault Drive the Change» strategic plan.”

CARLOS GHOSN, Chairman and CEO

MARIE-FRANÇOISE DAMESIN
EVP, Group and Alliance
Human Resources

JÉRÔME STOLL
EVP, Chief Performance Officer
Sales and Marketing Director
President of Renault Sport F1

BRUNO ANCELIN
EVP, Group Product
Planning and Programs

DOMINIQUE THORMANN
Group CFO
Chairman of RCI Banque

CHRISTIAN VANDENHENDE
EVP, Quality and Total
Customer Satisfaction

STEFAN MUELLER
EVP, Europe Region

At April 1, 2015.

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1.1.3 KEY FIGURES AND GENERAL INFORMATION

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

(€ million)	2014	2013	2012 RESTATED(2)	2012 PUBLISHED
Revenues	41,055	40,932	40,720	41,270
Operating margin	1,609	1,242	782	729
Share in Nissan Motors net income	1,559	1,498	1,213	1,234
Renault net income	1,890	586	1,749	1,772
Earnings per share (€)	6.92	2.15	6.43	6.51
Capital	1,127	1,127	1,127	1,127
Shareholders' equity	24,898	23,214	24,564	24,547
Total assets	81,551	74,992	75,414	75,414
Dividends (€)	1.90(3)	1.72	1.72	1.72
Automotive cash flow(4)	3,138	2,914	2,573	2,577
Automotive net cash position	2,104	1,761	1,532	1,492
TOTAL WORKFORCE AT DECEMBER 31	**117,395**	**121,807**	**127,086**	**127,086**

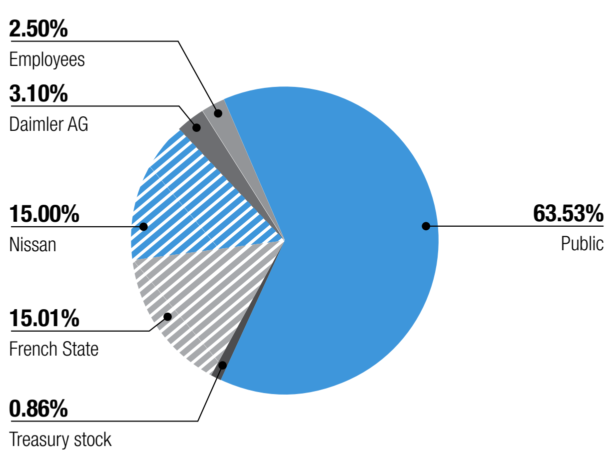
(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting practices. See chapter 4, note 3 in the notes to the consolidated financial statements.
(2) Restated to reflect the retroactive application of the IFRS 11 "partnerships" and revised IAS 19 "employee benefits" standards.
(3) Proposal to be submitted to the AGM on April 30, 2015.
(4) Excludes dividends received from associated companies.

OPERATING MARGIN (€ million)	2014	2013	CHANGE
AUTOMOTIVE	**858**	**495**	**+363**
As a % of Automotive revenues	2.2%	1.3%	+0.9pt
SALES FINANCING	**751**	**747**	**+4**
GROUP OPERATING MARGIN	**1,609**	**1,242**	**+367**
As a % of Group revenues	3.9%	3.0%	+0.9pt

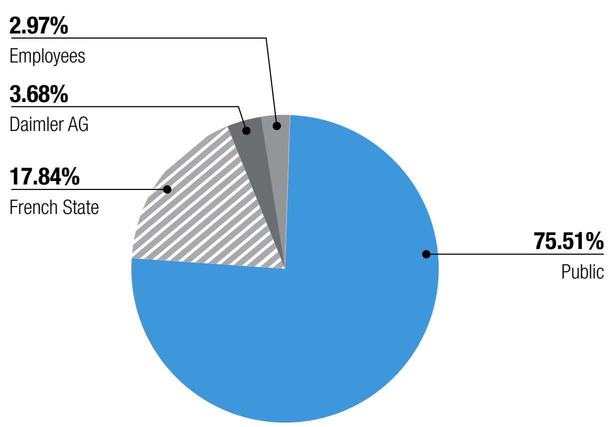
	2014	2013	CHANGE
GROUP REVENUES (€ million)	**41,055**	**40,932**	**+0.3%**
o/w: Automotive	38,874	38,775	+0.3%
Sales financing	2,181	2,157	+1.1%

RENAULT SHAREHOLDERS AT DECEMBER 31, 2014

BREAKDOWN OF CAPITAL AS A %



BREAKDOWN OF VOTING RIGHTS AS A %



1.1.3.1 ONE GROUP THREE BRANDS

An automaker since 1898, the Renault group today is a multi-brand international group, which in 2014 sold more than 2.7 million vehicles in 125 countries, an increase once again of 3.2%. It has over 117,000 employees and produces vehicles and mechanical products at 36 manufacturing sites. In order address the great technological challenges of the future and pursue its profitable growth strategy, the Renault group:

- is committed to sustainable mobility for everyone, through innovative solutions such as electric vehicles;
- relies on a proactive international growth strategy;
- is strengthening its partnerships: its Alliance with Nissan, its cooperation with AVTOVAZ in Russia, its partnership with Daimler, and its agreement with Dongfeng in China;
- takes advantage of the complementarity of its three brands: Renault, Dacia, and Renault Samsung Motors.

RENAULT, THE GROUP'S GLOBAL BRAND

2, 118, 844 Vehicles sold

Renault is present in 12 countries and has more than 12,000 points of sale. With more than 115 years of history, Renault has forged its identity through ingenious innovation in the service of people.

DACIA, THE GROUP'S REGIONAL BRAND

511, 465 Vehicles sold

Dacia is sold in 44 countries in Europe, Northwest Africa and Turkey. The brand has attracted 3 million customers since 2004, by offering a robust line of vehicles at a reasonable price.

RSM, THE GROUP'S LOCAL BRAND

82, 123 Vehicles sold

RSM is sold in South Korea. Its product line covers the middle-end and high-end market segments, as well as Sport Utility Vehicles.

1.1.3.2 RENAULT GROUP'S TOP 15 MARKETS.

RENAULT GROUP'S TOP 15 MARKETS

	REGISTRATIONS	2013 TIER	2014 VOLUMES* (in units)	2014 PCS+LCVS MARKET SHARE (as a %)	MARKET SHARE CHANGE COMPARED WITH 2013 (in points)
1	France	1	577,601	26.6	+1.3
2	Brazil	2	237,187	7.1	+0.5
3	Russia	3	194,531	7.9	+0.3
4	Germany	4	173,479	5.3	+0.2
5	Turkey	5	133,212	17.4	+0.4
6	Italy	8	130,996	8.9	+1.6
7	Spain	9	127,666	13.2	+1.0
8	United Kingdom	11	109,014	3.9	+0.9
9	Algeria	7	91,800	26.9	+0.7
10	Argentina	6	84,946	12.9	-2.5
11	South Korea	13	80,003	4.9	+0.9
12	Belgium + Luxemburg	10	77,303	13.0	+0.0
13	Colombia	16	50,362	16.6	+0.5
14	Morocco	14	45,174	37.0	-1.9
15	India	12	44,849	1.5	-0.6

* *End-December 2014.*

1.1.4 SIGNIFICANT EVENTS FOR THE GROUP IN 2014 AND BY REGION

Overall, sales of the Renault group's Passenger Cars (PC) and light commercial vehicles (LCV) grew by 3.2% to 2.7 million units, 2,712,432 vehicles, and the Renault group gained market shares in nine of its ten main markets.

- In Europe, the Group's market share is 10%: the Renault and Dacia brands respectively gained market shares of 0.2 and 0.4 points. Renault retained its leadership of the LCV market for the 17th consecutive year, with a market share of 14.2%.
- Internationally, the Group is holding its own with market share gains in six of its seven leading markets, including Brazil and Russia.

Renault's Automotive operating sector succeeded in improving its profitability and in keeping to a positive free cash flow.

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), a car manufacturing joint venture in China. At a ceremony held less than a month later, on January 9 last year, the first foundations of the plant were laid. Fifty or so people attended this event, including the Chairman and CEO of the DRAC, Jacques Daniel, Vice-President, Hu Xidong, local authority representatives from the Wuhan economic development zone (WEDZ) and senior executives from construction companies who had already started work on the site.

Brussels Motor Show – the new Mégane coupé-cabriolet was presented at the Brussels Motor Show and then, from March onwards, in over 15 other countries (France, Germany, Australia etc.). The **new Mégane range**, with Renault's new corporate identity, was rolled out across all countries in which Renault sells cars, from early 2014.

The Next Two – the Next Two prototype is Renault's vision of an autonomous vehicle by 2020, combining driverless operation with connectivity to allow motorists to free driving time, whilst improving safety.

Geneva Motor Show- the New Twingo – 20 years after the first Twingo was produced, Renault launched the third generation of its small city car. Totally redesigned, it draws its inspiration from the heritage left behind by the original Twingo and the R5.

Russia- The New Logan arrives on the Russian market. The family sedan, fully adapted to suit local conditions, is the first Renault model to be manufactured on the joint Renault-Nissan Alliance and AVTOVAZ B0 production line in Togliatti. This production line, which at full capacity will produce 350,000 units a year, will soon be host to the Renault-Nissan Alliance's largest platform-sharing programme. Just like the LADA Largus and the Nissan Almera, the New Logan, Sandero and Stepway are produced there, and will be followed by another Renault vehicle in the future. 500,000 Renault Logans were sold before the launch of the New Logan in May 2014.

Brazil – Renault announces **new** investments in Brazil, the Group's second largest market: 500 million real (€162 million) will be invested in new vehicle production at the Curitiba plant between 2014 and 2019; over the next ten years, another 240 million real (€78 million) will be devoted to the creation of a new logistics center for the dealership network in Brazil and other markets.

Alliance – Acceleration of synergies at Renault and Nissan with the creation of four **joint departments**.

With a view to generating at least €4.3 billion in annual synergies, the Renault-Nissan Alliance introduced ambitious convergence plans in four key areas: engineering, manufacturing and logistics, purchasing, human resources. These four new joint departments were officially created on April 1, 2014, with an immediate positive effect in terms of efficiency and competitiveness.

Malaysia- Development of manufacturing facilities – Renault and Tan Chong Motors signed a local assembly and distribution agreement in Malaysia. As a result of this agreement, the Fluence is now assembled and sold on the local market, this being the first stage of Renault's growth acceleration phase in Malaysia. This launch will be accompanied by the expansion of Renault's distribution network in the country, with a target of 25 dealerships by 2016. This agreement will enable Renault to increase its presence and raise its profile in Malaysia and, on a wider scale, in South-East Asia, a real source of growth for the Group.

The New Trafic and the New Master – in 2014, Renault refreshed its two van models: the new Trafic and the new Master (unveiled for the first time in the world at the Birmingham Motor Show in the UK in April). Added to the New Kangoo, on the market since the middle of 2013, Renault's utility range is now up to date.

The new Mégane R.S. 275 Trophy-R – 7'54"36: the New Mégane R.S. broke a lap record at the Nürburgring circuit. 275 Trophy-R. The sportiest of all the Mégane cars added a third lap record at the famous Nordschleife track to its list of achievements. This record-breaking exploit was achieved by a brand new limited edition with a radical philosophy: the Mégane R.S. 275 Trophy-R. Only 250 units of these limited edition cars will be sold in 15 or so countries.

Cross-manufacturing – Renault and Fiat signed an agreement under which Renault will supply Fiat with a light commercial vehicle based on the same platform as the New Trafic. The vehicle's unique and distinctive style will be developed by Fiat and it will be marketed under the Fiat Professional brand. The vehicle will be manufactured by the Renault plant in **Sandouville** from the second quarter of 2016, on the New Trafic production line, with an estimated total volume of 100,000 vehicles.

Nissan Cross-manufacturing – The **Le Mans** plant will manufacture the chassis for the future Nissan Micra. From late 2016, the Le Mans plant will manufacture the chassis components for the next generation of the Nissan Micra, boosting the site's activity by around 8% on the basis of an investment of €7 million. This production will make it possible to fully supply Renault's **Flins** (Yvelines) plant, which is to produce the future Nissan Micra from 2016, for a provisional volume of 132,000 vehicles per full year. (82,000 vehicles announced in 2013 and 50,000 additional Micra vehicles announced in 2014).

Car-sharing – Renault and Bolloré signed an agreement to promote the development of electric vehicles and overcome air quality and mobility issues in city centers.

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. Fought out by 200 kW (270hp) electric racing cars, this championship is already facilitating the research and development of "zero emissions" vehicles.

Renault is the official sponsor of the e.dams racing team, created by Alain Prost, a Renault brand ambassador, and Jean-Paul Driot.

Already being committed strongly to electric vehicles with its Z.E. range, Renault lent its expertise to the design of the Spark-Renault SRT_01E, used by the ten racing teams taking part in the competition.

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. Presentation at the Paris Motor Show and press trials.

The New Espace – world preview at the Paris Motor Show. Renault has reinvented the Espace. One of the brand's biggest-selling models, the new Renault Espace has been reincarnated under the streamlined shape of a large, elegant and robust crossover.

Initiale Paris – World premier at the Paris Motor Show. Renault presented its new exclusive brand ID. Renault redefines its "Initiale Paris" signature line: a signature line that embodies Renault's vision of in-car well-being. The badge will be affixed to top-end versions of the Clio and the New Espace.

Alpine – ELMS/Alpine A450B. The Signatech-Alpine team won its second consecutive title at the European Le Mans Series, an all-time first in this category in Europe. 40 years ago almost to the day, Alpine-Renault won the 1974 2-Liter European Championship. Alongside this highly successful sporting project, Alpine is continuing to prepare the "Berlinette of the twenty first century" which will be marketed in 2016.

The Duster Oroch (Latin American Pick-up). Presentation of the Duster Oroch show car in São Paulo. Renault unveiled the world premier of the Duster Oroch at the 28th São Paolo Motor Show (Brazil). Designed by the Renault Latin American design center (RDAL) in São Paulo, the Duster Oroch show car is a design study intended to explore the possibilities of a leisure pickup with enough space for five people but still boasting the robustness of a real SUV.

Inauguration of the Oran plant. This plant manufactures the New Renault Symbol, with a production capacity of 25,000 vehicles per year, likely to be increased to 75,000 vehicles per year in the future.

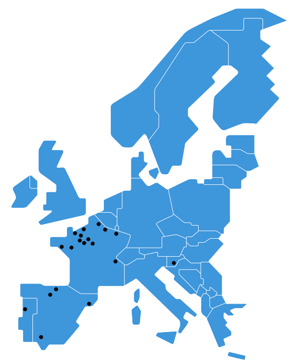
SALES FINANCING

Benefiting from an upturn in the European automotive sector and despite a slight downturn in the main emerging markets, RCI Banque group funded a record 1,245,246 finance contracts (+7.3%). In addition, being a key element of Renault's strategy, the number of service contracts continued to increase sharply, up 23.4% at 2,168,035 units, with a penetration rate on services of 73.0% (62.7% at end-2013).

Boosted by growth in sales of Alliance brands and by the internationalization of RCI Banque group, the penetration rate on financing stood at 35.2%, up 0.6 percentage points on 2013.

HIGHLIGHTS PER REGION

Europe



Sites in Europe:

Batilly, Caudan, Choisy-le-Roi, Cléon, Dieppe, Douai, Flins, Grand-Couronne, Le Mans, Maubeuge, Ruitz, Sandouville, St-André-de-l'Eure, Villeurbanne, Barcelona, Cacia, Novo Mesto, Palencia, Seville, Valladolid

Strong growth in volume and market share

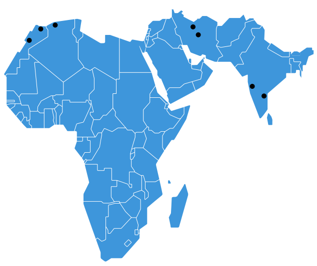
The Renault group is over 10% of the market share (+0.6 point).

- With 1,464,611 registrations, the Renault group achieved an increase in registrations of +12.5%, *i.e.* twice as much as that of the market, which is at +5.9%. The greatest volume increases for the Group were recorded in Portugal (+42.1%), in the UK (+41.9%), in Spain (+30.2%) and in Italy (+28.9%). Italy, in particular, recorded its best market share in the last 28 years in 2014, with 8.9%.
- The Renault brand is in third place in the PC+LCV market in Europe at 7.6%of market share (+0,2 point). Renault is in the lead in France, has again become the second brand in Spain and the first in Portugal. Clio and Captur have allowed Renault to move to first place in the city car market (segments A+B). In the LCV category, the Renault brand has kept its European lead position for the 17th consecutive year (with a 14.2% market share).
- For the second consecutive year, the Dacia brand achieved the highest market share increase in Europe: +0.4 point to 2.5%. In France, Dacia, the fifth largest brand on the market, increased its market penetration by +0.5 point to 4.9%, mainly due to the success of Duster and Sandero (third best-selling car). In Spain, Dacia has seen, thanks to Sandero, best-selling car, its market share increase by 0.7 point to 4.7%. Dacia has record volumes and market shares in almost all European countries such as Italy (2.7% market share) or in the United Kingdom, where after only two years on the market, Dacia has already conquered almost one market share point.
- Renault is the car manufacturer that has sold the most electric cars in Europe (53% more ZOEs sold in the G9 area[1] compared to 2013). Renault and Bolloré have signed an agreement to extend the use of 100% electric private vehicles, and thus contribute to improving air quality and more free-flowing mobility in cities and metropolitan areas.

(1) G9: Europe outside France.

Africa-Middle East-India

Renault is the first automaker to become industrially implanted in Algeria and thus to contribute to the national automotive sector.



Sites in Africa, Middle-East, India:

Casablanca, Chennai, Oran, Pune, Tanger, Teheran, Aci-Pars

Inauguration of car-manufacturing plant in Oran, Algeria in November

- With 308,012 registrations, the volumes of the Group in the Africa, Middle East, India Region, have shrunk by 9.2% in 2014 with a market share at 3.8% (-0.7 point). Some of the most important markets for the Group have decreased, such as the Maghreb (-13.2%) or India (-0.8%).
- The Group has confirmed its lead position in the Algerian market with a 26.9% market share, which increased by 0.7 point in a market that has shrunk by 19.8%. This performance places the brands Renault and Dacia in first and third place. The Renault plant in Oran, inaugurated in November 2014, strengthens the position of Renault as a major player in the Algerian car market. This plant produces the new Renault Symbol, with a production capacity of 25,000 vehicles per year, which may eventually be increased to 75,000 vehicles per year.
- In Morocco, in a stable market (+1,1%), the Renault group dominates the market with a 37% market share and has positioned once again its brands Dacia and Renault at the top of the sales charts with 45,174 vehicles sold.
- In India, Renault is still the top European brand with a market share of 1.5% and 44,849 registrations, in spite of a dip in its product cycle. Starting in 2015, two new products at the core of the Indian market will be manufactured in this country.
- In India, Kwid was unveiled as a world premier on February 5, 2014 at the New Delhi Motor Show: it is the first Renault concept-car unveiled outside Europe. Designed with input from the Design Renault center India for international markets, it embodies Renault's world strategy, as close to the market as possible.
- In Africa, Renault continues to grow. New showrooms have opened, especially in Nigeria, In Mozambique, Ghana, and the Renault range is spreading in these countries with Duster, Sandero and Koleos. The brand has experienced strong growth especially in Angola, with over 3,700 sales compared to 500 five years ago.

Eurasia

The Group Renault has a market share of 38.6% in Romania, 17.4% in Turkey and 7.9% in Russia.

Site in Eurasia:

Bursa, Moscow, Pitesti, Togliatti

Renault, is the second foreign brand in Russia and Turkey, Dacia is the market leader in Romania

- Renault progresses in the Eurasia Region by +0.7 point and attains 10.3%. The Group performed better than the market with a decrease in registrations of 5.4% in a market that dropped by -11.5% thanks to its performance in Russia and in Turkey.
- In Russia, its third market, Renault has been strengthened by the success of Duster (once again the leading SUV of the market in 2014) and the successful launch of the New Logan and the New Sandero. Renault is the second foreign brand and has taken a record market share of 7.9% (+0.3 point) in a difficult economic and monetary context. The Russian car market decreased by 11% in 2014.
- In Russia, the New Logan and the New Sandero are the first Renault models produced in the Togliatti plant. The Moscow Renault plant celebrated in January 2015 the million vehicles manufactured.
- The Renault-Nissan Alliance and AVTOVAZ implemented a new purchasing organization in Russia. The new structure named AVTOVAZ-Renault-Nissan Purchasing Organization (ARNPO) is in charge of purchasing in Russia for the three partners as of January 2015.
- Renault also continues to expand in CIS countries with volumes up by 42.5% with a highly significant market share growth to 5.9% (+1.7 points).
- In Turkey, even though the market fell by -10.0%, the Group had the best performance of the last 13 years with 17.4% of the market share (+0.4 point). Renault is the second brand in the country: Fluence is the top-selling model; Clio, Capture and Symbol are leaders in their segment.
- The Dacia brand broke a market share record (4.5%) in Turkey. Duster is the best-selling model in the 4x4 and SUV segments.
- In Romania, Dacia, the national car maker remains the leading market brand. Overall, the Renault group has a total market share of 38.6% in the country, with sales up by 21.3%.
- Launch of ZOE and Twizy in Romania and Turkey. AVTOVAZ Plant.

Asia-Pacific

In Korea, in a passenger car market with a growth of +9,0%, Renault Samsung Motors recorded another strong growth in volume (+33.3%) and market share (+1 point to 5.7%).

Sites in Asia-Pacific:

Busan

Americas

Brazil is still the second market of the Group. In spite a TAM at -7%, Renault registered 237,187 units (+0.3%). The brand has thus taken a record market share of 7.1% (+0.5 point).

Sites in the Americas:

Cordoba, Curitiba, Envigado, Los Andes

Success of Renault Samsung Motors in Korea

- At 133,172 units, the volumes of the Group in the Asia-Pacific Region have taken off by +23% in a market up by +4.6%. The Revival Plan of Renault Samsung Motors in Korea has resulted in growth.
- In Korea, the Renault Samsung Motors (RSM) brand has grown thanks to a renewed range and an expanding network. RSM is the service quality leader for sales and after-sales in 2014.
- Success was confirmed in Korea forQM3, Korean version of Captur, which has sold nearly 20,000 units since it was first marketed at the end of 2013, and which was elected best SUV in Korea.
- In China, the Group totals over 34,000 registrations. Renault continues to strengthen its market presence by launching new products (Koleos Sport Way, Fluence phase 3 and Mégane R.S.) and developing its network which included approximately 100 dealerships by end-2014.
- A year after the creation of Dongfeng Renault Automotive Company (DRAC), its joint venture with Dongfeng, Renault is in line to successfully achieve the 2016 launch of its first vehicles manufactured locally in the Wuhan plant. The initial production capacity of this plant is of 150,000 vehicles per year.
- Renault and Tan Chong Motors signed a local assembly and distribution agreement in Malaysia. As a result of this agreement, the Fluence is now assembled and sold on the local market, being the first stage of Renault's growth acceleration phase in Malaysia and on a wider scale, in South-East Asia, a real source of growth for the Group.
- Renault growth in Australia (10,014 units, +42.7%) and in Japan (4,659 units, +23.5%).

Market share record in Brazil

- With 416,934 registrations, the volumes of the Group in the Americas region decreased by 10.7% in a market that has shrunk by 7.5% largely due to the economic situation in Argentina. The group Renault retains a market share of 6.4% (-0.2 point) through its successes in Brazil and in Colombia.
- In Brazil, the second market of the Renault group announced new investments: 500 million reals (€162 million) will be dedicated to the production of new vehicles in the Curitiba plant over the 2014-2019 period; an additional 240 million reals (€78 million) over the next ten years will be dedicated to the creation of a new logistics center.
- Renault unveiled the world premier of the Duster Oroch at the São Paolo Motor Show. Designed by the Renault Latin American design center (RDAL) in São Paulo, the design study explores the universe of a leisure pickup.
- Renault is the second brand in the Colombian market and achieved record sales with 50,362 units (+13.5%) and a market share of 16.6% (+0.5 point).
- In Argentina, with a difficult local financial context, Renault chose to limit its exposure to the peso and therefore limit the quantity of imports.
- Registrations were affected and shrunk by 39.8% compared with 2013 for a market share of 12.9% (-2.5 points).

1.1.5 THE GROUP'S FIVE MAIN ACTIVITIES AND PERFORMANCES PER REGION

The Group's activities have been organized into two main business sectors, in more than 120 countries:

- automotive, design, manufacturing and distribution of products through the sales network (including the Renault Retail Group subsidiary):
  - new vehicles, with three ranges – passenger cars, light commercial vehicles and electric vehicles – marketed under three badges: Renault, Dacia and Renault Samsung Motors (except electric vehicles, which are exclusive to Renault). Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries,
  - used vehicles and spare parts,
  - Renault powertrains, sold B2B;
- miscellaneous services: sales financing, leasing, maintenance and service contracts.

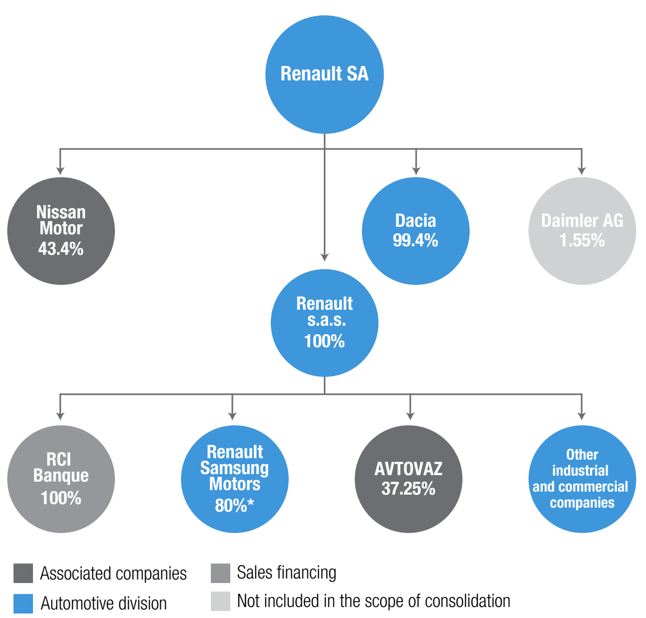
In addition to these two business lines, Renault has equity investments in the following two companies:

- Nissan;
- AVTOVAZ.

These holdings are accounted for in the Group's financial statements using the equity method.

STRUCTURE OF THE RENAULT GROUP

(en % des actions émises)



** Indirect interest by Renault s.a.s.*

1.1.5.1 AUTOMOTIVE: BRANDS AND BADGES

Renault designs, develops and sells passenger cars and light commercial vehicles under three brands, Renault, Dacia and Renault Samsung Motors.

THE RENAULT BRAND

For 116 years now, Renault – one of the rare car brands created in the 19th century – has been one of the manufacturers writing the history of the car. With a continuously renewed passion for mechanics, design and technological progress, over the years Renault has developed a unique personality, close to its customers, vibrant and daring, brilliantly captured in the expression "cars for living", which has stuck in people's minds.

In keeping with its wide reputation for innovation, Renault continues to renew its automotive product lines. In 2014, two new models in particular have embodied this spirit of creating a better life for the customer in each and every moment, through innovation:

- the New Twingo, which has been completely redesigned to provide an interior and maneuverability that constitute a radical change from the market;
- with the Trafic, the car really does turn into the customer's office.

Proud of its French roots, Renault is also accelerating its international expansion. Renault's vehicle range is designed to meet local needs as effectively as possible in all locations. Renault designs cars for every stage of life, to meet everyone's needs, suit everyone's budget and fulfill everyone's passions.

With an energy demonstrated by the enduring success of its involvement in motorsport, Renault wants everyone to live life to the full: a life full of passion and at the same time, a life where every moment is made simpler and easier.

PASSENGER CARS (PCs)

In the small car segment (A and B segments and passenger-carrying vans), Renault offers a wide range of complementary models: the Logan, Sandero, Twingo, Clio, Captur, Symbol, Scala and Kangoo.

The New Sandero and Logan are replacing their predecessors, opening the next chapter in the international success story of the two models by keeping the strengths that have made them so popular in Russia and Brazil. Their redesigned interior and exterior is now accompanied by modern, top-of-the-range equipment such as speed limiter, cruise control, climate control and navigation systems.

Affordable, roomy and robust, the New Renault Logan is enjoying huge success in South America (accounting for almost 15% of 2014 Renault PC sales in this Region) and Russia (almost 19% of 2014 Renault PC volumes in this country). Delivering unbeatable value for money, it is particularly attractive to families.

Sandero, with a modern design, spacious interior, reliability and value for money meets the needs of global customers, from young couples in Brazil to singles in Russia. In 2014, this model accounted for around 44% of Renault PC sales in Brazil and 20% in Russia.

In 2014, the Renault brand took the lead in the small car segments (A+B) in Europe.

In the A segment (small city cars), the Twingo II ended its days well in a fast-moving and highly competitive market. In September 2014, Renault continued to refresh its range by launching the New Twingo. With its rear-engine design, the New Twingo is a good illustration of the brand's ingenious and innovative positioning. What sets it apart are its exceptional agility, its connectivity and its in-car experience. In 2014, the Twingo continued to be the benchmark for its segment in France (30.2% share of segment A) and to maintain its positions in Europe (7% share of segment A).

On the B segment, two years after its launch, the Clio IV has been highly successful and looks set to keep its place as the second biggest seller in Europe (7.6% share of segment B in 2014).

Building on the fundamentals inherited from the previous generations, Clio IV makes a fresh start with its sensual design and wide range of customized features, the R-Link tactile multimedia system with connected navigation, a rich array of equipment, and engines combining dynamic performance with best-in-class fuel efficiency.

The station wagon version, with its attractive shooting-brake styling, held its place at the top of the B station wagon sub-segment in Europe (47% segment in 2014). The RS version completes the range. Fitted with a 200hp turbocharged gasoline engine mated to an EDC dual-clutch automatic transmission, it offers unprecedented versatility in the sports car segment.

At the same time, the older generations of Clio live on, since Clio III Collection and Clio II are still present as Clio entry-level models in Europe and North Africa respectively, while Clio II, restyled to reflect Renault's new design identity, is marketed in Brazil and Argentina.

Renault continued its B segment expansion with the Captur, the first urban crossover in the range, on the market since April 2013. A distinctive vehicle, the Captur offers the best of three vehicle styles: the expressive styling and driving position of an SUV, the interior space and modular design of a minivan, and the handling and drivability of a compact hatch. Sold in 45 countries, the Captur is an international car which has made a lasting impression on the B Crossover segment in Europe (32% segment share in 2014).

In India, the Renault Scala is positioned in a premium segment aimed at young, upwardly mobile, urban customers. It offers top-of-the-range comfort in terms of performance and size that is well-suited to young families.

In its first full year, the New Kangoo has been a strong success. It not only significantly improved its sales performance in Europe, but also around the world. The Kangoo passenger car is sold in 35 countries. It is manufactured in Maubeuge (France) and is one of the leaders in its segment in terms of CO_2 emissions and low fuel consumption.

The Duster is also a real success on the international markets, with its attractive design, space, reliability and equipment tailored to the needs of different markets. In 2014, the Duster accounted for around 90% of Renault PC sales in India and 40% in Russia.

In the highly competitive C-hatch segment that is driven by innovation, the Mégane held up extremely well in 2014 due to the adoption of a new brand identity, a wider range of engines and the latest technology, such as the Renault R-Link multimedia system. In Europe, the Mégane is in the process of consolidating its position in the C-hatch segment with a share of 3.24% (up 0.31 points).

In the C-MPV segment, the Scénic range, which was refreshed in 2013 with a new brand identity and updated technology, such as the Renault R-Link multimedia system, also enabled Renault to withstand a new wave of competition.

The Fluence, which has also featured Renault's new design identity since January 2013, combined with a dynamic, modern styling and a range of powertrains designed to fulfill its customers expectations, consolidated its position on the C segment in Turkey with a segment share which rose by 2.27 points to 9.82%.

Renault's passion for motorsport is alive and well. The Mégane Renault Sport 275 Trophy-R set a new lap record at the famous Nordschleife (Nürburgring race track in Germany) of 7 minutes 54.36 seconds.

2014 marked the start of a cycle of renewal of Renault's top-of-the-range vehicles, with the presentation of the fifth generation Renault Espace at the Paris Motor Show (Paris, October 2, 2014). One of the brand's ironic vehicles and creator of the MPV segment, the four previous generations have sold 1.25 million units in 30 years (1984-2014).

The New Espace has taken on board the changing needs of its customer-base with four areas of innovation.

- Aesthetics (1): the vehicle's silhouette is now a crossover with clear references to the world of the SUV but with streamlined, aerodynamic and elegant styling.
- Technology (2) and Safety (3): the vehicle incorporates all of the driver assist systems available on the market, building them into an innovative interior with Renault's signature capacitive screen at its center. The vehicle will also have 4Control chassis, 4-wheel steering technology which offers improved agility and extremely dynamic road holding.
- Lastly, quality (4): The choice of interior materials, powertrain reliability, new industrial processes meet customers' highest expectations.

The Koleos, launched in 2008 and sold in 60 countries, confirmed its role as the premium-vehicle spearhead of the Renault brand on international markets, with over 300,000 units sold. A new phase was launched in September 2013 with a new front-end design, new technology and new engines.

In 2014, on this particularly competitive SUV segment, the Koleos won over 48,000 customers (up on 2013), 85% of whom were outside of Europe. In Eurasia, Latin America and China, it is Renault's main model in the higher market segments.

The Latitude, a large prestige sedan, is a pure product of the Alliance, combining technical components from both Renault and Nissan to offer both drivability and a subtle road feel. Marketed around the world, the Latitude reflects Renault's efforts to move upmarket internationally and enhance its image by targeting new customer groups.

Since its launch in 2007, the Laguna III has sold nearly 350,000 units. The Laguna is fitted with the latest automotive technologies developed for driving comfort and pleasure: the 4Control chassis with 4-wheel steering, the R-Link navigation system and a Bose® Sound System.

LIGHT COMMERCIAL VEHICLES (LCVS)

The Renault group is continuing to develop light commercial vehicles, not only under the Renault brand but also through manufacturing partnerships with General Motors, Nissan, Renault Trucks and, since late 2012, with Daimler on the Citan small van.

Renault has maintained its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 14.2%. Outside Europe, the Group's LCV market share of 0.9% was stable in a market (excluding the US) which fell by 4%.

Renault strives to satisfy its business customers by expanding the Pro+ specialized LCV network, as well as through agreements with independent coachbuilders to offer a wide array of transformed vehicles.

Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2m^3 to 22m^3, in gasoline, diesel and electric versions (Kangoo Z.E.).

In the small van segment (under two metric tons), the New Kangoo is the market leader with a "made-to-measure" range to suit even the most demanding professionals. On certain markets it offers the option of three front seats, has a new ESP system with hill-start assist and Extended Grip as well as the R-Link navigation system. The model still comes in three lengths and has three electric versions (the Kangoo Z.E., the 2-seater Kangoo Maxi Z.E. and the 5-seater Kangoo Maxi Z.E.).

First-generation Kangoo is still built in Cordoba (Argentina) for South America.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive, with the support of a range of refreshed vehicles: the New Trafic and the New Master range.

After a 34-year success-story and 1.6 million vehicles manufactured, Renault is launching the third generation Trafic. The undisputed market leader in France, the Trafic II ended its sales career brilliantly by coming third, at end-August 2014, in the compact van segment (2.0 to 2.9 metric tons) in Europe. With a robust and dynamic design that picks up Renault's brand identity, the New Trafic is bigger and more comfortable, with an increased working volume and length. The New Trafic is fitted with a 1.6 dCi engine and comes in single turbo (90 and 115hp) or Twin Turbo (120 and 140hp) versions. Combining fuel efficiency and performance, the New Trafic contents itself with consumption of 5.7 l/100km for its dCi 120 engine (fuel consumption reduced by an average of 1 l/100km compared with the Trafic II). Developed in partnership with General Motors, the New Trafic has seen its manufacturing return from the Nissan plant in Barcelona to the Renault site at Sandouville, in France.

In 2014, the Renault Trafic took a 14.9% share of the small van segment in Europe, up 2% on 2013.

In the large van segment, the biggest change featured in the New Master is under the hood. It is now equipped with a 2.3 dCi engine which ranges from 110hp to 165hp, with consumption savings of up to 1.5 l/100km.

"Made-to-measure" is still the focus of the new range. 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.

Master is manufactured at the Batilly plant (France). It is sold in 30 different countries. In Europe, performance was unchanged with a Large Van LCV segment share of 13% in 2014 (including Renault Trucks sales). On the international market, the Master is making good progress (Brazil, Algeria, Australia, Russia, Colombia, etc.) and has even taken, or retained, the top spot in its segment in some markets: Algeria (49.1% segment share), Brazil (35.6%) and Morocco (31.1%).

ELECTRIC VEHICLES (EVS)

In early November 2014, the Alliance crossed the 200,000 electric vehicle mark and became the market leader by selling more than one electric vehicle for every two sold worldwide. Renault has sold 56,400 electric vehicles worldwide since its first model, the Kangoo Z.E., was put on the market in October 2011 [20,300 ZOE, 16,800 Kangoo Z.E., 4,700 Fluence Z.E. and 14,600 Twizy].

EV markets continued to grow strongly everywhere despite slower-than-planned infrastructure development. The global market reached over 160,000 units in 2014. Electric vehicles are growing 10-20 times faster than hybrid cars in their day. The arrival of major rivals like VW and BMW vindicates our strategy and boosts awareness of electric vehicles.

The two largest markets in the world are Europe and the US (with nearly 40% of the global market each). In Europe, Norway is the leading market due to its very strong incentive-based policy. In 2014, more than one vehicle in ten sold in Norway was electric. Although Renault's main markets are France, Germany and the UK, the recent launch of the Z.E. range in Norway looks promising. The growth of electric markets is also linked to infrastructure. The UK is the most developed market in terms of electric vehicle infrastructure. The rapid charging station network already covers 87% of British motorways.

In 2014, Renault continued to roll out its Z.E. range around the world with, for example, a fleet of Fluence Z.E. taxis in Chile, the launch of the Twizy in Macau, Dubai and even in Colombia, and the launch of the ZOE in Turkey and Morocco.

This year, the ZOE range of technology was expanded with the sale of the flexi-charger which can be plugged into a domestic socket and the introduction of a competitive leasing offer to make electric vehicles more inclusive. Second in Europe in 2014 with more than 11,000 sales, ZOE was the most popular electric vehicle over the last 4 months of the year with a 23% market share. ZOE customers rate their cars highly and put the ZOE range at the top of the Renault customer satisfaction tables.

Two years after its launch, Twizy sales are steady at around 2,300 sales a year. This is an important advertising medium for the brand and the Twizy is right at the heart of all electric vehicle promotional initiatives. It is now a brand ambassador in 27 countries. The Cargo version, which offers a 100% electric, and a 100% fun, solution to transporting goods, was added to the range in 2014.

Kangoo Z.E. is still the biggest selling electric commercial vehicle in Europe. In 2014, Renault delivered its 5,000th Kangoo Z.E. to La Poste, the French national postal service, which has the largest fleet of company vehicles in the country. In years to come, another 5,000 units are due to be delivered.

The record level of satisfaction among our ZOE and Kangoo Z.E. customers is another positive sign, and we will be able to rely more and more on our customers to boost awareness and the image of our Z.E. range.

THE DACIA BRAND

With over three million vehicles sold in Europe and the Mediterranean basin since 2004, the Dacia brand is achieving considerable commercial success.

Dacia is having a very good 2014 with sales up 19.1% on 2013, or 511,465 vehicles at end-2014, principally based on the Duster, Sandero and Logan models.

In Europe, the Dacia brand is growing faster than all the other brands. With its refreshed range of vehicles, Dacia achieved a volume of 361,544 registrations at end-2014, up 24.5% on 2013.

In France, Dacia is now the 5th biggest seller in the passenger car market, with volumes up 14.1% on 2013.

In challenging markets in the Mediterranean basin, Dacia is increasing its market share across all countries, with sound performances in Romania and Morocco, where the brand achieved hikes in sales of 19% and 11% respectively on 2013, and remains the undisputed automotive market leader in both these countries.

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

In many countries, customers come together to discuss and share on common values such as 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 has already won over two million Facebook fans in under four years.

Dacia Duster is a real success with its attractive design, space, reliability and off-road capabilities, all at an affordable price. The model has sold over 630,000 units in five years on the market.

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 new Stepway version, the Lodgy boasts a muscular look and a strong personality inspired by the world of crossover vehicles.

In 2014, sales of the Dokker, the practical and versatile 5-seater crew van, and the Dokker Van, its LCV version, continued to grow on European and international markets. Some 125,000 units have already been manufactured. The Stepway version was launched at the end of the year and should speed up the commercial expansion of the model even further. The Dokker Van is gradually gaining ground on the refrigerated and dumper-type vehicle market.

THE RENAULT SAMSUNG MOTORS BRAND

Renault Samsung Motors (RSM) sells five passenger cars (QM3, SM3, SM5, SM7 and QM5) exclusively in South Korea, covering the local B, C, D, E and SUV segments. 2014 was a year of growth where RSM’s passenger vehicle market share rose sharply from 4.64% to 5.68%, buoyed not only by the success of the QM3 but also by the spectacular hike in results for the majority of models. RSM sold 80,000 vehicles in 2014.

The QM3, launched in December 2013, is a B segment urban crossover, derived from the Renault Captur. The new model extends RSM’s range into the B segment. In 2014, the QM3 proved to be a success with over 18,000 sales.

The second generation SM3 was launched in July 2009. In November 2013, the SM3 range was enhanced by the addition of a Z.E. version and, in March 2014, the SM3 underwent a makeover in order to adopt the brand’s new identity. Since its launch, the New SM3 has met with great success with nearly 21,000 sales in 2014 in South Korea, up by around 10%.

The SM5, an executive sedan, has enjoyed continuous success since its launch in 2001. The third generation SM5, launched in January 2010, was an immediate success. A new phase was launched in November 2012, called the SM5 Platinum. In 2014, the range was enhanced by the addition of a diesel 1.5 dCi engine with an EDC dual clutch automatic transmission. 27,500 SM5s were sold in 2014.

The SM7, the second generation of this top-of-the-range vehicle launched in August 2011, is fitted with V6 engines, and incorporates the latest Renault-Nissan Alliance cutting edge technology. In September 2014, the New SM7 Nova underwent a makeover in order to adopt the new brand identity. With 4,700 units sold in 2014 in South Korea, sales were over 30% up on 2013.

The QM5, launched in December 2007, was the first real crossover vehicle on the South Korean market. In February 2014, the QM5 underwent a makeover in order to adopt the new brand identity. Sales were up by 67% at around 9,100 units in 2014.

SM3, SM5, SM7 and QM5 are manufactured at the Busan plant in South Korea.

1.1.5.2 PERFORMANCES PER REGION

ALL BRANDS WORLD MARKET PER REGION – 2014

In volume and as a % of the P.V. T.A.M.+LCVs

	IN VOLUME	AS A PERCENTAGE OF WORLDWIDE P.C. TAM L.C.V.
TOTAL EUROPE	**14,564,768**	**17.1%**
France	2,167,958	2.5%
G9	12,396,810	14.5%
INTERNATIONAL TOTAL	**70,830,239**	**82.9%**
Africa-Middle East-India	8,189,769	9.6%
Eurasia	3,767,124	4.4%
Asia-Pacific	34,030,603	39.9%
Americas	6,478,356	7.6%
North America	18,364,387	21,5%
TOTAL WORLDWIDE	**85,395,007**	**100,0%**

RENAULT GROUP SALES WORLDWIDE PER REGION

In volume of P.C.+LCVs, including Dacia and Renault Samsung Motors

	2014	2013
TOTAL EUROPE	**1,464,611**	**1,301,896**
France	577,601	547,694
G9	887,010	754,202
INTERNATIONAL TOTAL	**1,247,821**	**1,326,287**
Africa-Middle East-India	308,012	339,289
Eurasia	389,703	411,870
Asia-Pacific	133,172	108,237
The Americas	416,934	466,891
GROUP TOTAL	**2,712,432**	**2,628,183**

Source: AAA statistics or national organizations

SALES IN EUROPE REGION

RENAULT BRAND REGISTRATIONS

In volume of P.C.+LCVs

RENAULT MARKETS	2014	2013
Germany	122,775	115,320
Other Balkans	2,637	2,048
Austria	18,938	19,621
Belgium+Luxembourg	59,006	59,280
Greek Cyprus	358	369
Croatia	2,780	2,766
Denmark	14,102	13,695
Spain+Canary Islands	81,680	65,741
Finland	2,176	1,505
France	471,708	453,891
Greece	2,529	1,248
Hungary	3,856	3,624
Ireland	6,506	4,491
Iceland	572	324
Italy	91,032	73,477
Malta	425	185
Norway	2,133	1,351
Baltic States	3,466	3,222
Netherlands	35,868	42,533
Poland	23,029	20,037
Portugal	21,717	16,033
Czech Republic	7,673	7,206
United Kingdom	85,152	59,693
Slovakia	3,398	3,240
Slovenia	9,232	9,555
Sweden	14,496	13,196
Switzerland	15,203	17,468
RENAULT TOTAL	**1,102,447**	**1,011,119**

RENAULT BRAND EUROPE MS

Renault market share and ranking

As a % of PCs + LCVs TAM

	2014		2013	
RENAULT MARKETS	MARKET SHARE	RANKING	MARKET SHARE	RANKING
Germany	3.8 %	8	3.6 %	8
Austria	5.7 %	6	5.6 %	6
Belgium+Luxembourg	9.9 %	2	10.0 %	2
Croatia	7.1 %	6	8.4 %	4
Denmark	6.5 %	5	6.6 %	6
Spain+Canary Islands	8.4 %	2	8.1 %	3
Finland	1.9 %	15	1.3 %	19
France	21.8 %	1	21.0 %	1
Greece	3.3 %	12	2.0 %	17
Hungary	4.6 %	9	5.4 %	7
Ireland	5.8 %	7	5.3 %	8
Iceland	5.5 %	9	4.1 %	11
Italy	6.2 %	4	5.2 %	5
Norway	1.2 %	21	0.8 %	22
Baltic States	6.2 %	4	6.5 %	4
Netherlands	8.2 %	3	9.1 %	2
Poland	6.2 %	6	6.0 %	5
Portugal	12.8 %	1	12.9 %	1
Czech Republic	3.7 %	7	4.1 %	6
United Kingdom	3.0 %	11	2.3 %	16
Slovakia	4.4 %	8	4.6 %	8
Slovenia	15.3 %	2	16.6 %	1
Sweden	4.2 %	9	4.3 %	8
Switzerland	4.6 %	8	5.2 %	7
RENAULT TOTAL	**7.6 %**	**3**	**7.4 %**	**3**

SALES IN EUROPE REGION

DACIA BRAND REGISTRATIONS

In volume of P.C.+LCVs

DACIA MARKETS	2014	2013
Germany	50,704	47,192
Austria	8,486	8,103
Other Balkans	2,313	1,846
Belgium+Luxembourg	18,210	17,982
Greek Cyprus	74	73
Croatia	1,273	931
Denmark	3,007	702
Spain+Canary Islands	45,986	32,288
Finland	1,505	859
France	105,893	93,803
Greece	484	272
Hungary	4,549	3,256
Iceland	164	131
Ireland	2,715	1,288
Italy	39,964	28,135
Malta	131	56
Norway	155	192
Baltic States	1,721	1,339
Netherlands	5,186	3,290
Poland	14,689	12,201
Portugal	3,893	1,984
Czech Republic	9,779	5,874
United Kingdom	23,862	17,146
Slovakia	3,171	2,325
Slovenia	3,173	1,372
Sweden	5,334	2,498
Switzerland	5,095	5,336
DACIA TOTAL	**361,516**	**290,471**

DACIA MARKET SHARES

As a percentage of P.C. TAM+LCVs

DACIA MARKETS	2014	2013
Germany	1.6%	1.5%
Austria	2.5%	2.3%
Other Balkans	6.2%	5.1%
Belgium+Luxembourg	3.1%	3.0%
Greek Cyprus	0.8%	0.9%
Croatia	3.2%	2.8%
Denmark	1.4%	0.3%
Spain+Canary Islands	4.7%	4.0%
Finland	1.3%	0.8%
France	4.9%	4.3%
Greece	0.6%	0.4%
Hungary	5.4%	4.8%
Ireland	2.4%	1.5%
Iceland	1.6%	1.7%
Italy	2.7%	2.0%
Malta	1.9%	0.9%
Norway	0.1%	0.1%
Baltic States	3.1%	2.7%
Netherlands	1.2%	0.7%
Poland	3.9%	3.7%
Portugal	2.3%	1.6%
Czech Republic	4.8%	3.3%
United Kingdom	0.9%	0.7%
Slovakia	4.1%	3.3%
Slovenia	5.3%	2.4%
Sweden	1.5%	0.8%
Switzerland	1.5%	1.6%
DACIA TOTAL	**2.5%**	**2.1%**

SALES AFRICA MIDDLE EAST-INDIA REGION

RENAULT BRAND SALES[1] AND MARKET SHARES

In volume and as a % of the P.V. T.A.M.+LCVs

	2014		2013	
RENAULT MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Algeria	52,059	15.3%	74,088	17.4%
India	44,849	1.5%	54.368	2.2%
Iran	33,000	2.9%	36,000	5.1%
South Africa+Namibia	18,788	3.0%	12,406	2.0%
Saudi Arabia	13,405	1.6%	8,200	1.1%
Egypt	11,507	4.1%	8,221	3.9%
Morocco	11,440	9.4%	16,642	13.8%
Overseas Departments	10,147	17.1%	9,968	17.5%
Israel	10,105	4.2%	10,264	4.8%
RENAULT TOTAL	**226,832**	**2.8%**	**265,135**	**3.5%**

(1) In volume of Sales+Export Companies.

DACIA BRAND SALES[(1)] AND MARKET SHARES

In volume and as a % of the P.V. T.A.M.+LCVs

	2014		2013	
DACIA MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Algeria	39,741	11.7%	37,290	8.8%
Morocco	33,734	27.6%	30,388	25.2%
Overseas Departments	4,429	7.5%	3,673	6.4%
DACIA TOTAL	**80,580**	**1.0%**	**73,367**	**1.0%**

RENAULT SAMSUNG MOTORS BRAND SALES[(1)] AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
DACIA MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Libya	600	0.0%	787	0.0%
RSM TOTAL	**600**	**0.0%**	**787**	**0.0%**

SALES EURASIA REGION

RENAULT BRAND SALES(1) AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
RENAULT MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Russia	194,531	7.9%	210,099	7.6%
Turkey	98,743	12.9%	108,311	12.7%
Kazakhstan	8,174	5.0%	4.920	3.0%
Romania	6,741	7.2%	5,096	6.5%
Ukraine	5,798	5.8%	12,417	5.7%
RENAULT TOTAL	**32,330**	**8.5%**	**347,032**	**8.2%**

DACIA BRAND SALES AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
DACIA MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Turkey	34,469	4.5%	36,395	4.3%
Romania	26,625	31.4%	24,890	31.6%
DACIA TOTAL	**68,271**	**1.8%**	**64,716**	**1.5%**

RENAULT SAMSUNG MOTORS BRAND SALES[(1)] AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
RSM MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Kazakhstan	102	0.0%	122	0.0%
RSM TOTAL	**102**	**0.0%**	**122**	**0.0%**

SALES ASIA-PACIFIC REGION

RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
RENAULT MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
China	34,067	0.2%	34,157	0.2%
Australia	10,014	0.9%	7,016	0.6%
Japan	4,659	0.1%	3,772	0.1%
Singapore	1,191	3.4%	645	2.3%
RENAULT TOTAL	**51,914**	**0.2%**	**47,092**	**0.1%**

DACIA BRAND SALES[(1)] AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
DACIA MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
New Caledonia	679	7.0%	668	7.0%
Tahiti	391	10.9%	347	9.7%
DACIA TOTAL	**1,070**	**0.00%**	**1,015**	**0.00%**

RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES

In volume and as a % of the P.V. T.A.M.+LCVs

	2014		2013	
RSM MAIN MARKET	SALES	MARKET SHARE	SALES	MARKET SHARE
South Korea	80,003	4.9%	60,027	4.0%
RSM TOTAL	**80,188**	**0.2%**	**60,130**	**0.2%**

SALES AMERICAS REGION

RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the P.C. T.A.M.+LCVs

	2014		2013	
RENAULT MAIN MARKETS	SALES	MARKET SHARE	SALES	MARKET SHARE
Brazil	237,187	7.1%	236,360	6.6%
Argentina	84,946	12.9%	141,217	15.4%
Colombia	50,362	16.6%	44,358	16.1%
Mexico	24,889	2.2%	21,187	2.0%
Importers	18,317	2.0%	17,043	1.8%
RENAULT TOTAL	**415,701**	**6.4%.**	**460,833**	**6.6%**

RENAULT SAMSUNG MOTORS BRAND SALES[(1)] AND MARKET SHARES

In volume and as a % of the P.V. T.A.M.+LCVs

	2014		2013	
RSM MAIN MARKET	SALES	MARKET SHARE	SALES	MARKET SHARE
Chile	1,233	0.4%	6,058	1.6%
RSM TOTAL	**1,233**	**0.0%**	**6,058**	**+0.1%**

1.1.5.3 RENAULT POWERTRAIN RANGE

The powertrain business is one of the main sectors implementing industrial synergies in R&D with Renault's partners (with Nissan as part of the Alliance or outside the Alliance). A dedicated department oversees this B2B business, both for exchanges of powertrain sub-systems with partners, and for related engineering. 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.

BUSINESS TO BUSINESS POWERTRAIN ACTIVITY

In addition to the Alliance with Nissan, which enables us to share a joint range, manufacturing system and supplier network, this Business to Business activity strives to: promote and offer Renault powertrains in cooperation with other manufacturers (e.g. Daimler, AVTOVAZ, General Motors-Opel) or in 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.

ADVANTAGES OF RENAULT POWERTRAIN

A modern, CO_2-efficient range: With its internal-combustion and electric range, Renault has demonstrated its commitment to taking the lead in reducing the environmental impact of vehicles. The qualities of the Energy Powertrain range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for both diesel and gasoline engines, as well as for transmissions (more than 30% of Renault's output is delivered to partners).

European leader in CO_2 emissions in 2013, the Renault group is the first automotive group to achieve emissions of less than 115g of CO_2 /km for sales of passenger cars. The Group has the recent rejuvenation of its range to thank for this performance; 5 models deliver less than 100 grams of CO_2 / km, thanks to the Energy gasoline and diesel engines, and the sale of electric vehicles.

BUSINESS TO BUSINESS ORGANIZATION

Experienced management ensures, within Renault's Strategy and Business Development department, that opportunities are identified, bids are prepared and contracts negotiated. The department leads the business and vehicle Powertrain activities during the development and manufacturing phases. Dedicated to customers, it liaises with all Renault engineering departments to ensure a fast response.

A dedicated website (www.powertrain.renault.com) promotes the benefits of Renault's powertrain range.

1.1.5.4 MAIN MANUFACTURING SITES

Renault has about 30 manufacturing sites for its automotive business. Based on a standard figure of 3,760 hours (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year), production capacity utilization rates in 2014 were 86% globally and 69% in the Europe Region.

The Alliance and Renault's strategic partnerships enable these manufacturers to share manufacturing facilities and therefore costs. For example:

- The Renault-Nissan vehicles are produced by AVTOVAZ in Russia.
- The Nissan plants in Barcelona (Spain) and Rosslyn (South Africa) manufacturing vehicles for Renault.
- Similarly, the Renault LCV plants in Batilly, Moscow, Busan and Curitiba produce vehicles for Nissan.
- The Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler.
- Finally, in India, Renault-Nissan share a plant common to both.

As engines and transmissions are concerned, the cross use of the Alliance plants makes it possible to supply each market with the powertrains required while keeping investment to the minimum. The following are some non-exhaustive examples.

- The Renault plants in Cléon and Valladolid produce diesel engines for Nissan and Daimler.
- With regard to the cross-production of gasoline engines in Europe, the Renault plants in Valladolid and Pitesti as well as the Nissan plants in Sunderland produce engines for Renault, Nissan and Daimler.
- The Nissan plant in Yokohama produces a gasoline engine for Renault, while the Renault plant in Pitesti manufactures Smart gasoline engines for Daimler.

RENAULT GROUP MAIN MANUFACTURING SITES – 2014 PRODUCTION (UNITS)

2014	SITES	PRODUCTION (units)	VEHICLES OR COMPONENTS
RENAULT GROUP (PRODUCTION BY RENAULT GROUP PLANTS INCLUDING FOR PARTNERS)			
Europe			
	Batilly	108,943	Master III[1]
	Caudan (Fonderie de Bretagne)	26,171	Aluminum foundry (metric tons)
	Choisy-le-Roi	179,070	Renovation of engines, transmissions, injection pumps, turbos and sub-assemblies - short-run machining
		572,607	Engines
		444,665	Transmissions
	Cléon	14,537	Aluminum foundry (in tons)
	Dieppe	5,774	Clio IV Renault Sport
	Douai	109,121	Mégane III (coupé-cabriolet), Scénic III (5- and 7-seater)
	Flins	119,243	Clio III, Clio IV, ZOE
		6,628,220	Front/rear suspensions, subframes, lower arms
	Le Mans/Villeurbanne	103,000	Aluminum foundry (metric tons)
	Maubeuge	137,999	Kangoo ZE, Kangoo II[2]
	Ruitz	84,225	Automatic transmissions
France	Sandouville	52,084	Laguna III (sedan, station wagon, coupé), Espace 4, New Trafic [3]
	Palencia	133,881	Mégane III (sedan, station wagon, coupé)
	Valladolid	212,113	Twizy, Captur
		1,457,808	Engines
Spain	Seville	938,206	Transmissions
Portugal	Cacia	543,963	Transmissions
Slovenia	Novo Mesto	118,591	Clio II, Twingo III, Twingo III[4]
Africa - Middle East - India (AMI)			
Algeria	Oran	1,093	Logan II
	Casablanca	53,334	Logan II, Sandero II
Morocco	Tanger	178,510	Lodgy, Dokker, Sandero II
Americas			
		80,860	Clio II, Kangoo, Kangoo Express, Fluence
Argentina	Cordoba	3,951	Aluminum foundry (in tons)
		229,394	Duster, Sandero II, Logan II, Master III[5]
Brazil	Curitiba	285,609	Engines
Colombia	Envigado	69,480	Duster, Sandero, Clio II, Logan
Chile	Los Andes	299,515	Transmissions
Eurasia			
		318,198	Symbol, Fluence, Mégane, Clio IV
		239,222	Engines
		251,093	Transmissions
Turkey	Bursa	636,502	Front/rear suspensions, subframes
Russia	Moscow	153,520	Duster, Mégane, Fluence, Logan, Sandero
		338,879	Duster, Logan II, Logan II MCV, Sandero II
		332,653	Engines
		595,777	Transmissions
		1,966,521	Front/rear suspensions, axles, subframes, idler modules
Romania (Dacia)	Pitesti	20,357	Aluminum foundry (in tons)

2014	SITES	PRODUCTION (units)	VEHICLES OR COMPONENTS
Asia-Pacific			
South Korea		153,131	SM3/Fluence, SM5/Latitude, SM7/Talisman, QM5/Koleos(6)
(Renault Samsung Motors)	Busan	103,741	Engines
PARTNERS (PRODUCTION BY PARTNERS FOR RENAULT)			
Nissan plants (including Chennaï)		101,511	Trafic II, Sandero, Pulse, Scala, Duster, Fluence, Koleos, Lodgy
Other partner sites (including AVTOVAZ)		87,054	Logan, Sandero, Mégane II
		238,161	Engines
		102,065	Front/rear suspensions, subframes

(1) Batilly also manufactures Master for General Motors Europe and Nissan. These vehicles are sold under the name Movano (Opel and Vauxhall brands) and NV 400 (Nissan brand).
(2) Kangoo vehicles are also produced in Maubeuge for Daimler. They are sold under the name Citan (Daimler brand).
(3) Trafic models are also produced in Sandouville for General Motors Europe and Nissan. They are sold under the name Vivaro (Opel brand) and Primastar (Nissan brand).
(4) Vehicles using the Twingo base are also produced in Novo Mesto for Daimler. They are sold under the name ForFour (Smart brand).
(5) The Curitiba plant also produces light commercial vehicles for Nissan.
(6) The Busan plant also manufactures vehicles for Nissan, which are marketed under the name Rogue.

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1.1.5.5 RENAULT GROUP DISTRIBUTION NETWORK

ORGANIZATION OF THE DISTRIBUTION NETWORKS

The Renault group 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 the Renault group;
- establishments belonging to Renault through its subsidiary Renault Retail Group (RRG) or branches.

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

The main changes to the Renault group distribution network are as follows:

- developing and raising professional standards in networks on growth markets, primarily outside Europe;
- strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range.

	2014		2013	
NUMBER OF RENAULT SITES	WORLDWIDE	O/W EUROPE	WORLDWIDE	O/W EUROPE
Primary network	5,178	2,680	5,054	2,697
o/w RRG dealers and branches	*182*	*161*	*187*	*165*
o/w Pro+ dealerships	*600*	*451*	*521*	*451*
Secondary network	6,938	6,526	7,072	6,704
TOTAL SITES	**12,116**	**9,206**	**12,126**	**9,401**

	2014		2013	
NUMBER OF DACIA SITES	WORLDWIDE	O/W EUROPE	WORLDWIDE	O/W EUROPE
Primary network	2,026	1,683	**1,967**	**1,629**

1.1.5.6 RENAULT RETAIL GROUP (RRG)

This wholly-owned subsidiary of Renault is the Group's biggest subsidiary by revenues (€7.1 billion in 2014) and workforce (10,461 employees at December 31, 2014).

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

Its role is to directly distribute, on a profitable basis, Alliance products and services (Renault, Dacia and Nissan). The product range covers new vehicles, used vehicles and spare parts. It also offers the following services: servicing, powertrains, bodywork, express repairs (Renault Minute and Renault Minute body shops), short-term rental (Renault Rent), financing and brokerage.

In 2014, RRG sold more than 33.3% of the new vehicles marketed by Renault in France, and more than 22.5% for the other 12 European countries in which RRG operates (excluding France).

RRG provides a commercial presence for the Renault group in major cities and has put in place a strategy to meet the volume and profitability targets set out in Renault 2016 – Drive the Change.

In 2014, in order to distinguish itself in terms of customer care, RRG concentrated on in-person, telephone and Internet customer care, both in France and the rest of Europe. RRG has continued to roll out the C@RE concept, with almost 80 sites in Europe.

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2014	TOTAL FOR 13 EUROPEAN COUNTRIES	O/W FRANCE
New vehicles (units)	263,745	146,725
Used vehicles (units)	177,752	125,620
Total, new and used vehicles (units)	441,497	272,345
Revenues* (€ million)	7,125	4,324

* *From RRG management statements.*

RENAULT PRO+ DEALERSHIPS

To meet the specific needs of its business customers (proximity, special opening hours, etc.), Renault has developed, in addition to its traditional network, the specialized Renault Pro+ business network.

The Renault Pro+ network has two essential distinguishing features:

- the professionalism of specialized teams able to offer a complete range of sales, financing, maintenance and repair services all in one location;
- the visibility and availability of the whole range of light commercial vehicles, particularly converted vehicles.

In 2014, 79 new Pro+ sites were opened, giving a global total of 600 dealerships in 39 countries.

The Renault Pro+ network continues to grow in Europe, and its international presence is rapidly increasing to support the growth in sales of light commercial vehicles. More than a quarter of Pro+ outlets are now located outside Europe. Brazil now has 58 Pro+ dealerships, Turkey has 31, and Australia opened its first Pro+ site at the end of 2014, in Melbourne.

1.1.5.7 AUTOMOTIVE CASH FLOW MANAGEMENT

For Automotive, the Renault group 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 manages the following:

- capital market trading, after intra-Group netting: forex, fixed income securities and short-term investments;
- foreign currency payments by French and European subsidiaries;
- cash-pooling in certain subsidiaries' foreign currencies.

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. Renault Finance is also involved in cash management arrangements covering foreign currency payments made by French and European subsidiaries.

Outside the euro zone, the cash flows of certain subsidiaries are accounted for centrally in Renault Finance's accounts.

RENAULT FINANCE

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed income markets and the market for hedging industrial metals transactions. It operates within a strict risk management framework. Through its arbitraging activities, it can obtain competitive quotes for all financial products. The Company is therefore 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 floor. It manages spot and forward foreign exchange transactions for both Renault and Nissan, hedging itself in the market accordingly. Renault Finance takes no risks on behalf of any entity in the Nissan or Renault groups.

Aside from financial market transactions, Renault Finance has been offering a number of services since 2008, including commercial and financial foreign currency payments for Renault and Nissan and a foreign currency cash pooling service for a number of Renault entities (Czech Republic, Denmark, Hungary, Poland, Romania, Sweden, Switzerland and the UK).

At end of December 2014, parent company net income was €48.4 million (€86.2 million at the end of December 2013) and total parent company assets amounted to €9,970 million (€8,999 million at the end of December 2013).

1.1.5.8 ASSOCIATED COMPANIES, PARTNERSHIPS AND COLLABORATIVE PROJECTS

NISSAN

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

Nissan's market capitalization at December 31, 2014 was ¥4,778 billion (€32,902 million), based on a closing price of ¥1,057 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2014, the market value of the shares held by Renault totaled €14,280 million, based on a conversion rate of ¥145.2 for one euro.

Renault accounts for its shareholding in Nissan using the equity method, as described in chapter 4, note 13 of the notes to the consolidated financial statements.

AVTOVAZ

The operations and collaborative projects planned between the Renault-Nissan Alliance and AVTOVAZ, the leading Russian automotive manufacturer and owner of the LADA brand, continued in 2014.

In line with the agreements signed in 2012, the Renault-Nissan Alliance has increased its stake in the capital of Alliance Rostec Auto B.V., which holds 74.5% of AVTOVAZ's capital and which was created by the Renault-Nissan Alliance and the Russian state holding company, Russian Technologies.

The Renault-Nissan Alliance has contributed a total of 23 billion roubles, giving it a 67.1% share in Alliance Rostec Auto B.V., compared with 63.6% at the end of December 2013.

Renault, which had already acquired 25% of AVTOVAZ's capital in 2008, has invested 11.3 billion roubles, bringing its share to 50% less one share in the capital of Alliance Rostec Auto B.V. at the end of 2014.

Transactions relating to the agreements completed in 2014 were:

Renault s.a.s. and Nissan International Holding B.V. made a cash subscription to the capital increase of Alliance Rostec Auto B.V. in June 2014, for €50 million and €38 million respectively.

Renault s.a.s. bought shares in Alliance Rostec Auto B.V. from Russian Technologies in June 2014 for €19 million;

In total, Renault will have spent 3.2 billion roubles (€69 million) and raised its interest to 50% less one share in Alliance Rostec Auto B.V. by end-2014.

ALLIANCE ROSTEC AUTO B.V. – CHANGE IN STAKE:

	RENAULT	NISSAN	RUSSIAN TECHNOLOGIES
At the end of March 2013	44.26%	8.40%	47.34%
At the end of June 2013	48.20%	15.44%	36.36%
At the end of June 2014	50.00%(1)	17.13%	32.87%

(1) Less 1 share.

The transformation of AVTOVAZ continued in 2014 with the development of collaborative projects and the commitment of the Renault-Nissan Alliance and AVTOVAZ in the ramp-up of the B0 line shared by the three brands, with production of the LADA Largus, one of the best-selling vehicles on the Russian market, the Nissan Almera, and the start of production of the New Logan and Sandero for Renault.

AVTOVAZ will have also started production of Datsun on-Do and mi-Do, the best-selling Datsun vehicles on the Russian market and Nissan Sentra.

In total, almost a quarter of vehicles manufactured by AVTOVAZ in 2014 were made for the Alliance.

AVTOVAZ also has an assembly workshop shared by the three brands to produce engines and transmissions with a capacity of 300,000 engines in the first stage and 300,000 transmissions per year. After the production start-up of the K4 engine and the J transmission, a second engine is scheduled for production in 2015 for new LADA vehicles as well as new Renault-Nissan Alliance vehicles manufactured in Russia.

In December 2014, Renault, Nissan and AVTOVAZ announced that they would pool their purchasing structures in Russia by creating ARNPO, which is becoming the largest purchasing base in the Russian automotive sector. It will enable AVTOVAZ to benefit from the purchasing know-how of the Renault-Nissan Alliance, thus accelerating the synergies between the three brands in Russia.

These advances are also part of the in-depth business reorganization and overhaul of the product range with an ambitious product plan, including the creation of new ranges of LADA vehicles adapted to the needs of the Russian automotive market. The AVTOVAZ offering has been redesigned on the basis of efficient vehicles, with the LADA Granta, the best-selling vehicle in Russia, the LADA Largus based on the Logan MCV and the New Kalina launched in 2013.

The offering will be completed as of 2015 and 2016 by the launch of new sedans and SUVs and using AVTOVAZ or Renault-Nissan Alliance platforms.

Renault accounts for its shareholding in AVTOVAZ using the equity method, as described in chapter 4, note 13-A of the notes to the consolidated financial statements.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Strategic cooperation between Renault Nissan Alliance and Daimler AG

See paragraph "*Cooperation with Daimler*" in chapter 1.2.5.1

Supplier relations and support

In view of the current economic conditions, it is crucial for manufacturers and suppliers to collaborate closely in order to create value together. Renault's objective is to build performance as part of an equitable, educational, long-term partnership with suppliers.

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

- working closely with suppliers from the outset of projects, with the aim of meeting price and quality targets and cutting development times;
- sharing best industrial practices (regular meetings, expert assignments);
- optimizing processes in order to help suppliers cut costs without reducing their margins;
- assisting suppliers to improve quality. More than 300 quality experts around the world are involved in quality assessments based on a single questionnaire, shared with Nissan. If the supplier's score is deemed inadequate, a quality expert from Renault (or Nissan, depending on location) will help the supplier to reach the required standard and thus become stronger.
- offering suppliers an opportunity to grow with the Group. Renault's manufacturing facilities in other countries (Russia, China, etc.) and partnerships (Nissan, AVTOVAZ, Daimler) 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. Renault has incorporated CSR criteria into its supplier referencing and selection processes, and regularly evaluates its suppliers' CSR performance. Renault also applies charters on best practices in customer-supplier relations.

To show the Group's appreciation of its suppliers, every year Renault presents Supplier Awards. The awards are given to suppliers that achieve highly in any of three priority categories for Renault – quality, innovation and CSR irrespective of the supplier's size, country of origin or business sector. In 2014, eleven suppliers won awards for their outstanding achievements in one of those areas.

Finally, as part of efforts to strengthen supplier relations, in 2011 Renault and Nissan initiated a joint process for selecting preferred partners, known as Alliance Growth Partners (AGP). In 2014, twenty or so AGP suppliers were recognized for their competitiveness, their capacity to support Renault et Nissan in terms of innovation or new product development, and for their willingness to support the growth of both partners of the Alliance at an international level.

End of the STA and FM partnership

On December 19, 2013, Renault and PSA Peugeot Citroen's stakes in the subsidiaries, Société de Transmissions Automatiques (STA) in Ruitz, and Française de Mécanique (FM) in Douvrin, were restructured so that STA would be wholly-owned by Renault and FM would be wholly-owned by PSA. The aim of these capital transactions was to bring each of the subsidiaries' ownership structures into line with their operational management and control functions.

EVs: Bolloré group partnership

The French Renault and Bolloré groups became partners in order to advance the progress of electric vehicles together. This partnership, formalized on September 9, 2014, focuses on three main aspects. Firstly, industrial cooperation, since the Dieppe plant (Seine Maritime, France) will assemble Bluecar EVs (Bolloré group), from the second half of 2015. It also involves the sale of complete EV car-sharing solutions in France and in Europe through a joint venture. Lastly, it involves the completion of a feasibility study, conducted by Renault on behalf of the Bolloré group, on the design, development and manufacturing by Renault of a new electric city car.

The two groups decided to combine their complementary skills. Renault possesses know-how in relation to the design, development and manufacturing of electric vehicles (ZOE, Kangoo, Twizy). The Bolloré group is positioned as a major 100% electric vehicle car-sharing operator, having played its part in the success of Autolib in Paris.

Light commercial vehicles

In the field of light commercial vehicles, Renault has several agreements with General Motors Europe, 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, Renault Trafic and Opel/Vauxhall Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001 and at the Nissan plant in Barcelona (Spain) between 2002 and summer 2014. In March 2011, Renault and Opel/Vauxhall announced the locations of production sites for the next generation of Vivaro and Trafic. Opel/Vauxhall confirmed that the next generation Vivaro will be built in Luton and Renault confirmed that the next generation Trafic, as well as the new high roof (H2) version of the Opel Vivaro d'Opel, will be manufactured at its Sandouville site. Production commenced at the Sandouville plant in April 2014 and marketing in September.

In July 2014, Renault signed a cooperation agreement with Fiat to manufacture a compact van, based on the Trafic, at its Sandouville plant. This vehicle will be sold by Fiat across its network and under its brand name. Production is expected to begin in the first half of 2016.

The offering in the large vans segment was renewed in 2010, with the launch of the new range of Renault Master and Opel/Vauxhall (GM) Movano, manufactured by Renault at its Batilly plant in France.

Movano is sold to GM as part of a supply agreement signed at the end of 2007.

New Master is also distributed by the Renault Trucks network under the terms of sales agreements entered into in 2009. These agreements are the continuation of agreements covering the distribution by Renault Trucks (AB Volvo group) of Mascott and the previous generation of Master.

As part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the new Renault Master called NV400. This vehicle has been sold by Nissan since end-2011. This project reflected the continuation of agreements implemented by the two companies in 2003 for the distribution by Nissan of Interstar (based on the previous generation of Master and replaced by NV400) and Primastar (a compact van based on Trafic).

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 to expand the Mercedes range. Citan, the new urban LCV by Mercedes Benz, was developed by Renault on the basis of the Kangoo platform and is built exclusively alongside Kangoo and Kangoo Z.E. at the Renault plant in Maubeuge (France). Citan nevertheless maintains the visible features expressing the identity of the Mercedes brand, in both interior and exterior design. Citan has been sold by Mercedes since fall 2012.

Accelerating international expansion

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

In China

Renault is continuing to expand its range of imported vehicles. Following the introduction of the Mégane RS, a vehicle which reflects Renault's know-how in producing sports cars, Renault presented the Fluence, bearing the new brand identity, at the Wuhan Motor Show.

The Dongfeng Renault Automotive Company (DRAC) owned equally (50/50) by Dongfeng and Renault, obtained its production license on March 3, 2014. Over the course of the year, the two partners made an initial capital investment in the DRAC of CNY4 billion (€500 million). The joint venture is due to produce and market a range of cross-over vehicles. The production site is in Wuhan, the capital of the Hubei province. The Company also acquired the right to use the land which, from 2016, will be used to manufacture new vehicles, adapted to meet the requirements of Chinese consumers and the Chinese market. Construction work on the plant is underway.

The Group is working on increasing its market presence. The number of dealerships is due to rise to 150 by 2015 to support the success of the Koleos and to distribute the new range of vehicles. In 2014, sales were in excess of 34,000 vehicles.

In Russia

Renault Russia, fully-owned by Renault since the buyback at the end of 2012 of the Moscow city council shares, gained a record market share of 7.9% (+0.3 points), in a difficult economic and monetary context, thanks to the success of vehicles produced mainly in Russia, especially Duster, which is once again the best-selling SUV.

The partnership with AVTOVAZ has given Renault Russia additional production capacities, enabling it to renew three major products in 2014 with the New Logan, Sandero and Stepway, manufactured in Togliatti on the B0 production line.

These additional capacities will also enable Renault to continue expanding in the CIS, particularly in Kazakhstan and Belarus, where its market share has risen to 5% and 15.0% respectively.

In Asean

In 2014, Renault continued to increase its presence in the ASEAN region.

Firstly, in Indonesia, where a partnership was signed in September 2013 with the Indomobil group, 2014 was dedicated to creating a sales network and to expanding the range on offer. In this first phase, imported vehicles were distributed (Duster, Koleos, Mégane RS, Clio RS, Captur) in preparation for the future arrival of locally assembled vehicles, covering the core market.

In Malaysia, however, together with its historic partner, Tanchong Euro Cars, Renault launched a locally assembled model (Fluence) as well as a full range of services.

In India

- In Chennai, the Alliance built its first joint production site as part of a joint venture (JV RNAIPL). Production was launched at the site in 2010 with the Nissan Micra; then in 2011, Renault started to manufacture the Fluence and the Koleos, and in 2012, the Pulse, Scala and Duster. In late 2013, Nissan launched the new premium SUV Terrano, derived from Renault Duster.
- In the same region, RNTBCI, the joint venture between Renault and Nissan, has been providing engineering, purchasing and accounting services since 2008.
- In 2010, Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra, selling its share in the MRPL joint venture to its partner. Renault also granted a license to produce and sell the Logan in India under its own brand. The vehicle was restyled in 2011 and is now sold under the “Verito” name.

In Iran

Renault is maintaining its presence, while enforcing the legal constraints linked to the international sanctions applicable to this country. Production was sharply reduced after the toughening of sanctions in mid-2013 and the blocking of financial transfers.

Renault is working primarily with the X90 platform and the vehicle L90 (Logan). More than 371,000 Tondar (the local name for the Logan) vehicles have been built since production began in 2007. Mégane is also assembled in Iran by the manufacturer Pars Khodro. 39,600 Mégane cars have been assembled since the start of this cooperation in 2008.

The Iranian business, which has contracted sharply after the sanctions, was taken out of the Group’s consolidated scope. That position will be adjusted in line with political and economic developments in relation to Iran.

In South Africa

Following a cooperation agreement entered into in May 2007, the Alliance invested ZAR1 billion (€88 million) in the local assembly of vehicles from the Logan range (Pick-up and Sandero) at the Nissan plant in Rosslyn, starting in 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 (compared with 51% previously) and Imperial 60% (compared with 49% before). This accelerated the Renault group’s expansion in this country, with 2014 market share up 1 point to 3%. South Africa is the biggest market on the African continent, with 613,000 new vehicle sales in 2014.

In Morocco

Following the launch of production line 1 at the Tangiers plant in 2012 (55,700 vehicles produced - the Lodgy, Dokker and Dokker Van) and production line 2 in 2013 (the Sandero 2), production at the plant exceeded 100,000 vehicles in 2013 and was close to 180,000 in 2014. The Somaca plant in Casablanca, which started to produce the Logan 2 and Sandero 2 in 2013, manufactured a record 66,500 units in 2013 and 53,300 units in 2014.

In Algeria

Two years after the agreement was signed, and one year after construction started, on November 10, 2014, in accordance with the schedule of works, Renault inaugurated the Oued Tlélat assembly plant, in the Oran region. This plant was set up by Renault Algérie Production, in partnership with Société Nationale des Véhicules Industriels (SNVI) and the National Investment Fund (FNI). Production at the plant will start gradually with local assembly of the New Symbol, with the aim of building up to an initial capacity of 25,000 units/year, and increasing local integration in parallel. In the future, manufacturing facilities, including a sheet metal workshop and paint shop, will be installed to raise capacity to 75,000 vehicles/year.

The environment

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

Renault Environnement has a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, to develop the recycling of ELVs (end-of-life vehicles) and returning 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-line parts) and metallic waste from Group sites.

For more details, see section 2.6.

1.1.6 SALES FINANCING

RCI Banque, the Alliance's financing arm, finances sales of Renault group brands (Renault, Renault Samsung Motors, Dacia) worldwide and Nissan group brands (Nissan, Infiniti, Datsun) mainly in Europe, Russia and South America.

1.1.6.1 RCI BANQUE CONTINUES ITS INTERNATIONAL EXPANSION IN SUPPORT OF ALLIANCE BRAND GROWTH

The RCI Banque group now operates in 37 countries, having processed its first contracts in India in 2014 and now financing a new Alliance brand, Datsun.

Furthermore, the group adapted to the regional reorganization operated within the Renault Group. RCI Banque is now located in the following countries:

- Europe: France, Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom;
- Americas: Argentina, Brazil, Colombia;
- Africa, Middle East, India: India, Algeria, Morocco;
- Eurasia: Russia, Ukraine, Bulgaria, Romania, Turkey;
- Asia-Pacific: South Korea.

1.1.6.2 A CUSTOMER-ORIENTED ORGANIZATION

RCI Banque's primary purpose is to satisfy the specific needs of its three core customer bases : Retail Customers, Corporate and Brand Dealers. In order to facilitate access to Alliance brand vehicles, it offers appropriate solutions on the best possible terms to:

- Retail Customers: RCI Banque offers a wide range of loans, rental solutions and services for both new and used vehicles, to support retail customers and help them meet their varying mobility needs;
- Corporate Customers (SMEs, multinationals): RCI Banque has a set of appropriate and competitive solutions to meet the needs of all corporate customer segments, enabling them to focus on their core business and delegate management of their vehicle fleet to a sound and reliable partner;
- Alliance Brand Dealer networks: RCI Banque finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements. Its ambition is to be the leading financial partner of all Alliance brand dealers. RCI Banque also has a role in advising dealer networks, the aim being to ensure their long-term viability through the implementation of financial standards and regular monitoring;
- Savings business: Launched in France in 2012 and in Germany in 2013, RCI Banque's savings business was also rolled out in Austria in 2014, with savings and term deposit accounts in all three countries

BUSINESS ACTIVITY

With more than 1,245,000 financing contracts processed, a 7.3% rise compared to the previous year, RCI Banque confirms its profitable growth momentum, providing stronger commercial support for all the Alliance brands.

Enjoying the benefit of the upturn in Europe's automotive market and despite the slight fall seen on its main emerging markets, RCI Banque financed a record 1,245,246 contracts.

This performance was reflected in a financing penetration rate of 35.2% (up from 34.6% in 2013). It was also a reflection of the Group's internationalization, as in Russia, where the financing penetration rate was up 3.9 points to 28.9%.

Major focus of the strategy, the number of service contracts continued to soar, with a 23.4% in new "service" contracts compared with 2013. The penetration rate on services was 73%, up from 62.7% in 2013.

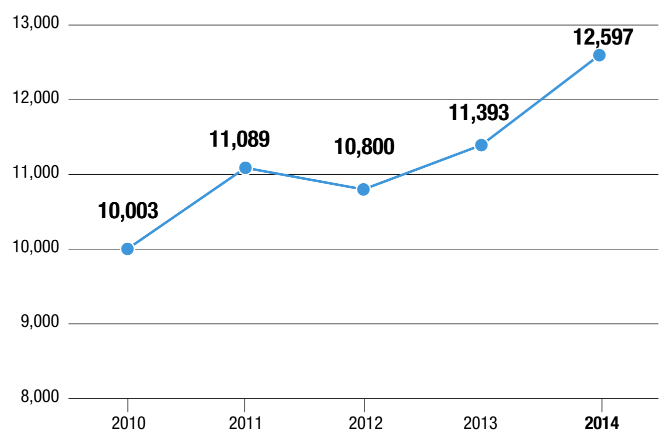
New finance contracts (excluding cards and personal loans) were up across all Alliance brands and amounted to €12.6 billion (up 10.6% compared with 2013).

Despite a negative foreign exchange effect on the Americas region, average performing loans outstanding (APO) still grew by 4.9% to €25.4 billion, of which €18.7 billion for the Customer business (up 5.6% compared to 2013) and €6.7 billion for the Dealer financing business.

Furthermore, the savings business, launched in France in 2012 and in Germany in 2013, has now also been rolled out in Austria. Deposits collected amounted to €6.5 billion, almost 26% of its average performing loans outstandings (APO).

NEW FINANCING CONTRACTS (EXCLUDING PERSONAL LOANS AND CREDIT CARDS)

in €M



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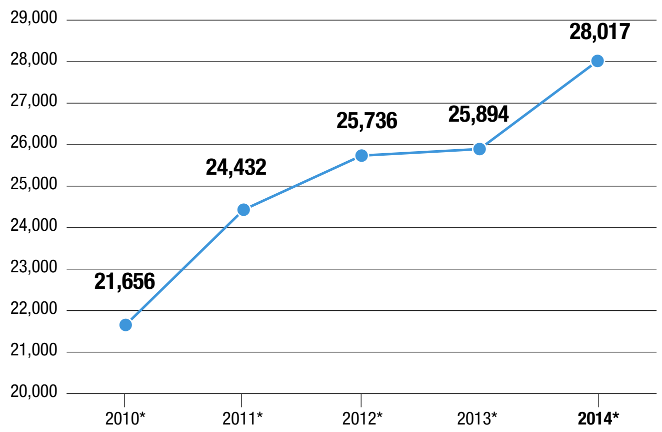
NET AMOUNT OUTSTANDING AT YEAR END

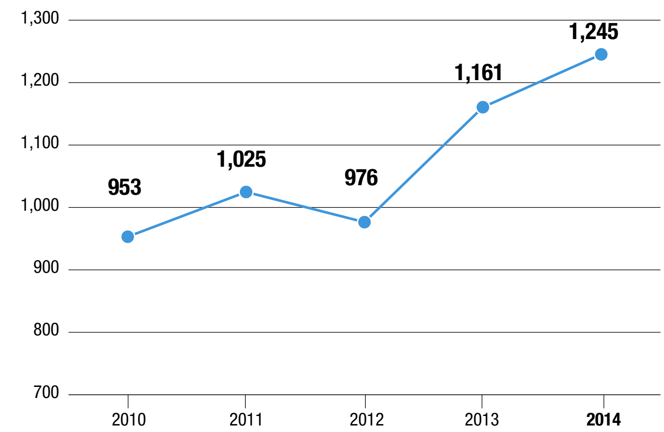
in €M



** Excluding operating lease contracts.*

TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS

in thousands



2014 EARNINGS

Pre-tax profit fell by 9.4% to €674 million compared to 2013. This decrease is attributable to a number of non-recurring items, among which:

- the impact of a court ruling with retroactive effect (period of ten years) pertaining to handling fees and affecting the majority of auto loan operators in Germany, for €52 million;
- a VAT-related tax adjustment in Germany, for €17 million;
- the impact of the new law on foreign denominated currency loans in Hungary, with a retroactive period of ten years, for €5 million.

Net banking income, excluding non-recurring items, rose by €44 million to €1,265 million, despite a negative foreign exchange effect on the Americas region.

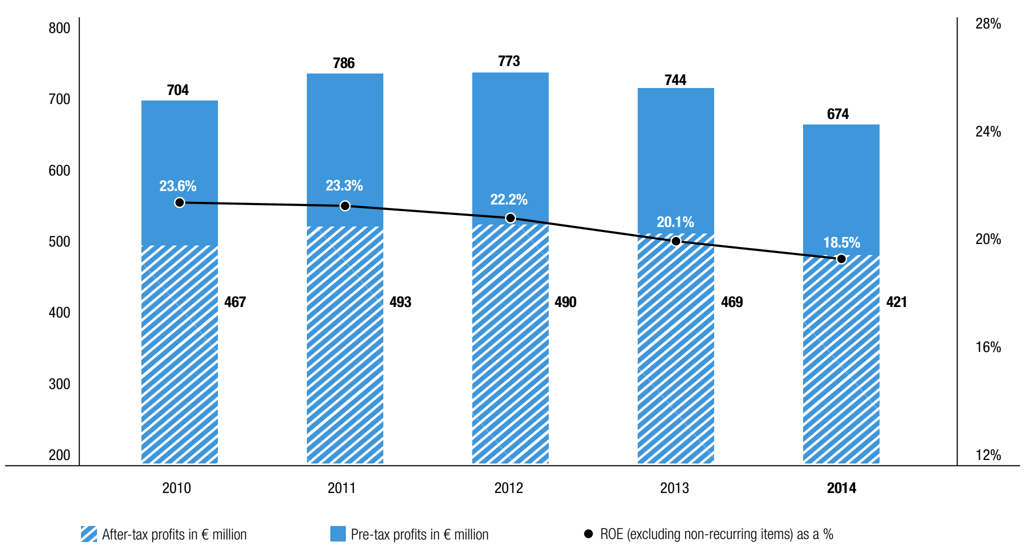
Operating expenses, excluding non-recurring items, amounted to 1.58% of APO (performing loans outstanding) compared to 1.56% in 2013, confirming RCI Banque's ability to control its costs while continuing to implement its development strategy.

The total cost of risk remained stable and below the group's structural level at 0.43% of APO (against 0.42% in 2013).

The Customer cost of risk remained under control at 0.50% of APO (+3 basis points and strength of RCI Banque's underwriting policy and the efficiency of the debt collection system. The Dealer cost of risk was 0.20% of APO against 0.26% in 2013.

RESULTS

in €M



Balance sheet

Good commercial performances drove to an increase in net loans outstandings to €28.0 billion compared to €25.9 billion at end-2013.

Due to non-recurring items, ROE was down to 16.4%. Excluding the impact of these items; however, it remained at a high level, at 18.5%.

Solvency

According to Basel III standards, the Core Tier 1 solvency ratio was 11.4% compared to 11.7% at end-December 2013 (both years calculated on the same basis). Excluding requirements under the floor level provisions, it was 14.8%.

FINANCIAL POLICY

RCI Banque made the most of these excellent market conditions and extended the maturity of its debt by issuing a seven-year bond, under a €500 million transaction that reached out to new investors looking for longer-term assets. RCI Banque also took advantage of the reopening of the floating rate market, and launched two issues under this format that had been not used since the financial crisis began. RCI Banque also issued a fixed-rate five-year bond. Finally, following its first issue on the GBP market in 2013, the group confirmed its access to liquidity in this currency with two further debt offering in 2014 of GBP 250 million each (a five-year bond followed by a three-year bond).

On the structured finance segment, RCI Banque carried out a €644 million securitization transaction in public format backed by customer loans in France and renewed its private securitization of dealer receivables in Germany.

Outside Europe, the Moroccan subsidiary made its first issue in February and then confirmed its ability to access market funding with a second issue in June. The group's entities in Argentina, Brazil and South Korea also borrowed on their respective domestic bond markets.

Following the launch of a range of savings and term deposit account products for retail customers in France and in Germany in 2012 and 2013, the group continued to grow its savings operations in 2014 in Austria. At end-December 2014, retail deposits totaled more than €6.5 billion (€5.1 billion in savings accounts and €1.4 billion in term deposits), showing an increase of more than 50% over the last twelve months.

A CHANGE OF GOVERNANCE IN 2014

On 1 October 2014, RCI Banque's governance structure was modified to comply with changes in European banking regulations. Consequently, the roles of Chairman of the Board of Directors and of Chief Executive Officer have been split:

- Dominique THORMANN retains his position as Chairman of the Board of Directors;
- Gianluca DE FICCHY is appointed Chief Executive Officer;
- Patrick CLAUDE is appointed Company Secretary and Chief Risk Officer. He is also Deputy CEO;
- The French Banking Supervisory Authority ratified the « Senior Manager » status for Gianluca DE FICCHY and Patrick CLAUDE.

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1.1.7 MAIN SUBSIDIARIES AND DETAILED ORGANIZATION CHART

1.1.7.1 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 articles of incorporation).

Revenues in 2014: €33,102 million.

Workforce at December 31, 2014: 31,857 persons.

RCI BANQUE

14, avenue du Pavé-Neuf

93168 Noisy-le-Grand Cedex (France)

Wholly owned by Renault s.a.s.

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

Net amount financed in 2014: €12.66 billion.

Total assets (consolidated) at December 31, 2014: €32,019 million.

Workforce at December 31, 2014: 2,852 persons.

RENAULT RETAIL GROUP (FRANCE)

117-199, avenue Victor-Hugo

92100 Boulogne-Billancourt (France)

Wholly owned by Renault s.a.s.

Business: trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.

65 branches in France.

Revenues in 2014: €3,903 million.

Workforce at December 31, 2014: 6,546 persons.

RENAULT ESPAÑA

Carretera de Madrid, km 185

47001 Valladolid (Spain)

99.78% owned by Renault s.a.s.

Business: manufacturing and marketing, via its sales subsidiary Recsa, of Renault passenger cars and light commercial vehicles in Spain.

Plants in Valladolid, Palencia and Seville.

Revenues in 2014: €5,389 million.

Workforce at December 31, 2014: 9,433 persons.

RENAULT DEUTSCHLAND

Renault-Nissan strasse 6-10

50321 Bruhl (Germany)

50% owned by Renault s.a.s. and 40% owned by Renault groupe b.v. 40%

Business: Renault and Nissan joint commercial organization in Germany.

Revenues in 2014: €2,225 million.

Workforce at 2014: 399 persons.

RENAULT ITALIA

Via Tiburtina 1159

Rome (Italy)

Wholly owned by Renault s.a.s.

Business: marketing of Renault passenger cars and light commercial vehicles.

Revenues in: €1,643 million.

Workforce at December 31, 2014: 239 persons.

REVOZ

Belokranska Cesta 4

8000 Novo Mesto (Slovenia)

Wholly owned by Renault s.a.s.

Business: manufacturing of vehicles.

Plant in Novo Mesto.

Revenues in 2014: €849 million.

Workforce at December 31, 2014: 2,002 persons.

RENAULT FINANCE

48, avenue de Rhodanie

Case postale 1002 Lausanne (Switzerland)

Wholly 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, 2014: €9,579 million.

Workforce at December 31, 2014: 32 persons.

RENAULT UK

The Rivers Office Park

Denham Way, Maple Cross

WD3 9YS Rickmansworth Hertfordshire (United Kingdom)

Wholly owned by Renault group.

Business: marketing of Renault passenger cars and light commercial vehicles.

Revenues in 2014: €1,418 million.

Workforce at December 31, 2014: 172 persons.

RENAULT BELGIUM LUXEMBOURG

21, Boulevard de la Plaine, 21

1050 – Brussels (Belgium)

100% owned by Renault s.a.s.

Business: importing vehicles and replacement parts for the Renault and Dacia brands to Belgium and the Grand Duchy of Luxembourg.

Revenues in 2014: €1,045 million.

Workforce at December 31, 2014: 195 persons.

RENAULT DO BRASIL

1300 av. Renault, Borda do Campo

Estado do Parana, São José dos Pinhais (Brazil)

99.85% owned by Renault group.

Business: vehicle production and assembly, production of equipment, parts and accessories for vehicles.

Revenues in 2014: €2,641 million.

Workforce at December 31, 2014: 5,630 persons.

RENAULT ARGENTINA

Fray Justo Santa Maria de Oro 1744

1414 Buenos Aires (Argentina)

Wholly owned by Renault group.

Business: manufacturing and marketing of Renault vehicles.

Revenues in 2014: €1,009 million.

Workforce at December 31, 2014: 2,269 persons.

RENAULT SAMSUNG MOTORS

17th floor, HSBC Building

25, Bongrae-Dong 1-Ga, Jung-Gu

Seoul 100-161 (South Korea)

79.87% owned by Renault group b. v.

Business: manufacturing and marketing of motor vehicles.

Plant in Busan.

Revenues in 2014: €2,824 million.

Workforce at December 31, 2014: 4,260 persons.

RENAULT ALGERIE SPA

13, route Dar-El-Beida

Zone industrielle Oued Smar

16000 – Algiers (Algeria)

100% owned by Renault s.a.s.

Business: marketing Renault and Dacia brand passenger cars and LCVs.

Revenues in 2014: €971 million.

Workforce at December 31, 2014: 452 persons.

RENAULT MAROC (RENAULT MAROC COMMERCIAL)

44 Boulevard Khalid Ibnou Loualid

Ain Sebaa

20250 – Casablanca (Morocco)

80% owned by Renault s.a.s.

Business: importing and marketing Renault and Dacia brand vehicles

Revenues in 2014: €502 million.

Workforce at December 31, 2014: 202 persons.

RENAULT TANGIERS OPERATIONS

Zone Franche Melloussa I

90000 – Tangiers (Morocco)

100% owned by Renault s.a.s.

Business: study, manufacturing and sale of Renault vehicles.

Revenues in 2014: €1,490 million.

Workforce at December 31, 2014: 5,223 persons.

OYAK-RENAULT OTOMOBIL FABRIKALARI

Barbaros Plaza C blok no. 145 K/6

80700 Dikilitas Besiktas Istanbul (Turkey)

51.64% owned by Renault s.a.s.

Business: assembly and manufacturing of Renault vehicles.

Plant in Bursa.

Revenues in 2014: €2,895 million.

Workforce at December 31, 2014: 5,704 persons.

DACIA

Calea Floreasca

Nr. 133-137 – Sector 1

Bucharest (Romania)

99.43% owned by Renault.

Business: manufacturing and marketing of motor vehicles.

Plant in Pitesti.

Revenues in 2014: €4,188 million.

Workforce at December 31, 2014: 14,176 persons.

CJSC RENAULT RUSSIA

Vorontsovskaya ulitsa, 35

109147 Moscow (Russia)

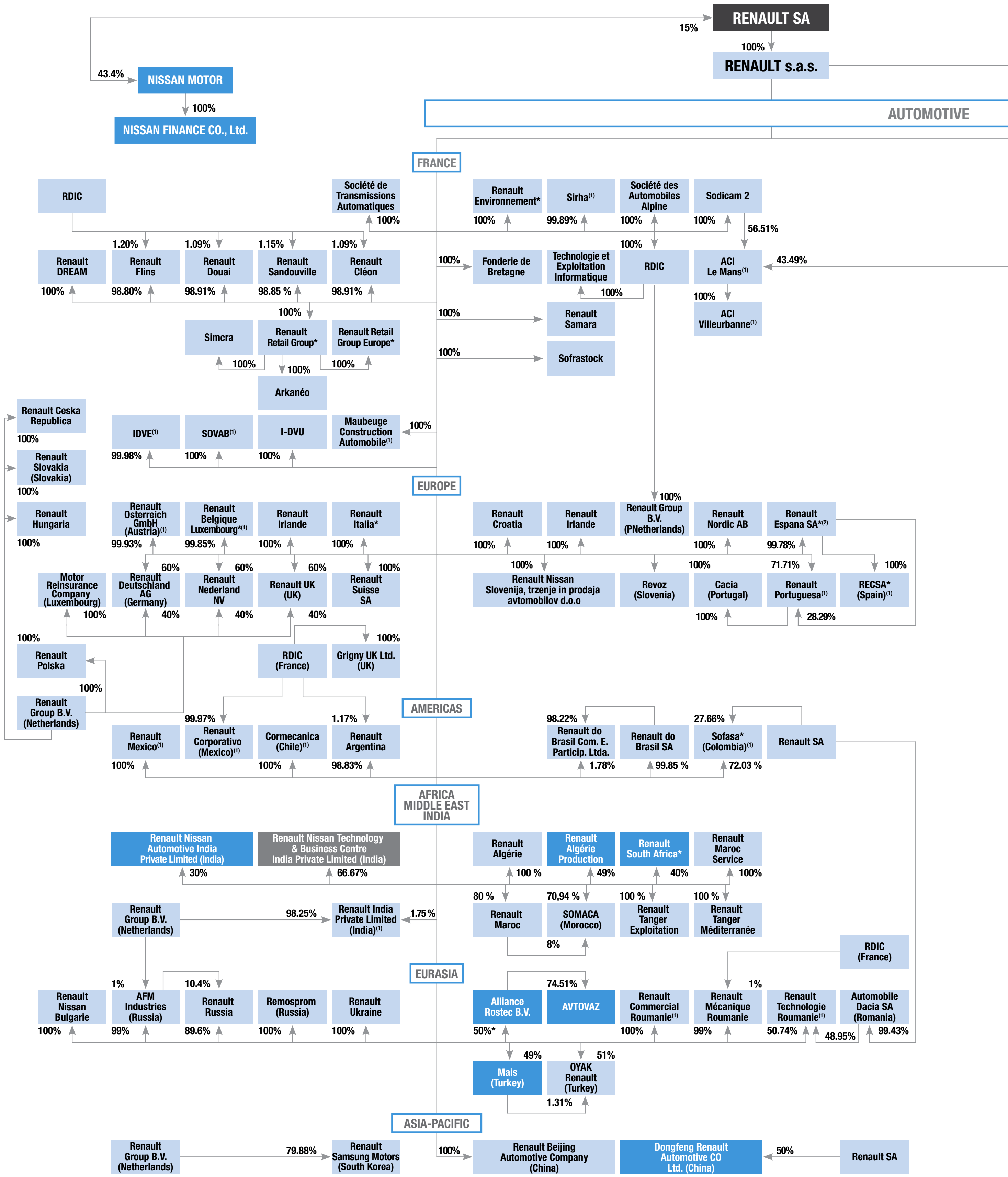
Wholly owned by Renault group.

Business: assembly, import, marketing and sale of Renault vehicles.

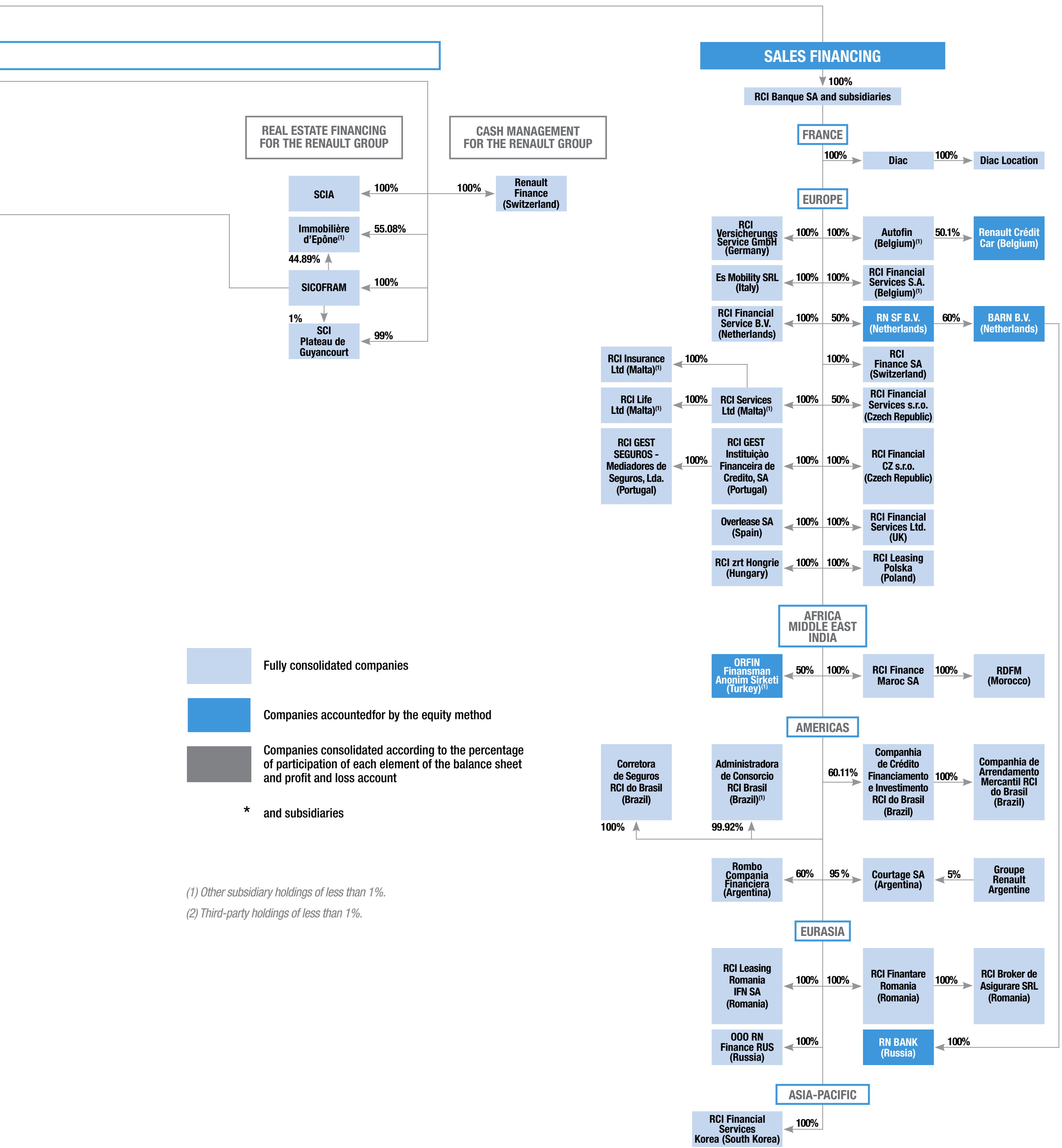
Revenues in 2014: €2,082 million.

Workforce at December 31, 2014: 3,790 persons.

1.1.7.2 DETAILED CONSOLIDATED GROUP ORGANIZATION CHART AT DECEMBER 31, 2014



* 50% less one share.



(1) Other subsidiary holdings of less than 1%.

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

1.1.8 HISTORY FOR THE GROUP

2013

- 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.
- The 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.
- Introduction of the Initiale Paris concept car which is an example of the successor to the Espace.
- A partnership was signed with Indomobil to develop its business in Indonesia, with Dong Feng for the Renault manufacturing plant.

100 %

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 relying on its subsidiary Avtoframos, which produces Logan and sells a range of imported Renault vehicles, and also on its strategic partnership with AVTOVAZ.

2009

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

2003

- The year of the Mégane II, with five different bodies (Scénic II, Grand Scénic, Mégane hardtop convertible, Mégane four door sedan and Mégane Estate) were added to the two models launched in 2002, **seven models were launched in 17 months and became the best-selling car in Europe.**

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.

1898

- **The Renault Frères 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

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

PRODUCTION
4 CV

1

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.
- Renault returned to India, selling a range of vehicles including Duster, which is a real success.
- Production of Lodgy and Dokker starts in the Tangiers plant (Morocco).
- In Europe, the range is starting to be renewed with the Clio 4, and the New Sandero.
- 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.
- An MOU was signed with the Algerian government to build an assembly plant.
- Debt reduction process was completed in particular with the sale of its remaining shares in AB Volvo.

2011

- 500 million units sold and the commitment to an Operational free cash flow of €500 million was met and the net debt position is 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.
- The Renault 2016 strategic plan - Drive the Change is launched.
- The New Twingo and the new range of Energy engines are launched. Kangoo Z.E. and Fluence Z.E. were put on the market at the end of the year
- The consequence of the attempted fraud was an overhaul of the Renault corporate governance.

NEW TWINGO
Energy

2010

- More than 2,625,000 units (passenger cars+LCVs) sold.
- **The DeZir concept-car is introduced 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.

Les années 90

- **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.
- **November 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-STANDING ALLIANCE WITH NISSAN

2000

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

Les années 80

- A diversification strategy at industrial, financial and service levels, with its industrial and commercial establishments expanding internationally. A restructuring and a refocus on its basic businesses were the consequence of the difficulties experienced by the Company in 1984.
- **In 1987, the Company became profitable once again.**

1972

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

1.2 THE RENAULT-NISSAN ALLIANCE

1.2.1 OVERVIEW

1.2.1.1 FIFTEEN YEARS OF COOPERATION

The Renault-Nissan Alliance is the auto industry's most productive and longest-lasting, cross-cultural strategic collaboration. This unique partnership, which celebrated its 15th anniversary in March 2014, is a pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide.

In 2014, the Alliance sold a record 8.5 million units worldwide, up 2.5% from the previous year. The Alliance captured about 10% of the global market in 2014, ranking it fourth in volume terms behind Toyota, Volkswagen and GM.

1.2.1.2 ORIGINS OF THE ALLIANCE

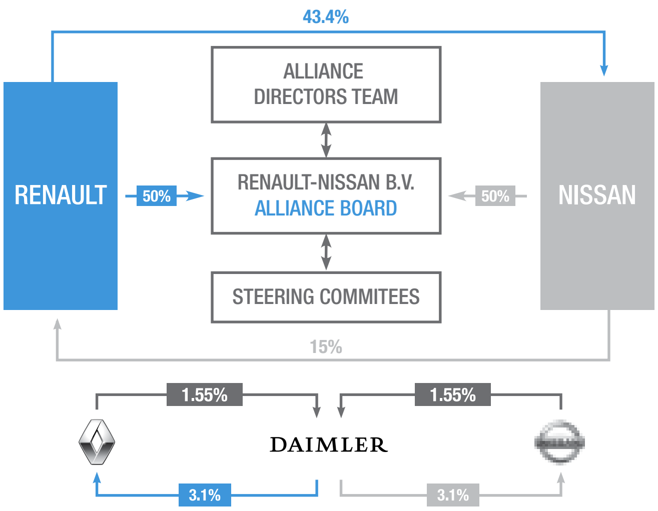
The Renault-Nissan Alliance was founded on March 27, 1999 when Renault bought a 36.8% stake in Nissan Motor Co., Ltd.

In accordance with the principles set out in the initial 1999 agreement, the Renault-Nissan Alliance entered its second phase in 2002 aimed at strengthening ties between Renault and Nissan. On March 1, 2002, Renault increased its equity stake in Nissan from 36.8% to 44.3%. At the same time, Nissan took a stake in Renault through its wholly owned subsidiary, Nissan Finance Co., Ltd., which acquired 15% of Renault through two reserved capital increases, on March 29 and May 28, 2002. By acquiring a stake in Renault, Nissan gained a direct interest in its partner's results, as was already the case for Renault with regards to Nissan. Nissan also obtained a second seat on Renault's Board of Directors.

During this phase, the two companies also established Renault-Nissan b.v. (RNBV) and the Alliance Board which was tasked with defining the Alliance's strategy and developing a joint long-term vision.

Since the signing of the Strategic Cooperation between the Alliance and Daimler AG in April 2010, Renault's stake in Nissan stands at 43.4%, while Nissan's stake in Renault remains unchanged at 15%.

Percentages of ownership between Renault and Nissan



1.2.2 ALLIANCE PRINCIPLES & OBJECTIVES

1.2.2.1 PRINCIPLES

The Alliance is based on trust, respect and transparency among all partners. It strives for "win-win" solutions that benefit Alliance partners and their customers. It seeks to maximize economies of scale while preserving the distinct identities of brands and corporate cultures.

1.2.2.2 OBJECTIVES

The Alliance pursues a strategy of profitable growth with three objectives that are meant to be sustainable over the long term:

- to be recognized by customers as being among the best three automotive groups in terms of the quality and value of its products and services in each region and market segment;
- to be among the top three automotive groups in key technologies, each partner being a leader in specific fields of excellence;
- to consistently generate a total operating profit that is among the top three automotive groups in the world, by maintaining a high operating margin and steady growth.

1.2.3 STRUCTURE OF THE ALLIANCE

1.2.3.1 ALLIANCE GOVERNANCE

Renault-Nissan b.v., based in Amsterdam, the Netherlands, is responsible for the strategic management of the Alliance. The Company, which was founded on March 28, 2002, is equally-owned by Renault SA and Nissan Motor Co., Ltd.

1.2.3.2 THE ALLIANCE BOARD

ROLE OF THE ALLIANCE BOARD

The Alliance Board is the decision-making body for all issues affecting the Alliance's future and meets approximately once per month. The first Alliance Board Meeting (ABM) took place May 29, 2002. The Alliance Board also hosts larger forums for all top executives at both companies.

ALLIANCE BOARD MEMBERS

Since November 2011, the Alliance Board has been led by Carlos Ghosn, its Chairman and CEO. Carlos Ghosn is also President and CEO of Renault and President and CEO of Nissan. The Alliance Board includes four senior executives from Renault and four executives from Nissan. The Renault executives are: Thierry Bolloré, Executive Vice President, Chief Competitive Officer, Jerome Stoll, Executive Vice President, Chief Performance Officer, Sales & Marketing, Bruno Ancelin, Executive Vice President, Product Planning & Programmes, and Mouna Sepehri, Executive Vice President, Office of the CEO. The Nissan executives are: Hiroto Saikawa, Chief Competitive Officer, Philippe Klein, Chief Planning Officer, Trevor Mann, Chief Performance Officer and Greg Kelly, Alliance Executive Vice President, Alliance Talent Management.

Other members of Renault's and Nissan's Executive Committees attend the Alliance Board.

1.2.3.3 ROLE OF RENAULT-NISSAN B.V.

RNBV decides on the Alliance's medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing a consensual operating procedure.

RNBV possesses limited powers over both Renault SA and Nissan Motor Co., Ltd. as described in paragraph below 1.2.3.4 "Powers of Renault-Nissan b.v.". Renault SA, headquartered in Boulogne-Billancourt, France, and Nissan Motor Co., Ltd., based in Yokohama, Japan, have separate decision making bodies. The responsibility for managing their activities lies with their respective Executive Committees, which are accountable to their respective Board of Directors and shareholders.

In addition, RNBV holds the shares of Renault-Nissan Purchasing Organization (RNPO), created in April 2001, and Renault-Nissan Information Services (RNIS), a common information systems company created in July 2002. RNPO was originally equally owned by Renault and Nissan until its shares were transferred to RNBV in June 2003.

1.2.3.4 POWERS OF RENAULT-NISSAN B.V.

RNBV has limited ***decision-making power*** with respect to strategic management of Renault SA and Nissan Motor Co., Ltd. In order of importance, these are decisions that would be difficult for the two companies to take separately while ensuring that they would be able to pursue global implementation and thus take advantage of economies of scale.

This decision-making power is limited to the following areas:

- adoption of 3-, 5- and 10-year plans (strategic Company projects, with quantified data);
- approval of product plans (parts of strategic projects corresponding to the design, development, manufacturing and sale of current or future products, vehicles and components);
- decisions concerning the commonization of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- financial policy, including:
  - rates of discount used for ROIC studies and hurdle rates, applicable to future models and investments,
  - risk-management rules and the policy governing them,
  - rules on financing and cash management,
  - debt leverage;
- management of common subsidiaries, and the creation, modification, steering and disbandment of Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These groups 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;
- any other subject or project assigned to RNBV on a joint basis by Nissan Motor Co., Ltd., and Renault SA.

RNBV also has the exclusive ***power to make proposals*** on a range of decisions to be made by the two operating companies, Nissan Motor Co., Ltd., and Renault SA. The two entities are free to accept or reject these proposals. However, they can implement these decisions only if a proposal has been made by RNBV. The power of initiative of RNBV thus ensures that the two partners harmonize their policies.

The areas covered include:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes;
- significant changes in scope, whether geographic or in terms of products, for total amounts of $100 million or more;
- strategic investments, i.e. investments other than product-related investments, amounting to $500 million or more;
- strategic cooperations between Nissan Motor Co., Ltd., or Renault SA and other companies.

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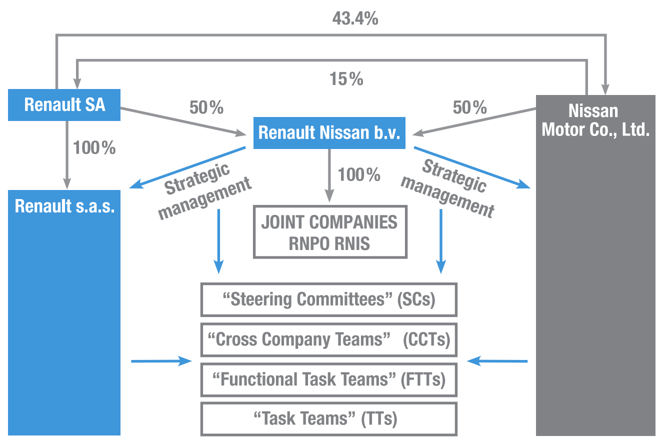
ALLIANCE STRUCTURE



All other aspects relating to Renault SA and Nissan Motor Co., Ltd., whether operational, commercial, financial or labor-related, are managed independently by each company and the corresponding decisions will be taken independently by these companies' respective governing bodies. The two companies retain their autonomy of decisions, the identity of their respective brands, their employee-representative bodies and their employees. They are also responsible for their own results.

1.2.3.5 2014 ACTIVITIES

With the support of the dedicated Alliance teams, the Alliance Board ***has formulated strategic recommendations*** focusing on several key directions:

- common Alliance projects and organizations: supporting the Alliance's international growth, RNBV drives the creation of common entities. For example, it expanded its purchasing activities, creating a fifth purchasing region in Russia with AVTOVAZ;
- OEM partnerships: RNBV is a driving force for forging new partnership between the Alliance and other OEMs. The Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng, Japan's Mitsubishi Motors and India's Ashok Leyland;
- communications: RNBV supports the Alliance activities and businesses through targeted initiatives on high-profile events such as the Women's Forum and the World Economic Forum. The Alliance communication team is also accelerating internal communications on the Alliance at both companies.

1.2.4 OPERATIONAL MANAGEMENT OF THE ALLIANCE

The Alliance is a unique partnership of two global companies which aims at creating synergies while each company preserve its own distinct culture, brand identity and management. The Alliance goal is to increase synergies and that both partners Renault and Nissan jointly reach critical size.

Renault and Nissan took a new step in the evolution of the Alliance in 2014 when they decided to implement the convergence of four key functions in order to further accelerate synergies. The convergence of functions is also an incentive to get both companies management closer, which will help deepen efficiency and synergies.

For other functions, the Alliance keeps looking for synergies mainly through the Cross-Company Teams (CCTs) and Functional Task Teams (FTTs) set up in 2002 and dedicated Alliance managers established in 2009.

1.2.4.1 THE CONVERGENCE PROJECT

THE LATEST STEP IN THE EVOLUTION OF THE ALLIANCE

On April 1, 2014, Renault and Nissan took another major step in the evolution of their 15-year partnership by converging four key functions: Engineering, Manufacturing and Supply Chain Management, Purchasing and Human Resources. The Convergence is expected to help accelerate efficiency and synergies in these four functions by allowing these functions to make quicker decisions, avoid duplication and pool resources. The convergence is expected to boost the efficiency and revenues of both companies by leveraging the size of the Alliance to achieve more economies of scale. By 2016, the Alliance expects to generate a minimum of €4.3 billion in annualized synergies by 2016, up from €2.9 euros in 2013.

Each function is headed by one common, dedicated Alliance Executive Vice President:

- Tsuyoshi Yamaguchi, Alliance EVP, Alliance Technology Development;
- Shohei Kimura, Alliance EVP, Manufacturing Engineering and Supply Chain Management;
- Yasuhiro Yamauchi, Alliance EVP, Purchasing and Chairman & Managing Director of Renault-Nissan Purchasing Organization (RNPO);
- Marie-Francoise Damesin, Alliance EVP, Alliance Human Resources.

The Alliance EVPs of Engineering, Manufacturing & Supply Chain, and Purchasing all report directly to the Chief Competitive Officers of both Renault and Nissan, who in turn report directly to the Renault-Nissan Alliance Chairman & CEO Carlos Ghosn. The Alliance EVP of Human Resources reports directly to the CEO.

A new Alliance Management Committee was established, comprised of the Chief Competitive Officers from each company and the Alliance Executive Vice Presidents of the four converged functions. The Committee is headed by the Renault-Nissan Alliance Chairman and CEO. The Alliance Management Committee meets on a monthly basis to review the progress of the Alliance's four converged operations and to ensure achievement of key objectives.

KEY MISSIONS OF THE CONVERGED FUNCTIONS

The main objective of Alliance Technology Development is to accelerate the commonization of parts, powertrains, platforms, and advanced engineering, and to optimize the use of the Alliance's engineering resources. The converged function will also enable the Alliance to get maximum leverage out of its size. The commonized technologies will be available for each company to use on their specific products.

The newly converged Purchasing function will further strengthen the long history of commonization between Renault and Nissan in this area. Convergence will help to reinforce global processes for purchasing, methodologies and supplier knowledge, as well as help localize parts procurement.

The creation of a Supply Chain Management function has enabled Renault and Nissan to bring together their Supply Chain and Logistics functions which will help the growing cross-production between the companies.

In Manufacturing, a common Industrial Strategy has been established. The Alliance has also established an Alliance Production Way and Industrial Performance teams. These will also contribute to optimize the cross-production of cars at Renault and Nissan plants and therefore optimize the use of manufacturing capacities. For example: the Nissan Rogue at the Renault Busan plant in Korea, the Renault Duster at the Alliance Chennai plant in India, and the next-generation Nissan Micra in Renault's Flins plant in France.

Regarding HR, personal exchanges and recruitment plans are now jointly managed in the converged function. Furthermore, the management of top Alliance executives and talent is now commonized.

1.2.4.2 OPERATIONAL ALLIANCE TEAMS AND COMMITTEES

In addition to the converged functions, the Alliance continues to look for synergies in functions that are not converged through Cross-Company Teams (CCTs) and Functional Task Teams (FTTs).

Dedicated Alliance Global managers within RNBV are also responsible for accelerating synergies and best-practice sharing in other areas. This team has been in place since 2009. Today the Alliance Global managers are focused on the following areas:

1. Alliance A-Segment Development;
2. Alliance IS/IT;
3. Alliance Control;
4. Alliance Communications & Marketing;
5. Alliance Finance & Economic Advisor;
6. Alliance Cooperation with Daimler group;
7. Alliance Customs and Trade;
8. Alliance Product Planning.

The Alliance managers report into the head of the Alliance CEO Office & RNBV, who reports directly to the Renault-Nissan Alliance Chairman and CEO.

STEERING COMMITTEES

The steering committees are tasked with defining the Alliance's cross-functional strategic operational priorities, submitting topics to the Alliance Board Meeting that may be given priority status in the agenda and coordinating the activities of the Cross-Company Teams (CCTs) and Functional Task Teams (FTTs) that fall within the scope of the steering committees. They take operational decisions that are not within the scope of the CCTs, report on progress to the Alliance Board Meeting and, wherever necessary, seek arbitration on and/or confirmation for decisions.

Today there are 13 steering committees, each focusing on a different field that supports the CCTs and FTTs in the implementation of Alliance projects.

1. Chief Competitive Officer
2. Planning
3. Sales
4. Services
5. Marketing
6. Communications
7. China
8. Asia & Pacific (excl. China)
9. Middle East & India
10. Africa
11. Americas
12. Europe
13. Russia

The number of SCs, CCTs and FTTs and their area of focus are constantly adapted in line with the needs of the Alliance.

CROSS-COMPANY TEAMS

The CCTs are working groups comprising staff and experts from both companies that are tasked with exploring possible areas of cooperation and synergy between Renault and Nissan, defining and concretely specifying projects and then monitoring the implementation of projects approved by the Board. The CCTs are headed by two co-leaders, one from Renault and one from Nissan. With the convergence of the four key business functions in April 2014, several CCTs - eg. Research & Advanced Engineering, Process Engineering and Manufacturing - were dissolved and integrated into the new converged functions.

Today there are 11 teams working on the following areas:

1. Product Planning
2. Light commercial vehicle
3. Vehicle Information Technology
4. Vehicle Engineering
5. Parts & Accessories
6. Corporate *Sales*
7. Korea
8. Africa
9. Joint Market Research
10. India
11. Association of Southeast Asian Nations

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FUNCTIONAL TASK TEAMS

The FTTs are made up of experts from both Renault and Nissan and provide the CCTs with essential support in terms of benchmarking, the promotion of best practices and the harmonization of tools used in the support functions.

There are 15 FTTs that cover the following key areas:

1. Corporate *Planning*
2. Product Engineering Performance
3. Quality
4. Cost Management & Control
5. Global tax
6. Joint Media Buying
7. Joint Events & Motor Shows
8. Joint Agencies
9. Marketing Organization
10. Sales Expansion
11. Customer Experience
12. Service Engineering
13. Legal & Intellectual Property
14. Alliance Motorsport
15. Communications

1.2.5 SYNERGIES – A WAY TO MEASURE THE BENEFITS OF THE COOPERATION

One key way to measure the benefit of the cooperation between Renault and Nissan is through synergies. Synergies are derived from cost reductions, cost avoidance and revenue increases. Only new synergies – not cumulative synergies – are taken into account each year. The related synergies are an additional opportunity for each company. With the April 2014 convergence of the four key business functions – Engineering, Manufacturing & Supply Chain Management, Purchasing and Human Resources – the Renault-Nissan Alliance anticipates synergies to accelerate further. By 2016, the Alliance expects to achieve at least €4.3 billion in annualized synergies, up from € 1.5 billion in 2009 when it first began recording synergies.

The Alliance synergies are reported by the pilots of the Cross Company Teams and validated by the Cost Controllers and the Alliance Economic Advisor. The impact on Renault and Nissan's profit and loss statements (P&L) is reported in the Alliance Board Meetings.

1.2.5.1 STATUS OF SYNERGIES

In 2014, the Alliance expects to generate more than €3.8 billion in synergies. The 2014 results will be announced by mid-2015.

In 2013, the Renault-Nissan Alliance posted record synergies of €2.87 billion, up from €2.69 billion in the previous year. Synergies are derived from cost reductions, cost avoidance and revenue increases. Only new synergies – not cumulative synergies – are taken into account each year.

Purchasing, vehicle engineering and powertrains remained the biggest contributors to synergies as the Alliance geared up for the launch of its first Common Module Family (CMF) vehicles. Common Module Family (CMF) is the Alliance's unique system of modular architecture and an increasing source of synergies.

Purchasing, which is jointly managed by Renault-Nissan Purchasing Organization (RNPO), generated €1.036 billion in synergies. Vehicle engineering, which relates to common platforms and components, accounted for €714 million. The co-development and exchange of powertrains accounted for €525 million.

PURCHASING

RNPO

The Alliance has been able to make substantial cost savings by pursuing a joint purchasing strategy and building a network of common suppliers. The Renault-Nissan Purchasing Organization (RNPO), established in April 2001, was the first joint-venture company set up between Renault and Nissan and has historically been the biggest contributor to Alliance synergies.

RNPO initially managed about 30% of Renault's and Nissan's global annual purchasing turnover. This was expanded to 100% of all purchases across the Alliance in 2009. The geographical scope of RNPO was also extended to all regions where Renault and Nissan have production activities in an effort to respond to worldwide needs. Since April 1, 2014, the scale and power of RNPO increased due to the convergence across business functions and as more and more vehicles are jointly developed through the CMF architecture.

With the convergence, the Renault and Nissan common purchasing strategy has been reinforced thanks to a unique and common strategy team. As a result, all purchasing activities now fall under the scope of RNPO, including all projects, to ensure consistency across programmes. Today there are five purchasing Regions: Europe, South America, North America, Asia and Russia. Purchasing in Russia is led by AVTOVAZ-Renault-Nissan Purchasing Organization (ARNPO) which was created in January 2015 and is in charge of all purchasing by the three partners in that country.

VEHICLE TECHNOLOGY DEVELOPMENT

The sharing of platforms and, more significantly, the sharing of major components is one of the key drivers of the Renault-Nissan Alliance's success.

The main priority of the newly converged engineering function called Alliance Technology Development is to become the global leader in auto-related technology innovation, particularly in the field of connected cars and autonomous driving. Another key priority is to maximize the platform and parts commonality ratio between Renault and Nissan in order to strengthen the Alliance's cost leadership and generate increased economies of scales.

EXPANSION OF COMMON MODULE FAMILY (CMF)

Alliance Technology Development is expanding the Alliance's Common Module Family (CMF) approach across all vehicle segments. This unique modular system of architecture allows the Company to build a wide range of vehicles from a smaller pool of parts, resulting in more savings and greater value for customers.

CMF divides the car into five fundamental modules: engine compartment, cockpit, front underbody, rear underbody plus the electronics package. The five big modules can be "mixed and matched" to create an unusually large variety of vehicles.

By sharing the technical architecture among a wide variety of models, the Alliance is dramatically reducing costs, while increasing customer choice and quality. The approach cuts entry ticket costs by up to 40% and purchasing costs by up to 30%.

CMF will cover three key vehicle segments:

- CMF-A: small, fuel-efficient vehicles for high-growth markets;
- CMF-B: mid-sized vehicles;
- CMF-C/D: larger vehicles, including many Renault and Nissan SUVs and crossovers.

In November 2013, Nissan began selling its first vehicle on CMF in the United States; the new Rogue sports utility vehicle is built on CMF-C/D. The following month, Nissan began selling the X-Trail crossover SUV in Japan, also based on CMF-C/D. In February 2014, Nissan began selling the new Qashqai crossover in Europe.

Renault's first CMF model will be the new Espace crossover. The car will be launched in 2015 and will also be built on CMF-C/D architecture.

The Alliance has begun development work on CMF-A, the most affordable category of cars. Production of CMF-A vehicles will begin in 2015 at the Renault-Nissan Alliance plant in Chennai, India.

The development of CMF vehicles is helping to drive synergies in all the Alliance's major business areas – from purchasing to vehicle engineering and powertrains. CMF will continue to be a major driver of synergies for the Renault-Nissan Alliance in the future. Not all Renault and Nissan vehicles are within the scope of CMF – most notably, the Infiniti range. However, by 2020, CMF is expected to cover 70% of Renault and Nissan volume.

POWERTRAINS

From 2009 until April 2014, the Powertrain Cross-Company Team (CCT), supported by the Alliance Powertrain Planning Office, was responsible for leading efforts to reduce powertrain diversity at the Alliance and increasing the development of efficient powertrains to meet tough new emission standards.

Thanks to the convergence of the engineering functions at Renault and Nissan in April 2014, the powertrain divisions at both companies are now part of one organization. This reorganization is expected to help the Alliance eliminate duplication altogether while allowing the companies to pool resources and accelerate the development of fuel-efficient powertrains.

A major powertrain achievement for the Alliance in 2014 included the introduction of a new 2.3 dCi diesel-powered engine which is more fuel-efficient than the previous generation by 1 l/100km on average and by up to 2.7 l/100km on rear-wheel drive models. The M9T is also cleaner, emitting 10% less CO_2 on average. Jointly developed for worldwide use by both Renault and Nissan, the new engine made its debut on the Renault Master van in June 2014.

RESEARCH AND ADVANCED ENGINEERING

Since 1999, Renault and Nissan have been cooperating in strategic fields of research and advanced engineering in which they have common interests in order to optimize the allocation of their resources. By doing so, they have been able to cover a broader range of potential technical solutions and accelerate work in order to achieve technology breakthroughs and bring new products to market.

Following the convergence of the Renault and Nissan engineering functions in April 2014, a Research &Advanced Engineering (R&AE) Alliance Global division was created. The division aims to mutualize the efforts of the Renault and Nissan teams in order to enhance overall efficiency and technological capabilities in order to deliver innovative solutions to position the Alliance among the top three automotive groups in key technologies.

The Alliance technology leadership is built on three key strategic focuses: zero-emission vehicles, connected cars and autonomous driving.

Today, the Alliance is the leader in zero-emission mobility, having sold more than 217,000 electric vehicles globally, more than all major automakers combined. To maintain this leadership, the Alliance has built a common Renault and Nissan zero-emission vehicles strategy and roadmap.

Renault-Nissan's research and advanced engineering activities on connected and autonomous driving are carried out in multiple facilities worldwide, including Nissan's Technology Center in Atsugi, Japan; the Nissan North American technical center in Farmington Hills, Michigan, USA; Renault's Technocentre in Guyancourt, France; and in the Renault-Nissan Alliance research office in Silicon Valley, California, USA, which was established in 2011 to capitalize on the region's world-class engineering talent and to stay ahead of trends.

As a converged function, the R&AE Alliance division leads the full scope of research and advanced engineering, which will result in a common plan with common goals and priorities and zero duplication.

With optimized resources allocation, Alliance R&AE is able to cover a broader range of potential technical solutions and accelerate work in order to achieve technology breakthroughs and bring new innovative products to market.

Furthermore, to assist and guarantee the success of this ambitious reorganization, the division is giving particular attention to the reinforcement of competencies in key research domains that are directly linked to the strategic focuses.

MANUFACTURING

Renault and Nissan have actively exchanged know-how in the area of production performance management since 1999. Both companies' manufacturing systems – Renault Production System (SPR) and Nissan Production Way (NPW) – are now fully aligned, allowing shop managers to benchmark directly against each other in all areas, including machining, engine assembly, stamping, welding, painting, trim and chassis in order to identify and deploy best practices in all Renault and Nissan plants. Each year, all Alliance plants are ranked according to QCTP (quality, cost, time and productivity) to evaluate their performance against each other. New challenges related to environmental targets (eg. electric vehicle battery recycling and energy reduction) represent a new field for the exchange of best practices. By 2015, the Alliance will roll out the Alliance Production Way (APW) at all plants around the world where cross-manufacturing takes place. By 2017, all Renault and Nissan plants are expected to have adopted APW.

REGIONAL COOPERATION

Renault, Nissan and Daimler, cross produce vehicles and powertrains together in numerous facilities around the world today, including Brazil, France, India, Russia, USA, South Africa, South Korea and Spain. The Alliance's cross-production ratio, including Daimler, stood at more than 16% in 2014 and is expected to accelerate following the April 1, 2014 convergence of key business functions, including Manufacturing & Supply Chain Management.

2014 HIGHLIGHTS

Russia

In June 2014, Renault and Nissan completed their planned purchase of a combined 67.13% stake in Alliance Rostec Auto BV, which holds 74.51% of AVTOVAZ, Russia's biggest automaker.

Russia remains a growth pillar for the Alliance in the long-term. The Alliance has four manufacturing bases in Russia: Togliatti (AVTOVAZ with the B0 line), Moscow (Renault), St. Petersburg (Nissan) and Izhevsk (AVTOVAZ).

Togliatti is the biggest Renault-Nissan production base, with a production capacity of almost one million units per year. The plant produces vehicles under four brands – Lada, Renault, Nissan and Datsun. The Datsun brand was introduced in Russia in April 2014, making it one of four markets in the world where Nissan's legendary third brand has been launched.

The Alliance is aiming for a market share of 40% in Russia in the mid-term, up from about 30% in 2014.

South Korea

In September 2014, Renault Samsung Motor's plant in Busan, Korea, began shipments of Nissan Rogue vehicles to North America to meet stronger-than-expected customer demand for the successful crossover in that market.

The plant expects to produce about 80,000 Rogues annually over the next five years allowing RSM to secure a stable production volume equivalent to about 30% of its annual capacity target and helping it accelerate the completion of its strategic plan, "RSM Drive the Change."

India

India is another key pillar of the Alliance's strategic focus on new growth markets. The Chennai plant, inaugurated in 2010, was the first dedicated Alliance plant in the world and is home to the largest platform-sharing project in the Alliance.

The following Renault vehicles are produced at the Chennai plant for the domestic market: the new compact Pulse, the Duster SUV, and the Scala premium sedan. The plant also produces the following Nissan vehicles: the New Micra premium hatchback, the New Sunny premium sedan, the Evalia multi-purpose van as well as the Nissan Terrano premium compact SUV. In 2014, the plant began producing the Datsun Go and GO+.

Renault exports the Duster to other right-hand drive markets in Europe, Asia and Africa. Nissan exports Micra and Sunny to over 100 countries and is the second-largest exporter of passenger cars from India.

Chennai is also home to the Alliance's first jointly-owned technical center, Renault-Nissan Technology and Business Centre India Private Ltd. (RNTBCI). The center has fully integrated Renault and Nissan's operations, including engineering, purchasing, cost analysis, Human Resources, finance, information systems and administration. The center supports in adopting international technologies, Entry Level Vehicle Development, more upstream development in product life cycle, market adaptation, localization, faster product development cycles and total delivery cost reduction, as well as special projects for Renault's design studios in Mumbai and Chennai. Renault was the first European manufacturer to set up a design team in India in order to design vehicles that meet the needs and aspirations of Indian customers.

The Alliance also operates a logistics facility in Pune, which manufactures components for Alliance plants worldwide. The facility exports over 1,800 different parts to 34 plants in 24 countries.

SUPPLY CHAIN MANAGEMENT & LOGISTICS

The Alliance has generated major savings through logistics synergies. In 2009, logistics synergies accounted for €56 million. In 2013, such saving synergies jumped almost five times to €262 million, thanks to the creation of a consolidated team called Alliance Global Logistics.

Following the convergence of Manufacturing & Supply Chain Management in April 2014, the newly created Alliance Supply Chain Management group began overseeing all Supply Chain and Logistics teams worldwide under one Alliance Global Director. This move is expected to accelerate synergies even further.

Combining logistics and supply chain operations under the Alliance umbrella has enabled each company to benefit from each other's best practices, delivering huge economies of scale and addressing new projects with common logistics solutions.

Here are some specific examples of common logistics activities:

- the Alliance Logistics Team based in UK delivers all Renault, Dacia, Nissan and Infiniti vehicles to markets mainly in Europe reducing complexity and standardizing operations;
- Renault-Nissan has standardized packaging for each region, creating a common approach to containers and other packaging from design to vehicle shipping. On inbound parts supply in Europe alone, standardized packaging increased the truck filling ratio to more than 70% and saved almost €25 million;
- Renault and Nissan have been working together for three years to coordinate all shipping processes on a global scale. This has shortened maritime routes and increased the filling ratio on cargo ships, leading to significant cost reduction and faster time to market.

In addition, logistics synergies are accelerating thanks to projects with Daimler and AVTOVAZ.

IS/IT

Renault-Nissan Information Services (RNIS) was established in July 2002 to operate all activities where IS/IT communization between Renault and Nissan adds value by improving performance and reducing costs. It covers planning, architecture and control functions, as well as common operations where expertise and best practices can be shared, or where it is possible to unify the negotiation power with major vendors in conjunction with Renault Nissan Purchasing Organization.

Since June 2009, under the management of the RNBV IS Managing Director and common CIO, Renault and Nissan have developed their collaboration in terms of architecture (standardization of operating systems and software packages, common solutions), IT planning and synergies (delivery of an Alliance standard workstation, common sourcing for infrastructure operations in Europe), project management office and IS synergies (portfolio optimization, common applications, offshore application, development and maintenance, and development tools standardization).

QUALITY

The Alliance Quality Charter precisely defines the joint quality directives and procedures; it is applied to all Alliance projects.

The Charter covers all the key quality processes: customer quality surveys, Group quality targets, quality control in the development of new models, production quality assurance, quality assurance of outsourced components, service quality assurance (sales and after-sales), quality of technical progress, and warranty policy and procedures.

The Charter brings Renault and Nissan closer together through the use of common quality tools, such as:

- Alliance Vehicle Evaluation System (AVES), the only common and unique method for both Renault and Nissan to evaluate the quality of their final products, as well as those of their competitors, from the customer's point of view;
- Alliance New Product Quality Procedure (ANPQP), a quality measurement system developed for suppliers, which has been extended to all new projects. ANPQP was developed to define the Renault and Nissan requirements for suppliers from the initial project planning phase, through start of production to the end of product life;
- Alliance Supplier Evaluation Standard (ASES), a standard to evaluate the level of the quality management system of suppliers in terms of results and processes and to define the parts per million (PPM) targets for parts manufactured outside the Group.

The Quality Functional Task Team studies best practices at Renault and Nissan in order to improve quality at both companies and to help them achieve their mid-term quality targets. The best practices are sourced from Japan, the United States and Europe and are implemented by both companies if necessary.

1.2.5.2 NON-TRADITIONAL AREAS OF SYNERGIES

The Alliance is also increasingly benefitting from synergies in non-traditional areas such as sales and marketing.

JOINT MEDIA BUYING IN EUROPE

Since 2009, Renault and Nissan have been using the same media purchasing agency in Europe, Russia, Algeria and Morocco. Omnicom-OMD handles media purchasing for Renault in 24 countries in greater Europe and in 20 countries for Nissan. The combined budget was approximately €690 million in 2014.

JOINT FLEET CONTRACT

Thanks to the Alliance's wide product lineup and global sales footprint, Renault and Nissan are able to sign exclusive fleet contracts with major corporate clients.

The Alliance has signed numerous fleet contracts with corporate clients around the world including nutritional food company Danone, IT group Atos and pharmaceutical group Merck. In 2014, it signed a fleet contract for 200 electric vehicles with telecommunications giant Orange in France.

MOTORSHOWS

Since 2012, a dedicated Alliance team has been responsible for motor shows around the world for six of the Alliance's brands - Renault, Nissan, Infiniti, Dacia, Datsun and Renault Samsung Motors. The creation of the Alliance Motor Show team allows the Alliance to have a common strategic approach to motor shows and common strategic tools while at the same time reducing costs.

1.2.6 STRATEGIC COOPERATIONS

The Renault-Nissan Alliance has developed a core competence in managing and nurturing value-added partnerships to increase economies of scale, to help accelerate growth in new regions and to fund research and development of next-generation powertrains and vehicles. In fact, partners and potential partners specifically seek out Renault-Nissan for its demonstrated ability to keep collaborations expanding through multiple business cycles.

Today the Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng Motor, Japan's Mitsubishi Motors and India's Ashok Leyland.

1.2.6.1 COOPERATION WITH DAIMLER

The Alliance's biggest strategic collaboration by far is with premium carmaker Daimler AG. The partnership began in April 2010. This strategic cooperation is strengthened by cross-shareholdings, with Daimler holding a 3.1% share in Renault and Nissan capital and Renault and Nissan holding a 1.55% share in Daimler.

The partnership is managed by a Cooperation Committee which is co-chaired by Carlos Ghosn and Daimler CEO Dieter Zetsche and made up of senior executives from Renault, Nissan and Daimler. The Governance Board, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. The cooperation is managed for the Alliance by RNBV.

Cooperation between the two companies has expanded significantly since they joined forces in 2010 and has also become more global in scope. In 2010, the companies began collaborating on three projects, mostly within Europe. Today, the Alliance and Daimler count 12 major projects on three continents. The key projects involving Renault in the portfolio so far include:

- the Daimler Citan city van, released in Sept. 2012. The van is based on the Renault Kangoo and produced in Renault's plant in Maubeuge, France, where Renault also produces its Kangoo light commercial vehicle. The Citan, which accounts for about 25% of total production output in Maubeuge, also features a jointly developed Renault-Daimler four-cylinder, 1.5-liter diesel engine. A variant of this engine also powers the new Mercedes-Benz A-and B-Class models released in 2012;
- new generation Renault Twingo and Mercedes-Benz smarts based on a common Renault-Daimler platform. Although the new Twingo and fortwo and forfour Smarts, which were released in the second half of 2014, are built on a common platform they remain independent products with an unmistakable brand identity. The new Twingo and the forfour smart are produced in Novo Mesto, Slovenia. Meanwhile, the fortwo smart is produced at Daimlers Hambach plant in France;
- the debut in 2016 of a new, state-of-the-art direct-injection turbocharged small gasoline engine family developed by Renault and Daimler for Daimler, Renault and Nissan cars. The engines will feature improved fuel economy and reduced emissions in a compact package.

The Renault-Nissan-Daimler partnership grows organically, on a project-by-project basis; there is no specific area of potential collaboration that is "off limits." When teams suggest projects that could benefit all partners, they then launch feasibility studies to determine whether to move forward. If senior executives and Board members of all companies agree to move forward, then the project is greenlighted and announced externally with a clear timetable and division of labor. When appropriate, projects are terminated at the feasibility study stage and the teams move onto new opportunities.

In 2013, Renault and Daimler received the prestigious Franco-German Business Award for their industrial cooperation. Awarded by the Franco-German Chamber of Commerce and Industry, the prize recognizes French and German companies that are benchmarks for cooperation in four areas: industrial cooperation, the environment, innovation and new technologies, and Human Resources.

1.2.7 ALLIANCE SALES PERFORMANCE & FINANCIAL INDICATORS

1.2.7.1 ALLIANCE 2014 SALES

The Renault-Nissan Alliance sold a record 8,470,610 vehicles in 2014 amid rising sales in the United States and Western Europe.

Sales rose again last year, up 2.5 percent compared with the previous year. Together, Renault, Nissan and AVTOVAZ, Russia's largest automaker, account for one in 10 cars sold worldwide.

Renault SAS, Europe's third-largest automaker, sold 2,712,432 vehicles worldwide in 2014, up 3.2 percent from 2013. In Western Europe, Renault sales totaled 1,464,611, up 12.5 percent, more than double the overall market. Renault's market share in Europe reached 10 percent, up 0.6 percentage points. Dacia was Europe's fastest-growing brand, gaining 0.4 percentage points of market share.

Renault sales outside Western Europe fell 5.9 percent to 1,247,821 vehicles due to the economic slowdown in many of its markets. Despite the slowdown, Renault posted its highest market share ever in Brazil and Russia, its second and third largest markets after France.

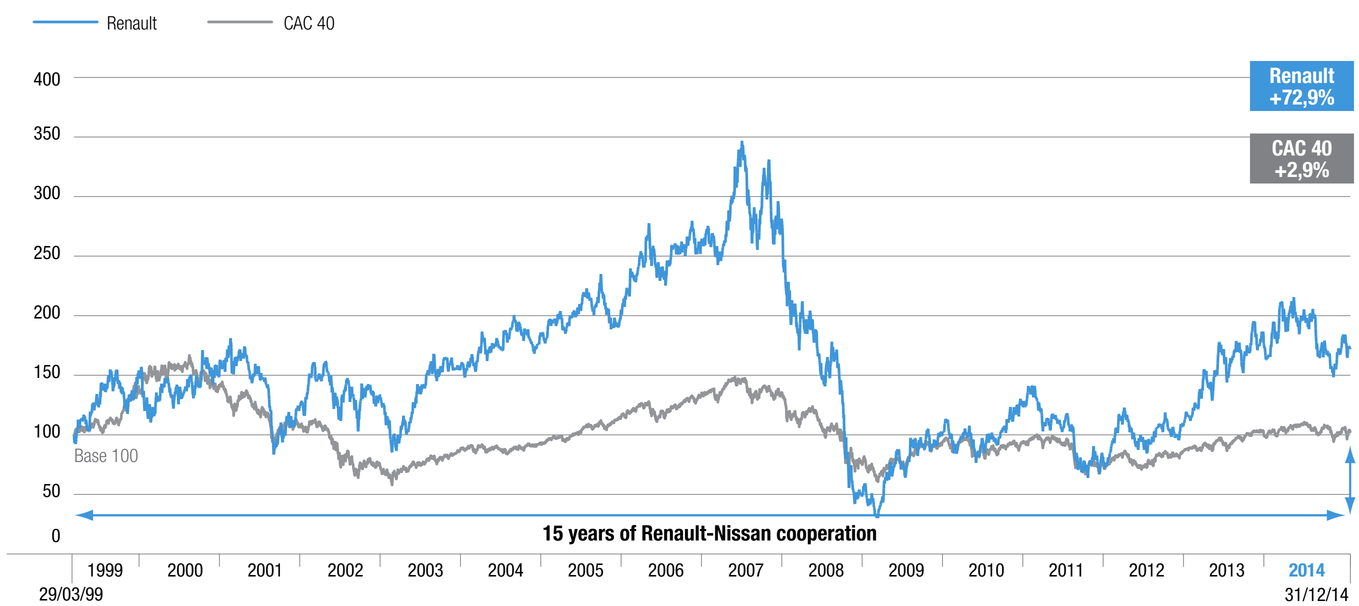
Nissan Motor Co., Ltd., sold a record 5,310,064 cars and trucks worldwide, up 4.1 percent. Nissan continued to sell more than 1 million vehicles in its two largest markets, the United States and China.

AVTOVAZ sold 448,114 vehicles, down 16.3%due to the overall market slowdown in Russia. The Renault-Nissan Alliance has a stake in AVTOVAZ, which sells cars under the LADA brand, through a joint venture with state corporation Rostec. Together, the Renault-Nissan Alliance and AVTOVAZ sell about one in three cars in Russia.

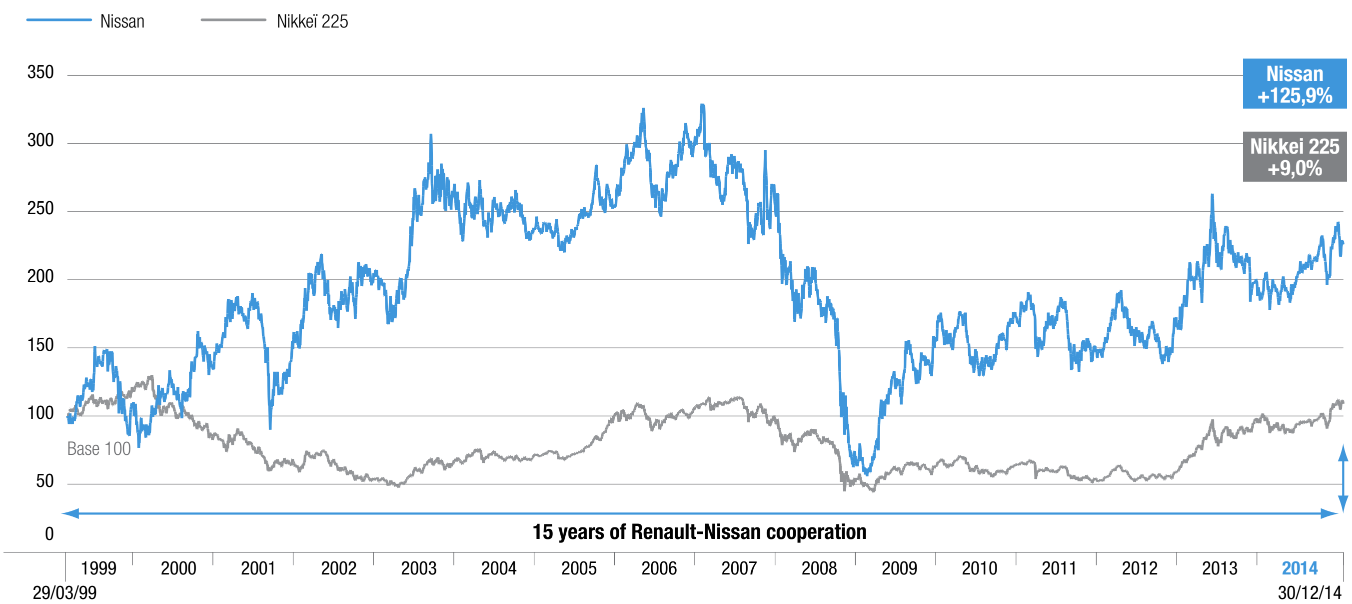
The Alliance's top 10 markets in 2014 were the United States, China, Russia, Japan, France, Mexico, Brazil, UK, Germany and Italy.

1.2.7.2 RENAULT AND NISSAN SHARE EVOLUTION SINCE THE CREATION OF THE ALLIANCE IN 1999

RENAULT



NISSAN



AUTOMOTIVE MANUFACTURERS' MARKET CAPITALIZATION AT MARCH 1999 AND DECEMBER 2014

(€ million)	MARCH 29, 1999	RANKING		DECEMBER 31, 2014
Toyota	96 736	1	Toyota	178 062
Daimler	81 541	2	VW	86 767
Ford	59 848	3	Daimler	73 787
GM	52 518	4	BMW	57 738
Honda	39 961	5	Ford	48 391
VW	22 159	6	GM	46 353
BMW	16 277	7	Honda	44 025
Fiat	13 522	8	Hyundai	34 167
Nissan	**9 049**	**9**	**Nissan**	**32 902**
Renault	**8 393**	**10**	**Renault**	**17 900**
PSA	6 615	11	Fiat	12 335
Hyundai	678	12	PSA	8 003

1.2.7.3 VALUE OF JOINT OPERATIONS

Total sales by Renault to Nissan and purchases by Renault from Nissan in 2014 amounted to an estimated €2,500 million and €1,900 million respectively (Note 12 J of the Renault consolidated financial statement).

1.2.7.4 FINANCIAL INFORMATION ON THE ALLIANCE

(See chapter 1.3.2.3)

1.2.7.5 GLOBAL PRODUCTION SITES

1.2.8 NISSAN'S 2014 RESULTS

Nissan's financial statements are prepared under Japanese accounting standards, which differ from the standards used by Renault. The statements include intermediate operating totals and some Nissan-specific indicators. 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 fiscal year runs from April 1 until March 31, the following year.

1.2.8.1 FISCAL YEAR 2014 AFTER NINE MONTHS

Nissan's net income for the nine months to December 31, 2014, rose 23.6% to income to ¥338.8 billion amid solid US sales, cost efficiencies and favorable currency movements.

Operating profit rose to ¥417.9 billion for the period, representing a 5.2% margin on net revenues that climbed 11.1% to 8.09 trillion yen.

Globally, Nissan sold 3,835,000 vehicles in the first nine months of fiscal 2014, a 4.4% rise year-on-year.

1.2.8.2 NISSAN'S CONTRIBUTION TO RENAULT'S 2014 RESULTS

CONTRIBUTION TO RENAULT'S 2014 CONSOLIDATED NET INCOME

Nissan's contribution to Renault's earnings in 2014 was €1,559 million, compared with €1,498 million in 2013, recorded in the financial statements as a share in net income of companies accounted for by the equity method (see Chapter 4, note 12 of the consolidated financial statements).

CONTRIBUTION TO RENAULT'S 2014 CONSOLIDATED NET INCOME DIVIDEND PAYOUT

In June 2014, Renault received a final dividend of €212 million for fiscal year 2013 (¥15 per share). In November 2014, Renault received a first dividend payment of €220 million (¥16,5 per share) for fiscal year 2014.

1.3 EARNINGS REPORT – 2014

KEY FIGURES

		2014	2013	CHANGE
Worldwide Group registrations	million vehicles	2.71	2.63	+3.2%
Group revenues	€ million	41,055	40,932	+0.3%
	€ million	1,609	1,242	+367
Group operating profit	% revenues	*3.9%*	*3.0%*	*+0.9pts*
Contribution from associated companies	€ million	1,362	1,444	(82)
o/w Nissan		*1,559*	*1,498*	*+61*
o/w AVTOVAZ		*(182)*	*(34)*	*(148)*
Net income	€ million	1,998	695	+1,303
Net income, Group share	€ million	1,890	586	+1,304
Earnings per share	€	6.92	2.15	+4.8
Automotive Operational Free cash flow(1)	€ million	1,083	827	+256
Automotive net cash position	€ million	2,104	1,761	+343
Sales financing, average loans outstanding	€ billion	25.4	24.2	+4.9%

(1) Automotive operational Free cash flow: cash flows (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.

OVERVIEW

In 2014, sales of passenger cars and light commercial vehicles (PC+LCV) by the Renault group increased by 3.2% with 2,712,432 vehicles registered in a global automotive market that rose by 3.5%.

In **Europe**, Group market share was 10.1%: the Renault brand gained 0.2 points of market share, while Dacia gained 0.4 points. In the LCV segment, the Renault brand maintained its leadership for the 17th successive year, with a 14.2% market share.

Internationally, affected by the economic and financial crisis on main emerging markets of the Group, car registrations outside Europe dropped 5.9%. They accounted for 46% of the Group's total registrations, versus 50% in 2013. Nevertheless, the Group held firm and posted record market share in Brazil (7.1%) and Russia (7.9%), its second and third largest markets.

In 2014, **Group revenues** came to €41,055 million, an increase of 0.3% compared to 2013. At constant exchange rates, revenues grew by 3.1%.

The contribution of the **Automotive division** to revenues amounted to €38,874 million, up 0.3% vs 2013. The Group offset negative currency variations by increasing prices outside Europe and by the strong growth of sales to partners.

The **Group's operating profit** reached €1,609 million, compared to €1,242 million in 2013 (3.9% of revenues vs 3.0% in 2013).

The **Automotive operating profit** rose by €363 million to €858 million, representing 2.2% of revenues. This performance results from cost reductions and from growth in sales while unfavorable foreign exchange rates and the enrichment of some end-of-life models impacted negatively.

Sales Financing contributed to €751 million to Group operating profit compared to €747 million in 2013. The drop in net banking income was offset by an increase in average loans outstanding and by growth in services. The cost of risk remained stable at 0.43%.

Other operating income and expense items were negative by €504 million, mostly due to restructuring costs of €305 million and the impairment of assets for €153 million.

Group Operating income came to €1,105 million compared to -€34 million in 2013. This improvement results from the increase in operating profit and the reduction in other operating expenses of €772m.

The **contribution of associated companies**, mainly Nissan, was €1,362 million, compared to €1,444 million in 2013, including the negative contribution of AVTOVAZ for -€182 million.

Net income came to €1,998 million and net income, Group share, to €1,890 million (€6.92 per share compared to €2.15 per share in 2013).

Automotive operational **free cash flow** was positive at €1,083 million, due to the increase in profitability, as well as a positive change of €596 million in the working capital requirement over the period.

A **dividend** of €1.90 per share, vs €1.72 last year, will be submitted for approval at the next Shareholders' Annual General Meeting.

OUTLOOK

In spite of the uncertainties surrounding numerous economies, global car demand should continue to grow this year (+2%). The European market should also show a slight positive growth (+2%) while we continue to expect high volatility in our main emerging markets:

In this context, Renault group aims to:

- increase further its registrations and revenues (at constant exchange rates);
- continue to improve the Group's operating margin and that of the Automotive division;
- generate positive Automotive operational free cash flow.

1.3.1 SALES PERFORMANCE

OVERVIEW

In 2014, sales of passenger cars and light commercial vehicles (PC+LCV) by the Renault group increased by 3.2% with 2,712,432 vehicles registered in a global automotive market that rose by 3.5%.

The Renault group gained market shares in nine of its ten main markets.

In **Europe**, Group market share was 10.1%: the Renault brand gained 0.2 points of market share, while Dacia gained 0.4 points. In the LCV segment, the Renault brand maintained its leadership for the 17th successive year, with a 14.2% market share.

Internationally, affected by the economic and financial crisis on main emerging markets of the Group, car registrations outside Europe dropped 5.9%. They accounted for 46% of the Group's total registrations, versus 50% in 2013. Nevertheless, the Group held firm and posted record market share in Brazil (7.1%) and Russia (7.9%), its second and third largest markets.

At end-December 2014, the number of new financing contracts by **RCI Banque** was up 7.3% on 2013.

1.3.1.1 AUTOMOTIVE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	CHANGE (%)
GROUP	**2,712,432**	**2,628,183**	**+3.2**
EUROPE REGION	**1,464,611**	**1,301,896**	**+12.5**
Renault	1,103,067	1,011,398	+9.1
Dacia	361,544	290,498	+24.5
AMERICAS REGION	**416,934**	**466,891**	**-10.7**
Renault	415,701	460,833	-9.8
Renault Samsung Motors	1,233	6,058	-79.6
ASIA-PACIFIC REGION	**133,172**	**108,237**	**+23.0**
Renault	51,914	47,092	+10.2
Dacia	1,070	1,015	+5.4
Renault Samsung Motors	80,188	60,130	+33.4
AFRICA MIDDLE-EAST INDIA REGION	**308,012**	**339,289**	**-9.2**
Renault	226,832	265,135	-14.4
Dacia	80,580	73,367	+9.8
Renault Samsung Motors	600	787	-23.8
EURASIA REGION	**389,703**	**411,870**	**-5.4**
Renault	321,330	347,032	-7.4
Dacia	68,271	64,716	+5.5
Renault Samsung Motors	102	122	-16.4

* *Preliminary figures.*

EUROPE

In 2014, the Renault group recorded a 12.5% increase in new car registrations in a market that grew 5.9%. The Group increased its volumes and market share across nearly all markets. Overall, the Group exceeded the 10% market share threshold (up 0.6 points).

The most substantial growth was recorded in the **United Kingdom** (+41.9%), **Portugal** (+42.1%), **Spain** (+30.2%) and **Italy** (+28.9%). In **France**, the Renault group gained 1.3 points of market share, at 26.6% and increased registrations volumes by 5.5% compared with 2013. The Group has five vehicles among the top 10 best-selling passenger cars. With over 105,000 registrations, Clio is the best-selling car on the French market, while Captur is the most popular cross-over.

The **Renault** brand is the third largest on the PC+LCV market in the Region with 7.6% of market share (+0.2 points). Renault is the leader in France and has regained its position as the second brand in Spain. Thanks to the Clio and Captur, Renault succeeded in taking first place on the urban vehicle market (A and B segments). In the LCV segment, Renault maintained its lead for the 17th successive year (with a 14.2% market share).

For the second year running, the **Dacia** brand recorded the strongest increase in market share in Europe: (+0.4 points at 2.5%). In **France**, Dacia, the fifth brand on the market, gained 0.5 points to 4.9% market penetration, mainly driven by the success of Duster and Sandero (the third best-selling vehicle for retail customers). In **Spain,** thanks to Sandero, the top-selling vehicle for retail individuals, Dacia increased its market share by 0.7 points to 4.7%. Dacia also posted record volumes and market share in nearly all European countries, such as in **Italy** (2.7% market share) or in the **United Kingdom** where Dacia has already conquered nearly 1 points of market share after only two years on the market (23,862 new customers in 2014).

OUTSIDE EUROPE

Americas

With 416,934 new car registrations, the Group lost 10.7% in volume, in a market that dropped by 7.5%, mainly due to the economic situation in Argentina. The Renault group achieved a market share of 6.4% (down 0.2 points), thanks to its success in Brazil.

Brazil continued to be the Group's second largest market. Despite a 7% market drop, Renault registered 237,187 vehicles (+0.3%). The brand's market share thus reached a record high at 7.1% (+0.5 points).

In **Argentina**, in a difficult local economic context, Renault chose to limit its exposure to the peso and consequently the quantity of its imports. This affected registrations, which fell 39.8% compared with 2013, as well as market share, which slipped 2.5 points to 12.9%.

In **Colombia**, Renault is the second largest brand on the market and posted record registrations with 50,362 units (+13.5%) and a market share of 16.6% (+0.5 points).

Asia-Pacific

With 133,172 units, the Group's volumes rose 23% in a market that grew by 4.6%. Renault Samsung Motors' Revival Plan drives growth.

In **Korea**, in a PC market that rose 9.0%, Renault Samsung Motors recorded a further sharp increase in volumes (+33.3%) and market share (+1 point to 5.7%). QM3 has confirmed its success with nearly 20,000 units sold since its launched in late 2013.

In **China**, the Group recorded a total of 34,067 registrations. A year after the creation of Dongfeng Renault Automotive Company (DRAC), its joint venture with Dongfeng, Renault is gearing up for the launch of its first locally manufactured vehicles in 2016.

Africa Middle-East India

In a market that grew by 7.8%, Group's volumes dropped 9.2% in 2014 in the Region and its market share stood at 3.8% (-0.7points).

The Group asserted itself as the leader in the **Algerian** market with 26.9% market share, up 0.7 points, in a market that dropped by 19.8%. This performance placed the Renault and Dacia brands in first and third position. The Renault plant in Oran, inaugurated in November 2014, reinforces Renault's position as a key player on the Algerian automotive market.

In **Morocco** where the market is stable (up 1.1%), the Group maintained its leadership with a 37% market share. Once again, its brands Dacia and Renault topped registrations with 45,174 vehicles sold.

In **India**, Renault remained the leading European brand with a 1.5% market share and 44,849 registrations, despite a 30.3% decrease. This negative trend is due to a trough in its product cycle.

Eurasia

In 2014, in a market that slumped by 11.5%, the Renault group's market share rose by 0.7 points to 10.3%, despite a 5.4% drop in registration.

In **Russia**, its third largest market, Renault, driven by the success of the Duster (once again the leading SUV on the market in 2014) and the successful launch of the New Logan and New Sandero, posted a record market share of 7.9% (+0.3points) in a gloomy economic and monetary context.

In **Turkey**, the market dropped 10.0%, however the Group gained 0.4points of market share (17.4%). Renault is the country's second largest brand.

In **Romania**, Dacia, the national manufacturer, continues to be the market leader. Overall, the Renault group has a total of 38.6% of market share in the country, with registrations up by 21.3%.

Passenger cars and light commercial vehicles (units)	2014*	2013	CHANGE (%)
GROUP	**2,712,432**	**2,628,183**	**+3.2**
BY BRAND			
Renault	2,118,844	2,131,490	-0.6
Dacia	511,465	429,596	+19.1
Renault Samsung Motors	82,123	67,097	+22.4
BY VEHICLE TYPE			
Passenger cars	2,368,090	2,304,439	+2.8
Light commercial vehicles	344,342	323,744	+6.4

* *Preliminary figures.*

Despite market share gains in Europe, registrations of the **Renault brand** slightly decreased by 0.6% on 2013, due to the decline of main emerging markets.

With 2,118,844 units sold, the Renault brand accounted for 78.1% of Group registrations.

The **Dacia brand** registrations went up by 19.1% to 511,465 units, driven by the success of its new models and the European market recovery.

In 2014, **Renault Samsung Motors** volumes grew by 22.4%.

1.3.1.2 SALES FINANCING

NEW FINANCING AND SERVICES

Benefiting from a recovery in vehicle registrations in Europe, RCI Banque financed 1,245,246 new contracts in 2014, up 7.3% compared with 2013.

This performance is linked to the strategy of profitable growth initiated by RCI Banque, focusing both on international expansion and the roll-out of new services. The rate of vehicles financed by RCI Banque stood at 35.2% in 2014, compared with 34.6% in 2013.

Average loans outstanding increased by 4.9% to €25.4 billion, of which €18.7 billion relating to the Customers business (+5.6% compared with 2013).

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RCI BANQUE FINANCING PERFORMANCE

	2014	2013	CHANGE (%)
Number of financing contracts (thousands)	**1,245**	**1,161**	**+7**
• including UV contracts (thousands)	197	189	+4
New financing (€billion)	**12.6**	**11.4**	**+11**
Average loans outstanding (€billion)	**25.4**	**24.2**	**+5**

RCI BANQUE SERVICES PERFORMANCE

	2014	2013	CHANGE
Number of services contracts (thousands)	2,168	1,756	+23%
PENETRATION RATE ON SERVICES	**73.0%**	**62.7%**	**+10.3PTS**

Central to the RCI group's strategy, the growth and diversification of the Services business have three objectives: customer satisfaction, loyalty to Alliance brands and the profitability of the RCI Banque business.

Services penetration rate contracts has experienced strong growth this year at 73.0% (compared with 62.7% at the end of 2013).

PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE

The penetration rate grew by 0.6 points compared with 2013, to reach 35.2%. It was supported by the recovery of the automotive market in Europe, where the rate of new vehicles financed is high.

PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY BRAND

	2014 (%)	2013 (%)	CHANGE (points)
Renault	35.7	35.2	+0.5
Dacia	36.0	33.5	+2.5
Renault Samsung Motors	49.0	47.5	+1.5
Nissan	32.2	32.5	-0.2
Infiniti	34.3	33.8	+0.5
RCI BANQUE	**35.2**	**34.6**	**+0.6**

PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY REGION

	2014 (%)	2013 (%)	CHANGE (points)
Europe Region	36.4	35.1	+1.3
Americas Region	38.9	42.7	-3.8
Asia-Pacific Region	48.1	47.4	+0.7
Africa Middle-East India Region	29.6	30.5	-0.8
Eurasia Region	26.9	24.9	+2.0
RCI BANQUE	**35.2**	**34.6**	**+0.6**

In **Europe,** RCI Banque took advantage of the recovery in the automotive market and the good performance of Alliance registrations. Boosted by the success of new models and increased market share for Alliance manufacturers, the number of new vehicle financing contracts rose by 15.7% in 2014. With vehicle financing penetration rate at 36.4%, Europe was up 1.3 points compared with 2013.

The **Americas** Region (Brazil, Argentina), marked by a decline in the automotive market (-11.4% on the RCI Banque scope compared with 2013), maintained a high level of performance, with a vehicle financing penetration rate of 38.9% (compared with 42.7% at December 31, 2013). Brazil retained its position as the second largest contributor of the Group in terms of volume of financing contracts.

In **Asia-Pacific** (South Korea), RCI Banque resisted fierce competition from banking networks, with a vehicle financing penetration rate at 48.1% (+0.7 points) in 2014, taking advantage of the increase in the automotive market and the growing market share of Alliance brands.

In the **Africa Middle-East India** Region (Morocco), the vehicle financing penetration rate stood at 29.6%, down slightly by 0.8 points from 2013.

The **Eurasia Region** (Romania, Turkey and Russia) continued to grow and posted a vehicle financing penetration rate of 26.9%, up 2.0 points compared with 2013. Included for the first time in 2013, Russia and Turkey positioned themselves in the third and ninth place, respectively, of RCI Banque subsidiaries in terms of the number of new vehicle financing contracts.

INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

As part of its strategy, RCI Banque continued its **international expansion** by fully supporting the market development of Alliance brands.

Despite the downturn in its key emerging markets, the RCI Banque share of business outside Europe still represented more than a third of the number of new vehicle financing contracts (34% in 2014, compared with 38% in 2013).

In Turkey, despite the 10% decline in the automotive market, the vehicle financing penetration rate of the joint venture between RCI Banque and Oyak stood at 23.2% (-1.8 points compared with 2013).

In this market, the financing of the Dacia brand pursued its development, with a penetration rate of 33.0%, up 5 points over 2013.

In Russia, although penalized by an automotive market down 10.6% compared to 2013, RN Bank (a financing bank created in 2014 in partnership with Nissan and Unicredit) contributed significantly to the growth of the RCI Banque group, while supporting Alliance sales. Datsun, the sixth brand of the Alliance financed by RCI Banque since 2014, has already shown excellent performance.

RCI Banque is pursuing its policy of diversifying financing sources by successfully expanding its savings account activity in Austria. Now rolled-out in three European countries (France, Germany and Austria), savings accounts constitute a major refinancing tool for RCI Banque. In 2014, total savings deposits reached €6.53 billion, or 26% of the Group's average loans outstanding. In line with its strategy, RCI Banque confirms its objective of refinancing 30% of its outstandings through deposits by 2016.

As a services operator for electric-vehicle battery rental in 20 countries for the Alliance, RCI Banque had 58,416 batteries in its inventory at December 31, 2014. In addition to the five models already on the market (Kangoo Z.E., Fluence Z.E., Twizy and ZOE for Renault and Leaf for Nissan), RCI Banque expanded its area of activity by financing the battery for the new Nissan e-NV200 model, on sale since July 2014.

1.3.1.3 REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP-WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (units)	2014[1]	2013	CHANGE (%)
Twingo	84,305	84,680	-0.4
Clio	457,822	461,971	-0.9
ZOE	11,323	8,874	27.6
Thalia	266	16,248	-98.4
Captur/QM3	196,592	94,954	+++
Pulse	2,797	4,791	-41.6
Logan	309,549	257,354	20.3
Sandero	351,126	354,883	-1.1
Lodgy	27,999	43,648	-35.9
Mégane/Scénic	274,843	302,205	-9.1
Fluence (incl. Z.E.)/SM3/Scala	111,299	134,835	-17.5
Duster	395,350	376,606	5.0
Laguna	16,191	18,322	-11.6
Latitude/SM5/Safrane	32,709	38,764	-15.6
Koleos/QM5	57,282	52,945	8.2
Espace	7,004	8,379	-16.4
SM7/Talisman	4,977	3,767	32.1
Kangoo (incl. Z.E.)	145,421	146,668	-0.9
Dokker	57,654	51,874	11.1
Trafic	67,778	61,609	10.0
Master	91,213	89,687	1.7
Other	8,932	15,119	-40.9
TOTAL WORLDWIDE GROUP PC/LCV REGISTRATIONS	**2,712,432**	**2,628,183**	**3.2**
(1) Preliminary figures.			
Twizy[2]	*2,450*	*3,059*	*-19.9*

(2) Twizy is a quadricycle and therefore not included in Group automotive registrations.

RENAULT GROUP – EUROPEAN REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (units)	**2014[1]**	2013	CHANGE (%)
Twingo	83,021	82,161	1.0
Clio	331,854	313,669	5.8
ZOE	11,231	8,863	26.7
Thalia	2	834	-99.8
Captur/QM3	166,184	86,744	91.6
Pulse	-	-	-
Logan	41,692	17,956	+++
Sandero	138,117	121,759	13.4
Lodgy	20,600	34,530	-40.3
Mégane/Scénic	252,789	265,692	-4.9
Fluence (incl. Z.E.)/SM3/Scala	5,022	6,457	-22.2
Duster	126,307	84,648	49.2
Laguna	16,065	18,047	-11.0
Latitude/SM5/Safrane	485	584	-17.0
Koleos/QM5	7,427	8,459	-12.2
Espace	7,003	8,378	-16.4
SM7/Talisman	-	-	-
Kangoo (incl. Z.E.)	93,955	86,808	8.2
Dokker	34,756	31,541	10.2
Trafic	59,751	54,731	9.2
Master	59,721	55,537	7.5
Other	8,629	14,498	-40.5
TOTAL EUROPEAN GROUP PC/LCV REGISTRATIONS	**1,464,611**	**1,301,896**	**12.5**

(1) Preliminary figures.

Twizy[2]	*2,316*	*2,999*	*-22.8*

(2) Twizy is a quadricycle and therefore not included in Group automotive registrations.

RENAULT GROUP – INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (units)	2014(1)	2013	CHANGE (%)
Twingo	1,284	2,519	-49.0
Clio	125,968	148,302	-15.1
ZOE	92	11	+++
Thalia	264	15,414	-98.3
Captur/QM3	30,408	8,210	+++
Pulse	2,797	4,791	-41.6
Logan	267,857	239,398	11.9
Sandero	213,009	233,124	-8.6
Lodgy	7,399	9,118	-18.9
Mégane/Scénic	22,054	36,513	-39.6
Fluence (incl. Z.E.)/SM3/Scala	106,277	128,378	-17.2
Duster	269,043	291,958	-7.8
Laguna	126	275	-54.2
Latitude/SM5/Safrane	32,224	38,180	-15.6
Koleos/QM5	49,855	44,486	12.1
Espace	1	1	0.0
SM7/Talisman	4,977	3,767	32.1
Kangoo (incl. Z.E.)	51,466	59,860	-14.0
Dokker	22,898	20,333	-12.6
Trafic	8,027	6,878	16.7
Master	31,492	34,150	-7.8
Other	303	621	-51.2
TOTAL INTERNATIONAL GROUP PC/LCV REGISTRATIONS	**1,247,821**	**1,326,287**	**-5.9**

(1) Preliminary figures.

Twizy(2)	*134*	*60*	*+++*

(2) Twizy is a quadricycle and therefore not included in Group automotive registrations.

RENAULT GROUP – WORLDWIDE PRODUCTION BY MODEL[1]

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014[1]	2013	CHANGE (%)
Twizy	*2,248*	*2,288*	*-1.7*
Twingo	98,787	83,630	18.1
Clio	436,658	458,302	-4.7
ZOE	12,739	9,969	27.8
Thalia	-	10,195	-
Captur/QM3	209,865	117,517	78.6
Logan	190,973	212,734	-10.2
Sandero	312,123	369,022	-15.4
Other Logan	42,631	17,761	+++
Lodgy	25,679	34,254	-25.0
Mégane/Scénic	255,888	278,188	-8.0
Fluence (incl. Z.E.)/SM3/Scala	96,871	120,212	-19.4
Duster	336,827	323,299	4.2
Laguna	14,322	17,902	-20.0
Latitude/SM5	31,941	37,550	-14.9
Koleos	56,160	51,606	8.8
Espace	6,660	7,494	-11.1
SM7/Talisman	4,994	3,805	31.2
Kangoo (incl. Z.E.)	140,478	172,316	-18.5
Dokker	56,030	56,705	-1.2
Traffic	31,498	-	+++
Master	124,129	108,300	14.6
Other	86,647	27,284	+++
GROUP GLOBAL PRODUCTION	**2,574,148**	**2,520,033**	**2.1**
o/w produced for partners:			
GM (Master)	18,587	13,834	34.4
Nissan (Mercosur/Korea)	52,364	31,010	68.9
Daimler (Citan+Smart)	34,103	17,687	92.8

(1) Preliminary figures.

PRODUCED BY PARTNERS FOR RENAULT	2014[1]	2013	CHANGE (%)
Nissan (incl. India)	101,511	154,262	-34.2
Others (GM, Iran, AVTOVAZ)	87,054	33,611	+++

(1) Preliminary figures.

(1) Production data concern the number of vehicles leaving the production line.

GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION

At December 31, 2014

EUROPE	AMERICAS	ASIA-PACIFIC	AFRICA MIDDLE-EAST INDIA	EURASIA
Metropolitan France	**Northern Latin America**	Japan	**Africa**	Russia
Austria	Colombia	South Korea	Algeria	
Germany	Costa Rica		Morocco	Armenia
Belgium-Lux.	Cuba	**Asean**	Tunisia	Azerbaijan
Denmark	Ecuador	Brunei	Egypt	Belarus
Spain	Honduras	Cambodia	Libya	Georgia
Finland	Mexico	Indonesia	Sub Saharan African countries	Kazakhstan
Greece	Nicaragua	Laos	South Africa	Kyrgyzstan
Ireland	Panama	Malaysia	Madagascar	Uzbekistan
Iceland	El Salvador	Philippines		Tajikistan
Italy	Venezuela	Hong Kong	Iran	Turkmenistan
Norway	Dominican Rep.	Singapore	Saudi Arabia	Ukraine
Netherlands		Thailand	Gulf States	
Portugal		Viet Nam	Iraq	**Eastern Europe**
United Kingdom	**Southern Latin America**		Israel	Bulgaria
Sweden	Argentina	Australia		Moldova
Switzerland	Brazil	New Caledonia	Jordan	Romania
Albania	Bolivia	New Zealand	Lebanon	
Bosnia	Chili	Tahiti	Pakistan	Turkey
Cyprus	Paraguay			
Croatia	Peru	**China**	India	
Hungary	Uruguay			
Macedonia			**French overseas departments West Indies and Indian Ocean**	
Malta			Guadeloupe	
Montenegro			French Guiana	
Baltic States			Martinique	
Poland			Saint Martin	
Czech Rep.			St Pierre and Miquelon	
Serbia			Reunion	
Slovakia			Comoro Islands	
Slovenia			Seychelles	

1.3.2 FINANCIAL RESULTS

SUMMARY

(€ million)	2014	2013	CHANGE
Group revenues	**41,055**	**40,932**	+0.3%
Operating profit	**1,609**	**1,242**	+367
Operating income	1,105	**(34)**	+1,139
Financial income	(333)	(282)	(51)
Contribution from associated companies	**1,362**	**1,444**	(82)
o/w Nissan	*1,559*	*1,498*	*+61*
Net income	**1,998**	**695**	+1,303
***Automotive operational free* cash flow**	**1,083**	**827**	+256
Automotive Net cash position	**2,104**	**1,761**	+343
Shareholders' equity	24,898	23,214	+1,684

1.3.2.1 COMMENTS ON THE FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

					2014					2013
(€ million)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR
Automotive	7,727	11,012	7,984	12,151	38,874	7,736	11,647	7,483	11,909	38,775
Sales Financing	530	551	546	554	2,181	529	529	515	584	2,157
TOTAL	**8,257**	**11,563**	**8,530**	**12,705**	**41,055**	**8,265**	**12,176**	**7,998**	**12,493**	**40,932**

(in %)					CHANGE
	Q1	Q2	Q3	Q4	YEAR
Automotive	-0.1%	-5.5%	+6.7%	+2.0%	+0.3%
Sales Financing	+0.2%	+4.2%	+6.0%	-5.1%	+1.1%
TOTAL	**-0.1%**	**-5.0%**	**+6.7%**	**+1.7%**	**+0.3%**

The **Automotive division's contribution** to revenues amounted to €38,874 million, stable compared to 2013 (+0.3%). Excluding a negative exchange rate effect of 3.0 points reflecting the sharp devaluation of a basket of currencies (mainly the Argentinean peso, the Russian ruble and the Brazilian real), Automotive division's revenues grew by 3.3%. This increase is mainly due to:

- the growth in sales to partners driven by the outcome of many projects (e.g. engine sales increase, production of Rogue in Korea and of Smart in Europe), which had a favorable impact of 3.2 points;
- a positive price effect of 0.8 point arising from price rises in emerging countries to mitigate the impact of the decline in the value of certain currencies.

These positive effects were partially offset by lower invoicing volumes (-0.8 point), despite an upward trend in registrations, due to adjustments in inventory with independent dealers.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING INCOME PROFIT

(€ million)	2014	2013	CHANGE
Automotive division	**858**	**495**	**+363**
% of division revenues	*2.2%*	*1.3%*	*+0.9pts*
Sales Financing	**751**	**747**	**+4**
TOTAL	**1,609**	**1,242**	**+367**
% of Group revenues	*3.9%*	*3.0%*	*+0.9pts*

The **Automotive division's operating profit** rose by €363 million to €858 million (2.2% of its revenues), owing mainly to:

- the *Monozukuri* cost reduction plan for €778 million plus lower G&A cut for €66 million;
- a decrease in raw materials prices, which had a positive impact of €134 million;
- business growth of €86 million. This amount stems from the increase in industrial activities of €121 million and a negative impact of -€35 million from RCI Banque and other activities (Group network sales, parts and accessories).

These positive effects offset:

- a negative exchange rate effect of -€471 million, primarily reflecting the fall in the value of the Russian ruble and the Argentinean peso. It should be noted, however, that the devaluation of the Turkish lira had a positive impact due to exports to the Eurozone;
- a negative product mix/price/enrichment effect of -€226 million. Price increases in emerging countries could not fully offset the enrichment aimed at strengthening the commercial competitiveness of certain products.

Contribution of **Sales Financing** to the Group operating profit was €751 million, compared with €747 million in 2013. The amount remained stable as a drop in net banking income was offset by an increase in average loans outstanding and growth in the service business. Despite the volatility in some emerging countries, cost of risk (including country risk) remained stable at 0.43%. This ratio reflects the Group's ability to implement a policy of acceptance and effective recovery while pursuing business growth.

Other operating income and expenses showed a net expense of €504 million, compared with a net expense of €1,276 million in 2013. This net expense consisted mainly of:

- restructuring costs amounting to €305 million, primarily related to the ongoing implementation of the competitiveness agreement signed in France;
- impairment losses on assets for certain programmes totaling €153 million;
- various items, including €45 million to cover a risk related to a change in German regulations on set-up fees for the financing business.

After taking into account other operating income and expenses, the Group reported **operating income** of €1,105 million, compared with net operating loss of €34 million in 2013.

Financial income showed a net expense of €333 million, compared with a net expense of €282 million in 2013.

Renault's **share in associated companies** recorded a contribution of €1,362 million, primarily including:

- €1,559 million from Nissan (compared with €1,498 million in 2013);
- -€182 million from AVTOVAZ (compared with -€34 million in 2013).

Current and deferred taxes showed a charge of €136 million, down compared with 2013, of which €396 million for current taxes and €210 million in recognized deferred taxes, specifically with respect to tax consolidation in France.

Net income totaled €1,998 million, compared with €695 million in 2013; Net income, Group share was €1,890 million (compared with €586 million in 2013).

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

AUTOMOTIVE FREE CASH FLOW

(€ million)	2014	2013	CHANGE
Cash flow (excluding dividends received from publicly listed companies)	3,138	2,914	+224
Change in the working capital requirement	596	790	(194)
Tangible and intangible investments net of disposals	(2,416)	(2,543)	+127
Leased vehicles and batteries	(235)	(334)	+99
OPERATIONAL FREE CASH FLOW	**1,083**	**827**	**+256**

In 2014, the Automotive division reported positive operational **free cash flow** of €1,083 million, resulting from:

- cash flow of €3,138 million, arising from an improvement of the operational profitability;
- a positive change in the working capital requirement of €596 million, mainly due to a rise in account payables;
- tangible and intangible investments net of disposals of -€2,416 million, up slightly compared with 2013. Net capital expenditure and R&D expenses remained at 7.4% of Group revenues, in line with the Group Plan's objective of under 9% of revenues.

RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ million)	2014	2013	CHANGE
R&D expenses	(1,890)	(1,793)	(97)
Capitalized development expenses	842	732	110
% of R&D expenses	*44.6%*	*40.8%*	*3.7%*
Amortization	(673)	(751)	78
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**(1,721)**	**(1,812)**	**91**

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	2014	2013
Tangible investments (excluding leased vehicles and batteries)	1,541	1,914
Intangible investments	964	827
o/w capitalized R&D	*842*	*732*
Total acquisitions	2,505	2,741
Disposal gains	(89)	(198)
TOTAL AUTOMOTIVE DIVISION	**2,416**	**2,543**
TOTAL SALES FINANCING	**6**	**8**
TOTAL GROUP	**2,422**	**2,551**

Gross capital investments were down in 2014 compared with 2013; the breakdown was 67% in Europe and 33% in the rest of the world:

- in Europe: investments were focused on the development and adaptation of industrial facilities related to the renewal of the A range (New Twingo), the C range(Kadjar) the D range(New Espace and future D-segment sedans), LCV (new Trafic) and mechanical components (R9 engine);
- outside Europe: investments mainly concerned the Entry range (Morocco, Russia, South America and India) and modernization of industrial facilities.

NET CAPEX AND R&D EXPENSES

(€ million)	2014	2013
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	2,422	2,551
Capitalized development expenses	(842)	(732)
Capex invoice to third parties and others	(190)	(272)
NET INDUSTRIAL AND COMMERCIAL INVESTMENTS (1)	**1,390**	**1,547**
% of Group revenues	*3.4%*	*3.8%*
R&D EXPENSES	**1,890**	**1,793**
o/w billed to third parties	(254)	(277)
NET R&D EXPENSES (2)	**1,636**	**1,516**
% of Group revenues	*4.0%*	*3.7%*
NET CAPEX AND R&D EXPENSES (1)+(2)	**3,026**	**3,063**
% of Group revenues	*7.4%*	*7.5%*

AUTOMOTIVE NET CASH POSITION

CHANGE IN AUTOMOTIVE NET CASH POSITION (€ MILLION)

NET CASH POSITION AT DECEMBER 31, 2013	1,761
Operational Free cash flow for 2014	1,083
Dividends received	463
Dividends paid to Renault's shareholders	(542)
Financial investments and others	(661)
NET CASH POSITION AT DECEMBER 31, 2014	**2,104**

The €343 million increase in the **net cash position of the Automotive division** compared to December 31, 2013 can be explained by:

- operational free cash flow;
- net dividends flow (-€79 million);
- various transactions such as the acquisition of interests in Alliance Rostec Auto BV and the joint venture with Dongfeng in China.

AUTOMOTIVE NET CASH POSITION

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Non-current financial liabilities	(7,272)	(6,837)
Current financial liabilities	(3,872)	(3,449)
Non-current financial assets - other securities, loans and derivatives on financial operations	514	368
Current financial assets	1,143	975
Cash and cash equivalents	11,591	10,704
NET CASH POSITION	**2,104**	**1,761**

In 2014, **Renault** contracted some €1.8 billion in medium/long-term loans, thus refinancing all of its bond repayments falling due in 2014. Notably, Renault extended the maturity of its debt by issuing a seven-year bond for €500 million. It also strengthened its historic presence in the Japanese domestic market by issuing a record 150 billion yen bond (Samurai bond). In addition, Renault issued a three-year bond for 500 million yuan (Dim Sum bond). The Automotive division's liquidity reserves stood at €14.8 billion at December 31, 2014. These reserves consisted of:

- €11.6 billion in cash and cash equivalents;
- €3.2 billion in undrawn confirmed credit lines.

At December 31, 2014, **RCI Banque** had available liquidity of €6.9 billion, consisting of:

- €4.0 billion in undrawn confirmed credit lines;
- €1.9 billion in central-bank eligible collateral;
- €913 million in high quality liquid assets (HQLA);
- €96 million in available cash.

1.3.2.2 CONSOLIDATED FINANCIAL STATEMENTS

Refer to chapter 4.2 of this Registration document.

1.3.2.3 FINANCIAL INFORMATION ON THE ALLIANCE

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2014.

The characteristics of the Alliance mean, among other things, that Renault and Nissan's assets and liabilities cannot be combined. Consequently, these indicators do not correspond to a consolidation as defined by generally accepted accounting principles and are not certified by the statutory auditors.

Information concerning Renault is based on the consolidated figures released at December 31, 2014, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to December 31, 2014 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

The preparation of the key performance indicators under Renault accounting policies takes into account the restatement of the figures published by Nissan under Japanese Accounting Standards into IFRS. Additionally, the following adjustments have been performed:

- reclassifications when necessary to harmonize the presentation of the main income statement items;
- adjustments to fair value applied by Renault for acquisitions of 1999 and 2002.

REVENUES 2014

(€ million)	RENAULT	NISSAN[1]	INTERCOMPANY ELIMINATIONS	ALLIANCE
Sales of goods and services of the Automotive segment	38,874	74,289	(3,722)	109,441
Sales Financing revenues	2,181	5,416	(156)	7,441
REVENUES	**41,055**	**79,705**	**(3,878)**	**116,882**

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. These items have been eliminated to prepare the revenue indicator. Their value is estimated on the basis of Renault's 2014 results.

The **operating margin, the operating income and the net income** of the Alliance in 2014 are as follows:

(€ million)	OPERATING MARGIN	OPERATING INCOME	NET INCOME(2)
Renault	1,609	1,105	439
Nissan(1)	4,892	4,550	3,706
ALLIANCE	**6,501**	**5,655**	**4,145**

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.
(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

Intercompany transactions impacting the indicators are minor and have therefore not been eliminated.

For the Alliance, the operating margin is equivalent to 5.6% of revenues.

In 2014, the Alliance's research and development expenses, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,721
Nissan(1)	2,653
ALLIANCE	**4,374**

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

BALANCE SHEET INDICATORS

Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2014

ASSETS (€ million)	
Intangible assets	3,443
Property, plant and equipment	10,801
Investments in associates (excluding Alliance)	887
Deferred tax assets	716
Inventories	3,391
Sales financing receivables	25,7333
Automotive receivables	1,242
Other assets	7,008
Cash and cash equivalents	12,497
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**65,718**
Investment in Nissan	15,833
TOTAL ASSETS	**81,551**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	24,898
Deferred tax liabilities	141
Provisions for pension and other long-term employee benefit obligations	1,750
Financial liabilities of the Automotive segment	10,488
Financial liabilities and debts of the Sales Financing segment	26,093
Other liabilities	18,181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**81,551**

NISSAN AT DECEMBER 31, 2014

ASSETS (€ million)(1)	
Intangible assets	5,091
Property, plant and equipment	38,352
Investments in associates (excluding Alliance)	3,402
Deferred tax assets	1,119
Inventories	10,076
Sales financing receivables	43,502
Automotive receivables	3,925
Other assets	8,626
Cash and cash equivalents	5,897
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**119,990**
Investment in Renault	1,617
TOTAL ASSETS	**121,607**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	39,712
Deferred tax liabilities	5,685
Provisions for pension and other long-term employee benefit obligations	2,061
Financial liabilities of the Automotive segment (2)	(2,522)
Financial liabilities and debts of the Sales Financing segment	51,285
Other liabilities	25,386
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**121,607**

(1) Converted at the closing rate at December 31, 2014: EUR 1 = JPY 145.2.
(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€11,130 million at December 31, 2014).

The values displayed for Nissan assets and liabilities reflect the restatements for the harmonization of accounting standards and adjustments to fair value applied by Renault for the acquisitions made in 1999 and 2002, mainly concerning revaluation of land, capitalization of development expenses, and pension-related provisions.

Balance sheet items have been reclassified when necessary to make the data consistent across both groups.

Purchases of property, plant and equipment by both Alliance groups for 2014, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,544
Nissan(1)	3,268
ALLIANCE	**4,812**

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

Based on the best available information, Renault estimates that the impact of full consolidation of Nissan on its shareholders' equity calculated under current accounting policies would result in:

- a maximum 5-10% decrease in shareholders' equity – Group share;
- a €24 billion increase in shareholders' equity – non-controlling interests' share.

1.4 RESEARCH AND DEVELOPMENT

	2014	2013	2012	2011	2010
Net R&D expenses (€ million)*	1,636	1,516	1,570	1,637	1,567
Group revenues (€ million) as published	41,055	40,932	41,270	42,628	38,971
R&D spend ratio	3.9%	3.7%	3.8%	3.8%	4.0%
R&D headcount, Renault group	16,308	16,426	17,037	17,278	17,854
Renault group patents	608	620	607	499	304

**R&D expenses - R&D expenses billed to third parties and others.*

1.4.1 THE CAR OF THE FUTURE

1.4.1.1 FOUR DEVELOPMENT PRIORITIES

Over the next few years, cars are likely to make an even greater contribution to improving quality of life. Four main trends will shape tomorrow's vehicles:

- safety;
- in-car well-being;
- environmental impact reduction;
- mobility accessible to all.

SAFETY

Considerable progress has been made. ABS and ESP systems have reduced the risk of loss of control, and occupant protection has been improved with the use of airbags and cruise control. Renault has played a major role in making all these systems more accessible. In Europe, the number of road fatalities has been halved over the last ten years. The next milestone in the safety plan will be driverless cars. The challenge is to apply existing aeronautical technology, particularly ADAS - Advanced Driver Assist Systems used in drone technology, to the automotive industry. Sensors, cameras and radars analyze the vehicle's surrounding area. Combined with a data processing system, these tools make it possible to correct the vehicle's trajectory and detect and register not only traffic signs but also obstacles or pedestrians, thereby avoiding collisions. All this replaces the driver. Roads are likely to be safer and less congested within no more than a generation. The elderly and the disabled will be able to get around more easily. This progress will only be possible with a change of legislation. For this to happen, government authorities in all countries will have to take a more proactive approach.

IN-CAR WELL-BEING

As a result of increased connectivity, these same technologies will improve in-car quality of life due to the development of driverless operation which will free up more work or leisure time. On average, today's motorists spend two hours a day in their vehicles. This time could be better spent. The autonomy of the vehicle is dependent on its connectivity.

Renault's NEXT TWO prototype, presented this year, offers driverless operation under certain circumstances and in certain driving conditions such as, for example, traffic jams. In-car videoconferencing systems mean that driverless operation can now be used to best advantage. Videos can also be watched while on the move. At this trial stage, driverless operation is only possible under supervision on a test track, legislation not permitting the use of such prototypes on the open road. This is not, however, the stuff of fiction as these modules already exist and are already operational.

Although the technical feasibility of the system has already been ascertained, legal and liability issues will take time to resolve. In terms of behavior, breakthrough innovations require consumers to have a change of mindset before they are ready to embrace new technology.

In the case in point, the benefit for motorists is so great that change is inescapable. Saving two hours travel time is part of the DNA of the car of the future! Change will come about as a result of the gradual introduction of the modules that comprise this technology.

2018: first vehicles in pioneering countries.

2020: sales and marketing to commence in Europe.

ENVIRONMENTAL IMPACT REDUCTION

Cars are associated with global warming, and transport as a whole is responsible for 23% of CO_2 emissions. Cities are being forced to stop, or reduce, road travel. In a climate where a number of major countries such as India, China, Brazil and Russia are in the early stages of rapid development, this is a major issue for carmakers who are continuing their efforts to drastically reduce their vehicles' pollutant emissions in a number of different ways:

- firstly, the drop in CO_2 and particulate emissions from existing internal combustion engines. Standards are assisting this reduction. Since the transition to Euro 5 and then Euro 6 in September 2014, diesel engines fitted with particulate filters are now "cleaner" than engines running on gasoline. As part of the "New Industrial France" stimulus package, Renault is working on two particular projects, one of which involves 2 l/100km vehicles (and was the subject of a presentation at the 2014 Paris Motor Show). The second project involves driverless vehicles;

- secondly, the development of zero-emissions mobility. In light of environmental issues, the development of electric vehicles is not simply an option but rather a key objective, and the Renault-Nissan Alliance has now sold more than 200,000 electric vehicles worldwide. It is on the top step of the podium, far ahead of its competitors. Despite the lack of infrastructure, the underlying trend is not in question. Where infrastructure development is accelerating, electric vehicles are experiencing significant growth. The momentum is growing;
- thirdly, recycling. Work done on the entire lifecycle of the vehicle, through the circular economy, makes it possible to re-use a certain number of materials. At Renault this activity is key. In new vehicles manufactured in Europe, 30% of materials are now recycled.

MOBILITY ACCESSIBLE TO ALL

For many years now, the automobile has been proven to be a formidable agent of change. Emerging countries will quickly reach at least half of European motorization levels. Cars are still an expensive purchase when taken as a percentage of the average wage. Vehicles termed as low cost in Western countries are only accessible to middle income, or relatively well-off, customers in emerging countries. This is why we need to think about products that can make vehicles accessible to all in emerging countries. In 2015, Renault is planning to launch an entry level vehicle for emerging countries, with the aim of offering a modern, robust and reliable car for under €5,000. Developed in India, it will also be marketed and sold there. Distribution will then be extended to other countries.

1.4.1.2 PARTNERSHIPS

Reinventing the automobile for the twenty first century. This is a challenge which Renault is ready to take up and which can only be met collectively. Collaborative R&D contracts contribute to skills development and cost-sharing. Such contracts are key to speeding up the introduction of innovations into vehicle projects:

Figures at end-december 2014

Collaborative contracts signed: 65		CIFRE agreements: 100
European contracts: 26	French contracts: 39	

29 other projects are currently underway or being examined by sponsors.

Here are a few examples from the portfolio of projects:

- Elibama (European Li-ion Battery Manufacturing for electric vehicles) led by Renault);
- Powerful (Powertrain of Future light-duty – vehicles led by Renault; see paragraph 2.4);
- Helios (High Energy Lithium-Ion Storage Solutions);
- Velcri (Electric vehicle with integrated rapid charging);
- Scoop@F; (French pilot cooperative system, IS).

The pooling of the engineering know-how of the Alliance’s two manufacturers is opening up opportunities for new and more far-reaching agreements. New “Alliance-oriented” scientific partnerships have been created, paving the way for new forms of international cooperation.

RESEARCH AGREEMENTS WITH THE ATOMIC ENERGY COMMISSION (CEA)

A Research and Development Agreement on clean vehicles and sustainable mobility for everyone was signed with the CEA in 2010. This agreement includes various joint projects covering a wide variety of topics:

- 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.

December 2010: signing of a second agreement on new generations of Lithium-Ion batteries for electric vehicles.

September 2011: the Renault/CEA partnership expands with the opening of a joint laboratory at the CEA in Grenoble, staffed by mixed Renault/CEA teams.

July 2012: the initial Renault/CEA agreement is partially extended to LG Chem, the world leader in Li-Ion batteries and supplier for the ZOE, Twizy and SM3 EV (Renault Samsung), to reach the next milestone on the road to developing the next generation of batteries.

The positive results of the two previous strategic agreements led Renault and the CEA to continue and extend their R&D cooperation. A new strategic agreement, covering the scope of the two previous agreements, was signed on April 18, 2014 for a five-year period commencing on January 1, 2015.

PSA-RENAULT RESEARCH AND STUDY ECONOMIC INTEREST GROUPING

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 areas of study were linked to the LAB, set up in 1969 and focused on accidentology, biomechanics and human behavior, and the GSM, set up in 1980, and working in:

- biofuels;
- diluted gasoline combustion;
- modeling and reducing diesel pollutants for Euro 7;
- engine/motor optimization for hybrid vehicles; and
- low-power internal-combustion engines.

The PSA-Renault EIG also contributed to the creation of two academic chairs, one covering mobility and quality of life in urban environments, and the other, embedded lighting systems.

INVESTING IN THE FUTURE

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

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

Renault has submitted projects concerning key strategic areas for the Company and has entered into contracts with the French Environment Agency (ADEME). For example, HYDIVU (a hybrid diesel drivetrain for urban light commercial vehicles – see paragraph 2.2.3) and BADDGE (a second generation Li-Ion battery), COCTEL (optimal design of an electric drivetrain). Materials weight reduction projects are also in progress under contracts with ADEME.

Renault was a stakeholder in the VeDeCom (Zero-carbon Communicating Vehicles and their Mobility) project selected in 2012 by the French General Commission for Investment for the Future (Commissariat général aux investissements d'avenir, CGI). The institute, grouping some 45 industrial and academic partners, aims to bring about the sustainable breakthroughs necessary to increase the energy efficiency of individual transport. The objective is to significantly cut energy consumption while eliminating pollutant emissions, primarily in and around cities.

The agreement between the CGI[1] and the ANR[2] was signed on February 11, 2014 for the Satory site. New members and partners have joined VeDeCom. These include Visteon Software Technology and FARR Industrie. The Management Committee is now complete and operational and includes a number of Renault key post holders who are on secondment.

COMPETITIVENESS CLUSTERS

The main competitiveness clusters in which Renault continues to have a major involvement are Mov'eo and System@atic 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's continued role as project leader or partner in projects generated or certified in these clusters, and its involvement in their operation, is due to its active participation in the various governing bodies, including the Board of Directors and offices, scientific and operational committees, and as members or coordinators of strategic activity areas[3], etc.

Since 2013, to meet growing expectations on support for innovative small and medium enterprises, Renault, with the Mov'eo cluster, has implemented regular reviews of the innovations devised by the businesses in the cluster. Following the reviews, partnerships may be formed between a business and Renault to develop innovation. At the moment, there are two reviews a year:

- in 2013, three topics were chosen for review, one of which then went into the development phase on;
- in 2014, four new selections were made.

RENAULT-CNRS FRAMEWORK AGREEMENT

Signed on May 15, 2013, for a four-year period, 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 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. For Renault and CNRS teams, these new fields of investigation will include neuroscience, virtual reality, ergonomics, new materials, and catalysis.

The majority of the projects concern the sciences of engineering and systems and notably focus on combustion, material fatigue, and thermal or aero-acoustic fields.

These partnerships take the form:

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

DAIMLER: CO-RESEARCH AND CO-DEVELOPMENT

Renault and Daimler, with their mutual development experience, are also involved in advanced research studies:

- two major European collaborative projects are in the process of being rolled out: the Elibama project (work on mass production processes for Li-ion batteries and electric components), and the WIC2IT project (work on contactless charging);
- several other fields of research have already been identified, one of which is now a joint project between Renault and Nissan, likely to commence in early 2015.

BRGM: A STRATEGIC PARTNERSHIP

The Partnership agreement between Renault and the BRGM [4] signed in 2010, enables the carmaker to keep a watch on strategic commodities and metals.

Regular dialog results in proactive reactions to fast paced events such as:

- the crisis in the supply and pricing of rare earths since summer 2010;
- analysis of the potential impact of new commodity-backed financial products and index funds (ETP, ETF) on price volatility, and the potential impact on the automobile industry;
- specific reports on some raw materials (Copper, Tin, Lithium).

In addition to joint R&D projects, the partnership involves contributions to high-level working groups such as Renault's participation in the French National Strategic Metals Committee (Comité National sur les Métaux Stratégiques, COMES), the European Eurare (rare earths) scientific committee and attendance at the MMTA Conference (London, 2014).

(1) French General Investment Commission (Commission Générale à l'Investissement).
(2) National Research Agency
(3) French General Investment Commission (Commission Générale à l'Investissement).
(4) Geological and mining research bureau (Bureau de recherches géologiques et minières).

1.4.2 2014 RESEARCH PROJECTS

1.4.2.1 NEXT TWO: DRIVERLESS CARS FOR ALL

AN INGENIOUS AND AFFORDABLE CONCEPT

It is still going to take another few years of research before carmakers are able to develop an autonomous car capable of driving around on its own in complete safety and under any circumstances. Based on the Renault ZOE, the NEXT TWO non-breaking prototype is the first step in that direction, proposing the ingenious and affordable concept of driverless operation under certain, well-defined, circumstances and with high added value for motorists. Driverless operation is based on the Advanced Driver Assist System marketed in 2014.

The system relies on two main receivers which enable the vehicle's environment to be monitored, as well as a radar on the front fender and a camera at the base of the rearview mirror. The system is completed by an ultrasound belt which encircles the vehicle. All these systems are managed by a control unit which acts in the same way as the conductor of an orchestra.

HOW IT WORKS

The radar is used to detect vehicles up ahead, while calculating their speed and distance. The camera detects lateral road markings so as to correctly position the vehicle in its lane. Renault is working on the project in conjunction with the Vehicle-Infrastructure-Driver Interactions Laboratory (Laboratoire sur les interactions véhicule-infrastructure-conducteurs, LIVIC), a French National Transport Systems Institute (INRETS) research laboratory specializing in advanced driver assist systems. Radar and camera data are transmitted to the control unit which communicates with the power-assisted steering calculators, the electric engine and the decoupled pedal braking system. It instructs the engine and brakes accordingly so that the car follows the traffic flow. Likewise, to stay in its lane, it tells the steering system which angle to take. The calculator constantly monitors the instructions sent to the three systems to ensure that there are no contradictions, for example, to prevent the vehicle from accelerating on a bend or braking sharply as a result of an incorrect detection. This in-car intelligence is what sets the NEXT TWO driverless operation function apart from the separate ADAS safe distance regulator and line crossing alert(1) functions currently in existence.

WHAT THE VEHICLES OF THE FUTURE WILL BRING

The vehicles of the future will provide drivers and passengers with a whole range of functions and benefits which are already being promoted by Next Two. These are summarized in the table below.

Driving freedom	**Driverless operation:** In traffic jams, *by reducing* the speed to less than 30kph, NEXT TWO offers to "take the wheel" on expressways, i.e. with no pedestrians or cyclists. **Driverless parking:** Equipped with an "Automatic Valet Parking" function, *NEXT TWO* is capable of parking itself or coming to pick up its driver at his/her office or home. This function is controlled by a specific smartphone app.
A reassuring and secure interface	**A clear visual language:** Driverless operation is not just a technological breakthrough but also a psychological one that involves agreeing to be driven by a machine. In automatic mode, the Head Middle Display (*HMD*), a translucent screen positioned above the dashboard, turns blue when the car takes over. *NEXT TWO* is fitted with an augmented **reality system** which superimposes a real image with additional information of benefit to the driver. **Simple gesture operation:** A centrally located large multimedia screen offers "multimodal" interaction via touchscreen, voice or gesture operation. An infrared system enables the driver to interact with the screen simply by means of contactless gestures.
Customized well-being	Capable of determining the optimum setting for the shape of the driver, the intelligent seat has a relaxation function which can be set to different types of mood (lighting, sound and smell) enabling drivers to relax and otherwise benefit from traveling in perfect safety while the vehicle manages the journey with full autonomy.
Pushing our boundaries and opening up a whole new world	**Hyperconnectivity** • The NEXT TWO *is equipped with the same electronic environment and IT links as can be found at home or in the office. Drivers can make phone calls*, send emails, download video or stream music and much, much more. All of this can be done in complete safety and with continuous connectivity. *NEXT TWO* accesses these new services via a simple Web navigator without the need to install any special applications as is the case right now. • Because the navigator has the capacity to connect to all available networks, in-car users can access all connected services available in the *cloud*. *NEXT TWO* also features an in-car videoconference function via a multi-standard modem which can switch seamlessly from one network to another without the driver even noticing. Lastly, the services on offer include a virtual office equipped with the standard office applications and accessible in the *cloud*.

NEXT TWO also fulfills one of Renault customers' strongest aspirations, as identified from project-related research - road safety. The objective is to reduce the risk of accidents as much as possible by improving on human driving capabilities.

(1) Advanced Driver Assist Systems.

PARTNERS:

- CEA[1]: modem/multi-network router: 2G, 3G, 4G, WiFi, WiFi Wave, Hotspot, Bluetooth®;
- Orange: 4G network infrastructure, virtual office service, Multipoint Open Video Presence Ready videoconferencing.

SUPPLIERS:

- Visteon: in-car MMI server (INNO);
- IFSTTAR[2]/LIVIC[3]: vehicle environment perception software;
- 2 Start-ups: OBH Digital (smartphone interface)/Xbrain soft (multimodal mobility personal assistant);
- Faurecia: connected electric massage seat.

1.4.2.2. WITH CONSUMPTION OF 1 L OF FUEL EVERY 100KM, THE EOLAB PROTOTYPE IS A SHOWCASE FOR RENAULT'S ENVIRONMENTALLY-FRIENDLY INNOVATIONS AND RISES TO THE CHALLENGE OF ULTRA-LOW CONSUMPTION

In October at the Paris Motor Show, Renault presented the "EOLAB Concept", a concept-car developed from the EOLAB research prototype which explores means of ultra-low consumption. This prototype was simultaneously presented to the international press and made available for test drives at a site just outside Paris (Mortefontaine).

With consumption of 1 l/100km or 22g of CO_2 emissions/km on NEDC combined cycle[4], the EOLAB prototype rises to a two-fold challenge: the challenge thrown down by the French government to develop a vehicle consuming less than 2 l/100km by 2020 and the challenge issued by Renault itself to make ultra-low consumption available to the greatest number in the future. A real showcase for Renault's environmentally-friendly innovations, EOLAB illustrates the "zero emission"[5] mobility pioneer's desire to further reduce the environmental footprint of its vehicles, but at a cost that is affordable to its customers.

A HUNDRED TECHNOLOGICAL ADVANCES FOR FUTURE RENAULTS

EOLAB is much more than an exercise in style or a shop window. Conceived around a B-segment platform, the prototype incorporates around a hundred new, realistic technological developments that are designed to be introduced gradually on Renault vehicles from 2015 onwards.

The EOLAB prototype's exceptional fuel economy – namely 1 l/100km – is the fruit of work on three main fronts *i.e.* refined aerodynamics, weight saving and Z.E. Hybrid technology (gasoline/electricity):

- aerodynamics: the car's shape was designed to slice through air efficiently, while movable devices such as an active spoiler and lateral vanes perform the same way as ailerons;
- weight saving: a weight saving programme brought the car's mass down to 400kg less than a segment B vehicle, thanks in particular to a multimaterial body shell combining steel, aluminum and composites, as well as a remarkable magnesium roof that tips the scales at barely 4kg. Saving weight was a virtuous circle since it enabled the size, and therefore the cost of the prototype's chief assemblies (engine, battery, wheels, brakes, etc.) to be kept low, thereby financing the decision to employ certain more costly materials;
- Z.E. Hybrid technology: this new, compact and affordable hybrid power unit combines ultra-low fuel consumption with zero-emission mobility for journeys of less than 60km and at speeds of up to 120kph. Z.E. Hybrid technology In years to come, Z.E. Hybrid technology will complement Renault's zero-emission electric vehicle range.

Costs are kept down by making the right choice of technologies and materials. In particular, EOLAB features materials such as magnesium and aluminum, which are extremely light and also much cheaper than carbon or titanium. Meanwhile, the notion of such a car being produced in large numbers within the next ten years was dialed into the plan from the very start.

A CONTRIBUTION TO THE FRENCH GOVERNMENT'S "NEW INDUSTRIAL PLAN"

EOLAB forms part of the 'fuel consumption of 2 l/100km for all' plan introduced within the framework of France's so-called New Industrial Plan for 2020. However, EOLAB goes further than the fuel consumption target set by the French government since it sets its sights on the much longer term. In the course of the prototype's design, Renault developed the technologies necessary for the introduction of a car with fuel consumption of less than 2 l/100km by 2020. To achieve this, Renault worked in a spirit of collaborative innovation with a large number of French automotive industry partners. The main partners are listed below.

EOLAB PARTNERS

- Saint-Gobain for glazing;
- Faurecia for seats;
- Michelin for tires;
- Continental for the braking system;
- Posco for components made from magnesium.

(1) Atomic Energy and Alternative Energies Commission (Commissariat à l'Energie Atomique et aux Energies Alternatives).
(2) French Institute of Science & Technology for Transport, Development and Networks (Institut Français des Sciences & Technologies des Transports de l'Aménagement et des Réseaux).
(3) Vehicle-Infrastructure-Driver Interaction Laboratory.
(4) Corporate Average Fuel Economy authorized in accordance with the applicable regulation.
(5) Neither CO_2 nor other regulated pollutant emissions during the driving phases.

1.4.2.3 HYDIVU (HYBRID DIESEL FOR LIGHT COMMERCIAL VEHICLES)

The tightening of anti-pollution standards and CO_2 emissions requirements, with the appearance of CAFE[1] regulations for light commercial vehicles targeting 147g by 2020, means that technological breakthroughs now have to be envisaged as well as increased awareness of specific requirements of commercial vehicle users.

Renault has already committed to this course of action with the marketing, in 2011, of the electric Kangoo, aimed at urban use and adapted for probable future urban traffic restrictions on non-carbon free vehicles. The electric vehicle solution is unable to cover all types of commercial vehicle customer usage which is unique in the fact that it is very highly segmented.

Also, as part of its collaborative approach, and within the context of the PIA, Renault proposed HYDIVU with the aim of looking into an innovative Hybrid Diesel Drivetrain solution for light commercial vehicles (vans forming part of the Master and Trafic range designed specifically for major long distance operators within this segment). The proposed solution combines a combustion engine which has been specially optimized for road use, mild hybridization, a NOx post-treatment system operating at maximum efficiency and with a negative impact on consumption, as well as an exhaust energy recovery system which makes it possible to re-use hybridization, including during idling.

The introduction of this Drivetrain in the coming years aims to reduce consumption to around 1.5 l/100km for the vehicles in question.

HYDIVU PARTNERS:

- Continental;
- Valeo;
- LMS International;
- IFPEN (IFP Energies Nouvelles).

1.4.2.4 POWERFUL (POWERTRAIN FOR FUTURE LIGHT DUTY VEHICLE)

Launched in 2009, the Powerful project is a collaborative project devised by the European Union and coordinated by Renault in collaboration with 17 partners, thereby creating a real R&D network on a European scale between the project participants. The objectives relate to technological advances to significantly reduce CO_2 emissions on the one hand (-40% for gasoline/-20% for diesel) and, on the other, to reduce pollutant emissions to below the 10% thresholds set by the Euro 6 standard.

Its objectives target the definition of a more environmentally-friendly vehicle design that complies with the CO_2 and pollutant emissions thresholds set by the project.

The Powerful technical approach involves the research and development of prototypes prefiguring future low-emission and low cubic capacity engines designed for road transport. It is based on three sub-projects split between Renault, Volkswagen and Fiat with the support of all the partners.

As part of the project, Renault developed a prototype 730cc twin-cylinder two-stroke diesel engine. The challenge lies in demonstrating the feasibility of a very small, economical, low-emission diesel engine which is easy to de-pollute. The prototype was fitted and tested on a Twingo.

In parallel with the completion of this prototype, new simulation tools enabling the close interaction between the combustion system and the engine architecture to be modeled with great accuracy were developed to allow further research into reducing friction and optimizing energy management.

PROJECT PARTNERS:

EUROPEAN COMMUNITY	
Renault s.a.s. represented by Regienov EIG	Universidad Politécnica de Valencia
Volkswagen AG Volkswagen AG	Ceske vysoke uceni technicke v Praze
AVL List GmbH	Rheinisch-Westfälische Technische Hochschule Aachen
FEV Motorentechnik GmbH	Poznan University of Technology Institute of Combustion Engines and Transport
IFP-French Institute of Petroleum	Universita' degli Studi di Genova
Le Moteur Moderne	Fundación Tekniker
Ecocat Oy	Politechnika Lodzka
Magneti Marelli Powertrain SPA	
Centro Ricerche Fiat SCpA	
Delphi Diesel Systems SAS	

1.4.2.5 RESEARCH INTO ELECTRIC VEHICLES (EVS)

Electric vehicle sales have demonstrated the viability of the economic model. However, electric vehicles use technologies which are still very recent and have room for significant improvement. Three areas of research are currently being explored:

- increasing battery range: technology in this area is advancing at a rapid rate and battery range is likely to be doubled by the end of the decade. Research will not, however, stop there and the real objective is to further increase battery capacity, both to increase range and to reduce size and, as a result, cost;
- making EV technology more competitive: In addition to research into reducing the cost of batteries, the main focus of improvement involves electronic power components which will not only be less expensive, with 50% gains targeted, but also less bulky, while still performing better;
- developing technologies to make EVs even easier to use: Research is, for example, currently being conducted into static inductive recharging which would make it possible for users to recharge their EV batteries without having to connect an electric cable to a charger.

(1) Corporate Average Fuel Economy: European standard restricting CO_2 emissions.

1.4.3 2014 NEW PRODUCTS & ASSOCIATED INNOVATIONS AND TECHNOLOGIES

1.4.3.1 NEW TWINGO

Third generation Twingo: a totally redesigned, small city car which is easy to handle, comes in vibrant colors and is fully customizable.

Innovative architecture	• rear engine; • A 4.3 meter turning radius, one meter less than most of its competitors; • the engine is mounted at a 49° angle to preserve trunk volume and flat floor functionality.
R & GO®	A system which enables vehicles to connect with the user's *smartphone:* Once fitted into its holder and connected, the smartphone becomes an extension of the dashboard, displaying a simple menu with four large, ergonomically designed icons for safe and effective use. **Four icons for four functions:** • **navigation** (Copilot® Premium): a 3D offline navigation system which is downloaded onto the smartphone so that it is always accessible, even in areas with no network coverage; • **telephone** (Contacts, Bluetooth®, etc.); • **music** (radio, web radios, audio recognition of titles and artists - song ID); • **vehicle** (Renault Driving *eco2 eco-driving sy*stem), enhanced dashboard information, rev. counter, etc.).

NEW TWINGO: THE RENAULT/DAIMLER PARTNERSHIP HAS BEEN A SUCCESS FOR BOTH PARTNERS

Co-developed on the same platform, both brands' city cars benefit from numerous synergies. Sharing the investment opened new technological doors in terms of design and manufacture, enabling each of the two partners to market city cars with a shared heart but very different bodies. Carefully designed and manufactured, they are both profitable and at the top end of the segment in terms of performance with a great deal of attention being paid to quality. By way of example, €45 million has been invested in the paint shop at the Novo Mesto site to meet the high standards set by both partners for their city cars. Through this partnership with Daimler, Renault has once again demonstrated its expertise in the design of small, high-performance, competitive cars, as well as its aptitude for working effectively with partners other than its Alliance with Nissan.

1.4.3.2 NEW ESPACE

The Renault Espace is being reincarnated in the form of a large cross-over, broadly along the lines as of a concept-car.

A RANGE OF TECHNOLOGIES TO MAKE DRIVING EASIER AND SAFER (ADAS)

DRIVER ASSIST SYSTEMS FOCUSING ON THREE SPECIFIC FUNCTIONS:

Improved safety	• Adaptive speed regulator, active emergency braking.
Better warning systems	• Line crossing alert, safe distance alert, speeding alert with recognition of traffic signs and blind spot alert.
Easier driving:	• Assistance with forward, reverse and parallel parking, rear view camera, automatic switch between full and dipped beam, heads-up display, assisted parking brake, hill-hold for easy uphill starting, hands-free access with power-assisted tailgate. • The *Easy Park Assist* automatic parking system (the driver lets the vehicle to do the maneuvering).

MULTI-SENSE® TECHNOLOGICAL REVOLUTION

Access to pre-programmed modes of operation: "Eco", "Comfort", "Neutral", "Sport" and the "Perso" mode which can be configured at will. Each mode changes the way that the vehicle handles and creates a specific interior ambiance.

VEHICLE HANDLING IN ACCORDANCE WITH THE PRE-SELECTED OPERATING MODE IS GOVERNED BY:	IN-CAR AMBIANCE IN ACCORDANCE WITH THE PRE-SELECTED OPERATING MODE IS DETERMINED BY:
• engine response; • EDC transmission gear change; • 4Control® chassis parameters; • suspension adjustments; • changes in steering wheel effort.	• the tonality of the interior lighting: green, blue, white, red, violet; • the style, the information displayed and the color of the instruments; • the sound of the engine; • the intensity and frequency of the seat massages; • the climate control operating mode.

INTUITIVE DESIGN WITHIN AN AERONAUTICALLY INSPIRED ENVIRONMENT:

A suspended central console evokes the pleasure of traveling on board a private jet.

A heads-up display projects an image within the driver's field of vision with instantaneous speed data, navigation guidance, speeding alert and driver assist.

- he new generation R-LINK 2®, more functions but still as intuitive as ever:
  - attractive ergonomic design with all the simplicity of a domestic touchscreen tablet,
  - a new larger, 8.7" touchscreen display,
  - integrated intuitive functions designed specifically with the pleasure of the driver and passengers in mind: 4Control®, controlled suspension, driver assist, mood lighting and sound, front seat adjustment (including massage function), separate fold-down rear seats,
  - high-performance navigation system with a range of accessible services;
- a Bose surround audio system for a totally immersive experience (12 speakers).

TWIN TURBO TECHNOLOGY

The New Espace is fitted with an Energy dCi160 Twin-Turbo engine. The last engine to be designed under the downsizing initiative, it is the first 1.6 l diesel twin turbo engine. With a 1,598cc displacement, it delivers 160hp and generous torque which propels it into the 2 liter engine arena in terms of performance.

The "Twin Turbo" technology combines generous torque at low speed with a powerful diesel engine providing the driver with instant gratification.

Two turbos are used sequentially:

- the first low-inertia turbo activates effortlessly from the lowest speeds, providing generous torque during start up and acceleration. Guaranteeing a smooth, yet spirited, drive, 90% of the maximum torque is available from 1,500rpm, providing responsive handling, low-speed take-up and incisive acceleration;
- the second turbo takes over at high speeds, providing high performance (100hp/l of displacement) without ever running out of steam, for constant, regular and linear acceleration.

The engine still operates within its optimal performance ranges, instantly benefiting consumption and CO_2 emissions.

NEW ESPACE: DAIMLER'S EVALUATION OF THE PERCEIVED QUALITY OF THE NEW MODEL

In 2014, within the context of the partnership which binds the two carmakers, Daimler conducted an audit on the perceived quality of the New Espace, together with the Renault teams responsible for the Project.

The German manufacturer's teams visited the Douai plant on several occasions to examine the first vehicles to be produced using the final manufacturing process. Daimler conducted static analyses and dynamic testing.

This is a new approach which enables the two carmakers to discuss and compare their respective methods so that they can obtain a better understanding of the other's processes and sensibilities in assessing perceived quality.

1.4.3.3 NEW TRAFIC

The New Trafic was designed for both practicality and comfort. The cockpit was designed as a mobile office with 14 different storage solutions to meet the everyday needs of the business professional.

Multimedia support	A pullout tablet holder is located above the radio Tuner. It holds tablets sized from 4.8 to 10.6" (For reference purposes, an iPad measures 9.7", an iPad Mini 7.9", a Samsung Galaxy Tab 2 10.1" etc.) and so provides ergonomic access to these work or navigation tools.
Twin Turbo	The Renault Trafic is fitted with a new Twin Turbo engine (see paragraph 3.2 – twin turbo technology), with consumption of under 6 l/100km*, falling to as little as 5.7 l/100km (149g CO2/km) for combi vans and 5.9 l/100km (155g CO2/km) for LCVs.

1.4.4 PERFORMANCE LEVERS

1.4.4.1 MODULES AND COMMON MODULE FAMILY (CMF)

MODULES

In 2014 Renault pursued its standardization policy based on a strategy of sharing platforms and components with Nissan and on the introduction of modular design.

The project is now well underway with 102 modules introduced in six waves. By mid-November, 66 module contracts will have been announced (11 of which were won in 2014). These module contracts account for 45% of the value of the vehicles, on course to meet the target of 65% by the end of 2016

The standardization level of each new project is controlled by the "carry over carry across" (COCA)[1] objective which is set right from the outset and checked at every stage of the project.

The standardization policy has now been synchronized with Nissan in a joint entity reporting to the new Alliance Technology Development Department (see paragraph 5.2). Based on the ACM (Alliance Commodity Meeting) process shared by Purchasing and Engineering, it aims to accelerate technical convergence and so enhance the Alliance's economic performance.

(1) COCA: Carry Over/Carry Across - rate of re-use of parts that have already been developed.

CMF (COMMON MODULE FAMILY)

A source of increased competitiveness and synergies, CMF extends manufacturing commonalization to an unprecedented number of vehicles developed within the Renault-Nissan Alliance. CMF will generate an average 30-40% reduction in product/process engineering costs per model and a 20 to 30% reduction in parts costs.

A CMF (Common Module Family) is an engineering architecture that covers Renault/Nissan Alliance vehicles, from one or more segments, based on the assembly of compatible "Big Modules": engine bay, cockpit, front underbody, rear underbody and electrical/electronic architecture.

CMF is an additional tool that goes further than carryovers on a single platform, to expand the product range. The trend will be to increase the modules common to several platforms with a view to standardizing components and increasing the number of vehicles per platform. CMF will gradually be extended to Renault and Nissan ranges between 2013 and 2020. CMF will be first applied to the compact and large car segments, then to be followed by models in other segments. CMF for the compact and large car segments will include 1.6 million vehicles per year and 14 models (11 Renault group+3 Nissan):

- the first Nissan vehicles will be released in late 2013: replacements for Rogue, Qashqai and X-Trail;
- the first Renault vehicles will be released from 2015 onwards: replacements for Espace, Laguna and Scénic, manufactured in Douai.

CMF will span five continents.

1.4.4.2 SYSTEMS ENGINEERING

Systems engineering has been rolled out since 2013 in a methodical and structured way. Inspired, among other things, by the aeronautical industry, this design and development method has now been adopted by all carmakers in order to deal with the complexity of today's vehicles. Renault increased the number of functionalities or services from 300 on the second generation Espace, to over 900 on the fourth generation Espace. These functionalities are not only more numerous, but also more complex, and interdependent. The growing demand for connectivity, automation and new energy sources will only serve to accelerate this trend.

Starting from a path that is clearly marked right the way from the initial (service) "requirement" to the final parts, this approach makes it possible to structure, plan and manage the design and development of interconnected, and increasingly tentacle-like, systems.

1.4.4.3 PROCESSES FOR A SOLID CONCEPTION

V3P

The rollout of the new V3P development approach to various projects made it possible to make significant advances in terms of reducing development times. As a result, Renault is now one of the most advanced carmakers in this field.

In 2014, feedback from projects started in 2013 was used to further reinforce the application of this new approach to future developments.

Development approach synergies were identified within the Renault-Nissan Alliance, allowing for potential gains for both carmakers.

SYNCHRONIZATION OF MILESTONES IN PROJECT PLANNING AND DEVELOPMENT PHASES (S3/CF)

The rollout of the V3P approach resulted in a complete rethink of the process of introducing innovations into vehicle projects. In order to introduce more research project innovations, it was necessary, on the one hand, to ensure that such innovations were sufficiently advanced and, on the other, that the decision to introduce such innovations was taken at the right point in the project's sequencing.

A well-defined process was implemented, guaranteeing technology transfers in line with initial expectations and requirements. Just like a relay runner who hands over the baton to another member of the team in a flying start, the innovation is transferred by R&AE (Research & Advanced Development) teams to the project teams at specific milestones such as the "concept freeze", or the stage where the vehicle's design and technical components are selected along with the cost/value equations that best meet customer requirements.

In 2014, in addition to improving collaboration between the teams, this synchronization contributed to smoother transfers, guaranteeing continuity and greater convergence in terms of vehicle project development and the introduction of innovations into these projects.

CUSTOMER SATISFACTION PLAN: FROM RELIABILITY TO CUSTOMER SATISFACTION

In early 2014, the Renault group launched a Customer Satisfaction Plan (PSC) 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 by 2016. Seven key breakthroughs will drive the progress of this three-year plan:

- 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 which 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) which fulfills customer expectations during the sales and after-sales experience,
  - **fulfilling customers' expectations**: ensuring that we offer vehicles and services that match customers' 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

The expertise network, set up in 2010 to enable operations to benefit from corporate knowledge and know-how, now has 1 Expert Fellow, 37 Expert Leaders, 148 Experts and 431 Consultants.

Work in 2014 mainly focused on continuing to roll out the network, in particular to Sales/Marketing, documenting the relevance of creating four new strategic fields of expertise, cooperating with the Regions and implementing Human Resources processes for expertise network management, so as to ensure its future development.

Engineering's systematic use of Design Reviews (digital project reviews), based on expertise, will enable vehicle projects with a high level of innovative content to be kept under control so as to guarantee customer satisfaction when the vehicles come to the market.

As part of the new phase of Alliance synergies announced in January 2014 (see paragraph 5: R&D – an international organization), research by Renault and Nissan expertise networks was launched, on the one hand, to identify short-term opportunities for synergy and, on the other, to propose, in the medium term, the operating framework for an Alliance expertise network.

1.4.5 R&D: AN INTERNATIONAL ORGANIZATION

On January 30, 2014, the Renault-Nissan Alliance announced its intention to launch convergence projects in four of the organization's key functions (engineering, manufacturing and logistics, purchasing and human resources).

In engineering, the two companies decided to accelerate the synergies by means of a joint "upstream" strategy of advanced technologies, joint modules, powertrains. Simulations and trials are also conducted jointly. The objective is to improve productivity by sharing best practices and core skills and by standardizing parts and processes (see chapter 1.2).

The organizing principle of the Alliance's new engineering is based on:

- an activities scope specific to each manufacturer (Product engineering) thereby enabling it to retain the identity of its products;
- a scope that is common to both manufacturers (Alliance Technology Development) and involves activities that can be shared. This joint scope is managed by a single leader.

1.4.5.1 PRODUCT ENGINEERING: THE IDENTITY OF EACH OF THE ALLIANCE'S CARMAKERS IS PRESERVED

It aims to develop Renault Product plan models, in line with the brand's identity, by meeting market and customer demands in terms of competitiveness, quality, design and innovation.

1.4.5.2 THE ALLIANCE TECHNOLOGY DEVELOPMENT DEPARTMENT: CONVERGENCE OF RESEARCH, TECHNOLOGIES AND TEST RESOURCES

With the creation of this new department, the Alliance is introducing a joint strategy which aims to accelerate synergies without disrupting project developments that are already under way at Renault and Nissan. This joint strategy relates to the choice of technologies, the roll out of platforms, the process of standardization and the development of a powertrain range which fulfills the expectations of both carmakers. The systems approach initially rolled out at Renault has now been extended to Nissan. Simulation tools, as well as sites specially designed for dynamic tests and trials, are made available to both the Alliance brands.

This new engineering convergence strategy focuses on three key areas:

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).

In terms of the powertrain, the example of the K9K engine from Renault technology, and used in several Nissan models, is an example of best practice which will be reproduced and used systematically at the instigation of the new organization.

Shared platforms that have already been partially rolled out are a key performance component, making it possible to base a wide range of vehicles from both brands on five big modules by minimizing the development of new parts (see paragraphs 4.1.1 & 4.1.2 – modules/CMF).

JOINT PROCESSES

The new organization aims to speed up the definition of joint standards, methods and processes so that project development can be more effective. For example, technical specifications sent to a supplier will systematically fulfill the expectations of both Alliance carmarkers.

1.4.5.3 RENAULT INTERNATIONAL ENGINEERING CENTERS (RTX)

Renault international engineering centers (Korea, India, Russia, Romania, Americas) receive back-up when it comes to finding out about local markets so that products can be localized in order to fulfill customers' needs and expectations as well as the countries' regulatory and economic constraints.

Likewise, the skills available at each of these sites is gradually improving with the aim of achieving the independence that already allows some sites to take on vehicle projects right from the outset.

The trend toward engineering convergence is also gradually taking hold in engineering centers outside France and there are already some practical examples of convergence such as:

- the Renault Pulse and the Nissan Micra were designed from a shared platform in India;
- the Renault Duster and the Nissan Terrano were designed from a shared platform in Russia.

1.5 RISK FACTORS

The Group comprises two operating divisions, Automotive and Sales Financing (RCI Banque group). Each operating segment has its own risk management system.

Automotive and Sales Financing work hard to control the risks relating to their respective activities. In this chapter, the same logic is used to present these risks for both operating segments:

- risks linked to the business environment;
- cross-group risks;
- operating risks;
- financial risks.

For the Sales Financing segment (RCI Banque group activities), the global risk management system is organized in accordance with banking regulations (*see chapter 3. 1.7.*). A detailed description of this system is available in the RCI Banque group's annual report. This document provides an overview of the risk factors and management procedures and principles.

For the Automotive segment, the global risk management system is based on collaboration between the Risk Management department at Head Office, the operational risk managers at country level and the expert risk managers within certain business functions and corporate activities. This network of different levels strengthens the risk management system and provides it the means to be proactive in controlling risks. However, it does not exclude the potential crises and damage that could occur as a result of the combination of the complexity of activities and the accelerated development of the business environments, which could aggravate existing risks and lead to the emergence of new risks.

This chapter therefore describes the main risks and the main procedures implemented by the two operating divisions to limit those risk's likelihood and impact.

1.5.1 AUTOMOTIVE RISK FACTORS

1.5.1.1 RISKS LINKED TO THE COMPANY'S ENVIRONMENT

GEOGRAPHICAL RISKS

Risk factors

The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks: volatility of GDP, economic and political instability, social unrest, regulatory changes, nationalization, debt collection difficulties, fluctuation in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls. For example, Renault is facing difficulties in repatriating funds from Iran and has noted a hardening of regulations in Argentina, resulting in delays in intra-group transfers.

Management procedures and principles

All decisions regarding the geographical location of manufacturing operations form part of an overall Group growth strategy that factors the risk of instability into an overall industrial approach.

The Group also seeks to continually increase local integration at its production facilities so as to make them more competitive in the local market. The geographical distribution of Renault's industrial investments outside Europe helps to diversify the Group's risk, since GDP and solvency trends vary from region to region.

With regard to industrial investment, the Group does not hedge its exposure as a rule, however the risk of not fulfilling its targets is taken into account when calculating the expected return on investment.

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 and sales to certain countries for which there is no cover. Residual country risk is regularly monitored.

The two main hedging instruments used are: bank guarantees (documentary credits, standby letters of credit and first-demand guarantees) issued by top-tier banks, and guarantees from credit insurers.

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. The aim is that manufacturing subsidiaries sell their export production to Renault s.a.s., which sells it on to trading 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. In such cases, the exporting subsidiary is responsible for managing its risks, with business support provided by the parent company.

RISKS ARISING FROM ECONOMIC CONDITIONS

Risk factors

The balance between Group sales in Europe and Outside Europe, 50/50 in 2013 and 54/46 in 2014, allows the Group to take advantage of the different opportunities while limiting the risks of any regional reversal or slowdown. The three largest markets outside Europe are Brazil, Russia and Turkey, representing 9%, 7% and 5% of Group sales, respectively.

Nevertheless, the Group's activities are still heavily dependent on the European market in terms of revenues and profit.

Management procedures and principles

The Company has put in place a number of measures to safeguard against any additional market risk. To ensure greater flexibility in terms of anticipation and action, the five Regions are led by a Management Committee comprising representatives from all the Company's business functions. It is chaired by an Operations Director, who is a member of the Group Management Committee, who manages his/her own business plan in order to contribute to the Group's performance.

Specific actions are also put in place in addition to these cross-group measures.

Europe

In anticipation of a slow recovery in the European market, the Renault group has:

- defined ambitious strategic objectives to regain market share in the European market, with a focus on customers and profit;
- adjusted the organizational structure of the Europe Region (particularly as regards sales and manufacturing) to foster increased sharing and pooling of resources;
- implemented the French competitiveness plan ("Contract for Renault's renewed growth and employee development in France" dated March 13, 2013), which aims to dramatically improve the competitiveness and output of French manufacturing sites between by 2016;
- developed production agreements with its partners (for example: Daimler);
- joint and coordinated actions to control changes in the Total Delivery Cost (TDC) of vehicles.

Brazil and Argentina

The Company has introduced measures to safeguard against market risk:

- all vehicles sold in Brazil and more than 95% of those sold in Argentina are produced in Mercosur countries with high integration rates so as to reduce the impact of exchange rates on the cost of sales;
- with the same aim in mind, efforts are being made to balance trade across production and sales between Brazil and Argentina.

The worsening of the Argentinean crisis in 2014 resulted in the adoption of additional measures, particularly limits to the number of imported vehicles, so as to benefit local production.

Russia

The Group manages the economic environment and market fluctuations very closely:

- 90% of vehicles sold in Russia are produced locally with high integration rates in order to reduce foreign exchange impact on the cost of sales (level 1 suppliers);
- it implements a strategy of integrating local suppliers so as to reduce the impact of monetary fluctuations (level 2, 3 suppliers, etc.);
- it works with the Government to obtain incentives for the Group's suppliers to invest in Russia;
- it submits proposals to the Government for grants for the automotive market.

RISKS LINKED TO THE REGULATORY ENVIRONMENT

Risk factors

Risks linked to non-compliance with laws and regulations.

Management procedures and principles

The Company follows a structured procedure to analyze the robustness of regulatory compliance for a number of well-defined regulated areas, established by Internal Control department in collaboration with the Legal department. These include competition, fraud and corruption, environment, health-safety-working 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 reduce the exposure of the Company and its executives to the risks of criminal, administrative and financial sanctions and to protect its image.

The system is based on three types of actors:

- **the operational entities** ensure regulatory compliance *via* their processes, based on directives and with the support of the decision-making departments, in accordance with local regulations;
- **the decision-making departments** (Technical regulations, Legal, Human Resources, Environment, etc.) monitor regulatory compliance within their area, set out the regulatory obligations in internal guidelines and deploy these within their networks;
- **the Regulatory Compliance department** defines the used methods and evaluates the regulatory compliance systems, with the support of the Legal department.

It provides the Ethics and Compliance Committee with reasonable assurance that the Company is familiar with its regulatory compliance obligations and takes these into account during its activities.

1.5.1.2 CROSS-GROUP RISKS

OCCUPATIONAL HEALTH AND WORKING CONDITIONS RISKS

Risk factors

Working conditions may generate accidents or occupational illnesses regardless of the field of activity (industrial, engineering, services, sales or after-sales).

The Group is thus faced with the risk of accidents, whether these accidents occur at the employee's workstation or while traveling to work. Certain working conditions can also generate risks of illnesses, such as musculo-skeletal disorders from repetitive operations or pathologies linked to the use of chemical products, or stress as a result of activities involving a high work rate or intense cognitive activity.

Management procedures and principles and prevention

The Group has a number of health and safety and risk prevention procedures which are firmly established within the Company, thanks in particular to the health and safety management system which has been deployed in all countries, sites and business functions.

The Group benefits from an international network of specialists in health, safety and working conditions, who meet regularly and receive frequent training to expand their areas of competence. Other factors include the commitment of management at all levels, awareness-raising, and continuous training of managers in risk prevention. The majority of industrial sites also have a continuous improvement policy that encourages employees and their representatives to become involved in improving their working conditions.

To measure deployment and implementation of the occupational health, safety and working environment policy, internal experts conduct assessments and audits within the Group's various entities. These assessments are based on standards set by Renault and approved by a recognized international organization. A total of 98% of industrial, engineering and office sites are now certified.

In addition, since mid-2014, Renault has rolled out a systematic method of analyzing workshop-related risks, where these involve the workplace itself, workstations or industrial equipment so that, after assessment, measures can be taken to reduce the risk once it reaches a certain threshold. This method is used by level first level managers to help analyze risks and continually improve working conditions. It is implemented from the design phase for facilities, as part of vehicle projects and is subject to the same monitoring as accidents, in order to reduce the number of posts with a high level of ergonomic constraints.

With regard to the prevention of psychosocial risks and occupational stress, occupational doctors monitor employees and managers have received training on how to recognize staff members in difficulties, and on improving the quality of life in the workplace since 2012.

Finally, the Group deploys general measures to ensure the good health of its employees and to prevent accidents through publicity and training campaigns. These campaigns deal with issues such as food hygiene, addiction, accidents in daily life, road safety and sport. Several plants also have individual sports training centers and offer physical exercise at the start of each shift.

All of these measures help reduce the level of risk inherent to working environments.

ENVIRONMENTAL RISKS

Risk factors

The Group's main environmental risks can be broken down into three categories:

- risk of accidental environmental damage as a result of the Company's activity. these mainly concern industrial activities and, to a lesser extent, the after-sales service and transportation of parts and products for the manufacturing of vehicles;
- risk of disruptions to industrial and logistics activities and damage to Company assets as a result of extreme weather conditions (storms, floods or hail, etc.);
- financial and commercial risks resulting from the Company's failure to take the appropriate measures in response to tightening of regulatory requirements and those relating to standards, in respect of vehicle environmental performance, end-of-life recycling and recovery, or chemical products used in the composition or manufacturing of vehicles or after-sales service.

Management procedures and principles

The identification and control of environmental risks form part of the global risk management system described in the introduction to section 1.5.

Environmental risks are prevented by means of the environmental management system deployed for all activities and all stages of the product life cycle (see section 2.6.2). None of the Group's facilities is classified in a high environmental risk category.

Climatic, natural and industrial risks are taken into account in the Group's prevention policy (see section 1.5.1.3 Manufacturing risks and the section Adaptation to the consequences of climate change in section 2.6.3.1).

Measures to ensure compliance with regulatory requirements relating to vehicle emissions (see the paragraph *Vehicle use* in section 2.6.3.2 and 2.6.3.5) and vehicle recycling potential are fully integrated into the process to ensure vehicle approval is obtained from the relevant bodies. The Group also has a voluntary and proactive approach to vehicle end-of-life recycling through its subsidiary Renault Environnement and the research project LIFE+/ICarRe95 (see Vehicle end-of-life in section 2.6.3.2).

The risks and opportunities associated to climate change (CO_2 vehicles emissions…) are identified as a major competitive challenge for the Company. For this reason, they are monitored through a key performance indicator Worldwide Carbon Footprint and expressed in specific product competitiveness in terms of fuel consumption and CO_2 emissions. All these aspects are followed yearly at GEC level in order to examine to examine the Group's position and outlook in the short, medium and long term (10 years), and to define or adjust the strategy accordingly. Elements of the strategy and the main results to date are presented in section 2.6.3.1.

Finally, '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. This organization is deployed throughout the network, and is supported by central expertise hubs and a "substance" standard, which is applied across the entire Company and supply chain (see section 2.7.2).

LEGAL AND CONTRACTUAL RISKS

Risk factors

The Renault group is exposed to three main 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, banking, the environment, competition, and 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 standards at any time;
- **disputes, governmental or legal proceedings, arbitration**

  Renault is involved in various legal and arbitration proceedings as part of its activities in France and internationally.

  Nevertheless, to the best of Renault's knowledge, over the last 12 months there has been no dispute, governmental or legal proceeding or arbitration process that is in process or likely to occur and that could have a significant impact on its financial position, activities or results;

- **intellectual property**

  Renault has a number of patents, brands, drawings and models and is therefore exposed to a number of intellectual property risks. Each year, Renault files several hundred patents (see section 1.4), some of which are covered by fee-paying licenses granted to third parties. The Group may also use patents held by third parties under licensing agreements negotiated with those parties.

  The performance of the Renault group depends in particular on the robustness of the legal framework protecting its patents and other intellectual property rights. Renault is therefore not able to guarantee that third parties will not misappropriate or contest its intellectual property rights. Such violations or claims may have a negative impact on the Group's activity, results and image.

  Where necessary, it is specified that as part of the sale of Renault V.I. to Volvo, Renault granted a perpetual license for the Renault brand to the Volvo group in a contract signed on January 2, 2001 for industrial vehicles (3.5 tons and over). This global license is not deemed a significant risk to this guarantee and/or the Group's brand 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 sector, 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 within the different countries. These employees report to a hierarchical line and a functional line;
- 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 the Group in collaboration with the different countries concerned.

FISCAL RISKS

Risk factors

Uncertainties in the interpretation of texts or the execution of the Company's fiscal obligations.

Management procedures and principles

The Renault group has always adopted a reasonable fiscal policy to safeguard its shareholders' interests while preserving the relationship of trust with the States in which it operates.

The Group's Fiscal department, which is supported by central and local teams, manages the relationship with the States and implements the Group's fiscal policy, with the main objective of ensuring compliance with its fiscal national and international obligations.

Technical discrepancies may however be detected during audits and could lead to fiscal disputes, particularly due to uncertainties in the interpretation of texts or the execution of our fiscal obligations. Where necessary, after analyzing the materiality of the risk, provisions are booked in the financial statements to reflect the financial consequences of these discrepancies.

IT RISKS

Risk factors

The Group's business depends in part on the smooth running of its IT systems. These are under the responsibility of the Renault Information Systems department, which has put in place a security policy, technical architecture and processes to control risks associated with the following:

- the integrity of the data center, which hosts approximately 3,000 IT applications. Redundancy is built into the 11 applications that support strategic business processes so that they can restart in less than a week in the event of a disaster;
- cyber-crime: global computerized attacks or attacks on the Group in particular, for example in response to events widely reported in the media or simply with the aim of deriving benefit (through the resale of information, blackmail, etc.). Such attacks aim to steal or corrupt sensitive data (*i.e.* confidential or personal information), crash applications or the Group's entire intranet network, and deface web sites. All companies, including those in the manufacturing sector, are targeted by such attacks. The development of connected vehicles increases the number of potential targets for cyber-crime;
- industrial espionage targeting sensitive data;
- non-compliance with legislation corresponding to IT activity: protection of personal data, professional secrets and the French Act on confidence in the digital economy, etc.

The occurrence of these types of risks can adversely affect the Group's brand image as well as its financial position and/or competitive advantage.

Management procedures and principles

Risks are controlled, in particular, through the following:

- **at operational level:**
  - a process for defining security requirements to be implemented as part of IT projects, depending on the criticality of the applications and data used; these requirements take into account technology trends, such as cloud-based services,
  - management of data security *via* a network of risk managers who are IT security specialists, in each business function,
  - a high level of protection for the Group's IT network, such that resources can be used safely not only by suppliers and partners, but also by entities based in high-risk countries,
  - compliance checks carried out jointly by Renault's Information Systems department and the Protection and Prevention department,
  - awareness-raising activities for employees and partners;
- **at organizational and governance level:**
  - an IT Risks Committee chaired by a member of the Group Executive Committee and coordinated by the Group IT Security department, which reports to the Renault Information Systems department. This Committee brings together the Audit, Risk Control and Organization Director, the Prevention and Protection Director and the Director of the Renault Information Systems and Infrastructure department,
  - governance committees coordinated by Group IT Security, 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;

Key IT security projects carried out in 2014 covered the following areas:

- **inventories of applications and systems:**
  - maintaining the inventory of applications supporting strategic Group processes, to ensure that these applications can be restarted as a priority in the event of an incident,
  - maintaining the inventory of systems hosting confidential data and personal information;
- **checking the robustness of the systems, machines and IT crisis management processes:**
  - work to detect advanced attacks on sensitive areas of the Company,
  - intrusion testing on systems installed on the intranet and in connected vehicles,
  - periodic vulnerability testing on about 800 machines hosting Renault applications accessible *via* the Internet,
  - actions to improve intranet and mobile handset security,
  - preparation for a potential IT crisis by reconstructing and performing a crisis management exercise;
- **security support for projects:**
  - security support for strategic international partnership projects (Russia, China, Algeria, etc.),
  - formalization of a new process to integrate security into project, together with appropriate tools and training,
  - project support in drawing up contracts with suppliers for the purchase of "cloud" services;
- **coordination of the network of security officers within the various business lines and in the different countries in which the Group exercises its activities.**

RISK ARISING FROM PENSION LIABILITIES

Risk factors

The risks relating to pensions consist of the additional financing that may be required due to negative variations in its constituent parameters (workforce, discount rate, inflation, life expectancy) or the markets (impact on investments): these vary depending on the type of scheme, whether they are defined-contribution or defined-benefit schemes, with retirement compensation or pension funds.

Approach and pension systems

Over the past 10 years, Renault has developed defined-benefit plans which do not incur any other financial commitment for Renault besides the regular payment of the Company contributions.

Note 19 C to the consolidated financial statements provides detailed information on the definitions of the different pension schemes, the associated risk management and actuarial assumptions used, as well as the impact of these schemes on the financial statements.

1.5.1.3 OPERATIONAL RISKS

RISKS LINKED TO PRODUCT DEVELOPMENT

Risk factors

The risks linked to product development mainly relate to the balance between the product offering proposed (bodywork type, segment type, price, etc.) and market demand.

Management procedures and principles

New models and powertrains are developed based on an analysis of customer demand and expected profitability. This is calculated based on:

- **Income:** based on customer studies, sales volumes, market shares, forecast prices, and the projected life cycle;
- **Expenditure:** based on the total initial outlay for the project and the expected unit costs.

When the reference assumptions used are called into question (fall in markets and volumes, increased outlay/unit costs), the expected profitability may drop.

When this profitability is downgraded, the Group may have to recognize a loss in value on the fixed assets used (investment and capitalized development costs, which are amortized over the life cycle of the vehicle) or book a provision aimed at covering the contractual indemnities to be paid, where necessary, in the event that the minimum purchase volume is not met.

The coordination of vehicle and subsystem projects requires management of the sensitivity of profitability to variations in the income and expenditure assumptions. More specifically, the Tornado Chart tool lists the risks and can simulate projected impacts, both negative and positive, in order to:

- highlight the robustness of projects to environmental changes;
- determine the countermeasures required to reduce exposure to these risks as far as possible or hedge against them.

Each vehicle and subsystem Program Director is responsible for permanently managing this risk. The risk management system is presented at each development milestone, within the Group Product and Programs department, and to the members of Group Senior Management.

SUPPLIER RISKS

Risk factors

Controlling supplier risks is a major challenge for automotive manufacturers due to the significant contribution of suppliers to the vehicle's cost price. Any default, even if this concerns just one supplier from the entire panel, can generate considerable impacts on production at the Group's plants and the development of future projects.

Renault must also apply a very accurate system to control supplier risks relating to all aspects of the supplier relationship: design and development – manufacturing, logistics and quality – solvency and financial sustainability.

Management procedures and principles

The Renault Nissan Purchasing Organization (RNPO) is responsible for managing its supplier risks and uses five main systems to this avail:

- **a prevention policy** aimed at making suppliers responsible upstream for their own risks, particularly with regard to the supply chain;
- **the use of** Renault-Nissan **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;
- **permanent monitoring of supplier risks** in relation to operations, finance and corporate social responsibility;
- **a system to implement action plans** in the event that supplier non-compliance or risk is detected.

This control also involves several dedicated departments: a Risk Management and Control department, a network of financial analysts, and a dedicated Corporate Social Responsibility department. These departments work very closely with the RNPO operational purchasing managers at global level (see CSR chapter 2.1.6).

Prevention and detection

The upstream prevention policy relates to natural disaster risks in particular. Renault and Nissan have a Business Continuity Plan, which was created following the disasters in Japan and Thailand in 2011. All suppliers complete a questionnaire annually to evaluate replacement solutions in the event of a natural disaster.

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. It contains strict steps and procedures for validation and compliance using a score chart to rate the severity of faults in parts during the design stage.

With regard to risks linked to mass production, Renault pays particular attention to capacity and quality risks

In order to manage risks linked to capacity shortfalls on the part of suppliers, Renault uses a capacity benchmarking process based on an annual questionnaire to anticipate capacity requirements and solutions two years in advance.

With regard to the quality of mass-produced products, Renault has a management system that is applied by more than 300 experts worldwide. This system is based on an audit matrix common to Renault and Nissan, which has been created according to the model in ISO TS 16 949.

To manage supplier risk at group, entity and plant level, the Group incorporates its own standards into operating and financial plans and uses internal and external experts as far as CSR standards are concerned.

Operational risks are anticipated and monitored *via* annual ratings conducted by the buyers and experts in supplier risk, using a multi-criteria matrix to evaluate the quality of the shareholders and management, site competitiveness, their investment capacity and technological risk, as well as strategy, and commercial dependence on their main customers.

Financial risks are monitored by a network of Renault Nissan analysts deployed in all countries in which the Renault and Nissan groups operate. These analysts evaluate the risk of supplier default based on a matrix of criteria common to Renault and Nissan. They compare their conclusions with scores from rating agencies, scores from Banque de France and recommendations from credit insurers, etc.

CSR risks are monitored using two types of complementary evaluations (see CSR chapter 2.1.6):

- the first type of assessment is based on field observation at production sites. It is performed by Renault experts and includes in particular questions relating to working conditions and the environment;
- the second type of assessment is based on CSR management at supplier groups and is carried out by a third party. The assessment questionnaire includes questions on environmental management, working conditions and human rights, ethics and supply chain management.

Risk management

Suppliers at risk are presented to and managed by Purchasing Risk Committees. These committees exist at Group level and for each local Purchasing department. They are multidisciplinary bodies chaired by the Purchasing department and are attended by all functions concerned by supplier risk: finance, legal, control, logistics, communication, public affairs and human resources.

The Purchasing Risk Committee determines the action plans to be implemented in collaboration with suppliers in order to reduce their risk, improve their competitiveness and ensure the long-term security of the RNPO supply chain.

Suppliers are formally notified of the need to implement action plans. The implementation of these plans is monitored by the purchasing teams responsible for controlling supplier risks, the network of financial analysts and the operational purchasing managers, notably *via* quarterly performance reviews. These reviews also facilitate the examination of all elements of the supplier relationship: design, capacity response in terms of volumes, quality, costs and logistic compliance.

RISKS RELATING TO RAW MATERIALS – SECURING RESOURCES

Risk factors

The risk identified concerns potential restrictions to the supply of raw materials.

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. The Environment, Energy and Strategic Raw Materials area of expertise was created in 2010. This expertise feeds the internal control bodies (Raw Materials & Currency Committees and Raw Material Engineering Technology Steering Committee).

Renault's expertise in this area has in particular enabled the development of a methodology to objectify the criticality of raw materials based on:

- supply risks and cost variations (see *Raw materials risks – securing prices*);
- importance and impact for Renault (depending on the volumes consumed and purchase prices).

The evaluation uses objective criteria to rank these risks by type and scale, for example, supply and demand scenarios for the materials concerned, the number and exposure of players producing these materials, capacity for recycling or not, and replacement if necessary. This criticality matrix has enabled the identification of the metals to which the Group is exposed and the preparation of strategies to secure the resources used directly or through supplier parts and components, and includes levers such as reduced usage and the implementation of internal recycling and/or replacement processes.

The Group has been recognized for its commitment to the development of processes to recycle materials from the destruction of end-of-life vehicles, particularly through its subsidiary INDRA (a joint venture with Suez Environnement), the collection and processing of parts and materials through its subsidiaries Gaia (automotive sector) and BCM (metal waste), and with innovative partners such as the European Life+ ICARRE95 project. All of these operations help secure the supply of raw materials for the Group and are led by Renault Environnement.

The expertise developed by Renault on criticality analysis methodology has become a benchmark. France's Interministerial Committee for Strategic Metals (Comité interministériel pour les métaux stratégiques, COMES) notably asked Renault to oversee an industry-wide working group to identify and assess the needs of French industries for strategic raw materials. All industry sectors now have access to a tool for self-diagnosing exposure to raw materials risk. This tool can form the basis of an overall approach to risk management, with public authorities providing support in respect of any priority areas for action that might be identified.

RISKS LINKED TO MANUFACTURING FACILITIES

Risk factors

The Group's exposure to industrial risk is potentially significant as a result of the production of certain vehicle models and components being concentrated at one or two sites (see the table of manufacturing sites in section 1.1.5.4) and the interdependence of its production facilities.

Management procedures and principles

For the past 20 years, in consultation with its insurers, the Company has therefore adopted an ambitious and rigorous prevention policy, which is now applied at all production sites. This policy covers personal safety as well as property security and business continuity.

For many years, the Group has endeavored to reduce the risk of fire, explosion and machine breakdown, giving priority in this effort to production sites, as well as engineering and testing centers and the most strategically important logistics platforms. Most existing 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 50 sites. More than 92% of the insured assets within the industrial, engineering and logistical scope covered by the Renault group's accident insurance programme have received the "Highly Protected Risk" rating from the Group's insurers, in recognition of efforts made and in line with the HPR programme rollout plan. 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.

Risks linked to natural disasters such as storms, flooding, typhoons (mainly in South Korea) and earthquakes (particularly in Romania, Chile and Turkey) are incorporated into the Group's prevention policy.

The implementation of this prevention policy is supported, in particular, by a specialized central team that works with the Group's insurers to define and update standards for worldwide application, as well as taking part in all projects to modernize or extend existing plants or open new ones. This France-based central team is supported by regional hubs in Spain, Romania and South America, as well as a network of field teams at each production site.

Alongside the systems and policies (*described in section 2.4, "Environmental performance"*) put in place to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts arising from malfunctioning facilities and pollution caused by past activities at sites.

Although Renault has no high environmental risk facilities, it has put in place a management system to guard against environmental risk. This system is ISO 14001 certified and has, since 2005, been integrated into the Renault Production Way in the form of instructions on the management of chemical products and waste at workstations.

A team of business specialists coordinates the tasks performed by the system. These specialists are supported at each production site by a network of local teams. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection, and defining controls are implemented at all the Group's manufacturing sites.

Methods and tools have been defined for all management stages: risk identification, choice of prevention and/or protection solutions, management and training procedures.

A scorecard of impact data is also subject to checks by the Statutory Auditors.

RISKS LINKED TO THE DISTRIBUTION NETWORK

Risk factors

The financial health of the independent dealer networks poses a significant challenge 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, as well as by 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 direct the network's productivity to proactively manage this risk.

Monthly meetings of the Risks Committees are organized at country level, with RCI, 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.

INSURING AGAINST OPERATIONAL RISKS

Insuring against operational risk

Within the Renault group, 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.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with worldwide programmes. The Insurance department is actively involved in defining the Group's prevention and protection policy. As such, 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 buys a capacity of €220 million per claim in four lines from around 10 insurers 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 €1.5 billion per claim in five lines from around 10 insurers with sub-limits on certain types of guarantees, particularly natural disasters and machinery breakdown. Consequential operating losses are assessed at Group-wide level. Deductibles for the Group's manufacturing activities amount to €5 million per claim. Deductibles for commercial activities amount to €8000 per claim;
- civil liability: the Group buys a capacity of €200 million in three lines to cover general civil liability and civil liability related to products and repairs performed by Renault Retail Group sales subsidiaries. Specific civil liability cover relating to the environment has been subscribed for the amount of €30 million.

Renault's insurers partially reinsure these global programmes with Motor Reinsurance Company (MRC), a captive insurance company wholly owned by the Group. Renault's policy is to reinsure high-frequency risks (whose occurrence is statistically predictable) through its captive reinsurance company, and only call upon outside insurers for low-frequency risks whose economic impact justifies spreading the risk on the insurance market. This policy has enabled the Group to keep the cost of insurance services from outside insurers almost constant, despite the Group's continuous expansion in international markets.

MRC mainly operates as follows:

- transportation and storage of vehicles in depots: MRC covers up to €10 million per incident with a maximum annual commitment of €27 million. It provides protection for depots exposed to natural hazards such as storms and hail, in particular in France, Slovenia, Brazil, Spain and Algeria, using appropriate means, such as nets or the installation of photovoltaic panels;

- property damage and consequential operating losses: up to €18 million per incident, with a maximum annual commitment of €18 million;
- civil liability: up to a maximum annual commitment of €2.3 million.

MRC also covers loss on Group employee benefit schemes for up to €7.5 million per year.

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.

Two of the Renault-Nissan insurance programmes will be renewed in 2015: "Transportation and depots" and "Property damage and operating losses".

1.5.1.4 FINANCIAL RISKS

RISKS RELATING TO RAW MATERIALS – PRICE GUARANTEES

Risk factors

Renault's financial risk relating to raw materials is due to the fact that purchasing prices can vary quite significantly and suddenly, with no guarantee that increases can be recovered from vehicle sale prices.

Management procedures and principles

Renault uses several means to guarantee price stability over the fiscal year. The first consists of contracting purchasing prices at fixed prices over periods covering several months. This type of contract is used for raw materials that are not indexed in the financial markets. The second is to hedge risks linked to indexed materials. The Group relies on its Renault Finance subsidiary to execute these hedging transactions in the financial markets. Over-the-counter cash-settled swaps are used for these hedging operations. In 2014, Renault hedged a maximum of 70% of the monthly purchase volumes of aluminium, lead, copper, palladium and platinum, as soon as French market prices dropped below the limits validated by the CEO.

In order to monitor changes in the price of raw materials more closely and examine future trends, an *ad-hoc* committee, the – Raw Material and Currencies Committee (RMCC), is responsible for setting guidelines that all corporate functions must follow, particularly the Purchasing department. The RMCC is a joint committee of the Alliance: its Chairman is the Managing Director of the Renault-Nissan Purchasing Organization (RNPO) and it is supported by functions such as the Strategy and Planning department and Renault Finance.

A Raw Material Operational Committee was also created in late 2010. This committee is also chaired by the Managing Director of RNPO and meets on a monthly basis. It deals more specifically with operational problems relating to the purchasing of raw materials for Renault. All opportunities to reduce the impact of raw materials on Renault's results are studied. The Raw Material Operational Committee also ensures that any fall in prices on the raw materials market in 2014 gives rise to a fall in the purchasing price of parts.

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.

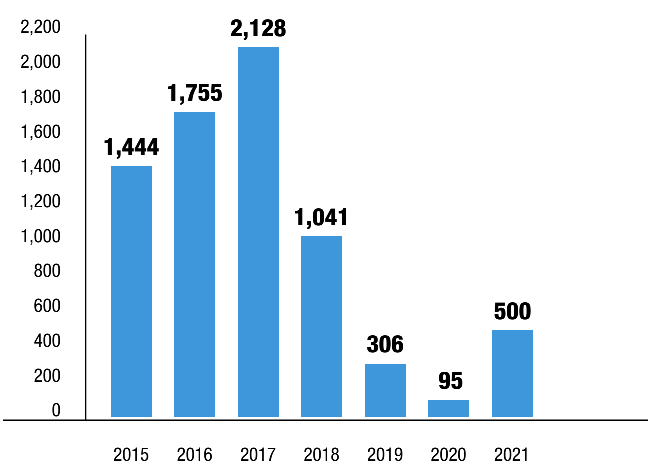
Management procedures and principles

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, or in the form of financing obtained from public or parastatal institutions.

To this end, Renault has an EMTN bond programme for a maximum of €7 billion, an issue programme under the Shelf Registration scheme on the Japanese market for the sum of ¥200 billion and a commercial paper programme for a maximum of €2.5 billion. 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 SA – MATURITY SCHEDULE FOR REDEMPTION OF BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2014 (1)



(1) Nominal amounts valued at December 31,2014 in million euros.

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Renault also has credit lines confirmed with banks, none of which had been drawn in 2014. They constitute a liquidity reserve for Automotive (*see note 23-A to the consolidated financial statements).*

Their contractual documentation does not contains 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 committed 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-B).*

RENAULT'S RATING

AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
Moody's	Ba1/NP	Positive	11/10/2014	Ba1/NP outlook stable
S&P	BB+/B	Positive	06/05/2014	BB+/B stable
Fitch	BBB-/NR	Stable	11/10/2014	BB+/ NR positive
R&I	BBB+	Stable	03/31/2009	A/NR negative
JCR	A-	Stable	12/09/2011	BBB+/-

***Fitch** upgraded Renault SA's rating from BB+ to BBB- in November 2014.*
***S&P** and **Moody's** raised Renault SA's outlook from stable to positive respectively in June and November 2014.*

Any downgrade in these ratings could limit and/or increase the cost of access to capital markets.

CURRENCY 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 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 financial debt.

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 a 1% appreciation in the euro against all other currencies would have a negative impact of 61 million on its annual operating margin for 2014.

RENAULT – ANNUAL NET AUTOMOTIVE OPERATING FLOWS IN FOREIGN CURRENCIES AT DECEMBER 31, 2014 AND IMPACT ON THE OPERATING MARGIN

Main exposure in 2014 was focused on the Russian ruble, amounting to a sensitivity of around -€16 million for every 1% rise in the euro. The 10 main exposures in absolute value and their sensitivities are presented below, in millions of euros:

CURRENCY		ANNUAL OPERATING FLOWS	IMPACT OF 1% APPRECIATION IN THE EURO
Rouble	RUB	1 571	-16
Pound sterling	GBP	1 292	-13
Algerian dinar	DZD	866	-9
Brazilian real	BRL	691	-7
Chinese yuan	CNY	495	-5
Polish zloty	PLN	430	-4
Argentinean peso	ARS	373	-4
Japanese yen	JPY	-412	4
Romanian lei	RON	-477	5
Turkish lira	TRY	-739	7

Working capital requirement: just like the 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 Group currency risk exposures affecting net financial income are aggregated and monitored by the Central Cash Management department and reported on a monthly basis 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. Foreign currency funding provided by Renault is hedged in the relevant currencies, thereby ensuring that exchange rate fluctuations do not distort 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. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company. Cash surpluses recognized in countries not pooled at parent company level are usually invested in local currency under the supervision of Central Cash Management.

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 marked to market in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on financial markets, involve only very short-term exposures and do not exceed some tens of millions of euros, and are managed in such a way as to avoid material impacts on Renault's consolidated financial statements.

Share in the net income of associated companies: on the basis of their contributions to 2014 net income, a 1% rise in the euro against the Japanese yen or the Russian ruble would have decreased Nissan's contribution by ***€15 million*** and AVTOVAZ'S by a decrease of the loss of €2 million.

These impacts correspond only to the impact of euro fluctuation on the contribution these entities make to Renault relative to their operating currency; it excludes the inherent impact of euro fluctuations on the entities' own financial statements, given that those two groups both do 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 financial debt: 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. A 1% increase in the value of the euro against the yen would reduce Automotive's net debt by €9 million. Moreover, Automotive net financial debt 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 is set out in note 23 to the consolidated financial statements).*

Management procedures and principles

The interest rate risk management system for Automotive is based on two principles: long-term investments are generally financed at fixed rates, while liquidity reserves are generally established at floating rates. Fixed rates are swapped to floating rates to maintain a balance between floating rate liabilities and floating rate assets, when the yield curve is not sufficiently close to zero. Furthermore, yen-denominated financing to hedge Nissan's net worth is taken out at fixed rates.

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 then 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 consolidated financial statements.)

AUTOMOTIVE FINANCIAL ASSETS AND LIABILITIES BY MATURITY AND TYPE OF RATE AT DECEMBER 31, 2014 (WITHOUT RENAULT REDEEMABLE SHARES)

(€ million)		LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
	Fixed rate	54	139	193
	Floating rate	12,215	66	12,281
Financial Assets		**12,269**	**205**	**12,474**
	Fixed rate	2,524	5,711	8,235
	Floating rate	1,257	548	1,805
Financial liabilities before hedging		**3,781**	**6,259**	**10,040**
	Fixed rate/Floating	1,331	1,582	2,913
	Floating rate/Fixed	0	153	153
Hedgings		**1,331**	**1,735**	**3,066**
	Fixed rate	1,193	4,282	5,475
	Floating rate	2,588	1,977	4,565
Financial liabilities after hedging		**3,781**	**6,259**	**10,040**

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 Renault group 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 internal control procedures.

The Group produces a consolidated monthly report that encompasses 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.

Special attention is paid to deposit counterparties, wherever possible. Deposits are made essentially with major network banks in order to spread risks and mitigate systemic risk. Furthermore, the deposits are made on an overnight basis or on a very short term so that funds can be reallocated swiftly if a counterparty comes under stress.

In 2014, the Group suffered no financial loss as a result of the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

1.5.2 RISK FACTORS LINKED TO SALES FINANCING (RCI BANQUE)

As indicated in the introduction to chapter 1.5, the operational sector "Sales Financing" (RCI Banque) has its own risk management system that complies with banking and insurance regulations. Under the banking regulations, RCI Banque is subject to monitoring by the French Prudential Supervisory Authority (Autorité de contrôle prudentiel et de résolution, ACPR).

1.5.2.1 RISKS LINKED TO THE COMPANY'S ENVIRONMENT

GEOGRAPHICAL RISKS

Risk factors

RCI Banque has operations in several countries. It is therefore subject to 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 are generally refinanced locally to limit any crossborder risk.

RISKS ARISING FROM ECONOMIC CONDITIONS

Risk factors

RCI Banque's credit risk is highly dependent on economic factors, particularly the rate of growth, the unemployment rate and household disposable income.

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 consolidating management and control systems.

RISKS LINKED TO THE BUSINESS'S ENVIRONMENT

Risk factors

Legislative and regulatory measures could 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 puts in place and monitors systems and procedures that can globally apprehend legislative and regulatory developments linked to all of its activities.

1.5.2.2 CROSS-GROUP RISKS LINKED TO SALES FINANCING

LEGAL AND CONTRACTUAL RISKS

Risk factors

Any legislative changes impacting credit lending and insurance at the point of sale as well as regulatory changes linked to banking and insurance activities could 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.

FISCAL RISKS

Risk factors

Due to its international exposure, RCI Banque is subject to several national fiscal legislations, which are susceptible to changes that could impact its activity, financial position and results.

Management procedures and principles

RCI Banque closely monitors the fiscal claims to which it may be subject and, where necessary, it makes provisions to cover the estimated risk.

IT RISKS

Risk factors

The RCI Banque group's business depends in part on the smooth running of the Group's IT systems. These are under the responsibility of the RCI Customer and Information Systems division, which has put in place a security policy, technical architecture and processes to combat risks associated with the following:

- the destruction of its production servers located in secure data centers, which house the RCI applications. Redundancy is built into the applications and their data so that they can restart in less than 48 hours in the event of an incident;
- cyber crime: global computerized attacks or attacks on RCI in particular, for example in response to events widely reported in the media or simply with the aim of deriving benefit (through the resale of information, blackmail, etc.). Such attacks aim to steal or corrupt sensitive data (*i.e.* confidential or personal information), crash applications or the Group's entire intranet network, and deface RCI's websites. All companies, including those in the banking sector in particular, are targeted by such attacks. Moreover, RCI's exposure to such threats is at risk of growing with the development of Internet sites and Digital;
- non-compliance with legislation corresponding to IT and banking activity: protection of personal data, professional/banking secrecy, the French Act on confidence in the digital economy, the decree on internal control, Basel II/III, Solvency II, etc.

The occurrence of these types of risks can adversely affect the Group's brand image as well as its financial position and/or competitive advantage.

Management procedures and principles

Risks are controlled, in particular, through the following:

- **at operational level:**
  - a process for defining security requirements to be implemented as part of IT projects, depending on the criticality of the applications and data used; these requirements take into account technology trends, such as cloud-based offerings,
  - the Risk and Compliance officer for the Information System department will ensure that operational information system risks are monitored and prevented, including daily monitoring of Information System Operational Risk Incidents and periodic evaluation of the Information System Operational Risks, as well as preventive actions, such as those required by the Basel II/III regulations. Coordination and monitoring are performed with the support and collaboration of the business functions, the Information System departments and the network controllers for the different subsidiaries,
  - the Risk and Compliance officer for the Information System department coordinates, monitors and consolidates the mandatory Disaster Recovery Plan (DRP) tests for all important RCI subsidiaries,
  - the Business Function IT Safety and Security Officers ensure the compliance and security of data in each business function; these officers

are coordinated and trained by the internal controllers who report to the RCI Company Secretary and Chief Risk Officer,,

- the actions, support and controls performed by the RCI Information System Security Officer, who relies on a network of IT Security Officers in each subsidiary's Information System department,
- a high level of protection for the Group's IT network, such that resources can safely be used not only by suppliers and partners but also by entities based in high-risk countries,
- security awareness-raising activities (e-learning, communications, etc.);

- **at organizational and governance level:**
  - an Internal Control – Operational Risks – RCI group Compliance Committee, led by RCI Permanent Control, in collaboration with the RCI Audit and Periodic Control department and the members of the RCI Management Committee,
  - an Internal Control – Operational Risks – Information System Compliance Committee, co-led by RCI Permanent Control and the Risk and Compliance officer for the Information System department, in collaboration with the RCI Security Officer, and bringing together the members of the Information System Department Committee,
  - a Business Continuity Plan/Disaster Recovery Plan Committee co-led by RCI Permanent Control (for the Business Continuity Plan) and the Risk and Compliance Officer for the Information System department (for the Disaster Recovery Plan), attended by the General Secretary and Director of RCI Risk Management, and bringing together the Information System Department Committee and the Financing and Cash Flow department,
  - information System Security Committees led by RCI Information Security, bringing together the RCI Information System Department Committee, to coordinate and monitor the efficacy of the information security measures, in accordance with the Information Systems Security Policy and best practices.

Key IT security projects carried out in 2014 covered the following areas:

- **verification of the robustness of systems, machines and IT crisis management processes:**
  - continued monitoring and testing of the corporate and RCI subsidiaries' disaster recovery plans, which was strengthened in 2014 with inspections of the subsidiaries' disaster recovery plans (which will continue in 2015),
  - checking the physical security of the subsidiaries' local IT centers. In 2014, this work included in particular inspections of the local IT centers by the subsidiaries' internal controllers based on the corporate guidelines/questionnaire created centrally,
  - periodic vulnerability testing on RCI applications accessible *via* the Internet (around 70 applications),
  - continuing deployment of means to strengthen security and the compliance of personal or sensitive data management (data encryption, purging, etc.);
- **security support for projects:**
  - security support for projects, including strategic international partnerships (Russia, etc.),
  - project support in drawing up contracts with suppliers for the purchase of services, such as "cloud" services,
  - preparation, equipping and deployment, *via* targeted communications, of guidelines, appendices and procedures to ensure the integration of security within projects, and making these available on the RCI Information System Security Intranet,
- **increased monitoring and secured management of the intranet and external access (service providers, etc.);**
- **coordination of the IT Security Officers' network in the different countries in which the RCI group operates.**

1.5.2.3. 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

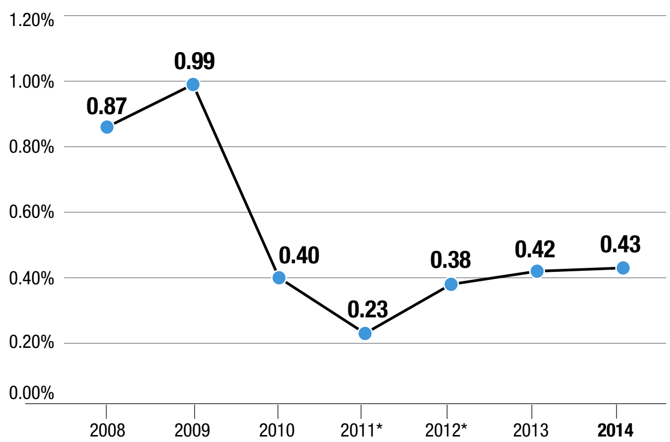
RCI Banque uses advanced scoring systems and external databases, when this information is available, to evaluate the capacity of retail and business customers to fulfill their commitments. It also uses an internal rating system to evaluate lending to dealers. RCI Banque constantly updates its acceptance criteria to take into account the existing economic conditions (See 1.5.2.2.1).

The Group also has detailed management and 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 business 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.

TOTAL COST OF RISK AT END-DECEMBER 2014



**Average loans outstanding excluding operating lease contracts.*

Policy for granting loans

Customers who request financing are systematically graded; this policy was already in place before the Basel grading system in some market segments, particularly for retail customers, but became systematic with the introduction of Basel II. This facilitates an initial assessment of the file as part of the decision-making process, with examination of the file focusing on intermediary risks. 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.

Recovery

The statistical models used to calculate the weighted risks and expected loss facilitate monthly updates of the probability of default used to grant loans, by integrating information on the customer's payment behavior. These updates, which provide good visibility of the losses expected on the portfolio as part of the budget process, are also increasingly used as a tool for anticipating the activity of amicable and litigious recovery platforms. Using customer information, recovery scores have been deployed in Spain and South Korea to make the process more efficient.

NETWORK RISKS 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 continually monitored on a daily basis using short- and long-term indicators, which allow any issues that might present a risk of partial or total non-recovery of the debt to be identified upstream.

At corporate level, the Network Financing department establishes the risk control procedures. Customers who are identified as at risk are classed as delinquent, 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. The elements of the Basel II rating system form the basis of this differentiation.

The probability of default and the expected losses resulting from Basel are also used for provisioning.

1.5.2.4 FINANCIAL RISKS

LIQUIDITY RISKS

Risk factors

The Sales Financing business depends on access to financial resources: restrictions on access to liquidity could have a negative impact on its financing business.

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.

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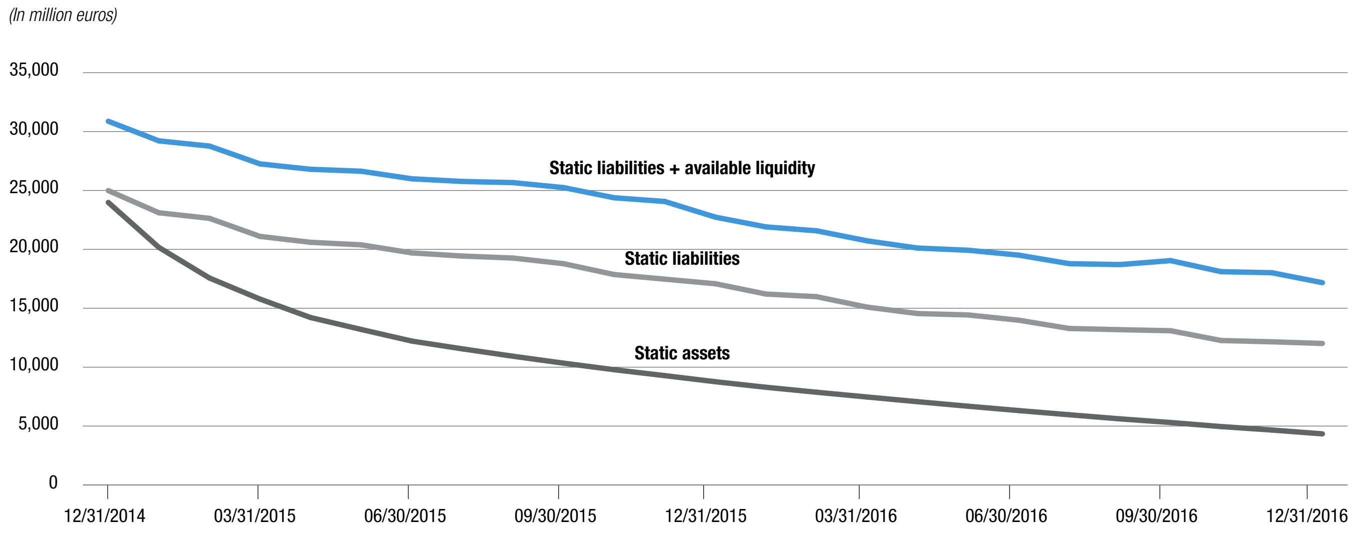
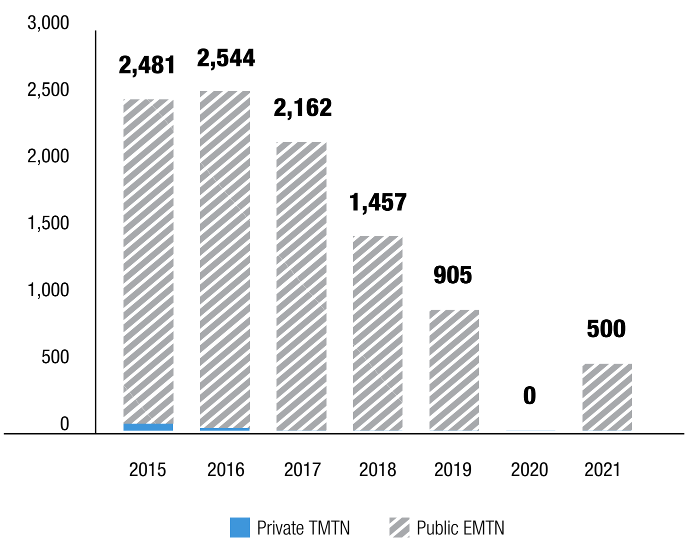
RCI BANQUE GROUP LIQUIDITY POSITION



RCI BANQUE GROUP: MATURITY SCHEDULE OF BONS ISSUES AT DECEMBER 31, 2014[(1)]



(1) Nominal amounts valued at December 31, 2014.

RCI BANQUE RATINGS AT DECEMBER 31, 2014

RCI Banque group's programmes and issuances

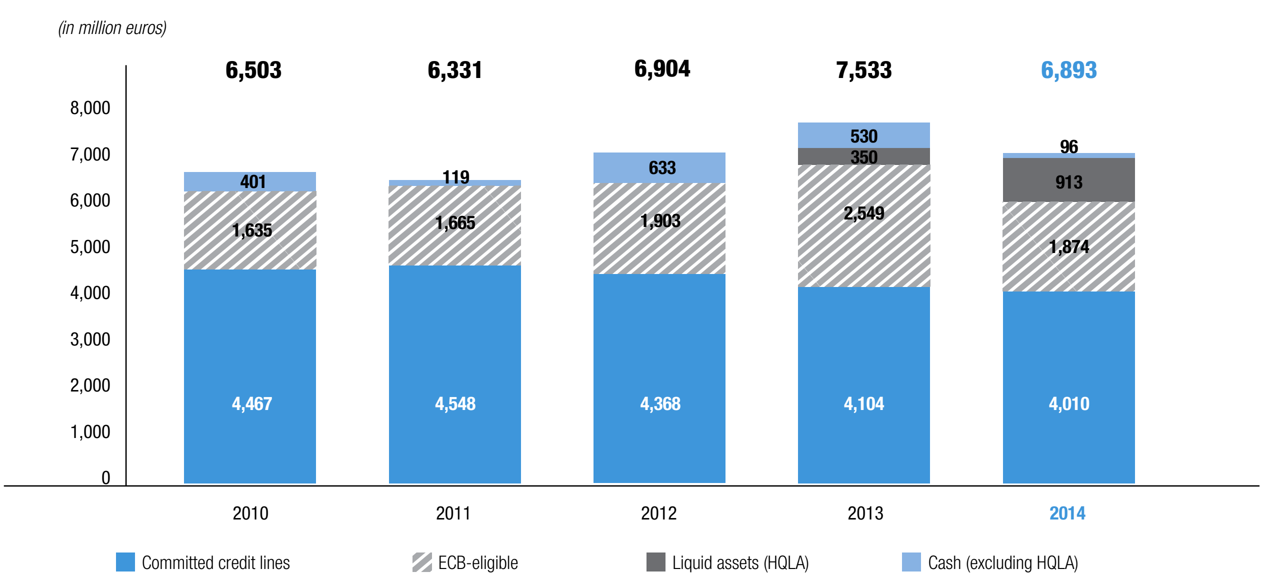
The Group's issuances are concentrated on six issuers: RCI Banque, Diac, Rombo Compania Financiera (Argentina), RCI FS K (South Korea), CFI (Brazil) and RCI Finance Maroc.

ISSUER	INSTRUMENT	MARKET	AMOUNT	S & P	MOODY'S	
RCI Banque	Euro CP Programme	euro	€2,000m	A-2 (negative outlook)	P3	R&I: a-2
RCI Banque	Euro MTN Programme	euro	€12,000m	BBB (negative outlook)	Baa3	R&I: BBB+
RCI Banque	CD Programme	French	€4,500m	A-2 (negative outlook)	P3	
RCI Banque	BMTN Programme	French	€2,000m	BBB (negative outlook)	Baa3	
Diac	CD Programme	French	€1,000m	A-2 (negative outlook)		
Diac	BMTN Programme	French	€1,500m	BBB (negative outlook)		
Rombo Compania Financiera S.A.	Bond Programme*	Argentinean	ARS1,000m	raBB+ (negative outlook)		Fix Scr: AA (negative outlook)
RCI Financial Services Korea Co Ltd	Bonds*	South Korean	**KRW875bn**			KR, KIS, NICE: A+
CFI RCI do Brasil	Bonds*	Brazilian	**BRL3,155m**		Aa1	
RCI Finance Maroc	BSF	Moroccan	**MAD1,000m**			

** Locally rated*

RCI Banque has also, based on the European scope, €4.0 billion of undrawn committed credit lines, €1.9 billion of assets eligible as collateral in ECB monetary policy operations, €913 million of high quality liquid assets (HQLA) and €96 million of available cash, secure the continuity of RCI Banque's commercial business activity for more than 11 months without access to external sources of liquidity.

RCI BANQUE'S AVAILABLE LIQUIDITY AT DECEMBER 2014 (SCOPE: EUROPE)



CURRENCY RISKS

Risk factors

RCI Banque is exposed to currency risks which could 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.

RCI Banque's residual exposure is negligible for RCI Banque and the Renault group.

However, the Group is still exposed to variations in currencies due to the conversion into euro of the results of subsidiaries, which are thus subject to variation in exchange rates.

Breakdown by currency:

GROUP CONSOLIDATED CURRENCY POSITION

in thousands of euros at 12/31/2014

CURRENCY		
Peso Argentina	ARS	1,001
Real Brazil	BRL	2,528
Swiss Franc	CHF	44
Pound sterling	GBP	20
Hungarian forint	HUF	74
Polish złoty	PLN	35
Moroccan dirham	MAD	1,800
Turkish lira	TRY	19
Romanian leu	RON	862
Rouble	RUB	9
Other		
RCI, TOTAL (SUM OF ABSOLUTE VALUES)		**6,515**

At December 31, 2014, RCI Banque group's consolidated foreign currency position totaled €6.5 million.

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 system limits the Group's global exposure and the exposure of each entity.

In 2014, RCI Banque's global sensitivity to interest rate risk remained below the limit set by the Group (€35 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 the Renault group's counterparty risks.

This risk is managed through daily monitoring and summary reports to management.

1.5.2.5 OTHER RISKS

RISKS RELATING TO THE INSURANCE ACTIVITY

Risk factors

RCI Banque assumes any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims made.

Management procedures and principles

Reserves are statistically calculated to cover expected losses.

Risk exposure is however limited by the diversification of the portfolio of insurance and reinsurance contracts and the geographical zones in which the contracts are taken out.

The Group applies a strict selection process for contracts and adheres to subscription guidelines and uses reinsurance agreements.

1.6 POST BALANCE SHEET EVENTS

None

EOLAB CONCEPT-CAR

1 L/100 KM

EQUIVALENT TO 22 G OF CO_2/KM*

ULTRA-LOW FUEL CONSUMPTION ACCESSIBLE TO ALL

*Fuel consumption and emissions homologated under NEDC combined cycle.

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

2 RENAULT: A RESPONSIBLE COMPANY

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

As an industrial and commercial operator with a presence in 125 countries, the Renault group operates in an industry which requires major capital investment and infrastructure, and a sizable labor force, and where products sometimes take several years to develop.

In a changing world, addressing corporate social responsibility issues means strengthening relations between business and society on a global level; recognizing long-term challenges so as to better serve the interests of future generations; or even seizing the opportunities offered by new technologies to develop new services, products or business models. These profound changes are responsible for transforming products and services, distribution methods, internal organization and the value chain, etc.

Within this context, Corporate Social Responsibility (CSR) constitutes an innovation management tool for Renault, an opportunity to create value whilst increasing the Company's acceptance by a wider society by way of reduced negative impacts. In order to develop the Group's CSR vision, four priority areas for action were identified for their transformation potential in terms of maximizing the positive impacts and reducing the negative impacts of the Group's activities: mobility for all, road safety, environment and development of human capital [(1)].

2.1 RENAULT, A RESPONSIBLE COMPANY COMMITTED TO SUSTAINABLE DEVELOPMENT

2.1.1 CSR AND STRATEGIC PLAN

Renault 2016 – Drive the Change was developed to deliver growth for the Group and generate sustainable free cash flow.

CSR policy contributes to the seven key drivers that the Group uses to reach its objectives:

- **a continuing policy of innovation.** Businesses with a proactive approach to the seamless incorporation of social responsibility into their corporate strategy can set themselves apart from their competitors. Renault's CSR policy must balance incremental and reassuring growth in terms of processes, products and services on the one hand, with breakthrough innovation stemming from corporate social responsibility, on the other. Although potentially destabilizing, this capacity to work on two levels may prove to be what sets the Company apart from its competitors in the future;
- **a robust product plan.** The dialogue established between Renault and its customers worldwide with a view to understanding and taking into account their needs, as well as forward-looking research into trends in automotive products and mobility in general, enable the Group to develop the right products for a mobility landscape that is in a state of change. (See models in the Dacia range and the electric vehicles). Renault is positioned as a volume automaker, capable of meeting the needs of a wide-ranging customer base;
- **a strengthened Renault brand.** The Company's highest profile CSR initiatives help to strengthen the Company's image and reputation. By raising stakeholders' awareness of its CSR policy and responsible products, the Company raises its appeal and improves its resilience;
- **the excellence of our network in managing customer relations.** In the past it was necessary to understand the customer in order to design products and services. In today's constantly changing, super-connected and hyper-competitive world, customers' needs and expectations have to be anticipated and carefully targeted, whilst at the same time building a special relationship based on local presence, trust and respect. This special relationship is built on ethical and transparent behavior, responsible products and services that echo customer values and, of course, impeccable quality;
- **optimized R&D and investment expenditures.** As a result of the interdisciplinary and forward-looking nature of our CSR policy, we have had to decompartmentalize our operations in view of medium and long-term considerations, thereby reinforcing our shared responsibility and collaborative construction approach both internally and externally. By way of example, the inclusion of recycled materials in vehicle design, an environmental and economic challenge, has been instrumental in the development of company processes, including R&D;
- **reduced costs.** Short and closed-loop working to counter the challenges of the growing scarcity and increasing cost of raw materials, the desire to reduce our carbon footprint, opportunities arising from reverse innovation, employee motivation and involvement, reduction of occupational road risk; these are all CSR topics which make a direct contribution to controlling, or even reducing, costs for the business;
- **steady positions in Europe and international expansion.** With the tightening of environmental regulations and the constraints imposed both *via* European standards and by local authorities (low emission areas, etc.), the development and promotion of products and services that incorporate and respond to such constraints is a determining factor in the Company's prosperity. Likewise, recognizing the mobility requirements of consumers whose needs have so far not been met by our standard product offering, is enabling us to expand and strengthen our customer base. The Group's CSR policy reflects its international expansion. Through in-depth dialog with major stakeholders, both inside and outside the Company, the Group is working to develop its positioning in terms of product, services, image and appeal on new markets, offering the same level of demand as on traditional markets.

(1) Identified in 2009, the four CSR strategic elements (sustainable mobility, road safety, education and diversity) were reformulated in 2014 to better reflect corporate governance and thus facilitate understanding.

2.1.2 THE RENAULT GROUP VISION

"No large company can focus solely on economic performance without paying attention to what is going on around it. Our responsibility – and our interest – is to get involved in environmental issues, as well as in the corporate and social life of the countries where we operate.

CARLOS GHOSN,
CHAIRMAN AND CEO OF RENAULT

Our objective:

WE WANT TO ENSURE THAT SUSTAINABLE MOBILITY IS A DRIVER OF WORLDWIDE DEVELOPMENT AND PROGRESS FOR EVERYONE.

The cornerstones of Renault's approach to corporate, social and environmental responsibility consist in lessening our environmental footprint throughout the "lifecycle", making sensible use of natural resources, protecting the health of road-users, local communities and employees, developing skills, and applying the principle of equal opportunities based on merit. These fundamental principles reflect the Group's capacity for openness to the world and its determination to respond to society's expectations.

Mobility is vital to economic development and social cohesion. In addition to being a source of freedom and pleasure, it serves a practical purpose and promotes social inclusion. But it can also lead to accidents and impact on health and the environment, presenting major challenges on a global scale. Our industry accepts its share of responsibility in improving everyone's quality of life.

The challenge facing Renault – a responsible carmaker and pioneer of sustainable mobility for all – involves developing mobility solutions accessible to the greatest number, designing innovative technologies such as electric vehicles with zero emission during use, and consuming energy and raw materials frugally. It also involves supporting changes in behavior and practices. Finally, it involves inventing tailored economic models which contribute both to the long-term future of the Company and also the creation of value for stakeholders.

A company is above all a group of women and men whose motivation and skills are essential sources of competitiveness. That is why Renault pays close attention to developing its human capital. Throughout the world, we make it a priority to provide a motivating workplace, training courses that are in line with the Company's needs as well as employees' aspirations, and fair rules of recognition designed to boost individual and collective performance. Wherever we operate, we support initiatives to promote education and diversity, both in higher education and among younger people, particularly through our Foundations.

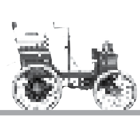
In line with our priorities and values, we have set seven goals corresponding to the most demanding international standards of corporate social responsibility (CSR):

- apply ethical rules strictly at all levels and pursue fair business practices; and guarantee our suppliers' commitment to CSR;
- create motivating employment conditions, in compliance with fundamental rights, that attract and promote employees in all countries; and encourage diversity and equal opportunity;
- ensure employability by developing future skills;
- reduce our environmental footprint throughout the vehicle's lifecycle, and from one generation to the next, by incorporating the principles of the circular economy into our processes, products and services;
- contribute to public health objectives: to reduce road deaths, particularly in developing countries, and do our utmost to protect the health of employees, users and local communities;
- offer innovative mobility solutions accessible to the greatest number;
- support responsible economic and social development in the countries where we operate by pursuing initiatives in the fields of education and access to mobility that are aimed at local communities.

2.1.3 CSR, A DEEP-ROOTED TRADITION

Renault did not wait until the 1990s and the emergence of the concept of sustainable development to act responsibly towards the societies and ecosystems in which it operates. Initiatives concerning employee welfare, society and the environment have long been engrained in the Company.

● SOCIAL
■ ENVIRONMENT
★ EMPLOYMENT



1949

■ Launch of the standard replacement activity at the Choisy-le-Roi plant.

1955

● **Labor Deal:** payment for public holidays, third week of paid vacation and introduction of a supplementary pension plan.

1960

★ Renault Argentina Foundation, providing innovative environmental and mobility initiatives.

★ Renault has rolled out social initiatives since the 1960s, notably in education. Institutes and foundations have been regularly set up in the Group's operating territories.

1962

● ■ Creation of the Renault industrial hygiene laboratory to closely monitor the chemicals used in Renault plants.

1963

● Fourth week of paid vacation, retirement at 61 for women and 63 for men.

★ A foundation in Spain to fund scholarships for employees' children.

1964

★ Creation of the Laboratory of Accidentology, Biomechanics and Human Behavior (LAB).

1970

■ First purification plants on production sites.

1989

● Signature of the "Living Agreement" aimed at the development of Renault and the professional, personal and cultural advancement of its employees.

1998

■ Certification of environmental data by the statutory auditors.

1999

■ First ISO 14001 certified factories.

2001

★ Renault Corporate Foundation for higher education (see Education 2.5.2.3).

2004

■ First Life Cycle Assessment (LCA) of Scénic II.

2004 2005

● Signing of the Declaration of Employees' Fundamental Rights, the Diversity Charter.

2007

■ Signing of eco², based on three environmental criteria (manufacturing, emissions and recycling).

2008

■ Creation of Renault Environnement and acquisition of a stake in Indra (automotive recycling).

2009

★ Sustainable Mobility Institute, Renault-ParisTech.

● The **"Crisis-Period Labor Deal"** establishes a welfare maintain the jobs and pay of employees placed on short-time working.

2010

■ Renault is a founding partner of the Ellen MacArthur Foundation for the circular economy.

★ Instituto Renault do Brasil to implement CSR initiatives in Brazil.

2011

● Skills and Employment Planning Agreement, designed to adapt the Company's skills to its strategy requirements and develop employability (see Chapter 2.2.).

2011 2013

■ Launch of the electric range: K angoo Z.E, Fluence Z.E., Twizy, ZOE.

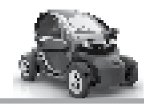
2012

★ Renault Spain Foundation for sustainable mobility

★ Creation of Mobiliz Invest (a social enterprise investment fund) (see Sustainable Mobility 2.5.2.1)

■ **Clio IV fitted with an Energy dCi 90 engine: certified emissions of 83g CO_2/km.**

■ Tangiers plant, designed on the basis of carbon-neutral technologies with zero industrial effluent discharges.



2013

● Contract for a new dynamic of Renault growth and social development of Renault in France.

● Global framework agreement on social, societal and environmental responsibility

★ Renault contributes to the "Positive Economy" report commissioned by the French president. The Renault-Nissan Alliance takes part in the "third industrial revolution" in the Nord-Pas de Calais region (see 2.2.6).

2014

■ Continuing the carbon footprint commitment with a new target of a reduction of 3% per year between 2010 and 2016.

■ Eolab concept car posts consumption of 1 L/100km without any compromise on performance

■ European leader in electric vehicles for the second consecutive year

★ Launch of Fondation Renault Colombia

★ Opening of the Fondation Renault in Algeria and China

★ Signature of the Company and Neighborhoods Charter

★ Launch of a 'serious game' in road safety

2.1.4 CSR GOVERNANCE

Based on the CSR vision presented in 2.1.2, the CSR strategies and main priorities of the Company are being rolled out according to four priority areas: mobility for all, environment, road safety and human capital.

These broad sectors report to the Chairman and CEO or a member of the Group Executive Committee and are coordinated by three operational entities which design and implement policies and related objectives, identify and manage risks and opportunities, enter into dialog with stakeholders and deal with reporting and related communication:

- the Corporate Social Responsibility department is responsible for the group-wide implementation of an interdisciplinary and partnership approach to CSR throughout the value chain, social 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, responsible for environmental issues to be included in the Company's strategy (vehicles, powertrains, R&D, manufacturing, etc.) and their implementation. They aim 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 strategic orientation cases before the decision-making bodies at CEO or GEC member level. They are applied in the Company *via* the programs, Regions and functions, using internal networks and by developing external partnerships if necessary.

The Human Resources, Environment and CSR functions also contribute to corporate programs to manage ethics. They are included in the 10 business lines represented on the Ethics and Compliance Committee, steered by the Ethics department and also taking part in the Audit, Risk and Ethics Committee, one of the specialist committees of the Board of Directors.

The three departments analyze and map the major risks identified by the Risk Management department, notably those associated with CSR practices in the supply chain, 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.

Lastly, the Human Resources and CSR functions in question serve on the new Corporate Reputation committee launched in October 2014 to measure and manage the positive and negative impacts of CSR issues on the Group's reputation.

2.1.5 GUIDELINES AND STANDARDS

Renault complies with international standards designed to regulate businesses' corporate social responsibility practices. The Group factors these principles into its policies and implements them in accordance with internal guidelines.

The main references 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 ILO Convention, the Rio Declaration at the first Earth Summit and the UN Convention Against Corruption;
- the OECD Guidelines for Multinational Enterprises, updated on May 25, 2011;
- the global framework agreement covering corporate social responsibility, signed on July 2, 2013 and based in particular on International Labour Organization (ILO) standards; as well as its rollout to suppliers;
- ISO 26000, guidelines on corporate responsibility;
- 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;
- the Group's ethics Charter in all its forms, approved by the Renault Board of Directors on October 3, 2012 (replacing the code of ethics).

THE GLOBAL COMPACT
WE SUPPORT

Given the Group's global footprint and the diversity of our stakeholders, Renault intends to take a proactive approach to CSR of continuous improvement and dialog.

By renewing our support for the Global Compact, we are reaffirming our commitment to the United Nations to adopt a socially responsible attitude to operating our business. This support reinforces commitments made to Renault's men and women as well as to our suppliers and sub-contractors. It extends our responsibilities to population groups in the regions where we operate and to future generations, by helping to save the planet.

Carlos Ghosn

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2.1.6 STAKEHOLDER DIALOG AND MATERIALITY

One of the main challenges is to better align the interests of all stakeholders. With its Drive the Change strategic plan, which aims to make sustainable mobility accessible to all, Renault has endorsed a human-centric vision of cars in the service of society. Consistent with its vision, Renault maintains open and constructive dialog with stakeholders, using a range of materials and tools. 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.

Identifying stakeholders and the dialog with them helps the Company to take current and future issues into consideration in its strategy, its risk control, the identification of opportunities, determining priorities for its activities and, finally, in creating the right measurement and reporting tools.

The materiality of an issue is determined using two types of criteria:

- from the stakeholders' perspective: stakeholder interest expressed and actual or potential impacts on stakeholders. These criteria are identified through dialog with stakeholders and an analysis of international guidelines (Global Compact, GRI) and ratings;
- from the Renault group's perspective and, on a wider scale, from the perspective of its allies/partners: impacts on the Company's operations, economic performance and long-term future.

For each group of stakeholders, the topics, objectives and forms of dialog were identified in accordance with Group strategy. The roadmap of stakeholders and types of engagement appearing below provides an overview of Renault's initiatives.

STAKEHOLDERS	KEY CSR TOPICS	KEY PLAYERS BY DEGREE OF CLOSENESS	FORMS OF DIALOG AND COMMUNICATION FROM MOST TO LEAST DIRECT
Customers	• Quality • Vehicles' environmental performance, E.V. range • Road and vehicle safety • Product safety • Sustainable mobility	• Retail and business customers • Sales network and importers • Consumer groups • Road users/general public	• Services and direct dialog in the sales network • Customer Relations departments • Training/awareness-raising initiatives • Signatures (EuroNCap, eco²) • Media and website
Employees	• Corporate strategy and results • Group news • HR, environmental and social policy • Quality of life in the workplace	• Individual employees • Managers • Employee-representative bodies	• Local management • Local employee dialog (site, country) • Renault Group Works Council • Internal communications and training
Suppliers	• CSR performance • Environmental footprint reduction • Innovation • Circular economy	• Suppliers • Industry bodies (CCFA, FIEV, French automotive industry platform (PFA), Fonds d'Avenir Automobile, former Modernization Fund for Automotive Suppliers)	• Circulation of CSR guides: Renault-Nissan CSR Purchasing Guidelines for suppliers, Green Purchasing Guidelines, code of ethics, etc. • CSR performance evaluation, support for the preparation of action plans by the dedicated Purchasing team • Supplier Information Meetings (SIM), conventions • Organization of supplier presentations on innovations, for the attention of Renault operational staff • PFA CSR Charter
Investors	• Labor relations, societal and environmental performance • Impacts on results and outlook	• Shareholders, employee shareholders, financial institutions • Rating agencies/analysts	• Seminars, roadshows • Investor Relations department • Responses to rating requests • Group Registration document
Local communities	• Economic and social development • Level of activity of sites • Environment/Noise • Road safety • Development of multimodal mobility	• Local residents • Elected officials and local authorities • Local associations	• Partnership/local sponsorship contracts • Regional development Charters and agreements • Direct dialog and plant tours • Procedures for handling complaints from local residents • Plants' websites/local media
Institutions and associations	• Government regulations and incentives • Innovation, R&D • Monitoring economic trends • E.V. range and development of charging infrastructure • Circular economy • Road safety	• Industry bodies (CCFA, ACEA, ANFAC, etc.) • Employers' associations (Medef, Afep, Business Europe, etc.) • Academics and researchers • Governments • National, European and international legislators • NGOs/think-tanks • Media	• Partnership contracts (Ellen MacArthur Foundation, research institutes) • Involvement in government or trade association working groups on different topics • Responses to public consultations • Informal discussions

2.1.6.1 CUSTOMERS

To sell products that meet the needs of its customers, both professional and private, for several years now Renault has been implementing a system of studies, clinical tests and satisfaction surveys from design to delivery of the vehicle and its use.

Customer information also involves responsible communication, both in terms of formats or content of the message.

Details of our customer relations appear in 2.3.3.

2.1.6.2 EMPLOYEES

It is Renault's ambition to create the conditions for in-depth and transparent dialog at all levels with employees and their representatives. The Company encourages negotiation to promote decision-making at grassroots level and to optimize preparation and management of change by seeking the best balance and convergence of interests between each party.

Central to the Group's Human Resources policy, social dialog is addressed in the chapter on Labor Relations (see section 2.4.4).

CSR topics are often the subject of internal communications (intranet, Global in-house magazine) in order to build employee commitment and raise awareness of and highlight Renault's progress in these areas. Environmental communications are showcased at events to launch new products and services (presentations, exhibitions and vehicle test-drives), technological innovations (Innov'days) and special events (Environment Day). In 2014, internal environmental communications mainly related to the reduction of the global carbon footprint and the circular economy.

Communities have been set up to allow interactive communication with employees who are interested in these topics:

- the Environment Web 2.0 virtual community, which was started in 2012, replaced and expanded an internal blog about the environment in the manufacturing process. The blog had been online since 2008;
- Women@Renault is the Group's largest social network, with 4,500 members and local networks in 12 countries. Its goal is to improve the representation of women at all levels in the Company (see section 2.4.2.3);
- Handi@Renault is an internal network launched in 2012, which aims to better address disability in the workplace. Taking the form of a web 2.0 platform, Handi@Renault provides a host of information and fosters discussion (see section 2.4.2.3).

2.1.6.3 SUPPLIERS

Compliance with Renault's labor relations and environmental requirements, detailed in the ethical standards distributed to suppliers, is one of the selection criteria for suppliers, together with quality, financial robustness, costs, and production and logistics capacity.

Supplier relations and support in CSR areas have enabled Renault to meet new challenges in the supply of both vehicle parts and services used by Renault.

Standards, based on the principles of the International Labour Organization (ILO), have been drafted since 2004 and are regularly revised.

An organization has been set up to monitor the implementation of these standards using assessments and audits and in particular to support suppliers in making the necessary progress in order to meet our requirements.

(See 2.3.2 CSR and the supply chain)

2.1.6.4 INVESTORS AND FINANCIAL PARTNERS

Since it was listed in November 1994, Renault has endeavored to provide its shareholders and investors with clear and transparent information on a regular basis.

INDIVIDUAL SHAREHOLDERS

To best meet shareholder requirements, the Group is continuing to introduce innovative services. Numerous promotional materials have been created to facilitate access to information: a brochure focusing on Group news, an online interactive module for direct management of Renault registered shares, combined since July 2014, with a free, downloadable app, a toll-free number with voice server, and a dedicated e-mail address for various shareholder questions (communication.actionnaires@renault.com).

In 1995, Renault set up a Shareholders' club to enable investors to become better acquainted with the Company, its issues and products, as well as with the world of automobiles in general. Open to anyone holding at least one share, the Club currently has some 8,000 members who are invited each year to visit Renault plants and research centers, to attend breakfasts or electric car tests. In 2009, Renault added a Shareholders' space to its website. Shareholders can log-in to register online for planned events. This year, over 300 shareholders have benefited from this extensive program that facilitates dialog with Renault experts.

A Shareholder Consultative Committee has also been in place since 1996. This committee is tasked with ensuring the quality and transparency of shareholder information. Composed of ten Renault shareholders (including one active and one retired Renault employee), it meets at Company headquarters several times a year and at the time of the Annual General Meeting to work on improving and innovating Renault's communications with shareholders across all media (see the Renault Actu magazine in the Finance section of the website).

As part of the redesign of its website www.group.renault.com, Renault is offering its shareholders direct access to information from the Finance section of the website, by clicking on "individual shareholders".

Live video broadcasts of results meetings (annual and half-yearly) and of the Annual General Meeting are transmitted on the website, so that shareholders can follow the highlights of the Group's financial events in real time or after the event.

Since the 2014 Annual General Meeting, Renault has offered Votaccess to any shareholders who wish to use it to vote online. This platform enables registered shareholders to receive a notice to attend *via* email and offers all shareholders the option to access Annual General Meeting-related documentation, to print out their admission card, to vote on resolutions directly or to give proxy to the Chairman or to a third party. An instruction video is available online at www.group.renault.com, which explains how Votaccess works.

Eco-friendly and innovative, this system also contributes to shareholder democracy.

To stay in touch with its shareholders, Renault organizes discussions at regional meetings. The Investor Relations team visits various French cities over the year to take part in meetings with more than 250 shareholders. These meetings are organized either by Renault branches or together with the French Federation of Investment Clubs. Since 2006, Renault has attended more than 20 shareholder meetings. For example, in 2014 the Investor Relations department met shareholders in Paris, Lyon and Nice.

INSTITUTIONAL INVESTORS/SOCIALLY RESPONSIBLE INVESTORS

The Group organizes analysts' meetings to coincide with the release of its financial results or the announcement of exceptional events. It also holds individual meetings with investors throughout the year, both in France and abroad, and Renault managers give presentations at industry conferences and major motor shows.

To secure investor support over the long term, Renault maintains close links with analysts and investors in the socially responsible investment (SRI) community. This involves individual meetings and topical conferences organized by specialized intermediaries in Europe and the USA. Renault managers regularly speak out on social and environmental issues for the attention of SRI analysts and investors.

2.1.6.5 LOCAL RESIDENTS, COMMUNITIES AND REGIONS

Believing that companies only benefit fully from operating in a region if it is growing and prospering and if its residents welcome the Company's manufacturing or sales operations, Renault enters into ongoing dialog with local communities.

LOCAL DIALOG ON ENVIRONMENTAL IMPACTS

Relations with local residents, authorities and associations are coordinated by environment managers working at each Renault plant or site. In addition to legal consultation procedures (community surveys, etc.), Renault plants have implemented procedures to handle and monitor complaints from local residents in order to effectively manage any form of nuisance problems which may be caused by their operations (noise, smells, etc.).

In 2014, the Korean subsidiary Renault Samsung Motors organized eco-driving training workshops open to the public.

In Argentina, Renault has been running an event dubbed "Eco-Tour" for several years in partnership with its dealer network. Free introductory courses in eco-driving are offered to the general public.

In 2014, Renault Russia continued its action to clean up illegal waste with the Let's Do It World Clean Up operation.

Campaigns to plant trees have been led by Renault in Lebanon, Korea and Turkey, where over 15,000 fruit trees have been planted since 2006 in orchards in disadvantaged villages in Bursa province, where the Oyak Renault plant is located.

The Renault-Nissan Alliance is also committed to collaborative initiatives with cities (to date, Paris, Rome and Hong Kong) and with private sector partners specializing in modeling atmospheric pollution to model the positive impacts of the large-scale introduction of electric vehicles on air quality and the exposure of population groups to atmospheric pollutants in an urban environment (for further details of this work see 2.6.3.5 Air quality). In 2013, Renault and PSA Peugeot-Citroën set up the "Mobility and quality of life in an urban environment" academic chair at the Université Pierre et Marie Curie to further this issue.

2.1.6.6 INSTITUTIONS AND ASSOCIATIONS

In a business environment that is increasingly competitive, highly regulated and demanding for companies, Renault has forged close links with institutions that are very diverse in terms of size, status and purpose, given that a quality relationship can only develop between Renault and an institution when both parties retain their own identity, values and independence and commit to a long-term relationship.

Renault is therefore in contact with numerous institutions that have demonstrated their legitimacy and credibility through their competence and know-how, and that comply with codes of conduct, and, each in their own way, work to create a sustainable and cohesive society.

They all occupy positions at society's core and actively contribute to its construction.

INDUSTRY BODIES

These are organizations whose business is of fundamental importance to automotive manufacturing.

Renault is a member of the Committee of French Automobile Manufacturers (*Comité des constructeurs français d'automobiles*, CCFA), the European Automobile Manufacturers Association (ACEA), the Society of Automotive Engineers (*Société des ingénieurs de l'automobile*, SIA), the French PFA (automotive industry platform) and, more recently, the Motorcycle Industry in Europe association (ACEM). Likewise, Renault's subsidiaries around the world are members of local associations of automotive manufacturers if they operate a production facility in the country, such as Anfavea (*Associação Nacional dos Fabricantes de Veículos Automotores*) in Brazil, or of importers' associations if they operate as sales subsidiaries.

These organizations focus on issues directly related to the automotive industry and support Renault in its knowledge of current affairs in each country where the Group operates.

Industry bodies enable automobile manufacturers and the industry as a whole to share a short-, medium- or long-term vision and serve as an interface between Renault and legislators. They are even commissioned by governments to guide industry-specific public policy and coordinate the different players. The PFA fulfills this role in France. Within the context of the 34 industrial plans introduced under the Ayrault government, it was responsible in particular for managing the "2L/100km vehicle" plan which brought all the industry players together to create a positive dynamic and ensure the convergence of collaborative projects. It also managed the automotive industry contract announced by the government in October 2012. It carried out an assessment in 2014 and then worked with its members and the French government to develop this industry-wide contract so that new objectives could be set on a collective basis. Renault is involved in various projects through the PFA's working groups.

TRADE REPRESENTATION BODIES

Renault is also a member of trade representation bodies, notably the French Business Confederation (MEDEF) through the CCFA, MEDEF International, the Union of Metalworking Industries and Professions (UIMM), as well as the French Association of Private Companies (AFEP).

These institutions regularly organize working groups, which Renault joins in order to provide its vision and experience and share best practices.

Discussions often go beyond the automotive industry. Topics covered include major social changes and economic, HR and other issues that are vital to large corporations, which have to know their rights and duties and take a position on public policy *via* these organizations.

INSTITUTIONS AND ASSOCIATIONS INTERESTED IN SUSTAINABLE MOBILITY

Renault is dedicated to mobility now and in the future and has therefore formed links with organizations at the center of sustainable mobility issues. These links are of crucial importance since they facilitate the development and achievement of the technological breakthroughs, environmental, and behavioral shifts that Renault has always brought. Renault has always been a pioneer, from multi-purpose vehicles, to ultra-efficient engines offering ever greater energy savings, to the eco^2 label, and now electric vehicles. The future will see Renault pursue ambitious strategic breakthroughs.

Renault maintains dialogue regarding "sustainable mobility for everyone" issues with entities such as the Association for the Development of Electric Mobility (AVERE), Companies for the Environment (EPE), the Mov'eo competitiveness cluster, and ATEC-ITS, a non-profit organization for the development of transport, environmental and traffic technologies.

Other institutions, like the European T&E think-tank, Be Citizen and NGOs like Greenpeace or the World Wildlife Fund help to provide us with a better understanding of civil society's expectations and expand our outlook on major environmental and human challenges.

ELLEN MACARTHUR FOUNDATION

THE ELLEN MACARTHUR FOUNDATION – A KEY PARTNER

Renault is a founding partner of the Ellen MacArthur Foundation, which aims to construct a prosperous future by accelerating the transition to the circular economy. As an alternative to the linear "take, make, dispose" model, which relies on large quantities of resources and energy, the circular economy provides an economic model that reconciles prosperity and the preservation of limited natural resources with the recovery of natural capital.

The Ellen MacArthur Foundation works with business, higher education and decision-makers to promote circular economy models and develop the scientific and managerial knowledge required for their adoption and to inform on the potential for economic and environmental benefits.

Under this partnership, Renault helps to fund the Ellen MacArthur Foundation, contributes to the Foundation's work and events (McKinsey/Foundation circular economy reports, case studies, Circular Economy 100 business platform) and undertakes to develop activities based on 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 the circular economy model within the Group. The Ellen MacArthur Foundation is particularly interested in the *Économie Circulaire Compétitive* (ECC) project.

The contract between Renault and the Ellen MacArthur Foundation was renewed in 2013 for three years.

For more information about the Ellen MacArthur Foundation: www.ellenmacarthurfoundation.org.

Sustainable mobility is also linked to affordability. Renault works with associations, government bodies and academics to identify and implement mobility solutions to suit the needs of low income earners. The Renault Mobiliz program is detailed in section 2.2.3.1.

INSTITUTIONS AND ASSOCIATIONS PLAYING AN ACTIVE ROLE IN ROAD SAFETY

Renault has been committed to road safety for many decades and has developed solid relationships with a large number of institutions and associations working in the field around the world.

On an international scale:

- International Automobile Federation *(Fédération Internationale de l'Automobile*, FIA), either directly or within the framework of discussions as a member of the European Automobile Manufacturers' Association (ACEA). Renault contributed actively to the Debate on Youth and Road Safety held in Brussels in 2013;

- the Global Road Safety Partnership (GRSP) and the United Nations' Decade of Action for Road Safety, which enable us to carry out initiatives not only in countries where we sell our vehicles, but also in other countries with the highest rates of road deaths and injuries (see section 2.7.1.1).

In France:

- Renault has an ongoing partnership with the Delegation to the Safety for Traffic and Road Safety for Traffic and Road Safety (*Délégation à la sécurité et à la circulation routière*, DSCR) and the National Road Safety Council (*Conseil national de sécurité routière*, CNSR), as well as their sister organizations in other countries, including Morocco;
- the Road Safety Foundation, which is tasked with funding and promoting the development of technologies which aim to improve road safety and limit accident-related consequences. Renault will be a partner in the *Quo Vadis* Project (subsidized by the Foundation) from 2015. The ambitious objective of this 30-month project, which is being conducted in close collaboration with Departmental Fire and Emergency Services (*Services Départementaux d'Incendie et de Secours*), the French Emergency Medical Assistance Service (SAMU) and French hospitals, is to propose and test accidentology and biomechanics criteria obtained from vehicles that have been involved in accidents, in order to improve the way in which victims of road traffic accidents are treated;
- Renault also works closely with the French National Federation of Fire and Rescue Services (*Fédération Nationale des Sapeurs-Pompiers* - section 2.7.1.1) and the French Medical Automobile Club (*Automobile club médical de France,* ACMF) in its work with the French Road Traffic Medicine Committee (*Comité français de médecine du trafic*).

THE ACADEMIC WORLD

Renault maintains numerous close ties with the academic world in order not only to contribute to safeguarding and developing the skills required for the automotive industry to develop, but also to identify and tap into the innovations produced by research laboratories, students and researchers and to help further their work. Renault's academic relations cover research partnerships (see Sustainable Mobility Institute in 2.2.2.1), joint creation of higher education programs (see education in 2.5.1) and financial support for specialized academic chairs, nine of which are currently in existence (see 2.5.3.1).

Renault is involved in other types of partnerships and support for primary and secondary schools. Details of these partnerships and programs appear in 2.5.2.

INSTITUTIONS SPECIALIZED IN POLITICAL AND ECONOMIC AFFAIRS

As a result of regular meetings and/or close monitoring of their work, Renault cultivates links with bodies responsible for observing and analyzing political and economic life, such as the French Institute for International Relations (IFRI), the World Economic Forum (WEF), the Fabrique de l'Industrie, the Robert Schuman Foundation, Terra Nova, Europa Nova and ORSE, a corporate social responsibility observatory.

In 2014, Renault continued its support of the LH Forum, an event attended by public and private players, business leaders, social entrepreneurs, economists, labor unions and members of the public to promote the positive economy. The forum aims to promote a positive economy serving future generations and supporting responsible, sustainable and inclusive growth. Respect for the environment and a strong community focus are also goals of the positive economy movement. During the Forum, Renault launched a call for inclusive mobility projects as part of its Renault Mobiliz program (see section 2.2.3.1).

Renault also contributed to drafting a report on the positive economy commissioned during the LH Forum in 2012 and submitted to the French President in September 2013 prior to the 2013 LH Forum. This work was continued in 2014 by means of a positivity index applicable to companies, similar to the one created for member states.

GOVERNMENTS AND NATIONAL AND EUROPEAN LEGISLATORS

Renault liaises directly and indirectly with governments in office, elected officials and the European Commission, etc.

Indirectly, the Renault group is represented through the various automotive industry bodies and other associations of which it is a member, as described above. Direct contact is established for several reasons.

- First, Renault is 15% owned by the French state and is required to report to this public investor in the same way as the Finance department reports to other investors.
- Second, Renault owns plants and sites in regional areas and plays an integral role in local employment pools. Renault engages with local elected officials through its regional operations. These officials in turn consult with local business in drafting regional policy in order to obtain a degree of visibility for the economic development of their regions.
- Third, Renault is heard by the public authorities with regard to government matters and by the European Commission.

2.1.7 REPORTING SCOPE AND GUIDELINES

The non-financial reporting included in this Registration document has been prepared in accordance with the New Environmental Regulations Act (2001) and Article L. 225-102-1 of the Grenelle 2 Act of April 24, 2012 on corporate transparency in CSR practices.

Furthermore, Renault refers to the Global Reporting Initiative's G4 guidelines. GRI indicators are selected in accordance with the materiality focus of the Renault group. A cross-reference table is supplied in 7.4.3. All guidelines used are specified alongside the relevant indicators.

The scope of this reporting initiative is identical to that of the Renault group's consolidated financial reporting (see section 4.2, note 31 to the consolidated financial statements). When an indicator does not cover the entire scope, clarifications are provided with the indicator.

2.1.7.1 VERIFICATION BY INDEPENDENT THIRD PARTY ORGANIZATION

The Renault group has voluntarily asked its statutory auditors to certify the environmental impacts of its main industrial, office and logistics sites since 1999. This verification is done with the same assurance level as for financial data (reasonable assurance). The indicators covered by the reasonable assurance report are listed in section 2.9.2.

Ahead of the implementation of Article L. 225-102-1 of the Grenelle 2 Act of April 24, 2012, the qualitative and quantitative CSR information presented in this document has been verified since 2012 by an independenet third party to ensure its inclusion and fairness (with a moderate level of assurance). The indicators and data covered by this moderate assurance are listed in the Grenelle 2 cross-reference table in section 2.9.4.

In accordance with the implementation timetable for the Grenelle 2 Act, the following entities are included: Renault SA and its subsidiaries RCI Banque, Renault Retail Group (RRG) and Société des Transmissions Automatiques (STA). The required information is published and checked as follows:

- Renault SA: Publication in the management report, included in this Registration document. Checking of the presence and accuracy of the information published;
- RCI Banque: Publication in the subsidiary's annual report. Checking of the presence and accuracy of the information published;
- Renault Retail Group: Publication in the management report. Notice of the presence of information;
- *Société des Transmissions Automatiques:* Publication in the management report. Notice of the presence of information.

2.2 OFFERING INNOVATIVE MOBILITY SOLUTIONS, ACCESSIBLE TO ALL

Renault's goal of being a pioneer in "sustainable mobility for all" is reflected in **sustainable** solutions such as:

- "zero emission" electric mobility (see sections 1.1.5.1 and 2.6.3.1);
- in-car and connected technologies to reduce emissions, polluting or greenhouse gas emission (see sections 2.6.3.1 and 2.6.3.5);
- implementation of circular economy throughout the various stages of our products' life cycles in order to transform waste into a resource for the production and maintenance of vehicles;
- innovative materials to reduce vehicle weight and environmental footprint (see 2.6.3.2);
- improved safety to prevent accidents, offering optimized protection for all occupants and road users in the event of a collision and facilitating the work of the emergency services (see section 2.7.1).

Renault's ambition is also reflected in the concept of solutions a**ccessible to all**:

- with a range of products that meets the needs and desires of retail and business customers and is sold and serviced in 125 countries (see section 1.1.5.1);
- new and used products and related services, corresponding to the choice or financial constraints of these same customers;
- new offers for consumers who prioritize use over ownership;
- a range of products for people with reduced mobility (*transport de personnes à mobilité réduite*, TPMR) to facilitate collective or individual travel for disabled people.

2.2.1 INTRODUCTION AND CORE BUSINESS

Access to mobility is not only a source of freedom and pleasure, but is also a driver of economic growth and social cohesion. Renault, a pioneer in the field of sustainable mobility, has set itself the target of offering a range of products and services accessible to the greatest number. Renault conducts regular surveys amongst its customers and prospective customers so that it is always able to best meet their needs. Renault, Dacia and Renault Samsung Motors brand vehicles enable a wide range of requirements to be covered in a number of different parts of the world. Section 1.1.5.1 provides details of the current range of passenger and light commercial vehicles and these are also available at: http://group.renault.com/vehicules-groupe/decouvrir/

Formula 1 continues to showcase Renault's technological know-how whilst acting as a testing ground for the ultimate benefit of mass-produced vehicles. The 2014 season marked a turning point in the history of Formula 1 with the entry into force of a completely revised set of technical regulations, intended to reconcile the sport with the issues faced by modern cars, especially in terms of eco-responsibility. Over a two and a half year period, Renault has developed a V6 1.6 cylinder engine which meets the consumption requirements of these new regulations.

Two years ago, however, in order to progress electric vehicle technology and in line with the Group's strategy, Renault officially agreed to act as a technical partner in the all-new FIA Formula E Championship for 100% electric racing cars. Renault helped to launch the championship by applying its two-fold expertise, both in competing and manufacturing electric vehicles. Renault collaborated with Spark, a company specializing in the design and construction of hybrid and electric systems, to improve performance and safety across the entire starting grid. In 2014, by becoming the Title Sponsor of the e.dams-Renault racing team, Renault invested fully in this brand new and particularly innovative discipline.

2.2.2 SUSTAINABLE MOBILITY

Although owning a car is still a major aspiration for millions of people worldwide, the way in which motor vehicles are being used is changing: electrification of mobility; economies are gradually switching from ownership to use; congestion in city centers has invited a legislative and regulatory response; urban infrastructures are more connected and consumers have realized that savings can be made by car-sharing. These changes have been discussed and shared with the academic world or other mobility organizations. For example:

2.2.2.1 SUSTAINABLE MOBILITY INSTITUTE

In 2009, Renault, the Renault Foundation and ParisTech launched a multidisciplinary platform to conduct joint research into the future of transport and mobility solutions. This involves conducting academic analysis and testing innovative solutions whilst at the same time ensuring that there are real-life outlets for such innovations and their widescale rollout potential, in order to meet the global challenges faced by automotive manufacturers, which include global warming, ecosystem restructuring in the light of electromobility, increasing urbanization and related congestion issues, as well as prerequisites for the success of new mobility solutions. By enabling mobility operators to take advantage of academic know-how, this platform seeks to support and increase their understanding of this electromobility transition phase, as well as to enlighten their decision-making.

This partnership has resulted in a collaboration between Renault experts and teachers/researchers and students from Paris Tech, with two main objectives:

- to foster research into the design of innovative mobility systems, particularly those based on electric vehicles;
- to train sufficient top-level managers and scientists to meet the demands of the transportation industry and the scientific and technological challenges raised by the long-term development of sustainable transportation systems.

Over the years, the Sustainable Mobility Institute has welcomed other university or industrial partners, both in France and internationally, seeking to contribute to the work.

The Sustainable Mobility Institute runs research programs and develops training in four main areas, involving 10 Paris Tech research laboratories and 7 schools:

- the "Electric mobility system", to understand interactions between the mass circulation of electric vehicles, regions, and the socio-economic aspects of households in these areas, as well as infrastructure requirements;
- the "Business model", to understand the economic and organizational challenges of EV for each of the ecosystem operators based on field tests so as to identify the drivers to accelerate its adoption;
- the "Global vision", to objectively establish, using strategic analysis and economic modeling tools, the impact for Renault of new and determining global trends (Environment, Energy, Raw materials and new industrial eco-systems);
- "Technologies", to conduct upstream work on breakthrough technologies so as to further advances in battery technology (increasing the energy density of batteries to improve EV range) as well as work to reduce vehicle weight.

CONCRETE EXAMPLES AND KEY FIGURES

"Electric mobility system"

- Research into the behaviors of communities in the light of innovations in mobility services. How to factor in the concept that communities want to take an active role in defining and designing these services to meet their own requirements? The example of web communities interacting on issues such as the environment, automobiles and EVs is one example. The findings of an analysis of the TwizyWay project in Saint-Quentin-en-Yvelines confirm the risk posed by changing use and understanding of the service.
- A study into the capacity of information technologies in India to assemble the irregular resources for accessing electricity and how basic players manage to link up microgrid components to offset random electricity distribution. In India, 40% of households have no access to electricity (2008). Some insular ecosystems with a high degree of autonomy and development are being created, paving the way for electric cars to gain a foothold in these areas or business districts, where everything is considered in terms of renewable resource solutions.

The "Business model"

- Quantification of the contribution made by fleets of taxis or car-sharing services to the development of electric vehicles through their prescriptive impact.
- Development of tools to assess the potential of electrification of cities, regions and countries and identification of priority drivers to accelerate the development of electric vehicles.

The "Global vision"

- Analysis of the macro-economic and environmental benefits of electrification of vehicles (*Revue de l'Energie,* 611/2013).
- Impact of sluggish development and dissemination of new automotive technology on the marginal CO_2 abatement cost (work which won the Best Young Energy Economist award 2013 and has been published as World Bank Working Papers).

"Technologies"

- Work on shaping materials such as silicon, state of the art "challengers" (graphite) and strategies to extend their life (by using additives).
- Forward-looking research into compounds with the potential to be used at higher voltage, the energy of an element being directly proportional to said voltage.
- Three patents filed.

In 2010, the Sustainable Mobility Institute created a "Mobility and Electric Vehicles" Masters to train young engineers in the design, manufacturing and recycling of electric vehicles. Some 65 students from 16 countries with grants from the Renault Foundation have already benefited from the program.

2.2.2.2 IDDRI – INSTITUTE FOR SUSTAINABLE DEVELOPMENT AND INTERNATIONAL RELATIONS

Renault has been a partner of this policy research institute for three years. Its objective is to develop and provide the tools required to analyze and understand the strategic challenges of sustainable development from a global perspective. Based in Paris, Iddri supports various participants in the process of reflecting on global governance of major collective issues such as the fight against climate change, the protection of biodiversity, food safety and urbanization, and takes part in work to redefine development paths.

Iddri gives particular consideration to developing networks and partnerships with emerging countries and countries with the highest exposure to risk, so as to best assimilate and share different outlooks on sustainable development and governance. In order to achieve its objective, Iddri is part of a network of partners from the private, academic, voluntary and public sectors, in France, Europe and worldwide.

The work of the Iddri also contributes to that of the IMD (*Institut de Mobilité Durable, Sustainable Mobility Institute*).

2.2.2.3 VEDECOM INSTITUTE – ZERO-CARBON COMMUNICATING VEHICLES AND THEIR MOBILITY

Renault is one of the founding members and an associate donor of the VeDeCom Institute, one of the Institutes for Energy Transition (ITE) 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 General 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.

2.2.2.4 INNOVATIVE SOLUTIONS

To face the challenge of these major societal and demographic trends, which may impact on the Group's business, Renault is conceiving, co-developing, testing and marketing innovative solutions in 3 areas:

CAR-SHARING

Since 2012, Renault has been involved in several car-sharing projects focused on electric vehicles. Although they were not specifically designed for car-sharing, these vehicles are perfect for this purpose. For example, in 2012, Renault introduced an experimental car-sharing service in the St-Quentin-en Yvelines city authority region, using 50 self-service Renault Twizys. In September 2013, the service was transferred to a local SME, which continued to operate it until July 2014. Around 1,300 Twizy Way users traveled a total of 60,000 kilometers in one year. Renault also started a car-sharing service on a private site at the Grenoble Atomic Energy Commission, with 20 Twizy vehicles shared by 1,100 employees registered for the service. This business was also taken over by a private company.

In September 2014, Renault joined forces with Bolloré, the leading car-sharing operator, to add a new dimension to EV car-sharing in France and in Europe. The joint venture covers three main areas:

- an industrial cooperation agreement: from the second half of 2015, the Renault plant in Dieppe will assemble Bolloré Bluecar electric vehicles;
- the creation of a joint venture designed to sell complete electric car-sharing solutions in France and in Europe, with the inclusion of the Renault Twizy and ZOE in the car-sharing fleet;
- a feasibility study on the design and manufacturing of a three-seater vehicle equipped with a Bolloré battery.

CUSTOMER AND MOBILITY OPERATOR REQUIREMENTS

Renault is also introducing these new types of use into its sales offering to make mass-produced vehicles shareable. Since 2013 it has been possible to supply the ZOE and the Twizy ready-equipped for car-sharing so that the operator can remotely access the information required in order to operate the service.

Likewise, Internet connection for brand vehicles using the R-Link multimedia system and its range of services, prepares them for this type of use by enabling rapid integration of any changes required.

So as to facilitate the logistics of the "last urban mile", for which operators require small, preferably electric, city cars in order to comply with restrictions on city-center access, Renault is trialing city-center delivery using the Twizy, in partnership with a specialist operator. Fitted with a detachable trailer, it has a capacity of 1.5m^3, or 15 standard delivery crates.

MOBILITY ISSUES IN SUSTAINABLE CITIES

Renault contributes to collective thinking on sustainable mobility systems in cities, in particular, multi-modality. For this reason, the Group takes part in discussions on "French Sustainable Cities" as part of a private consortium which brings together major French industrial groups and innovative SMEs to devise 3D models of "smart cities". Through VeDeCom, it also participates in Opticities, a European project on intelligent urban mobility, *i.e.* data standardization and sharing to create multimodal navigation systems and tools to optimize urban logistics and traffic regulation.

For the 2nd year running, Renault and the French Embassy in Poland are sponsoring the Eco-Miasto (eco-city) operation. Open to other partners this year, the operation encourages the implementation of best sustainable development practices in Polish municipalities, as well as civil society sustainable development initiatives. It rewards those Polish cities with the greatest commitment to sustainable mobility, green construction and waste management.

2.2.3 AFFORDABILITY

Renault is working towards making cars more democratic with its M0 range, sold under the Dacia brand name in Europe, and under the Renault brand name in most other parts of the world. Renault is offering a range of affordable vehicles for customers subject to financial constraints or those wanting to spend just enough to secure a reliable, sturdy vehicle. It is often the first time that these retail and business customers have had the opportunity to buy a new, more reliable and environmentally friendly car.

Vehicles in the M0 range are now being marketed in 44 countries and over 3 million models have been sold since the Logan was launched in 2004.

In barely 10 years, the brand has forged its own identity and its buyers have become real brand ambassadors *via* a very lively community. Dacia has found a way of uniting its customers around a "smart buy". In many countries, customers come together to discuss and share on common values such as freedom of spirit, simplicity and generosity. Community events, such as picnics in seven countries or the *caravane des plages* festival in Morocco get bigger every year. These are truly convivial moments which create a strong bond between customers and the brand. On social networks, Dacia has already gained over two million Facebook fans.

However, the M0 is a mid-range purchase in emerging countries. Entry-level cars are still to be introduced onto these markets. In 2015, Renault will launch a new vehicle based on a shared Alliance platform known as CMF- A.

With regard to service, keen to make mobility accessible to the greatest number, in 1998, the Renault group developed a more affordable range of spare parts. Marketed under the Motrio brand, this is a range of parts for Renault vehicles over five years old and for Dacia and other brand vehicles over three years old. Over 8,000 references are available, covering 46 product families and 45 vehicle brands. They are distributed in almost 50 countries

In addition to the selling of unused parts (the Gaia subsidiary), Renault launched a new after-sales range of refurbished parts in 2012. The Renault sales network in France offers used body parts (hoods, fenders, headlamp units, etc.) collected and selected from Indra's network of dismantlers. This service is available to customers whose vehicles are not economically repairable using just new parts.

For more than 60 years, Renault has done re-manufacturing, *i.e.* the refurbishment of mechanical parts. Used parts are collected in the sales network, sorted and made new again. Since 1949, the renovation of engines and manual transmissions has been done at the Choisy-le-Roi (France) plant. This activity adheres to a strict industrial process involving complete dismantling, sorting, refurbishment and replacement of faulty or worn parts, cleaning, re-assembly and inspection. These renovated ("standard exchange") parts are sold to Renault vehicle owners at a lower price than new parts while satisfying the same quality requirements. Far from being marginal, the standard exchange parts offering covers a large portion of the new parts offering (70% of powertrain parts and as much as 90% of ground contact parts). Please see section 2.6.3.2.

2.2.3.1 EMBRACING INCLUSIVE MOBILITY SOLUTIONS, THE RENAULT MOBILIZ PROGRAM

Renault Mobiliz is a social-business inspired program providing entrepreneurial solutions to resolve social problems. It was initiated in 2010 and officially launched in France in July 2012. It aims to facilitate access to mobility for those in financial difficulty by offering them products and services at preferential rates to support social inclusion and the return to work.

The program was devised in collaboration with operators from the social and cooperative economy sector, the academic world and the public sector. It has won several awards for innovation, including the 2014 CSR prize awarded by the *Cercle Humania*.

For Renault, it acts as the catalyst for an innovative, long-term, strategic commitment to invent and test mobility solutions for disadvantaged social groups known as bottom-of-the-pyramid populations.

Renault Mobiliz (http://group.renault.com/engagements/mobilite/le-programme-renault-mobiliz/) aims to be implemented as widely as possible across the Company both in France and in all the other countries where Renault has a presence. This program is a strong source of motivation amongst employees, many of whom are proud of Renault's support for the less well-off and the marginalized when it comes to mobility.

Renault demonstrates this commitment in 3 separate areas:

1. Mobiliz Invest s.a.s.

   Renault set up an investment company, Mobiliz Invest s.a.s., to finance and support innovative entrepreneurs developing mobility solutions for people in difficulty. Renault contributed €5 million to the Company's capital.

   Renault Mobiliz Invest s.a.s. governance is provided by:

   - a Supervisory and Guidance Committee (*Comité de surveillance et d'orientation*, CSO): chaired by the Chairman and CEO with two thirds of its members deemed to be independent;
   - a Management and Investment Committee (*Comité de direction et d'investissement*, CDI): chaired by the Executive Vice President, CEO Office. With 11 members, including one employee representative and two members deemed to be independent.

   To date, Renault Mobiliz Invest s.a.s. has provided funding (capital or debt) and development support for four inclusive mobility businesses. These are:

   - WIMOOV (formerly Voiture & Co) an SOS Group association which aims to remove mobility constraints for jobseekers. In 2014, its 15 mobility platforms helped over 7,500 people seeking to re-enter the labor market by offering them mobility solutions in line with their specific needs. These solutions range from individual support to low-cost hire of various means of transport. In 2013 and 2014, Renault funded 5 new mobility platforms, including the Le Mans platform launched in July 2013 and the Saint-Quentin-en-Yvelines platform in October 2013. These platforms exemplify the close ties developed between Renault and the Regions where its sites are located. A number of Technocentre employees are involved in social actions for the CASQY (Saint-Quentin-en-Yvelines city authority);
   - MOBILECO, a Montpellier-based work integration social enterprise cooperative whose mission is to help employees back to work through the development of electric mobility and intermodality;
   - CHAUFFEUR & GO, a Paris-based cooperative that provides car-less drivers to clients who occasionally need someone to drive their own car. More than half the drivers were formerly long-term unemployed. They were trained and reskilled and created their community-based micro-franchise. Renault has also approved Chauffeur & Go to provide services to the Company;

- THE GOOD DRIVE, is an SAS created in 2014 by three groups of associates (ECF, Renault Mobiliz s.a.s., and three private partners) to develop a highly innovative system of learning to drive, combining real life practice of driving in traffic with the use of digital technology, in particular, by exploiting the simulation potential of tools with which the general public are very familiar *i.e.* smartphones, tablets, computers. This training, accessible to the general public *via* a dedicated web platform, should make it possible to reduce the cost of obtaining a driving license, in particular, for disadvantaged social groups and for those for whom not having a driving license is often an obstacle to gaining employment.

2. Garages Renault Solidaires

   Renault's network of garages voluntarily help low-income members of the public identified by social development consultants (associations, mobility platforms, social organizations, etc.) by offering them servicing and repair work at an affordable price but with Renault service quality. In 2014, over 500 customers were referred to this system.

   Some Garages Renault Solidaires also offer reconditioned, used vehicles, covered by a warranty, for around €3,000.

   At the end of 2014, Renault MOBILIZ had over 200 Garages Renault Solidaires spread out across France.

   Diac, the French financial institution subsidiary of RCI Banque, chose to take part in the Garages Renault Solidaires project by offering microcredit financing to vulnerable customers eligible for the Mobiliz program.

3. The HEC Paris "Enterprise & Poverty" academic chair

   Renault sponsors this chair and so, in partnership with research and education, works to train younger generations and devise new social entrepreneurship solutions.

   Renault also collaborates with the Enterprise and Poverty Action Tank, chaired by Martin Hirsch (Director General of Assistance Publique des Hôpitaux de Paris) 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 advices.

2.2.4 ADAPTATION AND PHYSICAL ACCESSIBILITY

For more than 25 years now, Renault has been innovating to meet the needs of people with reduced mobility. Through its subsidiary, Renault Tech, Renault is the European leader in the adaptation of vehicles for the Transportation of People with Reduced Mobility. Over 1,000 specially adapted vehicles leave the Heudebouville plant in Normandy every year.

Whether for the transportation of one or more wheelchair users, or adaptations to aid driving or access to vehicles, Renault Tech enables those with impaired mobility to once again travel safely and independently.

This offer is available across the entire French distribution network, as well as internationally, *via* Renault subsidiaries or independent distributors.
http://www.renault.fr/gamme-renault/mobilite-reduite/

2.3 ENSURING FAIR PRACTICE THROUGHOUT THE VALUE CHAIN

2.3.1 BUSINESS ETHICS

A company's prosperity and growth are largely dependent on the confidence that it instills in its social environment and, in particular, the confidence that it inspires in its stakeholders, whether these are employees, customers, shareholders, partners or suppliers.

Renault once again demonstrates the Group's collective commitment to instilling and growing this confidence *via* the Ethics Charter, intended for all employees, and six specific codes of good conduct. Specific codes of good conduct are drafted for Company functions for which strong ethics are particularly relevant. Such codes are a set of rules of good conduct intended to regulate departmental operations.

The rules contained in specific codes of ethics are technical, legal and, of course, also moral.

Details of the ethics policy appear in the Chairman's report (see section 3.1.4).

2.3.2 CSR AND THE SUPPLY CHAIN

Purchases from suppliers represent the equivalent of 60% of Renault's revenues. That is why their technical, logistics and financial performance is vital to the Renault group's operations. Any failure on the part of suppliers, whether in relation to the quality of parts delivered, logistics problems, deteriorating financial health or reputational loss, has a considerable impact on both production at Renault plants and the smooth running of projects.

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

- measuring and managing suppliers' achievement of QCD (Quality, Cost, Delivery) objectives;
- supporting the implementation of the Purchasing strategy devised in accordance with the Renault group's strategic guidelines;
- selecting suppliers and developing a robust and sustainable relationship that is of mutual benefit, whilst still ensuring the Renault group maintains its competitive edge;
- contributing to the Renault group brand image by supplying high-quality goods and services.

2.3.2.1 REGULATORY AND LEGISLATIVE FRAMEWORK

Where risks, especially social and environmental, in the supply chain were previously managed using an essentially voluntary approach, legislative and regulatory frameworks are changing to provide guidance for multinationals and to extend their responsibility.

THE REGULATORY FRAMEWORK

The French regulatory framework has tightened since 2012 with a **bill on the duty of care of parent companies and contractors** (rejected by the Law Commission of the National Assembly at the start of 2015) and a **law providing guidance and scheduling in relation to policy on international development and solidarity**. These texts define companies' obligations to their suppliers and subcontractors in terms of duty of care and health or environmental protection, as well as prevention of the violation of human rights and the implementation of risk management procedures

The French law known as **Grenelle 2,** and the new European Parliament and Council **directive 2014/95/EU** require that companies have a transparent CSR policy by reporting on the inclusion of social and environmental issues in their purchasing policy as well as consideration of suppliers' and subcontractors' corporate social responsibility.

STANDARDS OF BEHAVIOR

United Nations Guiding Principles on Business and Human Rights (2011) deals with companies' responsibility for respecting human rights by demonstrating **due diligence** including in relations with trading partners, supply chain entities and any other entity with a direct link to activities, products or services.

OECD Guidelines for Multinational Enterprises (2011) urge companies to exercise due diligence based on risk management and extended to supply chain activities.

VOLUNTARY COMMITMENTS MADE BY BUSINESSES

The United Nations Global Compact promotes adherence to 10 universal principles within the Company and its sphere of influence.

ISO 26000 deals not only with the negative impacts of the Company's activities, but also of those within its sphere of influence and offers companies guidelines on how to incorporate social responsibility into their organization and processes, including their supply chain.

To control CSR risks that may impact on both its image and its supply chain and to anticipate future regulations, Renault SA has incorporated adherence to social and environmental requirements into the ethical standards that are sent to suppliers and has introduced a dedicated organization. Suppliers' CSR assessment is now part of their selection criteria in the same way as quality, financial soundness, costs or industrial capacity and logistics. Taking this approach one step further, Renault supports suppliers by helping them to identify opportunities for progress by sharing best practices.

2.3.2.2 A DEDICATED CODE OF ETHICS

The purchasing function is one of six business lines that have a specific code of ethics in addition to the Ethics Charter. This code of ethics was designed for all Purchasing department managers and employees and for the Renault Nissan Purchasing Organization (RNPO) and for all those who, within the Renault group and/or for the Renault group, are required to have contact with suppliers and/or to influence the act of purchasing.

The code applies to all of the Renault group's 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. Intended for Group employees, it is supplemented by the Renault Nissan CSR Purchasing Guidelines which apply to all our suppliers.

2.3.2.3 SPECIFIC CSR PURCHASING ORGANIZATION

An organization has been set up to monitor the implementation of Renault's standards (see section 2.3.2.4) using assessments and audits and in particular to support suppliers in making the necessary progress in order to meet Renault's requirements:

- a central team tasked with providing the necessary support to suppliers to help them lift their standards up to the required level;
- an international network of some 100 local correspondents who are quality experts in purchasing, trained in CSR and who all use the same assessment method;
- an effective tool (web platform) that enables communication with purchasers regarding information pertaining to their suppliers (ratings, strong and weak points, action plan progress and general advice from the Sustainable Development department), and to exchange information with the suppliers on the action plans;
- processes shared by all buyers worldwide and which incorporate CSR criteria into the selection of new suppliers, calls for tenders and the final decision concerning the contracting of a supplier;
- performance indicators (such as the percentage of purchasing volume evaluated, the percentage of key suppliers evaluated and the percentage of at risk suppliers evaluated).

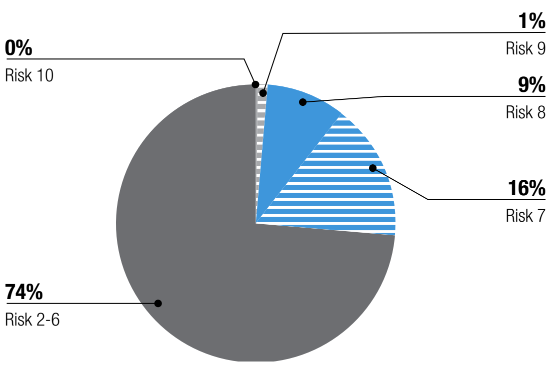
2.3.2.4 CSR POLICY AND STANDARDS FOR SUPPLIERS

Renault's CSR requirements, applied internally and by its partner Nissan, have been transposed for suppliers into the standards below, drafted in 2004. These are subject to a process of dynamic management in order to incorporate regulatory change and firmly establish this approach with our suppliers.

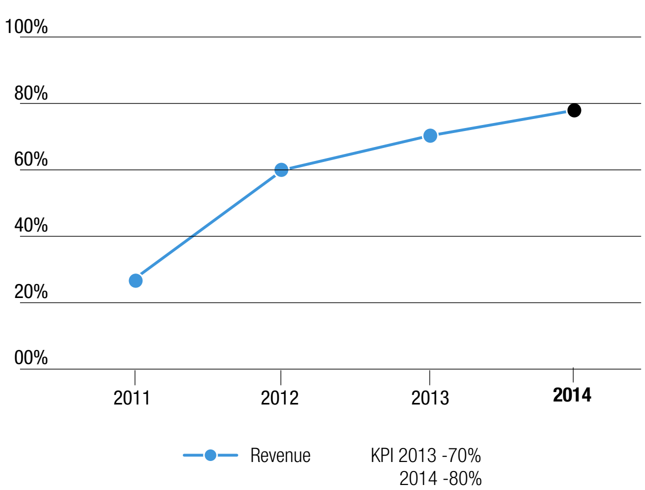
- Declaration of Employees' Fundamental Rights (2004). Originally drafted for Renault employees, the document was transposed for suppliers, who are required to sign it prior to joining our supplier panel or for any sourcing. It was revised in July 2013, following the agreement signed with IndustriAll Global Union (See 2.4.4.2). Sent to suppliers in 2014, it will gradually be distributed to new suppliers when they join the supplier panel. Suppliers are asked to distribute this agreement among their own suppliers.
- Renault-Nissan Purchasing Way (2006). Distributed to all tier-one suppliers worldwide, this booklet presents a vision, values and similar purchasing procedures. It describes the missions and specifies the tools and processes for supplier selection, the technical support provided to suppliers, and partnership arrangements. It emphasizes in particular the importance of the key values of the Renault-Nissan Alliance: mutual respect, transparency and trust.
- A Performance and Best Practices Code for customer-supplier relations in the French automotive industry was signed by stakeholders in 2009, *i.e.* the Committee of French Automotive Manufacturers (*Comité des Constructeurs Français d'Automobiles*, CCFA), the Liaison Committee for Automotive Industry Suppliers (*Comité de Liaison des Industries Fournisseurs de l'Automobile*, CLIFA), the Economy, Industry and Employment minister and the junior minister for Industry and Consumption. It sets out the mutual commitments of manufacturers and suppliers concerning business relations, sharing of intellectual property rights, use of contract data and cost defrayal.
- Renault-Nissan CSR Purchasing Guidelines. Distributed to all tier-one suppliers worldwide in 2010, these guidelines set out Renault-Nissan's purchasing expectations with regard to suppliers in relation to safety and quality, human and labor rights, the environment, compliance, and non-disclosure of information. It was distributed again in February 2014 together with the quality objectives for 2013 to all parts suppliers to Renault plants. Suppliers are asked to deploy these guidelines among their own suppliers.
- Renault Green Purchasing Guidelines (2012). Sets out expectations in terms of environmental management, substances and recycling policy in relation to delivered parts and materials and management of chemical preparations used in industrial processes by Renault's suppliers. The document was distributed in March 2012 to 3,384 tier-one suppliers. It is currently being brought into line with Nissan's guidelines.

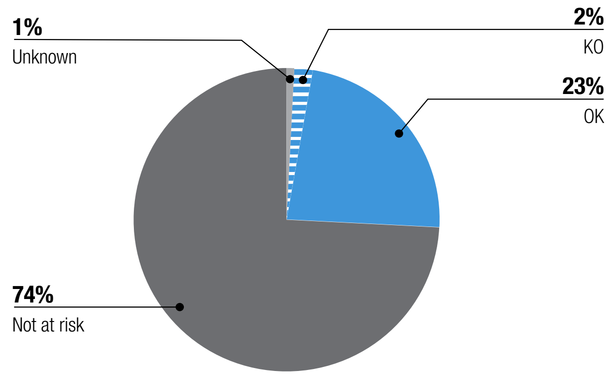
2.3.2.5 CSR RISKS IDENTIFIED AND EVALUATED

Suppliers of parts and materials are classed according to CSR risks. This risk mapping includes the countries in which they operate, social and environmental risks linked to the industrial processes used and the percentage of overall volumes purchased by Renault and its subsidiaries. Depending on country risk (from 1 to 5) and industrial process risk (from 1 to 5), suppliers are classed in risk categories ranging from 2 to 10. 26% of 2013 purchasing volumes present a risk (levels 7 to 10). See the graph below.



Suppliers believed to pose the highest risk in terms of CSR are assessed to confirm or refute this risk. The Group carries out two complementary types of assessment. The first type of assessment is based on field observation at production sites. Such assessments are carried out in-house by purchasing qualiticians responsible for quality audits and specifically trained in CSR (1,708 had been completed by end December 2014). The second type of assessment is based on CSR management at supplier groups and carried out by a third party. EcoVadis provides a collaborative platform allowing suppliers to evaluate the environmental and social performance of their suppliers worldwide (**715** groups assessed, representing **79.2%** of Renault's 2013 revenue).





An assessment of potential at-risk suppliers showed that 96.5% of purchases take place with low-risk suppliers, 2.2% have action plans in progress and 1.3% have yet to be assessed. At-risk supplier percentages are expressed as a percentage of purchasing volumes (see graph above).

When non-compliance is observed, Renault helps suppliers to develop a realistic, specially designed work plan with priorities addressed according to a negotiated timetable.

In 2014, 6 supplier sites and 13 groups were able to make progress once actions had been established in the fields of safety, working conditions, human rights, the environment and management of their own supply chain. Progress is systematically measured with a further audit.

The EcoVadis assessments also deal with tier-one suppliers' ability to manage their own supply chains

2.3.2.6 COLLECTIVE DIALOG IN FRANCE

Renault takes part in the French Automotive Industry Platform, formed in 2009 as a permanent forum for cooperation and dialogue among all stakeholders to help the industry and its professions prepare for and successfully implement change. The platform comprises key industry players, the Committee of French Automobile Manufacturers (CCFA) and major federations of equipment makers (FIEV) and subcontractors, who together form the Liaison Committee for Automotive Industry Suppliers (CLIFA).

The platform aims to fulfill its role of cross-industry coordination in the following areas:

- research, innovation and techniques and the associated standards;
- professions, skills and training;
- industrial excellence;
- strategies and change.

A working group on CSR in the French automotive industry was set up in mid-2012. The remit of the group, composed of the two major French carmakers and tier-one equipment suppliers and a member of the Federation of Equipment Makers (FIEV), is to review each Company's CSR practices and harmonize them so they can be implemented more easily throughout the industry. One significant aspect of this initiative concerns the participants' responsible procurement policies (approaches and methods for checking and supporting the supply chain); the aim being to align participants' practices and ultimately produce a common set of industry standards.

Renault also hosts its top 200 suppliers:

- annually, at the supplier convention which aims to provide visibility on the Renault-Nissan group's strategy;
- several times a year to present sales forecasts.

Each purchasing unit hosts its main suppliers annually at performance appraisals in order to review the year's difficulties and jointly draft progress plans in areas such as quality, costs, delivery times and CSR.

2.3.2.7 JOINT INNOVATION

Renault also strengthens its supplier relationships through a partnership approach that encourages them to innovate. Annual reviews are conducted with the major suppliers' top management to identify potential innovations.

This process has been expanded to innovative start-ups and SMEs, mainly through the Moveo structure, a competitiveness cluster for R&D in automotive and public transport.

A policy has been in place for drafting joint innovation contracts with suppliers since 2008. It defines both the technical content and the legal conditions for sharing the results. A total of 16 joint innovation contracts were signed in 2014.

Since 2010, technology days have been organized by the Operational departments and the Purchasing department, where suppliers are provided an excellent opportunity to present their innovations to Renault experts.

2.3.3 CSR AND THE DISTRIBUTION NETWORK

It is not up to the world to adapt to the automobile; it is up to the automobile to adapt to people. That is Renault's vision: "Renault is an innovative manufacturer that is close to its customers and makes sustainable mobility available to everyone."

This vision of Drive the Change is reflected in customer care processes and dialogue with customer representatives, such as consumer groups and the numerous associations linked to the brand that have been set up worldwide.

2.3.3.1 A DEDICATED CODE OF ETHICS

Sales and marketing activities contribute to the Company's development and the expansion of its business and market share, in particular, by means of customer satisfaction. Sales and marketing activities are also required to support the positive image of the Company and its practices, especially in terms of quality of services and products and relations with customers, its partners and the wider public.

The sales and marketing function is also one of six business lines that have a specific code of ethics in addition to the Ethics Charter. This Sales and Marketing code of ethics was designed for all of the Group's Sales and Marketing department managers and employees and for all those who, within the Renault group, have contact with customers and/or can influence the act of sale.

The code is applied to all Renault group sales and marketing processes, to activities relating to retail customers, fleets and the dealership network as well as publicity and marketing initiatives.

2.3.3.2 CUSTOMER SATISFACTION

Customer satisfaction is key to Renault's customer loyalty and sustainable development. Processes designed to improve customer satisfaction are based on standards relating to listening and dialog with customers from the upstream stages (research into expectations and needs by the Customer Knowledge department and the Product department) to the downstream sales and related services stage, as well as in any complaint handling or vehicle recall campaigns.

In 2013, a Customer department was set up within the Sales and Marketing department. Its goal is to maximize customer satisfaction by optimizing the digital and physical customer experience from pre-sales to after-sales.

The sales and marketing section of Renault's customer satisfaction plan, known as C@RE2.0 (Customer @pproved Renault Experience), is a logical extension of concepts already launched in 2005 with PER4 (Renault Excellence Plan) and in 2012 with C@RE. C@RE 2.0 aims to ensure customers receive a simple, personalized and interactive experience throughout their "journey" with Renault, from initial online searches, through to delivery of the vehicle to the dealership as well as during servicing and maintenance.

Sales representatives and staff at customer call centers are given regular behavior-based training in order to improve their customer listening skills.

Regular surveys conducted in all countries to evaluate the customer experience make it possible to react rapidly to market trends and customer expectations.

Around the world, some 700 people are in contact with our customers every day, listening to whatever questions or complaints they may have about any sales or after-sales issues and providing information about all products and services.

Customers in 18 countries are already able to contact the Customer Relations Services (Services de Relation Client, SRC) *via* an interactive web chat in addition to the telephone, email or traditional mail service.

Renault's aim is to be accessible by customers or prospective customers whatever the point of contact selected (online, dealership, telephone) and to build a relationship of calm confidence with them so that they stay loyal to Renault group brands.

Renault is also keen to meet the specific mobility requirements of vulnerable population groups such as those experiencing financial hardship or the disabled (see 2.2.3.1 and 2.2.4).

2.3.3.3 ENVIRONMENTAL MANAGEMENT IN THE SALES NETWORK

Renault ensures the protection of health and the environment in all aspects of its vehicle sales and after-sales. This involves the use of environmental management within its distribution network, as well as controlling the composition and the environmental footprint of its products, parts and accessories that are sold or used for the servicing of its vehicles, and finally the recycling and recovery of end-of-life vehicles and parts. These points are discussed in 2.6.2.2.

2.3.3.4 ENVIRONMENTAL COMMUNICATION

In 2014, environmental communication mainly focused on the achievement of the objective of reducing the Group's carbon footprint by 10% between 2010 and 2013, as well as the promotion of Renault's commitment to the circular economy, with the publication of educational Internet videos, press conferences with its partners (Suez Environment, The Ellen MacArthur Foundation) and participation in the LH Forum/Positive Economy Forum, the national CCI (Chambers of Commerce and Industry) conference and the Jeune Chambre Économique de Paris (JCI).

Eco² label

The Renault eco² label was launched in 2007 to highlight the most environment-friendly and economical cars in the range. This initiative is part of the ambition to initiate a transparent and open dialogue with customers regarding progress achieved by Renault at every stage in a vehicle's lifecycle. Eco² vehicles are consistent with Renault's desire to reduce the environmental footprint of products from generation to generation.

In 2011 Renault tightened the eligibility criteria for the eco² label for passenger cars and LCVs by lowering the eligibility threshold to 120g CO_2/km and increasing the percentage of recycled plastics required to at least 7%. By end 2014, 75% of the line-up of passenger cars sold in Europe under Renault and Dacia Brand were available in eco² version.

In a bid to maintain the label's high standards and continue to market models with the smallest ecological footprint, Renault is planning an in-depth review of the eco² eligibility criteria in 2015.

Disclosure of lifecycle assessments (LCA)

In a move to provide transparency about the environmental performance of its vehicles and respond to requests from an informed public, Renault has chosen to disclose the life cycle assessments (LCA) of its electric vehicles.

The LCA report on Fluence E.V. and its critical review are available online at renault.com. Those of ZOE, Kangoo E.V. and Twizy may be sent upon request and will also be made available online in 2015.

2.3.3.5 ADVERTISING

In France, Renault submits most of its advertising projects to the French Regulatory Authority for Advertising (ARPP).

In 2008 Renault signed the responsible advertising Charter drafted by the National Association of Advertisers (UDA).

In keeping with this Charter, a program is underway to make communications to the network paperless using web-based communication. To economize further on advertising materials, reusable point of sale materials have been developed to limit the number of disposable items, which waste large quantities of paper.

2.3.3.6 PROTECTION OF PERSONAL DATA

Protection of customers' personal data is a priority and a challenge for Renault, particularly as regards connected vehicles, which is why the governance of databases and connected services adhere to the applicable privacy and personal data regulations.

2.3.3.7 RESPONSIBLE FINANCING

Across the world, RCI Banque group provides sales financing for Renault group branded vehicles and, depending on the location, for Nissan. In terms of its retail and business customers, it offers loans for the purchase of new or used vehicles, leasing with purchase option, hire purchase, long-term leasing and a complete range of maintenance and warranty-related services.

During any transaction, RCI Banque ensures that the financial products being sold meet customers' requirements and their ability to make repayments.

DIAC, the financial institution subsidiary of RCI Banque, chose to take part in the Garages Renault Solidaires project by offering microcredit financing to vulnerable customers eligible for the Mobiliz program (see 2.2.3.1).

2.3.3.8 SITE ACCESSIBILITY

In partnership with the **Jaccede** association, which works to make public places accessible to the disabled, Renault has trained some of its employees to conduct accessibility audits on its own sites. To date, 15 sites in the Paris region have been audited.

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2.4 HUMAN CAPITAL: COMMITTED TO SUSTAINABLE GROWTH

In 2014, 117,395 employees (permanent and fixed-term contracts), men and women, constitute the human capital of the Renault group across the 36 countries in which Renault operates. Their skills, motivation and reflection of diversity contribute to the growth of the Group by meeting customer expectations. Committed to sustainable growth, Renault implements a global, fair and competitive HR policy. HR standards, processes and policies worldwide guarantee a unique and transparent frame of reference, a source of fairness and a driver of motivation and performance for all employees. Since April 2014, the HR function has been one of the strengthened areas of convergence within the Renault-Nissan Alliance. The aim is to support the growth of both groups and boost synergies so that Renault and Nissan can benefit from best HR practice.

In order to support the **"2014-2016 Drive the Change"** initiative, Group HR prioritizes three main areas:

- optimizing the allocation of resources and developing related skills;
- developing high-potential employees and promoting diversity;
- encouraging employee's involvement.

These priorities and policies are defined and rolled out across the world in line with high quality social dialog.

On July 2, 2013, these commitments were reflected by the signature between Renault, the Renault Group Works Council and the IndustriALL Global Union of a global framework agreement on corporate social responsibility - "Committed together for a sustainable growth and development". This agreement is grounded in Renault's identity and strategy, and responsible social dialog on an international level. This agreement is part of the ongoing Declaration of Employees' Fundamental Rights signed in October 2004, which it enhances and modernizes in response to new economic demands.

With this agreement, Renault renews and strengthens its commitment in respect of fundamental labor rights to:

- comply with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labour Organization (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 effective recognition of the right to collective bargaining);
- comply with the universal principles of human rights set out in the United Nations Global Compact, adopted by Renault on July 26, 2001;
- comply 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;
- recognize ISO 26000 as a standard of reference.

By this agreement Renault also commits "to respect and promote the advancement of its employees around the world; to encourage social dialogue; to take actions to ensure health, safety and quality of life in the workplace; to support employment of its employees; and to promote diversity."

It also reinforces the Group's commitment in terms of corporate social responsibility, environmental protection and respect for fundamental labor rights by its suppliers and sub-contractors.

In 2014, a new milestone was reached in the application of this agreement with the definition, in association with industry experts and signatory social partners, of sixty indicators which are monitored in key countries as well as at a global level.

METHODOLOGICAL NOTE

Since 2013, the labor relations indicators have been revised to align them as closely as possible with new laws and in particular the provisions of Article 225 of Act No. 2010-788 of July 12, 2010 (referred to as the Grenelle II Act), and its implementation decree.

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: 100% of the Group's employees;
- subsidiaries consolidated globally, covering 116 entities (out of 117) and 98% of the Group's employees; the Company which meets the definition of joint operation is RNTBCI (India) for 66.67%;
- the "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey), representing 90% of the Group's employees.

Some indicators are not covering 100% of the consolidated scope due to data unavailability.

Changes in the consolidation scope in 2014: full consolidation of 100% of Renault Alpine (up from 50% in 2013).

Finally, the Renault group changed the 2014 distribution of its regions through the creation of a new Region "Africa, Middle East and India", and restructured the Eurasia region. The 2013 and 2014 data were thus restated to match the new Group organizational structure.

DATA COLLECTION

Three methods are used to collect employee data:

- the HR information system collects part of the data for the entire scope;
- the Talent@Renault tool deployed in 27 countries, as of year-end 2014, provides data for white collar staff. (Algeria, Germany, Argentina, Belgium, Brazil, Chile, Colombia, Croatia, Spain, France, Hong Kong, India, Ireland, Italy, Malta, Morocco, Mexico, Netherlands, Poland, Portugal, Romania, United Kingdom, Russia, Serbia, Slovenia, Turkey and Venezuela);
- for the data not available in these systems, it is collected with a questionnaire sent to the Regions. This questionnaire includes seven indicators: absenteeism rate, number of layoffs, number and subject of major collective agreements signed during the year, number of employees covered by a collective bargaining agreement, total training hours, total management training hours, and percentage of disabled employees. Each indicator has a specific definition and calculation method that are shared with the Regions.

A continuous improvement process for these collection methods has been put in place, taking into account the recommendations of the statutory auditors.

DEFINITIONS OR CALCULATION METHODS FOR CERTAIN INDICATORS

Total end-of-month headcount (recorded as of month-end): number of employees holding an employment contract with the entity (permanent or fixed-term) as of month-end. This contract must be valid as of the last day of the month in question. Every employee on the payroll is counted as "one" regardless of his contractual working time (activity rate).

Region average headcount = (Region headcount at December 31 of the previous year + Region headcount at December 31 of current year)/2.

Region headcount as of December 31 is equal to end of December total headcount for all Regions except Europe. For Europe Region, it is equal to end of month total headcount excluding employees under exemption of activity in the framework of GPEC in France.

Average active headcount: the average active headcount is equal to the total headcount, excluding "off activity" employees. Active headcount is measured every end of month. Average active headcount is equal to 12-month averaging of active headcount.

"Off activity": all persons having an employment contract with the Company/entity and thus appearing in the registered 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 resignation notices, unpaid leave of absence for various reasons including long-term parental leave, sabbatical leave, end of professional career leave including exemptions of activity under GPEC in France, leave for business creation, parental educational leave, absence due to long-term illness or accident after exhaustion of 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 leave are not considered as "off activity" employees.

Number of Group redundancies: termination of permanent contract or early termination of short-term contract by the employer for one or more reasons that may or may not be inherent to the employee in question and which being either collective or individual.

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.

F1 Rate (frequency): working accidents of recorded employees requiring external care, per million hours worked.

F2 Rate (frequency): working accidents of recorded employees requiring external care and resulting in a medical leave of absence, per million hours worked.

G Rate (severity): number of calendar days of sick leaves for occupational accidents per thousand hours worked.

For the rates F1, F2, G, the **working hours** are increased by 10% in order to take into account the time before and after effective working hours where the employee is exposed at a risk of accident within the entity.

Occupational illnesses: reported occupational illnesses expressed in K per 1,000 employees.

Disabled employment rate: percentage of disabled employees on total headcount as of December 31. It should be noted however, that it is difficult to prepare statistics that accurately reflects the number of disabled employees, given the different regulations and the lack of legal reporting requirements in numerous countries.

Absenteeism rate (absence due to unforeseen reasons): the absenteeism rate is expressed as a percentage and is calculated on the basis of the average monthly active headcount (permanent + fixed-term contracts) and on yearly working days or theoretical number of days.

The number of days of absence is expressed in working days, excluding short-time work, layoffs, strikes and holidays (including maternity leave).

Formula: yearly absence's days number / (average active headcount X yearly theoretical days number) 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.

2.4.1 OPTIMIZE THE ALLOCATION OF RESOURCES AND DEVELOP SKILLS

In support of the Group's growth, the Company is working to improve its competitiveness around the world. Renault has improved its workforce management and the development of its strategic skills. This section reviews data concerning employment, labor costs, the organization of work, and training.

2.4.1.1 THE WORKFORCE: BREAKDOWN AND TRENDS

The Group's employees work in 36 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 90% of the total workforce.

As of December 31, 2014, the Group's workforce (permanent + fixed-term contracts) totaled 117,395 employees, with 114,543 in the Automotive branch and 2,852 in the finance arm. This is a decrease versus 2013, 121,807 in 2013; 121,962 for the 2014 perimeter. The reduction in the workforce was mainly due to the adaptation of resources to the activity in the automotive markets.

In Russia, Argentina and Brazil, workforce numbers were adjusted to adapt the industrial capacity to market conditions.

In France, under the terms of the competitiveness agreement signed on March 13, 2013, Renault committed to keeping all its manufacturing sites in France open and to adjusting workforce levels without resorting to redundancies or a voluntary departure plan. Changes in workforce numbers reflect the commitments made under this agreement.

At the same time, 2014 was marked by a reversal in the economic trend, with growth in Europe. In fact, the hike in volumes led to a significant increase in the workforce in Spain (18%) associated with the production of the Captur, and Kadjar.

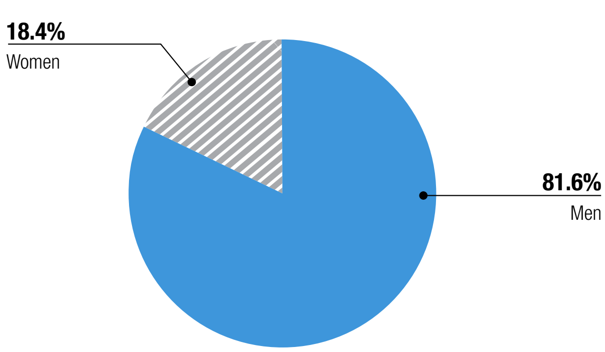
WORKFORCE BY REGION

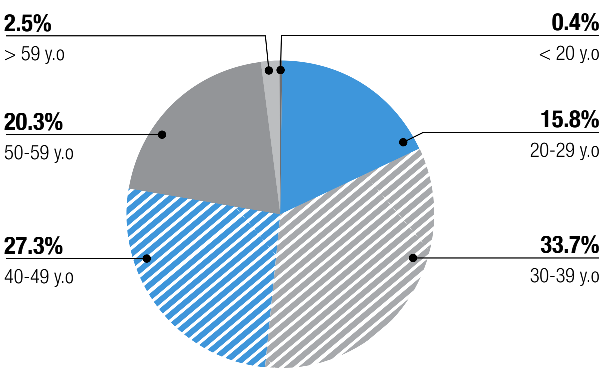
	2013	2014	SHARE IN 2014
GROUP* (PERMANENT + FIXED-TERM)	**121,807**	**117,395**	
Europe	66,467	65,902	56.1
o/w France	*48,550*	*46,365*	*39.5*
Africa-Middle East-India	10,902	10,750	9.2
Americas	12,043	10,091	9.6
Asia-Pacific	4,581	4,360	3.7
Eurasia	27,814	26,292	22.4

* *Expatriates are counted in their home country.*

As of December 31, 2014, women accounted for 18.4% of the Group's workforce, compared with 17.6% in 2013.

The breakdown by age remains well balanced: 16% of employees are under 30, 34% are between 30 and 39, 27% are between 40 and 49 and 23% are over 50. This breakdown is similar to 2013.

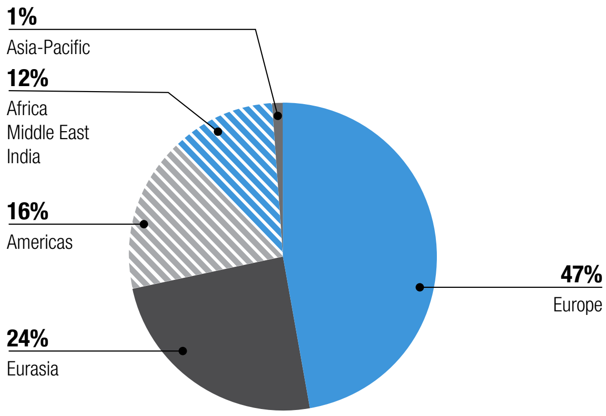




* *The men/women breakdown by age is calculated on the basis of fully consolidated companies (114,811).*

As of December 31, 2014, Renault hired 9,834 people (permanent and fixed-term contracts) from outside the Group to keep pace with the growth in its business in Morocco, Spain and India and in response to the high turnover rate in certain countries such as Romania. In France, as of December 31, 2014, Renault hired 930 people under apprenticeship contracts. This drop in numbers compared with 2013 was due to the downturn in the markets in Brazil, Argentina and Russia and the stabilization of the workforce in the Tangiers plant. Meanwhile, the number of layoffs totaled 1,977.

HIRING BY REGION:



2.4.1.2 CONTROLLED LABOR COSTS

Group labor costs totaled €5,248 million in 2014, of which €5,028 million were in the Automotive branch. They were lower than in 2013 in absolute value (down by €247 million) and in proportion to revenue, going from 13.4% to 12.8% of Group revenue. The 10 major countries (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) accounted for over 90% of the Group's labor costs.

The decline in labor costs in 2014 was due to the revaluation of the euro, control of headcount evolution, implementation of a wage policy aligned with the market and negotiated wherever possible with the labor unions, and the conclusion of multi-year agreements on jobs and wages in Spain (November 2012), France (March 2013), Brazil (July 2014) and Slovenia (September 2014).

LABOR COSTS BY REGION	2014	2013	AVERAGE COST
GROUP	**5,248**	**5,494**	**45.0**
Europe*	3,889	4,084	61.5
o/w France	*3,004*	*3,240*	*67.5*
Eurasia	555	590	20.5
Americas	389	448	35.1
Asia-Pacific	255	221	57.0
Eurasia	160	151	14.8

* *Europe including Renault-Nissan Global Management.*

2.4.1.3 FLEXIBLE WORK ORGANIZATION

In terms of working hours, Renault complies with the legal obligations and collective agreements of the countries where it has operations.

To preserve jobs and adapt to fluctuations in automotive markets, Renault has instituted measures to allow more work-time flexibility. It has sought to find the best possible balance between the Company's interests and the quality of life in the workplace for employees through consultations with employee representatives and labor unions. The measures focus in particular on reorganizing work time, for example, 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 opening period runs from 6:30am to 9pm for workers doing a "normal" 35-hour average workweek during a one-year period. In factories, the principle is two alternating eight-hour shifts and, in the event of spiking demand, a fixed night shift. The teams work in the same way, on average 35 hours per week worked.

In **Spain,** the 2014-2016 labor agreement concluded with the three largest labor unions (UGT, CC.OO and CCP) provides a way to deal with the strong demand for Captur by instituting a voluntary, "anti-stress" team. This gives the Company the possibility of working seven days a week, while ensuring, with the help of the medical services, that there is no interference with employees' biological rhythms.

In **Slovenia,** the agreement concluded on October 30, 2014 with the social partners covering the years 2014, 2015 and 2016 combines fluctuation of activity, adjustment of working time, employment and remuneration.

Renault has also introduced systems locally to achieve a better personal life/work life balance for its employees. In France, the homeworking agreement signed on January 22, 2007, enables employees to work from home between one and four days a week if they wish and if their activity permits. Almost 1,700 employees had participated in this program as of end-2014. In the satisfaction surveys conducted, homeworkers all say that the scheme improves their personal life/work life balance, particularly by reducing their commuting time, and makes them more efficient.

2.4.1.4 DYNAMIC SKILLS MANAGEMENT

In a continually changing industry, remaining competitive requires regularly improving employees' skills and anticipating ones that will be needed to design, manufacturing and sell cars in the future. This is the aim of Renault's dynamic skills management policy, which also gives employees the means at the personal level to upgrade the skills used in their jobs and improve their employability.

In practice, this means that each business line receives support from HR in drawing up a worldwide **assessment** of its skills to establish a global view of medium-term strategic skills requirements, in line with the real situations and priorities of different Renault entities worldwide. This optimum allocation of resources, which is reviewed annually, means that action plans can be prepared and rolled out on a country by country basis.

This assessment specifically aims to identify:

- **"critical" skills** – those which the Company increasingly needs and which must be developed through hiring and training;
- **"sensitive" skills** – those the Company needs less and less and for which plans must be prepared to manage collective and individual retraining and reallocation of resources.

The key drivers of this strategy are:

- **recruitment,** in partnership with schools and colleges;
- **training programs, guidelines for which** are provided by the business line schools;
- **career paths,** which contribute to the development of skills, including internationally, by broadening the range of experiences; Within this context, the strengthening of the Alliance, particularly within joint functions, offers additional opportunities;
- the **expertise network,** which optimizes development and dissemination of knowledge throughout the Company.

THE GPEC IN FRANCE

In France, under the terms of a Skills and Employment Planning (*Gestion Prévisionnelle des Emplois et des Compétences*, GPEC) agreement signed on February 4, 2011, extended by the Social contract for a new growth dynamic and social development of Renault in France of 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 two Employment and Skills Observatories held every year. A summary of these observatories is communicated to all employees of Renault s.a.s.

Drawing on a comprehensive range of tools, the GPEC is a lever for managing the supply of "critical" skills required and the retraining of employees with "sensitive" skills. Since its launch in 2011, over 5,500 employees have signed up for the various initiatives offered by the GPEC: support for the start-up or takeover of a business, a period of external mobility, or dispensation from work activities for employees aged 57 and over who may draw on their retirement pension in the three years following adhesion to the system. Training/retraining programs have been developed to enable employees to change business lines by teaching them skills both more strategic for the Company and more useful in terms of employability. By way of example, training courses leading to an approved Metallurgy qualification were organized in 2014 in relation to manufacturing, *i.e.* "Industrial tool and die maker", "Process maintenance electrician", "Industrial maintenance engineer".

HR offices initially set up in the Paris region were extended to every site in June 2014 to help and advice employees interested in the program. A dedicated intranet site also offers information about GPEC measures, training courses and feedback from employees regarding their careers. French manufacturing sites are also involved in a Territorial Employment and Skills Management measure (*Gestion Territoriale de l'Emploi et des Compétences*, GTEC).

TRAINING

Renault is committed to training all its employees (permanent and fixed-term contracts), regardless of age, rank or position in the Company.

The Group's training courses therefore cover all areas, from courses related specifically to each of the Company's business lines to more individual courses designed for personal development, learning foreign languages, or acquiring cross-functional skills (for management training, see section 2.4.2).

The top priority of the Group's training policy is the development of "critical" skills and retraining for "sensitive" skills. The 12 business line schools responsible for skills development base their worldwide training programs on the dynamic skills management policy. These training priorities are rolled out worldwide, country by country.

For example, Renault is improving its manufacturing management around the world by rolling out a Lean Manufacturing training program. In 2014, 142 managers, plant managers and heads of department received training. Engineering is delivering its Design to Quality and Systems Engineering training sessions in the international technical centers.

In 2014, Renault opened the Road safety school[1], which is responsible for the "Prevention & Protection" function network, protecting and defending the Company's interests. This new school also delivers training on ethical and regulatory matters, "core function" matters and expertise. Note that in 2014, the international traveler awareness-raising program was improved and crisis management training and exercises were developed.

(1) Global Safety covers all prevention and protection measures for the Company's people, material and intangible property against accidental damage/injury and malicious action. It also includes vigilance, crisis management and business continuity measures.

In 2014, the number of training hours of Group employees (permanent and fixed-term contracts) amounted to 2,804,673. The breakdown for the Group's 10 major countries (Automotive branch), representing 90% of the Renault group's workforce, was as follows:

2014: NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES

TRAINING/ COUNTRY	ARGENTINA	BRAZIL	KOREA	SPAIN	FRANCE	INDIA	MOROCCO	ROMANIA	RUSSIA	TURKEY
Total hours 2013	50,828	75,938	25,667	393,096	902,925	183,522	414,795	470,416	152,800	272,090
Total hours 2014	35,229	105,298	32,954	437,307	759,745	222,885	157,535	467,034	81,596	230,087

The overall decline in the number of training hours in 2014, compared with 2013, is due partly to:

- a 3% decrease in the workforce in the 10 major countries between 2013 and 2014;
- a focus on training in critical skills development and retraining for sensitive skills. The system of dynamic skills management enables better targeting of training each year in relation to the Group's needs and the employability of employees;
- a reduction in training hours in Morocco signaling a return to normal following the intensive 2-year training effort in 2012 and 2013 to support site development;

At the same time, in 2014, Renault India doubled its training effort by launching a skills development program, half of which involved immersion courses in various countries (France, Japan, etc.) to acquire the skills required in India.

EXPANDING THE EXPERTISE NETWORK

The expertise network was established at the start of 2010 to capitalize better on the Company's knowledge and know-how with the aim of boosting performance and customer satisfaction.

This network consists of 50 areas of strategic expertise covering all of Renault's main business lines: product design and development, manufacturing, sales, knowledge of customers and markets, economic performance, and support functions.

There are four levels of expertise in the network:

- one expert fellow, appointed by the Chairman of Renault, who sits on Renault's Management Committee. He is tasked with providing input for decisions to be taken by Senior Management that require a high level of technical expertise. The expert fellow also oversees the list of fields of strategic expertise and coordinates the community of lead experts with a view to sharing best practices across the various areas of strategic expertise;
- 37 expert leaders, each reporting to a Vice-President. Lead experts have responsibility for a field of strategic expertise. They are tasked with developing expertise, coordinating the internal network of experts, and building an external network to make this knowledge and know-how available to the Company's operational personnel;
- 148 experts, responsible for secondary fields of expertise. They promote standards, file patent applications, carry out benchmarking, and identify relevant partners;
- 431 consultants, responsible for a specific activity. They improve the state of the art by establishing standards and passing on their expertise to the business lines.

Development of the expertise network over the last four years has succeeded in breaking down barriers between fields of knowledge, better capitalizing on them, and disseminating and communicating them throughout the Group.

2.4.2 ENHANCE QUALITY OF MANAGEMENT, DEVELOP TALENT AND PROMOTE DIVERSITY

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.

After having rolled out its management standard across the entire Group, Renault is now making new tools available in order to root the standard in everyday practices. The Group is proposing a structured and dynamic skills development system for its managers.

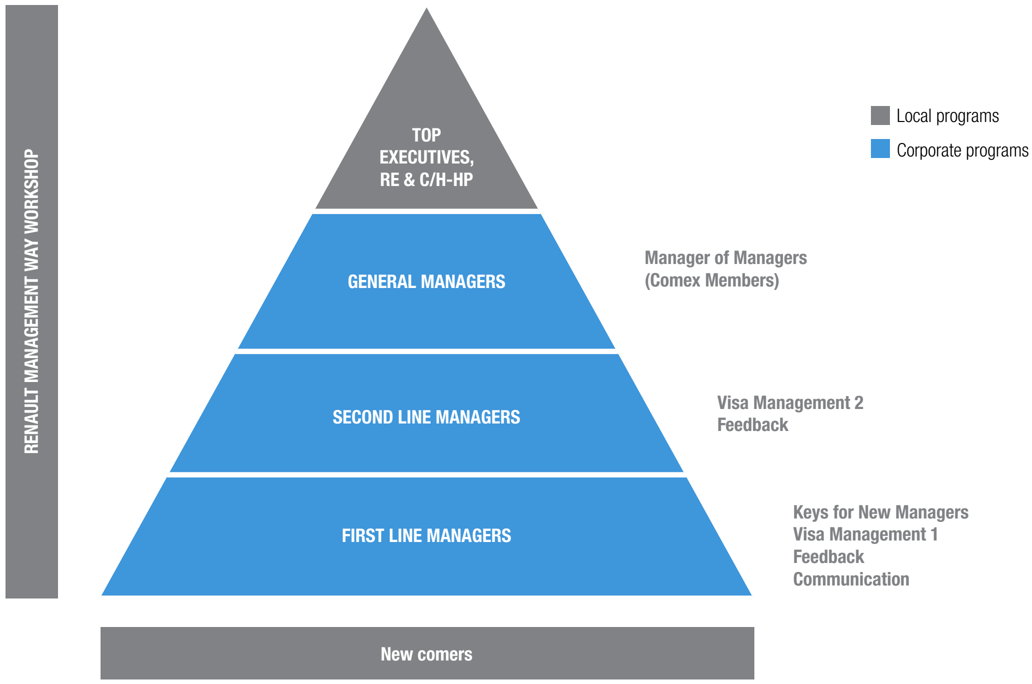
With a talent spotting process shared by all business lines and all Regions, Renault promotes equal opportunities and embraces diversity to pave the way for the Group's future in an increasingly global world.

2.4.2.1 TARGETED SUPPORT FOR MANAGEMENT DEVELOPMENT

Renault continually strives to improve the quality of its management quality.

In 2014, the Group offered new management training programs targeted precisely to the needs at each level of responsibility and designed to ensure the buy-in of all managers to the Renault Management Way (RMW), a set of management standards and code of conduct applicable throughout the Group:

- at the Group level, a one-day Renault Management Way workshop is held for all new managers to explain the management roles and standards expected of them in the Group;
- in each country, management training is conducted and organized according to the level of management responsibility.



In 2014, the figures for management training in the Group's major countries were the following:

COUNTRIES	NUMBER OF MANAGERS TRAINED	% OF MANAGERS TRAINED	NUMBER OF HOURS OF TRAINING
Argentina	253	84%	12,516
Brazil	488	87%	9,320
South Korea	268	72%	1,196
Spain	293	44%	7,194
France	1,832	39%	30,301
Morocco	282	42%	4,378
Romania	814	62%	36,201
Russia	328	83%	4,530
Turkey	144	85%	6,119

To give some examples, the following training was done in these countries in 2014:

- Argentina is offering a new program for Unit Managers and manufacturing Workshop Managers. This two-day program aims to reinforce management practices by working on specific aspects of their responsibility: what does it mean to be a manager today? Identifying problems, what means being close to people? In what context are we working? 158 managers from different industrial entities were trained in 2014. This program will continue to be rolled out by 2016;
- Spain continued to roll out its "Extraordinary Leader" learning and development program for managers, which started in 2013. This training program combines various tools: 360º feedback, face-to-face training, coaching and access to a learning community. An individual development plan can be designed for each manager, based on their strengths. In 2014, the initiative focused on Department managers in the plants and second-line management. Furthermore, support for managers in conducting annual individual appraisal has been put in place. Based on managers' experiences during previous appraisal campaign, HR members have created and implemented a guide called "Individual appraisal campaign: an opportunity to build";
- in Russia, "Management Clubs" have been implemented to allow manufacturing managers to enhance the skills acquired during training sessions. They are held every month, and involve interactive discussion, workshops and case studies. These clubs will be rolled out to all managers in the country. At the same time, emphasis has been placed on the manager's coaching role. Workshops based around this skill have been offered. This program aims to investigate different approaches for motivating teams. Finally, role plays for managers were also initiated in 2014. They aim to improve team management in a changing environment.

In addition to the training programs offered to managers, the Company has introduced new ways to assist them individually and support them over the long term:

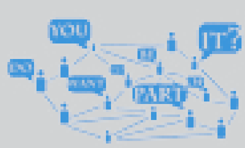
- Internal coaching: besides the coaching provided occasionally by outside suppliers for a necessarily limited number of managers, training and certification of internal coaches (HR or other managers) has been carried out in France and Turkey to strengthen and broaden the capacity to assist of the Company's managers. About ten missions were implemented in France in 2014 and 119 short missions have been conducted in Turkey since 2010;
- Mentoring for first-time managers: to assist young managers, a mentoring program was set up in France in 2013 for employees who are taking on the responsibility of managing a team for the first time. In this program, offered in addition to the training course already designed for these individuals, new managers benefit from personal support over several months from an experienced manager with whom they can discuss their questions, ideas and experiences;
- The RMW Community: the first Renault group managers' network. In 2014, the RMW Community was opened up to all Group managers worldwide on the My Declic internal social network.

  With more than 10,000 members, the RMW Community offers managers a new French or English post every week, which may take the form of a short text or a video that is just a few minutes long. Accessible on an interactive platform, the RMW Community enables managers in all countries and across all functions to develop their thoughts on management.

RMW COMMUNITY

THE FIRST MANAGER'S NETWORK OF RENAULT GROUP

For whom?	What for?	How to contribute?
The community is dedicated to **hierarchical managers,** which is more than **10 000 people** all over the world. All managers are members by default, you just have to follow the link in the weekly email. **This area is yours.**	**Confront RMW sprit** and its values to the outside world. **Offer one news a week** to help you being a more efficient manager in an international company, in no more than 15 minutes. **Create a direct contact** with all your fellow managers. **TRENDS /** new trends impacting us **BUSINESS STORIES /** benchmark within easy reach **LEADER'S WORDS /** inspiring people **MANAGER'S WORKSHOP /** education and information tools	**Comment posts to** ■ Make a clarification ■ Initiate a discussion ■ Share your questions ■ Confide your experience ■ Ask for other managers' opinion **In the news feed** ■ Share a news or a link to an article or a video ■ Offer themes of discussion or topics to talk about



CONNECT NOW! mycommunities.sharepoint.renault.fr/communities/renault-management-way/

- RMW 360 Feedback: available since 2014 on the Talent@Renault platform and in seven languages, this tool enables managers to get feedbacks of, how their managerial practices and behaviors are perceived by their environment (manager, peers, employees). Based on the RMW referential, it defines consistently roles and rules. This means that individual managers can identify their strengths as well as areas where there is room for improvement. They are then invited to consolidate their findings in a personalized action plan built jointly with their line manager.

  RMW 360 Feedback has the two-fold benefit of delivering both an individual management quality assessment and a collective snapshot of a given area by consolidating individual results for the same area.

  RMW 360 Feedback makes it possible to measure quality of management at different levels of the organization. It will replace the Renault Management Way index, measured up until 2013 as part of the annual survey on employee involvement.

All these programs and tools have the Renault Management Way label, certifying that they meet Renault's management standards.

2.4.2.2 PREPARE TOMORROW'S LEADERS

The policies for talent development defined in 2012 have evolved to adapt to the Group's international expansion:

- the application everywhere in the world of explicit and consistently defined selection criteria for identifying individuals with high potential at three levels. To encourage diversity, the criteria of age and fluency in French have been dropped;
- decentralization of the process of talent detection (for the three levels) and validation (for two levels). The countries and regions are responsible for identifying high-potential employees and candidates for key positions.

RENAULT LEADERSHIP ASSESSMENT

Another means used to detect talents 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 selected in accordance with the Renault Management Way standard. Carried out with the assistance of a specialized consulting firm, the RLA is a decision-support tool for the career planning committees that validate the selection of talented individuals at Renault. It reinforces objectivity and fairness in the assessment of employees with potential. Over 500 people have undergone the RLA since it was introduced in 2012. The results of the RLA are shared with the assessed employees, and an individual development plan is drawn up based on them.

The RLA is also used for collective analyses to adjust our priorities and our development tools. These development plans can combine several elements:

- complete educational programs like those of business schools;
- training to strengthen specific skills, in terms of both knowledge (finance, international negotiations, etc.) and know-how (*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 business lines in the Company, management through innovation, peer relations, etc.);
- learning situations, through a change of function or participation in work groups or cross-function teams;
- international assignment with higher level of responsibility.

OPENNESS TO MULTICULTURAL PARTNERSHIPS

These development plans also include multicultural partnerships, particularly in the Alliance with Nissan.

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 the implementation of synergies and best practices in the Alliance. In addition to those on temporary assignment, 98 employees of Renault and Nissan were working at the partner Company in 2014. Most of these exchanges involve high-potential individuals, so that tomorrow's global leaders gain more international experience, and experts, so that critical skills are shared and developed in the Alliance. These exchanges of experts are managed at the regional level.

Along with 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 and AVTOVAZ) are also reinforcing an international outlook and the capacity to work productively together.

2.4.2.3 PROMOTING DIVERSITY

Our commitment to diversity is a competitive advantage that helps us to better meet the expectations of our customers around the world, in particular during a period where the so-called emerging markets have become the drivers of the economy.

CARLOS GHOSN, CHAIRMAN AND CEO OF THE RENAULT-NISSAN ALLIANCE

Renault wants to benefit from the cultural diversity and wealth of experience of all its component parts. Diversity is a key driver of employee performance, motivation and commitment. Diversity is a decisive competitive advantage: the varied educational backgrounds, talents and career paths of the personnel are sources of innovation. The Company will understand and best meet its customers' expectations by reflecting the many aspects of the 125 countries in which it sells vehicles.

Following a diversity appraisal conducted within the Group in 2010 by an independent organization, four priority areas for action were identified: gender diversity, cultural diversity, employment of the disabled, and age diversity. In 2014, Renault continued the discussion launched in 2012 on the topic of LGBT (lesbian, gay, bisexual, transgender) employees by means of a working group in link with Senior Management.

This 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."

WOMEN@RENAULT, A COMPREHENSIVE PLAN FOR GENDER DIVERSITY WITHIN THE COMPANY

In early 2010, Renault launched Women@Renault, a comprehensive plan for improving the representation of women at all levels of the Company. This plan is led by two corporate governance bodies: W5, which steers the plan, and W20, which combines all Renault functions, and defines and monitors the action plans. This system is based on two complementary aspects: a Human Resources plan and a social network.

The first aspect, Human Resources, involves talent management (recruitment, training, career management) and Renault has set quantifiable targets for the plan:

- recruit women for 30% of technical positions and 50% of sales positions;
- increase the percentage of women in the key positions in the Group to 25% by 2016;
- propose at least one woman in succession plans for key positions in the Group.

At the end of 2014, women accounted for 18.4% of the workforce (compared with 17.6% in 2013). The representation of women is measured at all levels in the Company: 18.3% of white collar managers, 22% of the key positions in the Group (about 2,000 positions), 16.7% of the top 150 positions (compared with 16% in 2013) and 18.2% of the Group Executive Committee – a particularly high proportion in the automotive sector. Four of the nineteen directors on the Renault Board of Directors are women.

The representation of women is also being improved by means of specific mentoring and training schemes, enabling women to fully express their potential and leadership skills.

Renault is also attentive to the issue of gender equality and of promoting a work/life balance for everyone. In France, there have been several advances:

- annual statistical analyzes highlight average gender equality;
- a specific budget has been set up to ensure that the Company agreement on pay for women on maternity leave is applied;
- in 2012, an agreement on gender equality in the workplace was signed allowing, for example, the ongoing deployment of homeworking and recognition of the diversity of family situations in the HR policies (marriage, civil partnership (PACS), blended families, etc.).

Other measures have been implemented in various countries closely reflecting local concerns, with the creation of nursery in France and Brazil and breastfeeding rooms in Argentina and Spain.

The second aspect of the Women@Renault plan is based on an internal social network where men and women discuss the progress of the equality initiative and analyze best practices in terms of training and career management. It currently has 4,500 members in 12 countries, including 15% men.

The network organizes, both centrally and in the countries, events and initiatives to promote gender equality and to encourage women to adopt the networking reflex in order to boost their career progression with help of the development of an effective community. Discussions take place on a web platform comprising a website, a blog and ideas forums. It is the largest internal social network hosted by an automotive manufacturer.

In 2014, two Women@Renault conferences were addressed by well-known personalities from outside the Group as well as by female Renault employees, on the subject of “So where do men fit into the equation? Actors and beneficiaries of gender equality in the workplace” and “Women and media”.

Numerous initiatives to promote gender equality are conducted on a global or local level to change the workplace environment or mindset:

Renault and the *Aicha des Gazelles Rally*: one of a kind and casting a new light on motor sports, this is the only 100% female off-road rally, based on sense of direction and driving skills, requiring fast reactions and a high level of focus. The rally is a means of putting shared values of pushing oneself to the limit and team spirit into practice on the ground. It has become a real driver of employee motivation which brings together and inspires many women within the Group, who are proud to represent their Company and its products. Held for the fourth time in 2014, six teams of five nationalities took part.

Renault’s commitment to encouraging schoolgirls and female students to follow careers in the sciences and to promote automotive industry occupations, is ongoing. In France, Renault is working with the “Elles bougent” association that aims to develop awareness on engineering and technician professions. The goal of these women mentors, which include Renault employee volunteers (more than 60), is to create a dialog with these young women and encourage them to consider careers in the sciences. In 2014, an “Elles bougent” meeting was held at the Paris Motor Show: on October 9, a hundred or so schoolgirls, trainee female engineers or university students were sponsored by the “Elles bougent” association to attend the Paris Motor Show.

In 2014, Renault Spain obtained the equality label in recognition of several years of work and awareness-raising on gender equality. It was also awarded the commitment and innovation in equality and diversity prize, which is awarded to companies which promote female leadership.

BETTER REFLECT CUSTOMER DIVERSITY IN RENAULT TEAMS

The diversity of in-house talent should reflect the diversity of the markets in which Renault operates. This is essential to the performance of a global group. In response to the wide range of needs expressed by customers across 125 countries, Renault incorporates this diversity within the Company. The promotion of cultural diversity is therefore a key driving force behind the Group’s whole HR policy. Within the context of its international development, Renault is widening the cultural diversity of employees in key positions. From this perspective, Renault defines its “international profiles” as “non-French national managers, managers who have worked abroad for at least 12 months, or who have obtained a degree abroad”. “Renault aims to have 40% of its key positions filled by international profiles by 2016.” This percentage was 35% at end-2014.

INTEGRATE THE DISABLED INTO THE WORKFORCE

In 2014, Renault continued its initiatives to promote integration, job retention and support for people with disabilities. There are four aspects of this policy:

- integration: the level of employment of disabled people in the Group increased from 3.57% in 2013 to 3.98% in 2014 (scope: 94% of the workforce). Renault s.a.s. is particularly committed to supporting the integration of young people with disabilities through work/study contracts or internships and through partnerships with non-profit organizations promoting workplace integration;
- workstation adjustments (*e.g.* installation of lifting tables and pallet turning devices) to ensure the employability of the disabled people;
- access to workstations and company facilities (parking spaces, access ramps, etc.);
- prevention, awareness-raising and training: various initiatives are organized internally, particularly to develop managers and employees’ understanding of the issues. For example, the training module “managing a disabled employee” aimed at the manufacturing and tertiary sites was added to the training library two years ago.

In France, Renault signed a sixth agreement with all labor unions concerning employment of the disabled on July 8, 2013. The Company thereby reaffirmed its commitments in this area and opened new prospects for progress, including greater reliance on the protected sector and more recruiting of disabled youths on work/study contracts.

In July 2012, Renault launched an internal social network Handi@Renault Tech, to support the inter-managerial action plan developed jointly by HR and CSR, and steered by the H6 Governance Committee. This network, which has 1,000 members today (both able-bodied and disabled), provides a discussion forum where employees can report difficulties they encounter and share best practices. With Renault tech, Renault is the only manufacturer with a dedicated vehicle adaptation subsidiary. The Handi@Renault plan has led to several partnerships, notably with the French sports federation for the disabled.

En 2014, Handi@Renault organized an event to help change attitudes towards the disabled. This involved the projection, across all Île-de-France establishments and at the Grand-Couronne plant, of a documentary on disability entitled "Guillaume au pays des merveilles". In addition, within the context of the launch of "1001DIFFERENCES@CLEON", a local network to improve the recognition of diversity as a whole, the Cléon plant organized a managerial forum and convention to raise awareness on disability, with the participation of Marie-Amélie Le Fur, a medal-winning paralympic athlete being sponsored by Renault in the run-up to the 2016 games in Rio. The plant also opened its doors to disabled people from the Canteleu day center and the Montvilliers vocational center for the rehabilitation of disabled workers (ESAT) to enable them to discover the world of industry. Renault also works with the Arpejeh association to support disabled youngsters from junior high through college.

Other initiatives are being taken locally. For example, Renault Do Brasil is offering signing lessons to managers and volunteer employees. Renault Spain has signed contracts for goods and services (work clothes, office supplies, gardening) with several centers that employ the disabled.

PROMOTE TALENT AT ALL AGES

Renault is committed to developing talents at all ages, particularly by supporting young people's integration into the workplace and capitalizing on the experience of seniors.

Renault pursues an active policy in relation to young people, college and their entry into the working life. The Group 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.

In 2014, Renault was particularly active in France, whether in relation to employment, relationships with schools or patronage:

- as of the end of 2014, more than 2,200 young people had work-study contracts with Renault (including 280 professional training contracts and about one hundred "CIFRE" [training through research] contracts). In addition, the Company provided internships to about 1,400 young people over the course of the year. Job forums with outside companies and CV workshops have been organized to facilitate job searches for interns and apprentices;
- in February, Renault renewed its commitment, alongside the government, to the inclusion of 800 unqualified young people for three years. Specifically, young people who are encountering difficulties in finding work, selected and identified by local initiatives and the job center, are taken on for around two years by a Group plant (Cléon, Douai, Flins, Grand-Couronne, Sofrastock and Maubeuge). Since it was first signed in 1992, this agreement has benefited 3,850 young people, most of whom have obtained a diploma and a job;
- as part of its higher education outreach policy, Renault has paid an apprenticeship tax to over 300 higher education establishments and authorized bodies;
- since 2006, Renault has been organizing, in partnership with the education sector and other companies, the "Course In progress" (see chapter 2.5.1.3); the Group is also involved in sponsorship and partnership activities (see chapter 2.8.1.3).

On December 19, 2013, Renault s.a.s. signed an agreement to promote the employment of young people and seniors and to develop solidarity between generations, which specifies, in particular, that 30% of employment under permanent contracts is to be reserved for young people and 10% for former holders of work/study contracts. Likewise, with regard to seniors, the agreement commits Renault to reserving 2% of permanent hires for those aged 50 and over.

2.4.3 SUPPORT EMPLOYEE INVOLVEMENT

In September 2013, Renault had a survey of all the Group's employees conducted to assess their degree of involvement. As in previous years, the survey was carried out by an independent firm[1]. Key indicators are monitored, and Renault's results are compared with the average of those of other companies in the tracking group ("the global standard"). The response rate was very high with a participation rate of 88% of total employees. The survey focused on two key indicators: involvement and enablement (*i.e.* the conditions to enable employees to succeed).

The involvement level reflects the Group's capacity to make employees want to give the best of themselves. A total of 72% of responses were positive. While this indicator has declined for all companies in the tracking group owing to the prevailing economic uncertainty, Renault's one is stable compared with 2010 (the last survey conducted on the same scope) and six points higher than the global standard. The key factors of involvement remain solid:

- pride in working for the Group: 80%, or three percentage points higher than the global standard;
- motivation to do more than what is asked in one's job to contribute to Renault's success: 81%, or 13 percentage points higher than the global standard.

(1) Hay Group is an independent firm that conducts the same survey at many major multinational companies.

The second indicator, enablement, refers to Renault's capacity to create the conditions that will allow employees to do their job as well as possible. This indicator remains stable, compared with 2010, and is at the level of the global standard, *i.e.* 66%. In addition, 66% of employees believe that there are no major obstacles within their team to prevent them from successfully doing their work. This is nine percentage points higher than the global standard.

Action plans based on the results of 2013 survey will be implemented at the global and local levels to bolster employee involvement.

The employee questionnaire will be conducted every year going forward. The results of the 2014 questionnaire are not yet available as of the publication date of this Registration document.

2.4.3.1 IMPROVE THE WORK ENVIRONMENT

An occupational accident prevention, health, safety and work environment policy arose from the commitments made with the signing of the Declaration of Employees' Fundamental Rights in 2004, which were reinforced by the international framework agreement of July 2, 2013 on corporate social responsibility. The policy applies to the employees of the Group's brands – Renault, Dacia and Renault Samsung Motors – around the world. Based on risk prevention, this policy is aimed at ensuring the employee safety, preserving their physical and mental health, and providing them with a motivating work environment.

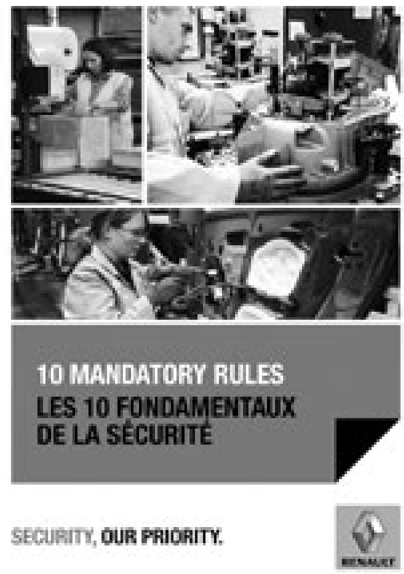
AN IMPROVED MANAGEMENT SYSTEM

2014 marked a major commitment of the Company to improve Health and Safety at work, with an ambitious objective as part of the Group's strategic Drive the Change objectives: provide a health and safety environment at benchmark level. The aim is to divide the number of accidents reported in 2013 by three by 2017 so that the rate of accidents requiring external care (F1) is less than 2. An action plan was approved and is being monitored by the Renault group Executive Committee. An HSE director was appointed in May 2014. This commitment is reflected in four areas of work to improve the current management system:

- deployment of "Management fundamentals" and safety rules applicable across the Group;
- training of all managers in risk prevention and in particular, in risk analysis based on a method deployed throughout the Group to improve the prevention of risks in manufacturing and repair shops;
- creation of safety and ergonomics engineers' clubs by Region to improve network skills and drive forward the initiative;
- updating the health and safety management system by incorporating OHSAS 14001 is in the process of being drafted. An information system will be introduced to support the new management system with a standardized international document and reporting system. The new system is due to be introduced in 2015 and 2016.

Finally, in order to measure progress and build on the momentum gained in 2014, the Group has identified ambitious objectives for 2015 and 2016, that will be monitored at all levels: corporate, Regions, Divisions and Sites.

Improvements to our management system and the roll-out of our action plan in Manufacturing in particular yielded significant results in 2014 and the number of accidents was reduced by almost one third.



DEEPLY ROOTED CORPORATE PROCESSES

Renault continues to draw on deeply rooted policies: a management system is applied in all countries and across all sites and functions. Additional factors include the commitment of management, awareness-raising, and continuous training of managers in risk prevention and the commitment of social partners.

Renault has an international network of specialists in health, safety and working conditions. The members of these networks – engineers, technicians, ergonomics consultants, doctors, nurses, social workers, and heads of the disabled taskforce – receive regular training to expand their fields of expertise and cover the Company's new challenges. Regular medical check-ups allow for preventive action, early screening of disorders, and continuous medical follow-up of employees. Renault also organizes information and training campaigns on topics such as stress, ergonomics, personal health and even healthy eating.

Regarding the prevention of psychosocial risks and work-related stress, a training course to identify people in difficulty and to improve quality of life in the workplace was introduced in 2012. This complements the system already in place, consisting of:

- listening and support from medical teams (doctors, nurses and psychologists);
- the possibility for employees to take a voluntary, individual pre-diagnostic test performed by the stress, anxiety and depression observation unit (OMSAD) set up in 1998. At the end of 2014, more than 96,403 tests had been carried out as part of medical check-ups.

Renault has developed an ergonomic analysis method to assess its workstations. Used in all Renault manufacturing plants worldwide, the method has now been extended to other companies. Supervisors can use it to help them better analyze risks and improve working conditions on an ongoing basis. A monthly reporting system tracks changes in workstation geography, classified according to ergonomic constraints, across all the Group's industrial plants. It enables the most challenging workstations to be identified, including during design (vehicle projects), so that numbers can be reduced. Furthermore, new tools introduced in 2009 have optimized the processes used to match workstations to employees, particularly for staff of restricted capacity. A standardized employability initiative and regulated individual files are used by managers and medical staff to transfer persons suffering from restrictions to more suitable jobs.

To measure implementation of the occupational health, safety and working environment policy, assessments or audits based on a standard are carried out in Group entities by internal experts and an outside body. This standard is established by Renault and approved by Socotec, an international organization specialized in health and safety. If conditions are met, then "Management System for Safety and Working Conditions" accreditation (SMSSCT) is awarded for a renewable three-year period. It can be withdrawn in the event of a serious anomaly. A full 98% of industrial, engineering and office sites are now certified. Since the initiative was launched in 2005, 76% of sales sites in France have been certified.

A NEW GLOBAL FRAMEWORK TO ENSURE LONG-TERM CONVERGENCE BETWEEN GROUP PERFORMANCE AND EMPLOYEE DEVELOPMENT

A new global framework for the workplace environment was established in 2012. It aims to make Renault a place where quality of life in the workplace is recognized by employees around the world and contributes to the Company's global, long-term performance.

This general framework is based on four key areas:

- workplace environment and workspaces: access to premises, travel, collaborative tools, location;
- work/life balance: homeworking, meetings, employee services;
- management and commitment: participative management, acknowledgment, team spirit;
- health and well-being: intercultural exchanges, belonging to the Group, atmosphere.

Each country has undertaken concrete actions to improve workplace conditions. The quality and diversity of the initiatives launched at a number of plants in Slovenia, Brazil and Colombia in 2014, were particularly impressive. They included health training for both employees and families, developing services for personnel, providing on-site sports facilities and organizing tournaments, holding regular social events and encouraging dialog, and even physical exercise sessions at the start of factory shifts. In France, various initiatives aim to encourage dialog in order to settle day-to-day manufacturing unit issues (table of issues). A calm space where employees can rest was created and opened at Group Head Office in September 2014. Service sites in the Paris region now hold highly successful foulées de l'établissement on an annual basis, bringing together small teams of walkers and runners. Open days, similar to a kid's day held at the Head office in September 2014, aim to give close relatives and friends a better understanding of employees' working environments.

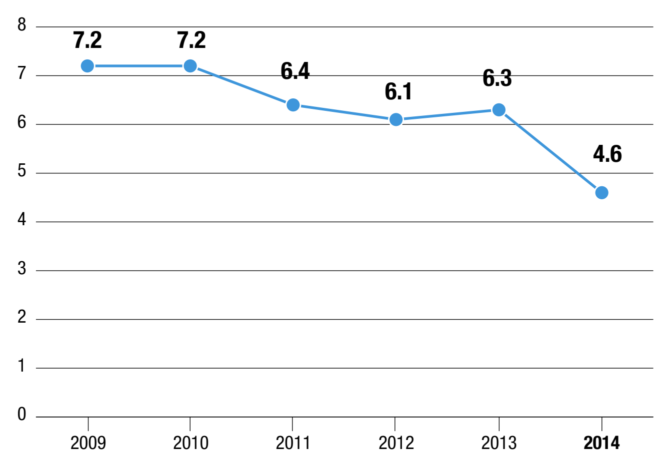
OCCUPATIONAL ACCIDENT TRENDS

Occupational accidents are all accidents occurring during and at the place of work.

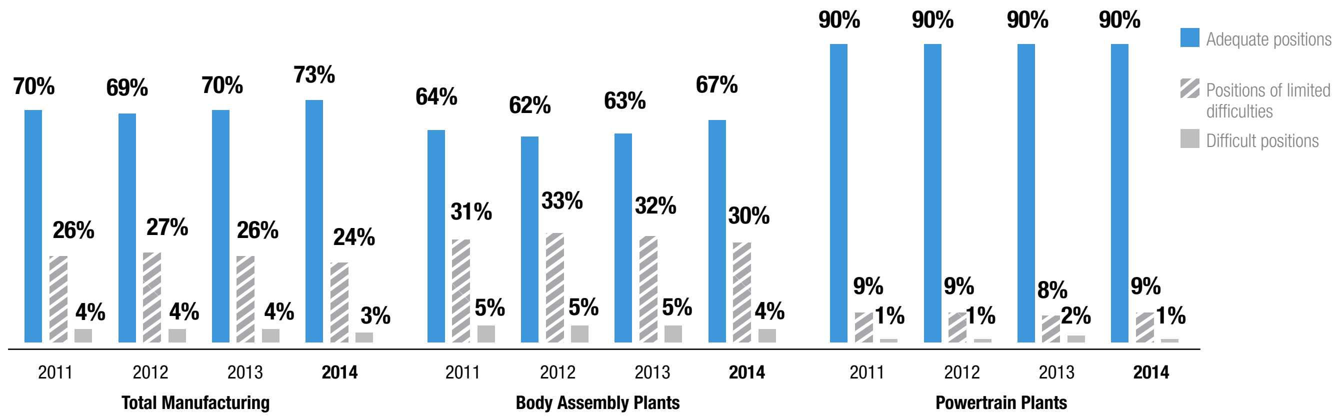
The action plan implemented this year yielded very significant results, particularly for industrial sites, with a large drop in the number of accidents:

- the F1 rate (number of occupational accidents requiring treatment off-site per million hours worked) was 4.6 at end-2014, compared with 6.3 at end-2013, for a decrease of 28%;
- the F2 rate (number of occupational accidents with lost time per million hours worked) which had remained stable for ten years, was 2.6 as of year-end 2014, compared with 3.4 as of year-end 2013, for a decrease of 23%;
- the G rate – the index measuring the severity of occupational accidents - was 0.15 as of the end of 2014, compared with 0.17 as of the end of 2013, a decrease of 12% after having remained stable over the previous four financial years. This rate is the number of calendar days lost due to occupational incapacity divided by the number of hours of exposure to risk multiplied by one thousand.

CHANGE IN F1 FREQUENCY RATE – RENAULT GROUP (PER MILLION HOURS WORKED)



IMPROVEMENT IN WORKSTATION ERGONOMY: ERGONOMIC RATING OF WORKSTATIONS IN MANUFACTURING



All manufacturing workstations are assessed using a simplified ergonomic sheet which analyses their physical and cognitive challenges. The workstations are then classified according to the assessment result:

- satisfactory workstation: the workstation meets the target, *i.e.* it has a challenge level acceptable for women and men aged over 45;
- challenging workstation: workstation is acceptable for young men, but actions need to be taken to ensure that it can be used by more employees;
- difficult workstation: very challenging workstation to which improvements must be made and/or for which organizational measures are in place, such as workstation rotation.

Changes in the ergonomic rating of workstations show a continued drop in the number of ergonomically challenging workstations as a result of measures taken at the design stage of the manufacturing process and ongoing improvements suggested by ergonomists.

ROAD ACCIDENT RISK MANAGEMENT

	CARS		TWO WHEELERS		PEDESTRIANS		PUBLIC TRANSPORT	
	2013	2014	2013	2014	2013	2014	2013	2014
Breakdown of lost time - commuting accidents	41%	39%	30%	34%	24%	22%	5%	5%
Breakdown of lost time - days	24%	35%	48%	45%	26%	18%	2%	2%

The number of commuting accidents was 235 in 2014, compared with 295 in 2013, *i.e.* a drop of 25%.

A breakdown of commuting accidents shows that the majority of accidents still involve cars or two-wheelers. This is why Renault is continuing and intensifying its prevention policy in respect of these types of accidents.

OCCUPATIONAL ILLNESSES

"Occupational illnesses" are pathologies caused by work. These illnesses do not always entail a medical leave of absence.

For the Renault group, the rate of reported occupational illnesses per one thousand employees decreased from 5.24 in 2013 to 4.44 at the end of 2014.

	EUROPE	AFRICA-MIDDLE EAST-INDIA	EURASIA	ASIA-PACIFIC	AMERICA
2014	5.99	N/C	0.73	6.36	6.77

Reported occupational illnesses expressed in K per 1,000 employees.

No occupational illnesses were reported in Africa-Middle East-India or certain Eurasian countries in 2014. One notable factor in this result is the lack of statistics for occupational illnesses related to musculo-skeletal disorders in the countries of this Region.

ABSENTEEISM RATE

The absenteeism rate for the Renault group (the coverage of this indicator represents 99% of Group workforce) is 2.97%.

Compared with the 2013 level of 2.91%, the absenteeism rate remaines stable at Group level.

2014	EUROPE	AFRICA-MIDDLE EAST-INDIA	EURASIA	ASIA-PACIFIC	AMERICAS
Absenteeism rate	3.41	3.52	2.17	0.95	2.48
Scope coverage	99%	100%	99%	99%	99%

The absenteeism rate is expressed as a percentage and is calculated on the basis of the average monthly workforce (permanent + fixed-term contracts) and a yearly theoretical number of workdays.

The number of days of absence is expressed in working days, excluding short-time working, layoffs, strikes, holidays (including maternity leave). *An explanation of the calculation method is available in the Methodological note.*

2.4.3.2 ASSESSMENT, DEVELOPMENT AND REMUNERATION

The two-fold objective of making performance appraisal, career development and remuneration fairer and more competitive was ongoing. Talent@Renault is an all-inclusive technique combining these three aspects (assess, develop, remunerate), which was first implemented in late 2012 with the deployment of a single tool for use by managers, staff (white collar), and the HR function. At the end of 2014, this tool had been introduced in 27 countries (16 in 2013). Its deployment will be finalized in 2015 to cover the entire Group.

Performance is assessed through the annual performance and development review, which is based on three principles - team spirit, common criteria, and dialog.

Job performance is assessed according to specific criteria that are identical throughout the entire Group. 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. The assessment is based on a one-to-one discussion between manager and employee during the annual performance review. The performance and development 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 meeting is also when employees formalize their training requests and discuss their career outlook with their manager. If results fall short of expectations, a program of improvement is implemented by the manager and employee to give fresh impetus to individual performance.

Talent@Renault also provides a way to share policies and practices in **employee development,** 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 more closely managing the succession plans for the key positions in the Company.

The remuneration of white collar staff is based on:

- **the level of responsibility –** positions have been assessed to define their level of responsibility according to the Hay Group international standard. This assessment makes it possible to draw up a complete internal map of positions across the various business lines and Regions, thereby guaranteeing greater transparency and global equality for career paths. Another advantage is that Renault can compare its pay scales with the market to better manage competitiveness and the attractiveness of the remuneration policy. The fixed and variable remuneration system is now determined on the basis of this job classification. At end-2013, this job assessment method had been introduced in nine Group countries (covering the main Group entities in each country). Its deployment continued in 27 countries in 2014. 2015 will focus on finalizing deployment;
- **work performance,** or the capacity to hold the position, 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 remuneration is based on the individual's contribution to the Company, independent of any other factor.

The variable share of the remuneration of managers and executives is calculated according to the following principles:

- the higher the level of responsibility, the higher the percentage of variable remuneration;
- the higher the level of responsibility, the higher the percentage of collective targets;
- payment of variable remuneration is determined by achievement of two shared targets at Group level;
- variable remuneration is based on collective targets as well as the assessment of individual performance.

Two systems were 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 remuneration of senior executives is discussed in section 3.3.

EMPLOYEE PROFIT-SHARING

Renault has an incentive scheme that includes the redistribution of Group profits as well as bonus payments for contributions to sites performance.

2012-2013

An agreement, which came into force on January 1, 2011, was applied over this period and was calculated on the basis of two indicators: the Group's free cash flow, as well as its operating margin.

2014

A new agreement for 2014-2016 was signed on February 17, 2014. As before, this agreement is in two parts:

- profit-sharing linked to the Group's operating margin;
- local incentive schemes based on site performance.

Over the past three years, incentive and performance-related bonuses at Renault s.a.s. have totaled the following amounts:

YEAR	AGGREGATE AMOUNT: INCENTIVE AND PERFORMANCE-RELATED BONUSES (€ million)
2012	66.32
2013	74.65
2014	**109.4**

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 five employee savings funds (FCPE) invested in accordance with Socially Responsible Investment (SRI) standards and endorsed by the labor union assessment body *Comité Intersyndical de l'Épargne Salariale*, and three profit-sharing 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 five savings funds and the Renault share throughout the year.

In 2014 total payments into Renault's savings scheme amounted to €16.6 million (up 60%, compared with 2013), of which 98% in the form of bonus transfers. The total value of the company savings plan at December 31, 2014, was €602 million.

In 2011 Renault put in place a group retirement 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 bonuses, voluntary payments or part of their individual time savings leave (up to 10 days per year) into the plan. In addition, Renault will contribute the equivalent of 25% of the flex days paid into the plan.

Employees can choose between ordinary management of their savings through the funds made available as part of the Group savings plan (with the exception of the stock ownership funds) or life-cycle management through the generational funds in the Natixis Horizon Retraite range.

In 2014, total payments into Renault's collective retirement plan amounted to €13 million, of which 63% came from the cash-out of paid leave. The total value of Renault's PERCO at December 31, 2014, was €41.5 million (see data in note 2.8.1 of the notes to the financial statements).

COLLABORATIVE INNOVATION

Involving all personnel in a process of collaborative innovation has been part of Renault's corporate culture for more than 20 years, through the organization and promotion of "practical suggestions for improvement" (PSI). Supporting employee creativity continues to be one of the Company's main concerns, both because their knowledge of their working environment means that they are in the best position to suggest improvements and because of the direct link between employee creativity and motivation.

In 2014, Renault s.a.s. decided to renew and reform its participative innovation management. This new system encourages the generation of ideas resulting in quantifiable savings and is complemented by the implementation of a quality control team.

2.4.4 SOCIAL DIALOG

In 2014, the social dialog within the Group received particular attention and reflects the Group's aim to prioritize negotiation in order to meet the contemporary challenges: by combining corporate competitiveness with social cohesion, whilst still taking into consideration diverse expectations and highly contrasting local economic environments.

2.4.4.1 ENCOURAGE SOCIAL DIALOG AT ALL LEVELS

The Renault group is careful to ensure that employees are represented across all Group entities by elected employees from representative entities or labor union members.

The Renault group has a firm commitment to respect the right of freedom of association, in terms of the freedom to join and hold office in a labor union, in accordance with the principles laid down by International Labor Organization Freedom of Association and Protection of the Right to Organize Convention No. 87 of 1948.

The Renault group is also committed to respecting the terms of the International Labour Organization Right to Organize and Collective Bargaining Convention No. 98.

2.4.4.2 A SOCIAL DIALOG ACROSS FIVE CONTINENTS

The Renault Group Works Council (*Comité de groupe Renault,* CGR), which celebrated its twentieth anniversary in 2013, is the preferred forum for dialog between management and employee representatives from across the entire Renault group. It is made up of 40 representatives from 20 countries: 34 representatives from Renault's majority-owned subsidiaries in the European Union, and six observers from the rest of the world (Brazil, Argentina, South Korea, Turkey, Russia and Morocco).

This dialog takes the form of regular meetings, including both, the Restricted Committee meetings and annual plenary session. It enables to anticipate and support significant developments at Group level.

In 2014, the Renault Group Works Council held a plenary session which lasted for three days, during which members of Senior Management, including the Chairman, discussed Group's strategy. This plenary session was also marked by inter-country discussions, which were held by Council members for the very first time, about best practices implemented across all the countries represented on the Renault Group Works Council.

The plenary session was followed, in accordance with the global framework agreement, by a two-day follow-up meeting, prepared with the signatories, during which the practical means of monitoring the agreement were discussed, especially procedures for providing employees with information on a worldwide basis, conditions for local social dialog and mutually agreed monitoring indicators, in line with ISO 26000 and the G4 Global Reporting Index.

In 2014, the Works Council Restricted committee met fifteen times. The members visited the Sandouville site for the launch of the new Trafic, the Global Technical Center for Manufacturing in Flins for discussions about skills development and the Fresnes site for the launch of the Care sales and marketing program. A Learning session was held in Brazil, at the Curitiba and Sao Paolo sites, to increase the Group Work Council's understanding, in the field, of the industrial, sales and social challenges being faced as well as Renault's social issues in Brazil.

Lastly, the Work's Council Restricted committee members were informed in March of the introduction of joint management, with Nissan, of areas of convergence identified within the Engineering, Manufacturing and Logistics, Purchasing and Human Resources functions.

GLOBAL FRAMEWORK AGREEMENT

"Committing together for sustainable growth and development".

On July 2, 2013, Renault, the Renault Group Works Council and IndustriALL Global Union signed a global agreement on corporate social responsibility - "Committing together for sustainable growth and development."

This agreement is grounded in Renault's identity and strategy, as well as in its humanist values.

As a result of a responsible social dialog on an international level, this agreement is part of the ongoing Declaration of Employees' Fundamental Rights signed in October 2004, that is enriched and modernized in response to new economic demands.

By this agreement, the signatories (Renault, the Renault Group Works Council and representatives from the IndustriALL Global Union, a federation representing metallurgy workers worldwide) jointly commit to five key areas for action:

- respect for fundamental social rights: the agreement renews and strengthens commitments made with the Declaration in October 2004;
- social responsibility to employees – expressed through social dialog, health and safety policies, employment and skills management, remuneration and social protection, and the promotion of diversity;
- social responsibility where the Renault group has operations – including support for educational projects, helping young people to begin working in the automotive industry, and promoting road safety;
- relations with suppliers and subcontractors – their respect for fundamental rights becomes a decisive criterion in their selection;
- reduction of the environmental footprint – reconciling the Renault group's offerings of products and services with environmental protection, and strengthening environmental management throughout the Company.

Furthermore, a policy for prevention, health, safety and the work environment arose from the commitments made with the signing of the Declaration of Employees' Fundamental Rights in 2004, which were reinforced by the global framework agreement on social, societal and environmental responsibility. Based on risk prevention, this policy is aimed at ensuring the safety of the personnel, preserving their physical and mental health, and providing them with a motivating work environment.

This agreement is applicable everywhere in the world, in all companies in which Renault s.a.s. owns, either directly or indirectly, more than one-half of the capital.

In 2014, a new milestone was reached in the application of this agreement with the definition, in association with industry experts and signatory social partners, of sixty indicators which can be monitored in key countries as well as at a global level.

In this sense, the global framework agreement is a frame of reference for the application of human resources policy, in accordance with national legislations and conditions of social dialog.

2.4.4.3 ONGOING LOCAL SOCIAL DIALOGUE

In 2014, 27 major agreements were signed with social partners within the Group, testifying to its desire for responsible social dialog, in line with Group strategy and human resources policy. In particular, there were two main areas of focus:

- the state of the markets and corresponding business trends at Renault led an increasing number of countries to sign **multi-annual competitiveness agreements**, matching the allocation of new products to more flexible working, moderate pay policy and adapted employment terms.

  This was the case in **Spain**, where a three-year agreement (2014-2016) was signed in November 2012 with the largest labor unions UGT, CCOO and CCP. This agreement was enhanced by a generation contract to promote the employment of young people and seniors.

This was also the case in **France**, where the agreement signed in Spring 2013 with the three largest labor unions (CFE-CGC, CFDT and FO), the "**Contract for Renault's renewed growth and employee development in France**" was reviewed just one year after signing. This agreement made it possible to create the right conditions for the production of 132,000 Micras to be assigned to the Flins factory by 2016, volumes of FIAT vehicles to the Sandouville plant and, since January 2014, for the relocation of 65,000 transmissions to Cléon and the transfer of the production of Micra chassis systems to the Mans plant. It also enabled investment to be made in several sites such as the SOVAB and the Fonderie de Bretagne.

Following this agreement, a new **profit-sharing system** was implemented **for 2014-2016**. Signed by the CFDT, the CFE-CGC and FO on February 17, 2014, the new profit-sharing agreement includes two distinct systems. The first system, which involves Group profit reinforces and clarifies the link between improvements in the results and employee compensation. The second system, of local site performance-related profit-sharing, aims to improve results relating to Quality, Cost and Delivery, and harmonizes the measurement criteria across Group entities, to ensure fairness and the development of a sense of belonging within the Group.

In **Brazil**, the two-year collective agreement signed in Spring 2014 with the largest labor union, SMATA, plans the re-integration of jobs which have been outsourced until now.

In **Slovenia**, the agreement signed with social partners on October 30, 2014 covering the years 2014, 2015 and 2016 and combines fluctuation of activity, adjustment of working time, employment and remuneration;

- protecting employees' health and safety as well as improving the quality of life in the workplace is a major objective for the Renault group:

  Two agreements promoting the quality of life in the workplace as an important aspect of working life were signed in Slovenia and within the Renault Retail Group.

  In addition, two agreements were signed to set up mandatory complementary health insurance cover for Renault employees in France, with the dual aim of protecting the greatest number of people whilst adapting to the diversity of family situations.

  In France, two agreements were signed implementing **additional compulsory health cover** for all employees:

  - for the employees of Renault Retail Group, the agreement signed into on June 24, 2014 with the CFDT, the CFE-CGC, the CGT and FO offers all Renault Retail Group employees a high level of guarantees compatible with a policy of controlled financial balance, improves solidarity between the interested parties within a compulsory, mutualized system, optimizing the level and cost of guarantees, while offering the option to subscribe to a higher level of provision,
  - for employees of Renault s.a.s., the agreement signed between CFDT, the CFE-CGC and the CGT on September 11, 2014 implemented additional compulsory health cover for all employees as of January 1, 2015. With three membership options on offer (individual, duo and family), the signatories wanted to take into account the personal situation of each employee. They also took care to ensure the contract was a responsible and fair one. Responsible, as it is part of the national healthcare cost management strategy and encourages prevention actions. Responsible, as it is part of the national healthcare cost management strategy and encourages prevention actions. Fair, because it offers quality cover of healthcare costs for all, from the basic level of provision and for all salary levels.

Lastly, the first consultation and social dialog protocol agreement for Renault in Tangiers came into force on January 1, 2014.

2.4.4.4 REACTIVE INTERNAL COMMUNICATIONS

Dialogue within the Group is also nurtured by responsive and varied internal communication. Renault ensures that employees are always kept up to date on what is happening in the Company through a network of communications teams working in the functions lines and countries.

The Group has a single magazine, Global, intended for all its employees worldwide. With a print run of over 100,000 copies, the *Global* magazine is written in French and English and comes in eight local versions: Spain, Romania, Russia, Turkey, Argentina, Brazil, Slovenia and Colombia.

The second pillar of the Group's internal communications: Declic, the French/English bilingual intranet portal. This portal can be accessed anywhere in the world by all employees with a computer, *i.e.* approximately 50,000 people. The information on the homepage is updated daily to ensure rapid and wide dissemination of Group news. The aim, whenever possible, is to give employees information either before or at least simultaneously with its internal or external publication. Since 2009, employees have been able to comment directly on all news releases, articles and reports, allowing them to share their views and ask questions. Employees can also watch video streaming broadcasts of strategic events (financial results, announcement of partnerships, etc.). Open forums with senior executives *are* organized on a regular basis.

The Chairman and CEO and the Management Committee hold frequent e-conferences to brief managers in advance on the Group's strategic projects. Educational materials are also regularly sent out to all managers so they can inform their teams of the month's news and upcoming events.

2.5 NURTURING SKILLS FOR THE FUTURE

Education has been a top priority of the Renault group's CSR policy since 2009.

The Company recognizes that providing training on the careers of the future and giving the neediest access to knowledge are key to the development of society and of the Company. Renault therefore continues to deepen its commitments in this area. These commitments take several forms and cover social, environmental and labor-related issues.

This chapter provides an overview of the social commitments made by the Group in 2014 with respect to educating the younger generation and the less well-off.

This concerns:

- relations with schools/universities worldwide;
- financial support for access to education throughout the world;
- training through research to encourage innovation.

2.5.1. 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, the Renault group has sought to address this question by taking action in partnership with schools, high-level colleges and universities throughout the world.

2.5.1.1 THE RENAULT FOUNDATION WWW.FONDATION.RENAULT.COM

The Renault Foundation was founded in 2001 and is dedicated to higher education. It operates on the principle of equal opportunity and represents an outstanding example of the Company's efforts in the realms of education and CSR. It is designed to create a permanent link between academic institutions (in France and the rest of the world) and the Company. It thus demonstrates Renault's strong commitment as a patron of higher education.

The Foundation's role, in collaboration with its academic partners and Company management, is to anticipate new professional skills required.

It carries out three activities:

- 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, etc.) 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 research and higher education (ParisTech Foundation), or to supporting deserving young French students from underprivileged backgrounds (Georges Besse Foundation, *Un Avenir Ensemble* Foundation) or to sharing knowledge and innovation (*Fonds de dotation Universcience*).

In 2014, the Foundation expanded its partnerships to China and Algeria with the inclusion of new partners: HEC Algiers, Polytechnique Algiers and the University of Oran in Algeria, Wuhan University, Huazhong University and Tsinghua University in China.

On the academic side, the Foundation supported and financed six educational programs in 2014:

- one professional degree in Electric Vehicles and Electromobility (LPVEE);
- three master's degrees: Transportation and Sustainable Development, Mobility and Electric Vehicles, and Road Safety Management;
- one MBA in multicultural management;
- one student on a doctoral program as part of the Zero Carbon Leader Program, which ended at the end of 2014.

These programs, created in conjunction with university partners, place particular focus on three areas at the heart of the Company's concerns: multicultural management, sustainable mobility and road safety.

The Foundation identifies young talents, then offers them training and support. It organizes and finances in full the scholarship students' year of study in France: monthly grants, enrollment in the French schools and universities, social security, round-trip travel between the home country and France, economic and cultural educational trips.

Each year, over 80 Foundation scholarship students graduate.

In accordance with its articles of incorporation, Fondation Renault is not an incubator of young talent for Renault. It operates independently of the Company's recruitment policy. As it deals purely with corporate sponsorship, its role is to train young people in future functions in liaison with the Company's functional expertise. However, Renault can benefit from these young people during their work placement/apprenticeship for those who want to undertake these at the Company.

In February 2014, "*Le Monde de l'Éducation*" recognized the master's degree in Mobility and Electric Vehicles (MEV) as one of the top sixteen master's programs in France.

2.5.1.2 INSIDE THE RENAULT GROUP

The Renault foundations that exist within the Group's subsidiaries are also involved in higher education in their respective countries. For example:

For the second consecutive year, the Renault Foundation Spain awarded its best final project prize to an industrial engineering student for a project involving sustainable mobility.

The Renault Foundation Colombia was created in May 2014 and provides financial support to students.

In 2007, Renault Romania created the AEP master's program (Automotive Engineering Project) in association with the University of Compiègne in France (UTC). This master's program was created in close collaboration with Renault Romania's engineers and is offered in the partner technical universities of Bucharest, Pitesti, Craiova and Lasi in their respective specialties. 90% of graduates from this program have been hired upon completing their internships with Renault Romania or one of its subcontractors.

2.5.1.3 INVESTING TO BRING SCHOOLS INTO THE CORPORATE WORLD

The Renault group 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 in responsible market economies. To do so, the Group carries out numerous actions and initiatives in France and around the world:

- **support from the academic world**: the sharing of knowledge is part of the Group's DNA. Many employees spend some of their work time teaching classes at different schools/universities through official partnerships such as the Renault Foundation's academic programs, or speaking at schools and universities in countries where Renault operates.

  The Company makes appropriate expertise available to these institutions, giving the employees involved a sense of satisfaction;
- **equipment donations**: in addition to its employees' expertise, the Renault group is well aware that knowledge is gained through the practical application of academic knowledge, and has made numerous vehicle and tool donations to schools.

  In 2014, Renault donated more than 300 vehicles to vocational high schools in the Nord-Pas-de-Calais region in France. These donations enable teachers and students to increase their practical knowledge and to learn about new automotive technologies.

  The Renault Foundation Spain donated two internal combustion engines to the Mencia Training Center to enable students to practice on real equipment.

  In Romania, Renault has provided teaching tools (cars, engines, transmissions, spare parts) to schools, high schools and universities, as well as computers to create a better learning environment for students. The equipment donations made since 2006 exceed €1.5 million;
- **welcoming students into the Company and leading them toward the professions of tomorrow**: whether within the context of apprenticeships, internships, or even during business orientation programs, the Renault group places great importance on bridging the gap between young people and the professional world on every continent.

  Class trips organized to the Group's sites are very common practice within the Group. They aim to strengthen the relationship between the Group and the communities within which it operates.

  Over the course of 2014, Renault Colombia, Renault Argentina and Renault Spain continued to build on the program dubbed the "Renault Experience", which introduces young people to engineering professions. A large number of these individuals may be hired by one of these subsidiaries upon completing their training.

  In 2014, Renault Morocco signed a memorandum providing for the creation of a "*bac pro*" professional training program at the Tangiers Med training institute for the automotive industry. This three-year renewable partnership promotes the creation of professional training programs in the automotive field.

FOCUS ON TRAINING:

In France, for example, the Renault Foundation prepares young people for the careers of the future through its professional degree in Electric Vehicles and Electromobility programs. Since 2012, the Company has offered around 50 apprenticeships in this new field to the students enrolled in the initial three classes of this professional degree program. Many have pursued a second year of apprenticeship within the Company on the Master Pro training program, thanks to the strength of the relationship between the program and the Company, as well as the program's proven value.

The French industrial plants also operate programs called "factories train young people". Renault France is committed to recruiting 2,000 people on work-study placements per year, or the equivalent of 800 work placement contracts over three years. 30% of permanent employees hired are under the age of 30.

  Renault Romania has implemented a cooperation protocol to revitalize vocational education. This protocol, signed by the Romanian Prime Minister and Renault Romania Senior Management, was launched in 2014 with the Mioveni vocational high school. It provides for the creation of specialized courses in equipment design, manufacturing and maintenance, as well as stamping and smelting.

  In addition, over 100 students per year have the opportunity to complete an internship with Renault Romania thanks to the Drive Your Future program. This program can be considered a career initiation since 30% of these students obtain employment contracts upon completing their internships.
- **Bringing teachers into the Company**: through a partnership between the Renault Foundation and the Croissance Responsable Foundation, the Company opens its doors to junior high and high school teachers and guidance counselors. This innovative program, which brings the education system and the corporate world together, organizes three-day job shadowing experiences for teachers and guidance counselors.
- **Challenging students in school with Company-related projects**: for its 8th edition in 2014, the "Race in School" competition focused on F1, and involved over 140 high-school students and their teachers from 24 education authorities throughout France. The objective is to work as a team to design, manufacturing and test a reduced-scale model electric F1 racing car. The competition gives young people an opportunity to create an original concept car with the professional tools used by the Company (CATIA, etc.). Renault supports them with the know-how of its engineers. This exceptional experience allows young people to learn more about the automotive trades and perhaps encourages them to pursue this avenue professionally.

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2.5.2. SUPPORT FOR ACCESS TO EDUCATION THROUGHOUT THE WORLD

It is unfortunate that often only the most privileged, or even the elite, have widespread access to education. Renault recognizes the importance of education as a means of value creation for a state, country or company, which is why the patronage actions designed to make education accessible to those who deserve it most and prevent student drop-outs are the cornerstone of the Company's CSR social policy.

2.5.2.1 SCHOOLING AND EQUAL OPPORTUNITY

Equal opportunity at the core of the Renault group'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.

Russia has extended the "Professional Initiation" program that enabled over 30 young orphans between the ages of 14 and 18 from various Russian regions to discover automotive professions. The program includes a factory visit, a workshop on safety in the workplace, and a course in manual dexterity.

In Morocco, Renault has taken an active role in the local non-profit environment in Tangiers by funding buses for school transportation, thus preventing students from dropping out at the end of their primary education.

But access to education is not just an issue affecting far-off regions. In France as well, it may be difficult for the least well-off to get an education. In 2014, Renault France, alongside the Ecole Polytechnique, championed equal access to educational opportunities by signing a partnership agreement for the "A top university, why not me?" program. Under this agreement, Renault commits to introducing a number of high school students to the automotive professions and the major associated challenges by 2016.

Renault's activities in this area also include the Renault Foundation's support for two other foundations striving for equal opportunity for deserving young people from low-income families. In 2014, Renault, *via* its Renault Foundation, supports the "*Un Avenir Ensemble*" Foundation to help deserving disadvantaged young people. They are also being mentored by senior managers at the Company who will support them throughout their schooling and until they enter the workforce. The Renault Foundation also supports the Georges Besse Foundation each year for the schooling of twenty or so deserving young people who wish to pursue engineering studies.

2.5.2.2 EMPLOYEE INVOLVEMENT

Renault's humanitarian aid in this field consists not only of financial or in-kind assistance provided to charities and local schools, but also takes the form of employee involvement throughout the world.

2.5.3. TRAINING THROUGH RESEARCH TO ENCOURAGE INNOVATION

Through the support it provides for academic research, the Renault group has set itself the challenge of bringing researchers and professionals together to exchange ideas with a view to developing the technological solutions and services of the future and understanding how and what tomorrow's consumers will purchase.

2.5.3.1 SUPPORT OF ACADEMIC INSTITUTIONS: FONDATION PARISTECH, UNIVERSITÉ PARIS DAUPHINE AND UNIVERSITY OF BRADFORD.

Renault, through the Renault Foundation, earmarks a percentage of its budget for financial support of academic research.

In 2014, it gave €200,000 to the ParisTech Foundation whose purpose is to increase the visibility of and help develop French and European scientific higher education and research.

The Renault Foundation also supports research on marketing, allocating €50,000 a year for three years starting in 2013 to Paris Dauphine University to conduct fundamental marketing research.

In 2014, the Renault group supported the first MBA program dedicated to the circular economy at the University of Bradford, in association with the Ellen Mac Arthur Foundation.

Renault also provides support for academic institutions through its involvement with academic chairs. Renault experts are currently involved in supporting nine academic chairs in subjects of high innovative value:

SUBJECT	ACADEMIC PARTNER	PARTNERS	
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 property in Japan, Korea, and in Europe (2014)	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
Innovation management	École Polytechnique	Arcelor Mittal, Dassault Systèmes, Valeo	Renewed 2014
Theory and methods of innovative design	Mines ParisTech	Dassault Systèmes, RATP, Thales, Vallourec	2015 renewal
Smart Mobility	Université Pierre et Marie Curie	Atos Origin	2012
Social Business	HEC ParisTech	Danone/Schneider Electric	2015 renewal
Modeling System for the inspection and the development of internal combustion engines	Ecole Centrale Nantes	LMS Engineering Innovation	2013
Automotive distribution and service	L'École Supérieure des Sciences Commerciales d'Angers (ESSCA)	Nissan France - UCAR	1991

2.5.3.2 SUSTAINABLE MOBILITY INSTITUTE

In March 2009, Renault, the Renault Foundation and ParisTech founded the Sustainable Mobility Institute (*Institut de la Mobilité Durable*, IMD) to identify issues associated with the future of passenger transportation and the design of innovative and environmentally friendly mobility systems (primarily electric). These research efforts focus on electric mobility systems, the associated business models the global vision of a shift in transportation to electric vehicles and battery technologies. (See section 2.2.2.1).

2.6 ENVIRONMENT

2.6.1 THE ENVIRONMENTAL CHALLENGES

The unprecedented growth in human activities since the industrial revolution has been accompanied by an exponential growth in the demand for energy and raw materials, along with the associated environmental impacts. Over the recent past, these effects have intensified due to the extremely rapid growth rate of some emerging economies, particularly China. This has led to the proliferation of environmental and health issues and to tensions over the prices of raw materials.

Despite efforts to reduce fuel consumption and vehicle emissions, road transportation still contributes significantly to greenhouse gas emissions and to urban atmospheric pollution. Moreover, the large-scale production of vehicles requires considerable quantities of raw materials, whose price fluctuations have major economic repercussions for manufacturers.

Renault is a socially responsible company and is well-aware of the important ecological stakes that confront the automotive industry. In order to face these challenges, it has integrated them into its strategy and organizational structure. The Group has therefore chosen to become a pioneer in the development of a range of electric vehicles accessible to all, and in the implementation of the principles of a circular economy *via* the recycling of end-of-life vehicles, and the integration of an ever-increasing number of recycled materials in new vehicles. It is also an automotive industry leader in terms of the fuel consumption and CO_2 emissions of its vehicles, and it is committed to reducing the environmental impact of its products throughout their entire life cycle from one generation to the next.

This voluntary and proactive effort is not just the result of Renault's historical commitment to sustainable development to benefit the greatest number of people. The reality is that environmental performance has increasingly significant financial implications, and is therefore acknowledged by the Company as an inherent factor in its competitiveness, as evidenced by the second priority of the Group's environmental policy.

RENAULT GROUP ENVIRONMENTAL POLICY

1. Curb and reduce the environmental footprint and health impacts of our products, services and operations by applying the principles of life cycle assessment and circular economy.

2. Actively contribute to Renault's competitiveness and to the protection of its tangible and intangible assets.

3. Implement environmental management throughout the Group and its value chain to bring about continual progress and ensure compliance with regulations and voluntary commitments.

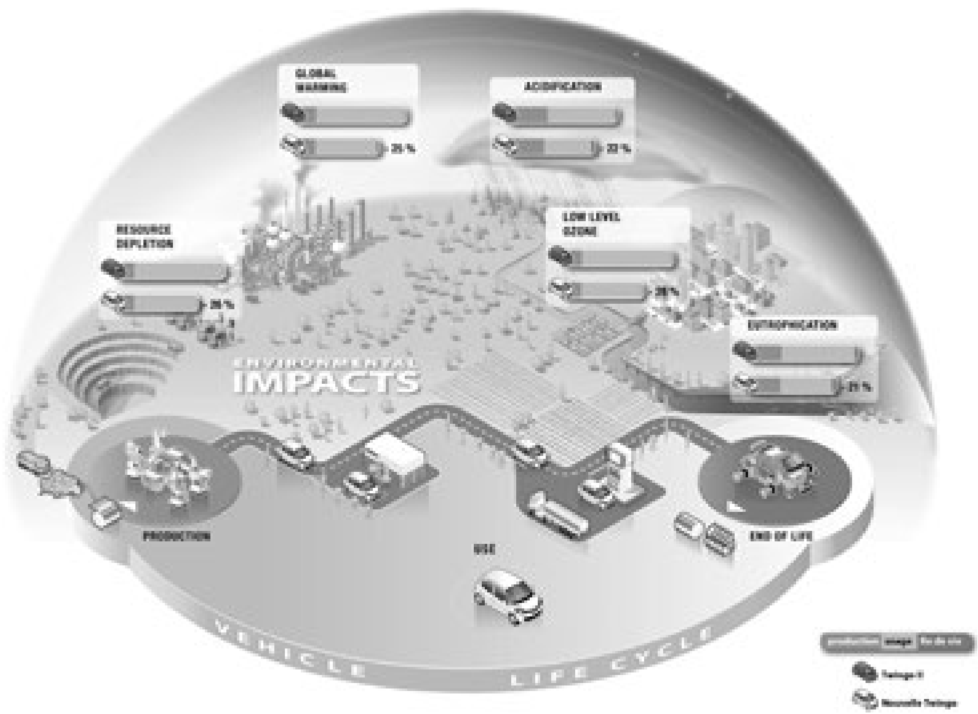
Key areas for action:

- climate change and energy efficiency;
- resources and competitive circular economy;
- health and ecosystems;
- innovative mobility services and systems;
- environmental management, transparent and responsible communication and dialogue with stakeholders.

2.6.2 COMPANY-WIDE ENVIRONMENTAL MANAGEMENT

MAIN OBJECTIVES	DATE OBJECTIVE WAS SET	DEADLINE	STATUS AS OF YEAR-END 2014
Reduce the impact on the basis of the life-cycle analysis from generation to generation	2005	Ongoing	New Twingo/ Twingo II: Reduction of 21 to 28% Depending on impacts
Publish the life cycle assessments for the electric vehicle range, with critical reviews by outside experts	2009	Ongoing	LCA of ZOE, Kangoo Z.E, Fluence Z.E and Twizy published
Conduct environmental and risk prevention audits at all manufacturing sites and the main tertiary and logistics sites (internal audits)	2003	Ongoing	100%
ISO 14001 certification of all Renault manufacturing sites	2012	Ongoing	100%

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 review of the Group's environmental policy has reaffirmed and expanded the scope of this managerial approach to the entirety of the Company's value chain.



2.6.2.1 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, Renault measures the environmental impact of its vehicles throughout their life cycle, from the extraction of the raw materials needed for manufacturing until their end-of-life. Life cycle analyses (LCA) are therefore produced:

- prior to the vehicle design cycle, to analyze the potential environmental impact and benefits of technological innovations;
- after the design cycle, to confirm and measure the reduction of environmental impacts from one generation of vehicle to another.

At the end of 2014, 12 models representing 94% of the global sales of Group passenger cars and 87% of total sales of Group vehicles (the Renault, Dacia and RSM brands) were thus subjected to a complete LCA. Each of these LCAs was performed according to a standardized methodology. In 2012, this methodology was subjected to a review by an independent panel consisting of three international experts and two NGOs, which confirmed its compliance with ISO 14040 and 14044 standards.. The comparative LCA of the electric and internal combustion versions of the Fluence and its critical review are available online at Renault.com. For further methodological details, please refer to appendix 2.9.2.1.

The LCAs performed on New Twingo and New Espace, as compared to their precursors, presented below, highlight the reduction in environmental impact from one vehicle generation to the next.

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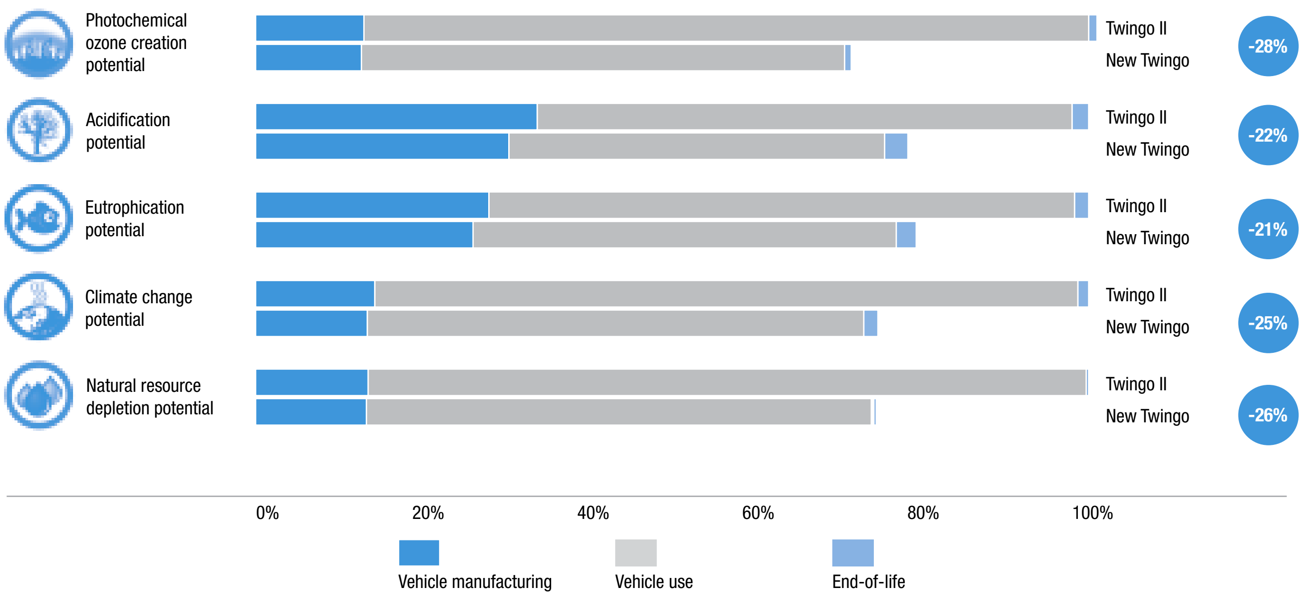
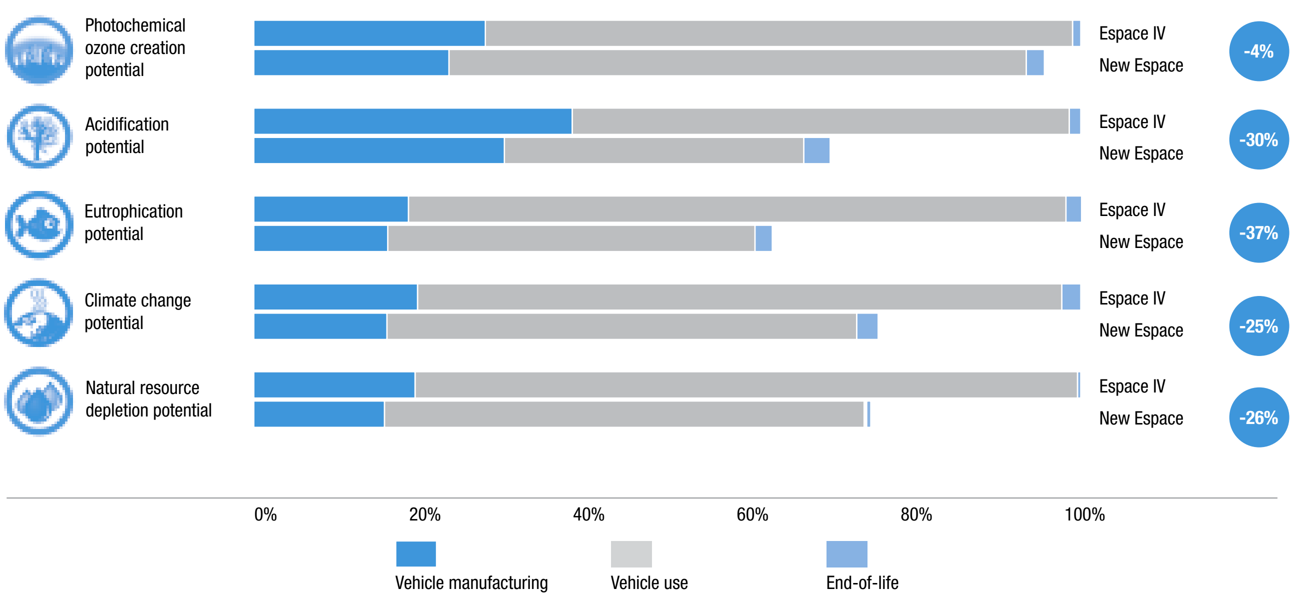
COMPARATIVE LCA OF TWINGO II (2007) AND NEW TWINGO (2014)



COMPARATIVE LCA OF ESPACE IV (PHASE 2 EURO 4 - 2007) AND NEW ESPACE (2015)



2.6.2.2 ACTION AT ALL STAGES OF THE LIFE CYCLE

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 the Renault group's vehicles particularly involves:

- cutting fuel consumption and 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 raw materials and the associated environmental impact;
- the possibility of renovating powertrains or certain parts of them (remanufacturing) by facilitating dismantling and assessment of their components.
- the reduction of vehicle mass;
- the minimization of the noise generated by the vehicle;
- the elimination of potentially toxic substances from vehicles and the manufacturing process;
- including eco-driving assistance tools in the vehicle.

Considering that 57% of a vehicle is made from purchased parts, eco-design relies largely on our suppliers' involvement and cooperation, managed by the Purchasing department and the Renault-Nissan Purchasing Organization (see 2.2.3).

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 which focuses on:

- reducing kilometers traveled (localization of suppliers in production countries, optimization of logistical flows);
- improving truck and container load factors and packages;
- relying more on sea and rail transport as alternatives to road transport;
- evaluating and improving the carriers' environmental performance through collaborative efforts particularly aimed at measuring their energy performance, and educating and training the drivers of heavy trucks in eco-driving.

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.

For more information on the Logistics Eco² plan and reducing greenhouse gas emissions linked to transport, refer to section 2.6.3.1.

MANUFACTURING

Renault has made the choice of a joined-up environmental management. The environmental network is Company-wide. It establishes ties between the environmental activities and the other processes in the Company as well as between the sites. This integrated organization is based on:

- training for all personnel in environmental protection issues and practices and in how to take them into account in daily activities;
- a network of environmental correspondents assigned to the production departments, where they organize and lead environmental management efforts;
- a team of specialists at each production site and tasked with coordinating environmental improvement actions, as well as compliance with regulatory requirements and internal environmental standards across the entire site;
- experts at the corporate level who define and implement the technical policies, provide assistance and advice to the plants and projects, and coordinate the sharing of best practices and the reporting of environmental data at Group level.

The industrial environment network encompasses all Renault's industrial sites as well as the manufacturing functions. It consists of more than 200 members in 13 countries and 46 sites and subsidiaries. The originality of this type of management stems from the creation of a cross-functional organizational structure aimed at promoting the exchange of information between network members so as to encourage the diffusion of best practices and the sharing of expertise.

Underpinning environmental management at Renault plants are six pillars.

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 the Renault group's 31 industrial sites and 10 main engineering and logistics facilities have been certified ISO 14001.

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 corporate expert system available in French, English, Spanish, Portuguese and Korean. The system ranks the environmental impact from activities and potential hazards in relation to the plants' chemical risk and prioritizes them in the environmental action plans;
- 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 dangerous substances and the prevention of chemical risks. Chemis is the key tool in the Renault group's 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 2.7.2);
- a process to monitor and track compliance with national and EU environmental legislation;
- a documentary base of E&HSE (Energy & Health, Safety, Environment) standards and best practices, accessible from any Group site.

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 Activity Technical Guidelines) 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 Activity Technical Guidelines are based on best practice as well as the most stringent international regulatory or normative framework (The European Union's REACH regulation, ATEX directive, French legislation on establishments classified for environmental protection, US NFPA standards for fire protection, etc.), and, updated regularly, they apply to all Group sites, unless superseded by a more stringent local requirement. They may also be strengthened for certain projects when the local environmental context warrants it, as in the case of the state-of-the-art technologies used at the Tangiers facility in Morocco, a country subject to water stress, to reduce water consumption (as well as emissions of CO_2) and recycle all industrial waste.

Integrating environmental standards in the Renault production way

Renault decided in 2004 to include its environmental standards in the Renault Production Way (SPR). All workers therefore use environmental procedures daily at his/her workstation through the SPR process.

Anticipating industrial, regulatory and environmental developments

The E&HSE (Energy & Health, Safety, Environment) management plans launched in 2002 describe the situation of each site and how it is likely to evolve over the next ten years, factoring in external constraints such as the ecological sensitivity of the environment and future regulatory requirements. They contribute to the dialogue between industrial strategy, engineering, building owners and the plants to ensure that each project contributes to reducing the environmental impact of sites.

Inspection procedures

Since the end of the 1990s, the Group has used internal environmental tools at all of its industrial facilities as well as its main engineering and logistics facilities worldwide 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. 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 improvement in environmental performance. As of year-end 2014, the network has approximately 70 internal environmental auditors who are specifically trained and qualified in accordance with ISO 14001, and on the internal audit standards created based on the Energy and Health, Safety, Environment Guidelines (see "Eco-design of industrial processes" above).

Sales and after-sales

Renault Retail Group, the distributor of Renault, Dacia and Nissan brands in 13 European countries, established an environmental management policy in 2007. An RRG environment coordinator is responsible for training and coordinating a network of environment correspondents in France and Europe. He/she provides a set of environmental management procedures, 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 below.

RENAULT RETAIL GROUP – ENVIRONMENTAL IMPACTS

	FRANCE	EUROPE OUTSIDE FRANCE	PRINCIPAL MANAGEMENT AND IMPACT REDUCTION MEASURES
Number of sites[(1)]	50	26	
Rate of reporting *coverage*	100%	100%	
Waste (tons)	9,773	Unavailable	
• o/w hazardous	2,642		Water management contracts with specialized suppliers Sorting guidelines
• o/w non-hazardous	7,131		
Energy Consumption (MWh LHV)	107,558	53,473	Energy savings plan, particularly during closed periods
Greenhouse gas emissions (t eq CO_2)	16,107	16,124	Energy savings plan
• o/w from combustion	13,453	5,981	
• o/w from electricity consumption	2,654	10,143	
• o/w from gas coolants	110	Unavailable	
COV emissions (kg)	87	Unavailable	
Water consumption (m3)	140,011	138,137	Controlling leaks on the basis of billing Hydrocarbon separators used before discharge into purification network
Soil and water tables			Extraction or neutralization of buried, single-wall tanks Preventive equipment (retention basins, double-wall tanks or above-ground tanks)

(1) One site has one or more garages.

Renault also provides support in these efforts to its dealer network and franchises In France, the Sales & Marketing department (DCF) provides information and coordinates exchange of best practice through annual Environment Club meetings in each regional centre. RRG environment coordinators participate 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 with 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 2.7.2).

Renault also offers owners of its vehicles a large range of renovated ("standard exchange") powertrains, sold at a lower cost than that of a new part, but still meeting the same quality standards. As well, there are used exterior parts (hoods, wings, headlamp units, etc.) collected in Indra's network of dismantlers and selected by the Gaïa subsidiary, that are available to customers whose vehicles are not economically repairable using new parts. These offers are part of the circular economy approach implemented by the Renault group to reduce the consumption of raw materials and environmental footprint associated with its products in their life cycle (see 2.6.3.2)

VEHICLE UTILIZATION

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 2.6.2.1). 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[(2)] not emit any pollutants or greenhouse gases during use. This is why the Renault group devotes a significant portion of its Research and Advanced Engineering expenses (about 60% in 2014) to this, which places it among the leaders in the automobile industry in these two domains.

Moreover, the behavior of motorists, and how they use their vehicles, may be the source of considerable progress. 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 2.6.3.1 Energy and climate change and 2.6.3.5 Air quality.

(2) Excluding replacement parts.

VEHICLE END-OF-LIFE

Starting in 2015, EU regulations will require that all end-of-life vehicles be collected and that 95% of their mass be reused, of which 85% recycled. In accordance with the principle of greater manufacturer responsibility, automakers will be responsible for helping to organise and finance this process. Outside Europe, other countries already have such regulations or are getting ready to institute similar ones (South Korea, Turkey, and Russia).

Renault is helping to organise the collection and recycling of end-of-life vehicles everywhere it is required. This contribution takes various forms: the setting up of its own network of authorized collection and recycling centers for end-of-life vehicles, or participation in a joint program (manufacturers, dismantlers, government agencies) for setting up such recycling networks. Renault's participation is in proportion to its share of the vehicle fleet, with especially large involvement in France and Romania.

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 on the website 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 60% of the Group's global sales in 2014.

In France, Renault has chosen to invest directly in an end-of life vehicle collection and treatment network. Thus, in 2008 the Renault Environnement subsidiary committed itself along with the Sita/Suez Environnement Group by taking a 50% holding in Indra. Indra has been active in automotive dismantling for over twenty years. The Company organizes the collection and dismantling of end-of-life vehicles and runs a network of 384 authorized automotive dismantling companies throughout France, and works with them to meet regulatory and environmental requirements as part of a progress-oriented approach.

This investment has three objectives:

- to meet Renault's regulatory obligations concerning end-of-life vehicle collection and recycling in France;
- to improve the network so that it performs the recycling better and more economically, thereby achieving the goal of a 95% collection and recycling rate at an optimal cost in 2015, through development of new dismantling tools and processes, and supporting and training its vehicle dismantling network;
- to supply the short recycling loops so as to reduce dependence on and the consumption of virgin raw materials.

These activities are detailed in 2.6.3.2 – Resources and the circular economy.

2.6.2.3 ORGANIZATION AND RESOURCES

The focuses of Renault's environmental policy are debated and approved by the Group Executive Committee (CEG) on the recommendation of the Vice-President Environmental Strategy and Planning. The Environmental Strategy and Planning department (DPE) 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" and "vehicle CO_2".

RESOURCES

Renault spends over €1.5 billion per year on research and development. Most of this money is for new-vehicle development, a phase that includes improvement of environmental performance, which is inseparable from the standard product renewal process. About €165 million are allocated yearly to research and advanced engineering in the early stages of vehicle projects. A substantial portion of research and advanced engineering expenditure (in the region of 60% in 2014) 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 Vice-President, Environmental Strategy and 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 standard modules (*e.g.* training for ISO 14001 auditors or recycling system design) 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.

2.6.2.4 ENVIRONMENT AND COMPETITIVENESS

The effort to reduce environmental impacts is 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 operational costs, product appeal and the diversification of activities.

REDUCING OPERATING COSTS

Costs stemming from energy and water consumption and waste management at Renault's plants run into the hundreds of millions of euros each year. Optimizing consumption and waste management is thus a means of both reducing the environmental impact of operations and substantially lowering production costs. The Drive to Five program, which aims to reduce operational costs in order to achieve a sustained 5% operating margin, incorporates these elements: energy consumption and waste management have been selected as some of the priority areas for action.

In 2014, activities for reducing energy consumption took place at all the Group's plants and led to savings of approximately €16.7 million in energy spending.

Likewise, optimizing waste management by promoting re-use and recycling (in addition to reduction at source) helps to control production costs. The sale of scrap metal, in particular, for recycling purposes generating profits more than €167 million in 2014. The potential savings from other materials are also substantial. For example, using recycled solvents rather than virgin ones at the Maubeuge plant lowered their cost by 30%.

APPEAL OF PRODUCTS AND SERVICES

In an extremely competitive automotive market, maintaining attractive price-positioning for vehicles is a major issue. Increased use of recycled materials and efforts to reduce exposure to critical raw materials are part of the process of keeping costs and prices low. For example, one ton of recycled plastic costs substantially less than one ton of virgin plastic.

Among the new cost-cutting actions taken in 2014 on raw materials prices:

- increasing the quantities of recycled materials used in vehicles generated an additional saving of around €700,000 in 2014;
- giving scrap metal from manufacturing to Renault foundries and suppliers of metal parts yielded a saving of about €1.9 million in 2014;
- since the end of 2013, the Fonderie de Bretagne has used copper exclusively from the internal recovery of end-of-life vehicles arm (Gaïa subsidiary) as its alloy element, resulting in an average gain of 5% compared to external suppliers.

Reducing exposure to virgin materials has become all the more important given the volatility and long-term upward trend of primary raw material prices. When competition is particularly intense, these hard-to-predict fluctuations can be only partially factored into vehicle sales prices. They thus have a direct impact on the Group's operating profit.

Although the selling price has a big impact on a product's attractiveness, it is not the only factor in the decision to buy. For example, in Renault's main markets (except Russia), customer surveys reveal that fuel consumption is one of the ten main reasons car buyers choose a Renault vehicle. Renault's determination to reduce its vehicles' fuel consumption and CO_2 emissions in use has enabled it to offer one of the passenger car ranges with the lowest emissions in Europe and constitutes an important competitive advantage.

In addition, Renault is not only aiming to reduce its environmental footprint, it is also working to increase customer loyalty. To this end, it is developing new options and services that enable customers to limit their fuel consumption (embedded tools and eco-driving training) or to prolong vehicle life at a competitive price by offering an economical option for recycled spare parts of guaranteed quality.

NEW ACTIVITIES

Working to find ways to both reduce environmental impacts and optimize the Group's economic resources has led Renault to explore areas complementary to its core business, which has opened up new business opportunities.

The Choisy plant has specialized in the renovation of powertrain components for over 40 years. In 2008, the subsidiary Renault Environnement was created to bolster its environmental capabilities. Through its subsidiaries, Renault Environnement works in the following areas:

- recycling of end-of-life vehicles (Indra, joint venture with Sita);
- managing industrial waste at the plants (joint subsidiary with Sita);
- recycling parts and materials through recycling networks or selling parts for re-use (Gaïa subsidiary).

In 2014, these three Renault Environnement activities generated revenue of nearly €357 million. Each of these activities also recorded a net profit in 2014.

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2.6.3 ENVIRONMENTAL IMPACT: ACTIONS AND INDICATORS

2.6.3.1 ENERGY AND CLIMATE CHANGE

MAIN OBJECTIVES		SETTING OF OBJECTIVE	DEADLINE	STATUS AS OF YEAR-END 2014
All sectors	**Reduce the average carbon footprint of Renault group vehicles sold worldwide by 10% between 2010 and 2013 and by an average of 3% annually between 2010 and 2016**	**2010**	**2016**	**-12,4% between 2010 and 2014 i.e. -3.3% per year**
Product	Market a range of zero-emission-during-use vehicles in markets where there is a demand	2012	2016	4 vehicles sold in Europe
Product	Reduce average CO_2 emissions of the European range below 95g CO_2 /km by 2021 (passenger vehicles, all brands).	2011	2021	113.5g CO_2 /km in 2014
Manufacture	Reduce GHG emissions from the production of a vehicle by 10% between 2013 and 2016 (direct and indirect emissions related to energy consumption)	2012	2016	-3.9% between 2013 and 2014
Manufacture	Reach a 20% share of renewable energies (direct and indirect) at manufacturing sites	2008	2020	16% in 2014
Logistics	Achieve a 10% reduction in the CO_2 level of worldwide transportation activities between 2010 and 2016(1)	2013	2016	-9%
Product & services	Market combined product-service offers for corporate fleets that will allow monitoring and reduction of the environmental footprint	2009	2016	Eco² Business range Eco² Driving training (ICE and VE) Fleet Asset Management

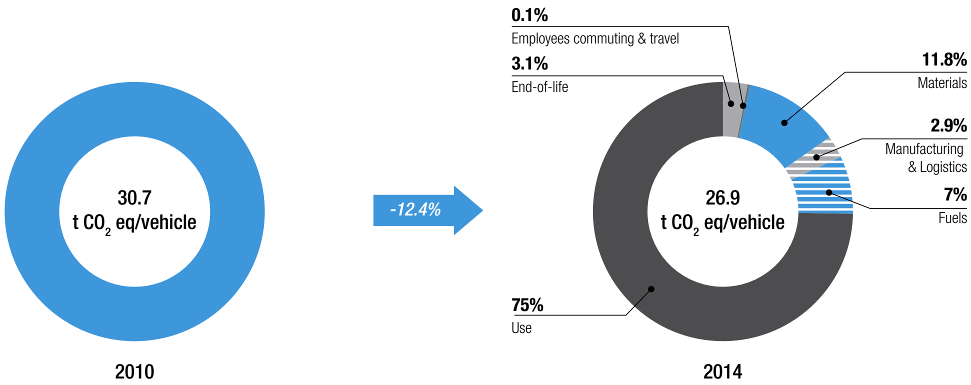
(1) On a like-for-like basis and excluding effects of geographic and model mix.

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 the Renault group's 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 GHG Protocol.

In 2011, within the framework of the Renault 2016 Drive The Change strategic plan, Renault made a commitment, unique in the industry, to reduce the average carbon footprint of vehicles sold worldwide by 10% between 2010 and 2013. This objective having been attained, it has been extended to the full duration of the plan, with a new reduction objective of an average of 3% per year between 2010 and 2016.

More details on the method used to calculate Renault's carbon footprint can be found in annex 2.9.2.1.

RENAULT CARBON FOOTPRINT* GRAPHS



** 2014 data are provisional and is communicated for information purposes only.*
Methodology: all passenger and light commercial vehicles registered under the Renault and Dacia brands worldwide. See appendix 2.9.2.1.

STRATEGIES FOR REDUCING GREENHOUSE GAS EMISSIONS BY SECTOR

EMISSIONS DURING USE AND FUELS	**Reduce fuel consumption and emissions of vehicles with internal combustion engines** *Downsizing* with turbocharging *Stop & Start*, braking energy recovery General vehicle optimization (aerodynamics, mass, friction, electrical consumption management, etc.) **Market a range of electric vehicles** Kangoo E.V. (light commercial vehicle) Fluence and SM3 E.V. (sedan) ZOE (multipurpose city car) Twizy (two-seat city car) **Promote eco-driving: Driving *eco² program*** In-car assistance systems Eco-driving training
MATERIALS AND COMPONENTS	Increase the proportion of recycled materials (see 2.6.3.2) Reduce consumption of materials (see section 2.6.3.2)
PLANTS	**Reduce energy consumption** Implement technical and managerial best practices (*kaizen*) Reduce energy consumption outside production periods Improve energy yields **Develop renewable energies and substitutes for fossil energies**
LOGISTICS	**Logistics *eco² program*** Reduce kilometers traveled (localization of suppliers in production countries, optimization of logistical flows) Reduce the number of trucks/containers transported (optimization of load factors for trucks/containers and packages) Rely more on sea and rail transport as alternatives to road transport Eco-driving training for truck drivers (in partnership with the transporters)

LOGISTICS

The implementation of the eco² logistics program in 2014 continued for each of the four progress priorities (see above table on segment strategies).

The main effort was focused on improving container and truck load factors. For example, on the three main export flows by sea from France, Romania and Spain, the improvement in container load factors reduced the number of containers by 1% and avoided emissions by nearly 1,100 tons of CO_2. In the same manner, the optimization of the truck load factor in Europe has kept around 20,350 trucks off the roads, or 4% of all trucks and has prevented the emission of approximately 16,800 tons of CO_2.

In addition, Renault has taken on responsibility 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 the greenhouse gas emissions resulting from transportation.

Finally, following the consolidation of the two Renault and Nissan Supply Chain departments within a single entity in 2014, the search for further synergies has intensified and the methods for monitoring the CO_2 emissions associated with logistics are currently being standardized within the Alliance.

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MANUFACTURING

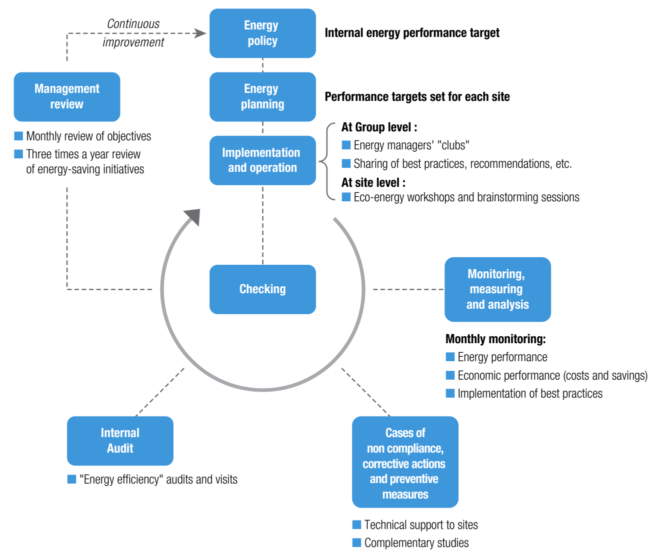
The greenhouse gas emissions reduction strategy is largely based on a reduction in energy consumption and the development of renewable forms of energy, since over 90% of the sites' emissions are the result of energy consumption. This strategy, seen in both continuous improvements and in breakthrough actions, is based on four components:

- management of energy consumption outside production periods (minimal energy consumption). 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, which consume the most energy in body assembly plants. Equipment downtime and re-start 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 resources, particularly by experimenting with energy recovery solutions such installing heat exchangers at exit doors of paint drying ovens and decentralizing energy consumption to limit heat losses on the network;
- the development of renewable energies and the replacement of fossil fuels, as illustrated by the 2012 installation of the biomass boiler at the Tangiers plant (see below). In the same manner, the Sandouville (France) and Busan (Korea) plants use the steam generated by the burning of industrial waste, which results in a reduction in fossil fuel use. Photovoltaic panels were also installed in the Group's French, Spanish, Korean and Brazilian plants (see inset below), as part of internal projects or projects led jointly with third party investors.

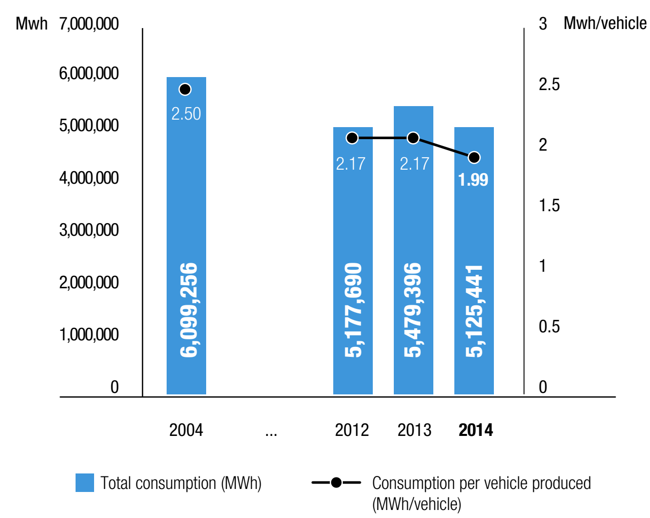
Renault sees climate- and energy-related challenges as an opportunity for innovation. The Tangiers, Morocco, plant, inaugurated in 2012 is thus equipped with heat recovery systems that facilitate a significant reduction in energy needs, which are nevertheless more than 90% covered by renewable energy sources (biomass boiler and electricity generated through renewable energies). The emission of more than 80,000 tons of CO_2 was thus avoided in FY 2014.

Energy management is also a major economic challenge for the Renault group, 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 certification procedure in respect of this standard) outlined in the diagram on the right.

ENERGY MANAGEMENT WITHIN THE RENAULT GROUP



CONSOMMATION D'ÉNERGIE



Scope: the reporting scope (described in Appendix 2.9.2.2) includes all manufacturing plants and the main logistical, tertiary, and engineering facilities excluding the RRG commercial network establishments, which are subject to the specific reporting presented in 2.6.2.2. The number and list of facilities included is likely to vary from year to year depending on the disposals and acquisitions made by Renault.

DISTRIBUTION OF ENERGY CONSUMPTION BY ENERGY TYPE

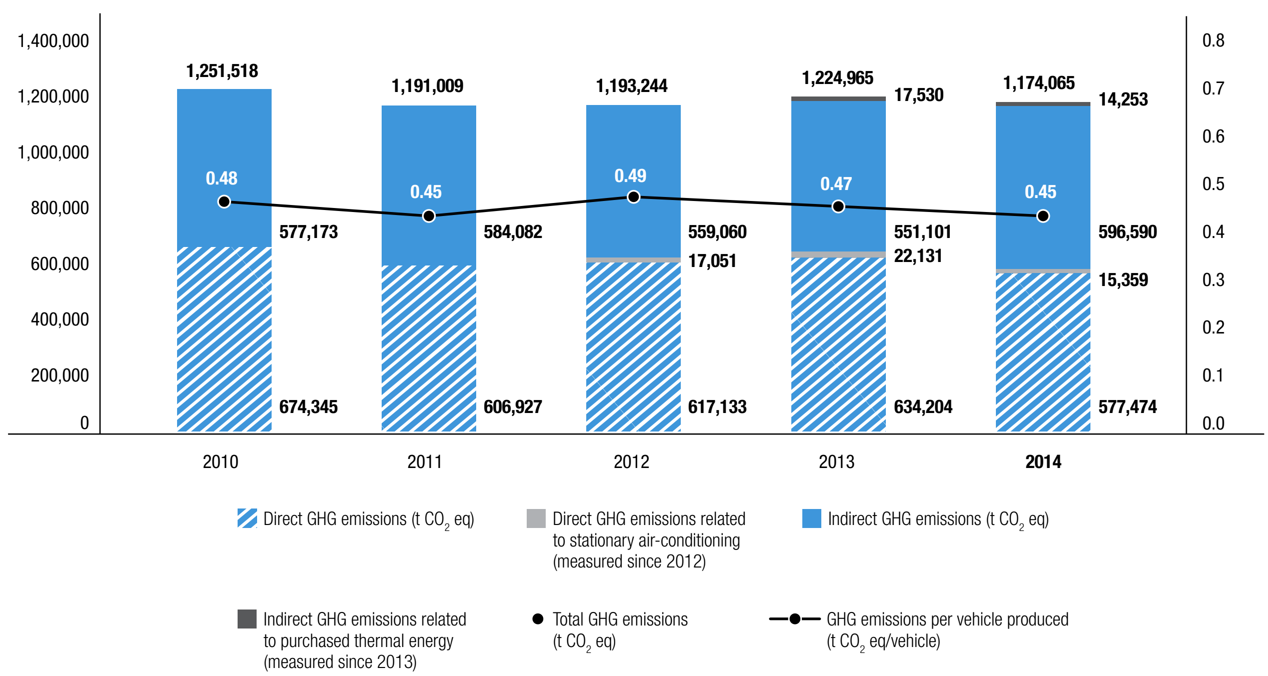
	TOTAL CONSUMPTION	
	%	MWh
Electricity	52%	2,658,964
Natural gas	44%	2,232,366
Purchased thermal energy	3%	174,877
Other fossil fuels	1%	53,510
Heavy fuel oil and heating oil	0.1%	5,725
TOTAL	**100%**	**5,125,441**
o/w energy that is renewable or produced from renewable sources	16.0%	

THE CDP REWARDS RENAULT FOR ITS WORK IN THE FIGHT AGAINST CLIMATE CHANGE

On October 15, 2014, the carbon disclosure project (CDP) organization awarded Renault a prize to highlight the Group's entry into the CPLI (Climate Performance Leadership Index), which selects the companies most active in the fight against climate change worldwide.

The CPLI is an environmental reference index and was created at the request of institutional investors representing over a third of the invested assets throughout the world. This honor is an acknowledgment of Renault's efforts and strategy aimed at reducing the greenhouse gas emissions associated with its operations, and providing widespread access to a form of mobility with a greater respect for the environment.

GREENHOUSE GAS EMISSIONS (1) (2)



The emission indicator for GHG per produced vehicle is calculated for the direct and indirect emissions by taking the measured emissions on the complete period 2010-2014. The extensions to the scope of measures which took place in 2012 (emissions linked to air conditioning of premises) and in 2013 (those related to bought thermal energy) are therefore not counted.

DISTRIBUTION OF GREENHOUSE GAS EMISSIONS (1) (2) BY SOURCE TYPE

	2014	2013	MEASURED SINCE
Direct emissions (scope 1)	**49%**	**53%**	
Stationary combustion installation	41%	45%	2003
Filling of mobile air-conditioners on produced vehicles	3%	3%	2003
Tests of gear boxes, engines and vehicles	1%	1%	2003
Company cars	3%	3%	2009
Filling of stationary air-conditioning systems	1%	2%	2012
Indirect emissions (scope 2)	**51%**	**46%**	
Electricity	50%	45%	2009
Thermal energy	1%	1%	2013

Company vehicles include pool vehicles available to employees, shuttles, handling systems and forklifts.

(1) Scope: the 2014 reporting scope for greenhouse gases (described in Appendix 2.9.2.2) includes direct (scope 1) and indirect (scope 2) emissions for all manufacturing plants and the main logistical, tertiary, and engineering facilities outside the RRG commercial network establishments, which are subject to specific reporting presented in 2.6.2.2. The number and list of facilities included are likely to vary from year to year depending on the disposals and acquisitions made by Renault.

(2) Methodology: Greenhouse Gas Protocol; EPE protocol (Entreprises pour l'environnement) for quantifying and reporting GHG emissions.

Climate change adaptation

Certain extreme climactic events are likely to disturb or even, in the most serious cases, temporarily stop operations in some of the Group's production and logistics facilities. The main climatic risks likely to impact Renault's sites are flooding (French plants of Choisy-le-Roi and Flins, located close to the Seine River), typhoons (Busan plant in South Korea) and hail storms (the plants in Santa Isabel at Cordoba in Argentina, Valladolid in Spain, Flins in France, Revoz in Slovenia, and Dacia in Romania).

The hail risk has, by far, the highest recurring 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, the Renault group 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. As a result of this plan, the majority of the Group's storage areas for new vehicles are now protected.

No other risks linked to climate change have so far led to any notable disruptions 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.

PHOTOVOLTAIC PANELS: AFTER FRANCE, SPAIN AND KOREA, NOW BRAZIL!

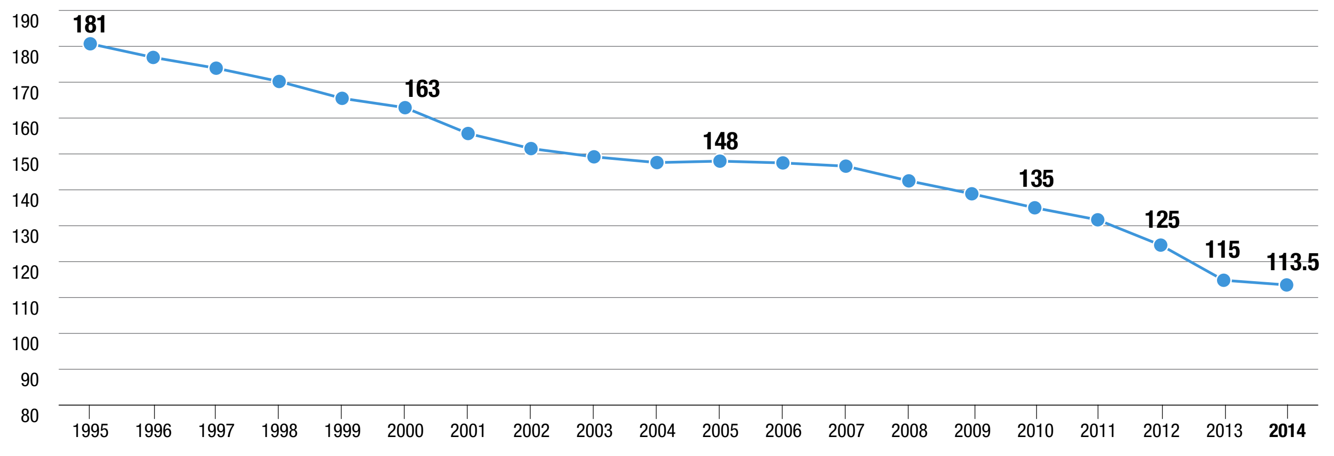
The Ayrton Senna plant in Curitiba, Brazil, embarked on a photovoltaic project in 2014, following in the footsteps of the Group's French and Spanish plants in 2012, and the Busan, Korea plant in 2013. The project was launched on August 25, 2014 and consists of 80 solar panels covering 132 sq.m. of parking spaces and generating 20 kW of energy. It was entirely managed and financed by Renault do Brasil, the local subsidiary.

As of year-end 2014, the solar panels installed on Renault sites throughout the world cover a total surface area of 136 ha, or the equivalent of nearly 190 soccer fields. The 88 MW of fully renewable electricity they generate, enable an annual discharge of 14,200 tons of CO_2 into the atmosphere to be avoided.

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 more eco-friendly and that are accessible to the greatest number of people. In 2014, according to the data available when this report was published, Renault and Darcia 's average CO_2 emissions in Europe were estimated at 113.5g CO_2 /km, placing the Renault group among the top European carmakers.

AVERAGE CO_2 EMISSIONS OF PASSENGER VEHICLES SOLD IN THE EUROPEAN UNION (G CO_2 /KM) – RENAULT AND DACIA BRANDS



Sources and scope: passenger vehicles registered under the Renault and Dacia brands. Average certified CO_2 emissions in the New European Driving Cycle (NEDC).
1995-2010 Data: UE15, AAA DATA (Association Auxiliaire de l'Automobile).
2011-2012 Data: EU 27, European Environment Agency,
2013 Data: EU 27, AAA DATA
Provisional 2014 Data: EU 28 (excluding Czech Republic, Malta, Cyprus, Romania and Bulgaria), AAA DATA

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 an average power output equal to the turbo-compressors and an optimized combustion;
- the reduction of heat losses and mechanical friction;
- various levels of hybridization, from the Stop & Start that is available today across the entire range to the rechargeable E.V. hybrid technology, a hybrid that is affordable and offers zero emissions mobility [1] for trips of less than 60km [2], and is intended to supplement Renault's electric product line over the coming years.

The Ecolab concept car (see 2.2.2), presented at the 2014 Paris Motor Show, has a consumption of only 1 l/100km and emissions of 22g of CO_2/km on the New European Driving Cycle (NEDC) [2] without compromising performance. This is achieved by integrating numerous technological advances in respect of weight reduction, aerodynamics and hybridization that will progressively be applied to the range.

For the Renault group, 2014 was a year of consolidation of the considerable progress made in 2013 in terms of CO_2 emissions on the European range of passenger cars, with a further reduction of 1.3g CO_2/km despite the unfavorable effect of the structural decrease in the proportion of diesel in the sales mix.

In the internal combustion range, the launch of the Twingo III in September 2014 contributed to this result, with certified emissions of between 95 and 105g CO_2 /km depending on the versions compared with 104 to 130g CO_2 /km for the gasoline versions of Twingo II (like most of its competitors, Twingo III is only available in gasoline version).

In the under-3.5-ton commercial vehicle market, Renault is making a notable contribution to the achievement of the EU goal of 175g CO_2 /km for new vehicles marketed in 2017. In 2013, the light commercial vehicles (less than 3.5 tons) sold by Renault and Dacia emitted, on average, 150g CO_2 /km. Launched in September 2014, the New Trafic is equipped with a new range of engines that are specifically adapted to the needs of business customers, reaching record fuel efficiency of 5.7 l/100km [3] (149g CO_2 /km) in its Twin Turbo version.

2. Electric vehicles

Electric vehicles are a major component of Renault's strategy. The Company is targeting a large-scale rollout of this type of vehicle, given that their lack of polluting emissions during driving [1] (excluding replacement parts) provides a real solution to the issue of atmospheric pollution in urban environments (see 2.7.2). They can also significantly reduce the greenhouse gas emissions associated with transportation.

An electric vehicle's carbon footprint throughout its life cycle is nearly half that of an equivalent internal combustion vehicle, based on the average European electric production mix. This gap is set to grow over the coming years given the planned increase in renewable energy use in the European energy mix (objective of 20% of final gross energy consumption in 2020 versus 14.1% in 2012).

Furthermore, the introduction of electricity that is entirely generated from renewable sources, available to businesses and private consumers alike since the liberalization of the European energy market, not only makes possible zero-CO_2 emissions mobility during use, but also from "well to wheel", meaning that all CO_2 emissions associated with the electricity production needed to charge an electric vehicle battery are included.

Sales of the Group's electric vehicles entered a positive dynamic in the second half of the year, making Renault Europe's biggest seller of electric vehicles (including Twizy sales) for the second consecutive year. The excellent sales performance by ZOE at the end of 2014 (highest ever number of monthly registrations for an electric vehicle in Europe in December) and the market growth outlook for electric vehicles make it possible to envisage a growing proportion of this type of vehicles in the Group's sales mix in the next few years, with a major contribution to reducing average CO_2 emissions across the whole range.

The potential of electric vehicles in terms of sales volume and contribution to the reduction in global greenhouse gas emissions is obviously not limited to Europe. According to the International Energy Agency [4], global electricity production from renewable energies should increase by 45% by 2020 to reach 26% of total production (22% in 2013), thereby making electric vehicles, which are a subject of growing interest in many countries, even more attractive in terms of environmental benefits. The Renault group is currently establishing its distribution network in China, with a manufacturing presence in the country in 2016 *via* its joint venture with Dongfeng (Dongfeng Renault Automotive Company). China has established an objective of having 5 million electric or hybrid vehicles on the road by 2020, and over the same period increasing its use of renewable energy to 15% of its primary energy consumption (20% by 2030).

The results and associated highlights for electric vehicles are presented in 1.1.5.1.

(1) Neither CO_2 nor other polluting emissions in use, excluding replacement parts.
(2) Consumption, emissions and electric autonomy certified in accordance with the applicable regulation.
(3) Fuel economy from 5.7 l/100km in Passenger Car version and 5.9 l/100km* in LCV version.*
(4) IEA Medium-Term Renewable Energy Market Report 2014.

3. Eco-driving

Fuel consumption actually observed by an average driver can diverge significantly from the certified values, with differences possibly exceeding 20% depending on the type of driving. That is because the certified consumption values are 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).

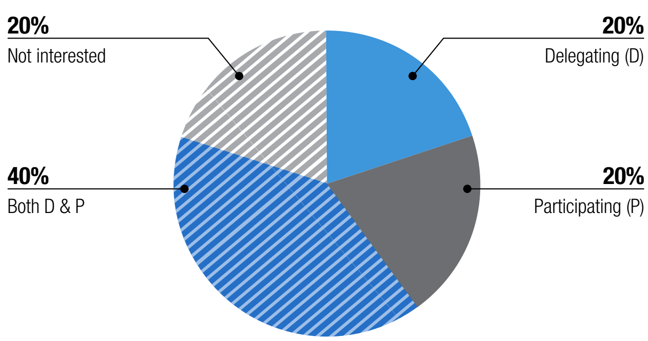
Although Renault is among the manufacturers with the smallest gap between real consumption and certified consumption values according to studies carried out by independent NGOs[(1)], the Company is nevertheless striving to further reduce this difference in order to make true consumption values observed by its customers as close as possible to certified values.

In addition to the technological solutions described above, changes in driver behavior through eco-driving represent an additional avenue for progress and can bring about a decrease in energy consumption (gasoline, diesel or electricity) of up to 25%, depending on the driving style.

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.

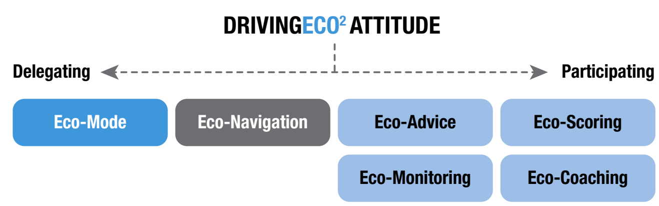
Surveys, conducted both internally and externally to better understand customers' expectations of embedded eco-driving aids, led to the identification of four driver profiles (see graph below):

- "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, as illustrated in the diagram below:

- the 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 (speed change 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 now the free R&Go smartphone application which is replacing R-Link on the New Twingo entry-level versions and Nouveau Trafic), 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.



These embedded eco-driving aids have been available on all new Renault and Dacia models in Europe since 2012 and are now available on the entire Renault range of light commercial vehicles. In 2015, they will become available on all vehicles sold under the Group's three brands (Renault, Dacia, and Renault Samsung Motors) in Europe, Russia, Brazil, and South Korea.

INTRODUCTION OF IN-CAR ECO-DRIVING TOOLS

	MAIN MODELS EQUIPPED AT THE END OF 2014
Eco-mode	Renault range: Twingo, Clio, Zoé, Captur, Kangoo (E.V. and combustion-powered), Trafic, Master, Dacia Sandero, Logan, Duster and Dokker
Assessment and driver coaching (R-Link, Media Nav or R&Go)	Renault range: Twingo, Clio, Zoé, Captur, Mégane, Scénic, Laguna, Latitude, Kangoo (E.V. and combustion-powered), Trafic, Master, Dacia range: Sandero, Logan, Duster, Lodgy and Dokker
Driving style indicator	Renault range: Clio, Captur, Zoé, Latitude, Trafic

In addition to embedded eco-driving aids, Renault offers eco-driving training to its fleet and retail customers and employees.

(1) 2014 Mind the Gap Report from the NGO Transport & Environnement and From Laboratory to Road: a 2014 update of the ICCT (International Council on Clean Transportation).

The Driving eco² training programs on internal combustion and electric vehicles, offered to fleet customers in partnership with the French driving school ECF (*école de conduite française*) and the International Federation of Safety Education Network (IFSEN), are now available in France, Spain and Morocco and are being rolled out in Belgium, the Netherlands, Poland and Turkey. 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.

2.6.3.2 RESOURCES AND THE CIRCULAR ECONOMY

MAIN OBJECTIVES		DATE OF SETTING OBJECTIVE	DEADLINE	STATUS AS OF YEAR-END 2014
Product	Reach a proportion of 33% of recycled materials in the total mass of new vehicles produced in Europe	2013	2016	30,4% (see Appendix 2.9.2.1)
Product	Reach a proportion of 20% of recycled plastics in the new Renault vehicles produced in Europe	2004	2015	20% on Nel Espace
Product	Integrate more recycled plastic (by mass) in each new model than on the model[1] it replaces	2014	Ongoing	Change in recycled plastic from one generation to the next (by mass): Twingo: +3 kg/veh Trafic: +14 kg/veh Espace: +46 kg/veh
Product	Increase by 20% the Group's overall consumption of recycled plastic between 2013 and 2016[2]	2014	2016	New objective
End-of-life	Contribute actively to the end-of-life vehicle program and achieve an effective 95% rate of recycled materials at end-of-life, in particular through financial investments	2012	Ongoing	Monitored by national authorities

(1) Within this document, a model is understood to be a vehicle type produced in a given plant.
(2) In tons, on the basis of the projected 2016 production volumes as at March 1, 2015.

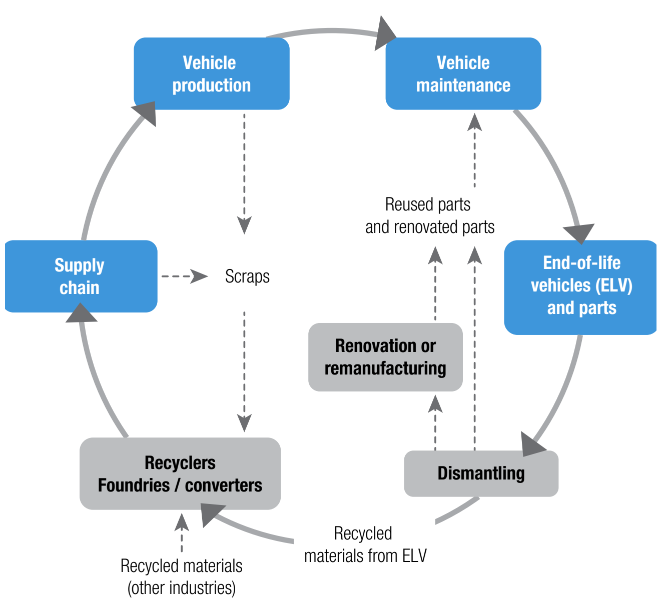
Metals and plastics make up more than 85% of the materials in automobiles. In 2014, the production in the plants of the Group and its suppliers of vehicles sold by the Renault group worldwide required the use of 2.8 million tons of steel, 330,000 tons of cast iron, and 310,000 tons aluminum. These estimated figures include offcuts of sheet metal and metal shavings produced in the Group's plants and totally recycled. Similarly, Renault used about 500,000 tons of plastic materials, including offcuts in the production for its vehicle production worldwide in 2014.

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 falls between 15% for flat steel and up to 100% for steel bars and cast iron. The recycled materials portion for cast iron is 95%. For aluminum the portion of recycled materials varies considerably depending on the manufacturing processes used for the parts: it is almost 100% for aluminum foundry and about 20% for hot-pressed aluminum parts fabricated internally but remains close to 0% for aluminum wheels. Renault is currently working to increase the recycled material rate in the last two categories. The part of recycled plastic is estimated at 13% of all plastic used in 2014.

Reducing the consumption of raw materials is a key objective both ecologically and economically. The extraction of raw materials and their transformation have a negative impact 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 affect the Group's profitability.

Renault uses circular economy principles to reduce the use of raw materials in three ways:

- designing vehicles that are more economical in materials, 95% of which (by weight) can be recycled or reused. Renault anticipated this European regulatory requirement and implemented it on all models brought to market as of 2007. In addition, it is voluntarily applied to all vehicles sold by the Renault group worldwide;
- developing technical solutions and industrial recycling systems, reusing, renovating and recycling parts and materials from end-of-life vehicles. The aim is to make these systems profitable and ensure the availability and quality of recycled materials;
- incorporating an ever-increasing share of recycled materials into new vehicles.



DESIGNING VEHICLES THAT ARE RECYCLABLE AND ECONOMICAL IN MATERIALS

Since the early 2000s, designing Renault vehicles has included dismantling and recycling requirements. 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 parts of them (remanufacturing) is also taken into consideration from the beginning of their design by facilitating dismantling and assessment of their components.

Renault is also working at reducing the amount of materials used in manufacturing its vehicles. Concerning the steel used in vehicle bodies, Renault has introduced two technological advances to reduce 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 parts;
- deep-drawing 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.

Renault is also reducing its exposure to critical materials that present risks of unavailability or supply shortages.(see Risks relating to raw materials – Securing resources in section 1.5.1.3).

COLLECT, SORT, DISMANTLE, DIRECT

Collection is an essential step in the recycling of end-of-life products. In addition to its regulatory obligations (see 2.6.2.2), Renault has chosen to invest directly in the collection and processing networks for end-of-life vehicles in France (wherein 45% of the Group's end-of-life vehicles are found in Europe due to Renault's historical presence in the region), in order to retain economic and technical control on the flow of materials.

Thus, in 2008 the Renault Environnement subsidiary committed itself, along with the Sita/Suez Environnement Group, by taking a 50% stake in Indra. Indra has been active in automotive dismantling for over twenty 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 site in Romorantin) that deal with pollution removal, dismantling and recycling of end-of-life vehicles. These tools and methods are intended to be distributed to all of Indra's dismantling network through training programs that the Company develops and provides (242 people were trained in 2014);
- management-distribution of end-of-life vehicles for the automotive industry, insurers, governments, as well as individuals through its 384 authorized end-of-life vehicle centers;
- dismantling/recycling in its own dismantling center;
- marketing guaranteed reused parts: Through its network, Indra distributes certified, reusable dismantled parts at its sites.

In 2014, Indra handled, directly or through its network, about 70,000 end-of-life vehicles and launched the website goodbye-car.com, offering a turnkey collection service for individuals.

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.

RE-USE

In addition to the marketing of unused parts from its Gaïa subsidiary (see above), Renault launched a new after-sales range of reused parts in 2012. The Renault sales network in France offers used exterior parts (hoods, wings, headlamp units, etc.) collected from Indra's network of dismantlers. This service is available to customers whose vehicles are not economically repairable using new parts.

RE-MANUFACTURING

For more than 60 years, Renault has done re-manufacturing, *i.e.* the refurbishment of mechanical parts. Used parts are collected in the sales network, sorted and made new again. Since 1949, the renovation of engines and transmission has been done 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 ("standard exchange") parts are sold to Renault vehicle owners at a lower price than new parts while satisfying the same quality requirements. Far from being marginal, the standard exchange parts offering covers a large portion of the new parts offering (from 70% of the list of powertrain parts to as much as 90% for ground contact parts).

RECYCLING: DEVELOPING INDUSTRIAL SYSTEMS, USING 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. The challenge is to maintain the technical qualities and economic value of materials after recycling.

Renault has joined forces with other companies that share the same objectives in order to form consortia that bring together industrial entities, local communities, Ademe and universities to create industrial and recycling channels for waste and parts from end-of-life vehicles and other industries. These collaborative projects are particularly involved in the recycling of polypropylene, noryl, foam and textiles (Valtex project) and non-ferrous alloys. The OREE (www.oree.org) and RECORD (www.record-net.org) trade associations, to which Renault belongs, help to coordinate these collaborative efforts.

At the end of 2014, the "short-loop" processes set up by Renault included:

- the recycling of metal parts coming from vehicle maintenance and repair. The first batch in 2012 consisted of faulty engines and transmissions sent for renovation: once processed, components that are not reused in the renovated vehicles are recycled in Renault's foundries. In 2013 used disk brakes collected in the sales network were added to this recycling process;
- 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 sold either to the Fonderie de Bretagne (Renault group) for the production of pearlitic cast iron or to auto industry suppliers for aluminum processing. The copper recycled by Gaïa is of high quality and can thus meet demanding technical specifications and replace virgin or post-manufacturing metal[1], particularly in the manufacturing of enameled wire for electric vehicle engines;
- the recycling of noryl, a high performance plastic material used in the manufacturing of plastic wings and fuel tank covers for the vehicles; manufacturing offcuts from the Flins, Douai and Revoz plants make up 6% of the new wings manufactured in Flins and Douai;
- polypropylene recycling (plastic material): Gaïa collects bumpers from dismantlers and garages and organizes their processing to meet the technical specifications of the Renault-Nissan Alliance. Two qualities of polypropylene produced from this recycling channel were added to the Renault Materials List in 2014 and may now be used to produce plastic parts for the Group's vehicles;
- recycling of metal waste from manufacturing (sheet metal, shavings from machining). Loops between Renault plants or between Renault and suppliers of metal parts are functioning 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 short 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 recycling of automotive textiles and work clothing, using an exclusive process (Valtex project), to create an insulating acoustical material for the soundproofing of vehicles is also in the process of being validated with a view to industrial use.

(1) Post-manufacturing material: Metal waste from the manufacturing process (production of wire), as opposed to a post-consumer material (i.e. contained in a finished product and recovered from the product at its end of life).

INNOVATIVE CAR RECYCLING 95% PROJECT (ICARRE 95)[(1)] – LIFE +

Sept. 2011 – July 2015

In 2010 Renault gave a further boost to its development of recycling systems by presenting the Innovative Car Recycling 95% project (Icarre95) to the European Commission. Implemented as part of the Life + program, Icarre95 is a subsidized project with a budget of several million euros, involving many partners and subcontractors and based on:

1. recycling of materials and the development of a business offer comprising reused parts;
2. alternative logistics which aim to reduce the environmental footprint of transport in the recycling process;
3. the development of recycling skills by increasing training in schools at the request of the French national education authority.

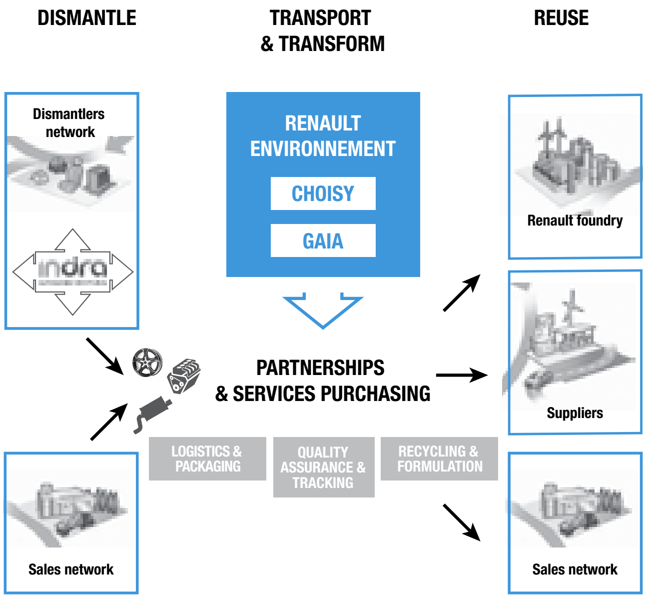
It aims to show how to recover 95% of end-of-life vehicles by weight, on a cost basis profitable for all players, by creating short loops for the re-use of parts and materials in the automotive sector. The model created in this project is intended to be applicable and transferable to other parts of France and other regions of Europe.

To meet these objectives, the project aims to extend the second life of automotive components and/or materials by focusing efforts on the recovery of plastics, non-ferrous metals, textiles and catalytic converters. This will involve in particular more efficient dismantling of the components and materials in end-of-life vehicles. These processes must be economically viable in their own industrial phase and guarantee, as part of a continuous cycle, the level of technical quality required to feed the supplier chain.

Renault is working in the ICARRE 95 project with Synova, Duesmann, and Indra, which specialize, respectively, in plastics, platinum-group metals, and automotive dismantling.

LHigher education schools are also partnering in the Icarre95 project to develop new technological and recycling solutions and to integrate the skills required to implement these within their training courses.

In addition to setting up and developing short loops, as described above, work was also done in 2014 on the economic viability of the collection of materials from end-of-life vehicles, which are spread throughout the automotive dismantling system, and signing collection contracts that will deliver the desired results.



Progress in using recycled plastics is being made with each generation, notably owing to their greater availability. Each New Espace (marketed in spring 2015) will therefore contain over 50 kg of recycled plastic, including one-third from post-consumer recycling[(2)], thus achieving of the 20% recycled plastic objective on new vehicles produced in Europe in 2015. This objective, set in 2004, is replaced in the second part of the 2016 Renault plan, Drive the Change, by two new objectives that demonstrate the Group's desire to internationalize its efforts to integrate a growing quantity of recycled plastics in the production of new vehicles:

- Integrate more recycled plastic (by mass) in each new model[(3)] than on the model it replaces;
- Increase by 20% the Group's overall consumption of recycled plastic between 2013 and 2016[(4)].

Renault and Nissan are working on the identification of new channels and on increased integration of recycled plastic materials in vehicles produced abroad. This was reflected by a 36% increase in 2014 in the amounts of recycled plastics used in the Dacia plants (Romania) and Renault plants outside Europe, *i.e.* around 13kg per vehicle.

RECYCLED PLASTIC PARTS ON NEW ESPACE

(1) For more information: http://icarre95-programmelife.com.
(2) Post-consumer recycled materials: Materials from the recycling of end-of-life consumer products, as opposed to post-industrial recycled materials from manufacturing scrap.
(3) Within this document, a model is understood to be a vehicle type produced in a given plant.
(4) In tons, on the basis of the projected 2016 production volumes as at March 1, 2015.

2.6.3.3 WASTE

MAIN OBJECTIVES		DATE OBJECTIVE WAS SET	DEADLINE	STATUS AS OF YEAR-END 2014
Manufacture	Reduce reliance on disposal in landfills: six manufacturing plants will no longer be disposing of waste in this way in 2016	2007	2016	4 plants
Manufacture	Reduce by 20% the quantity of hazardous waste generated per vehicle produced at the manufacturing sites between 2012 and 2016	2013	2016	stable (versus 2012)
Manufacture	Reduce by 20% the quantity of non-hazardous waste in mixtures generated by the vehicle produced at the manufacturing plants between 2012 and 2016	2013	2016	-13% (versus 2012)

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:

- **reducing,** at source, the quantity of waste generated, by first eliminating the cause of its creation, if 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 were 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. Similarly, the separation of dry matter and oils contained in the sludge and the shavings from milling reduces the tonnages of waste and facilitates the recovery of oils that can be reused in the manufacturing process;
- **recover** used products, production offcuts and shavings: In the assembly plants, excess anti-corrosion protection waxes are recovered after application, filtered and returned to the production system. At the Maubeuge plant (France), the solvents used to rinse the painting robots are regenerated by a specialized supplier and re-used. The Cléon plant collects and regenerates the oils from several French plants to use them as a substitute for new oils in the machining process of mechanical parts. When they are in good condition, used wood pallets are re-used within the Company or resold for the same purpose. Gaïa, a subsidiary of Renault Environnement, recovers unused end-of-series parts from within the plants, sorts them and sells them;
- **recycling** 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 by mass, 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. Beginning in 2013, for example, the sludge from the wastewater at the Sandouville plant is no longer incinerated, but instead recycled in a cement plant in place of a raw material. Even the dust extracted from the air of the Le Mans plant (more than 1,000 t in 2014), previously disposed of in landfills, is now reused as a reagent in the hazardous waste stabilization process, avoiding the use of another raw material;
- **energy recovery** by using waste as an alternative fuel (in cement plants, for example) or by recovering the energy produced through incineration (in waste incineration plants) to produce electricity or steam;
- **disposal** consists in burning the waste or burying it in landfills. Renault is seeking to minimize the use of this waste management method. Based on an identical scale of operations, Renault has reduced the quantities of manufacturing waste sent to landfills (except demolition waste and rubble) by 35% since 2008. At the end of 2014, four manufacturing sites were no longer sending any manufacturing waste to landfill (except for demolition waste and rubble).

To ensure Group-wide coherence, Renault has drafted a waste table (a codified list of waste produced by the sites). This makes it possible to standardize the approach to hazardous and non-hazardous waste internationally.

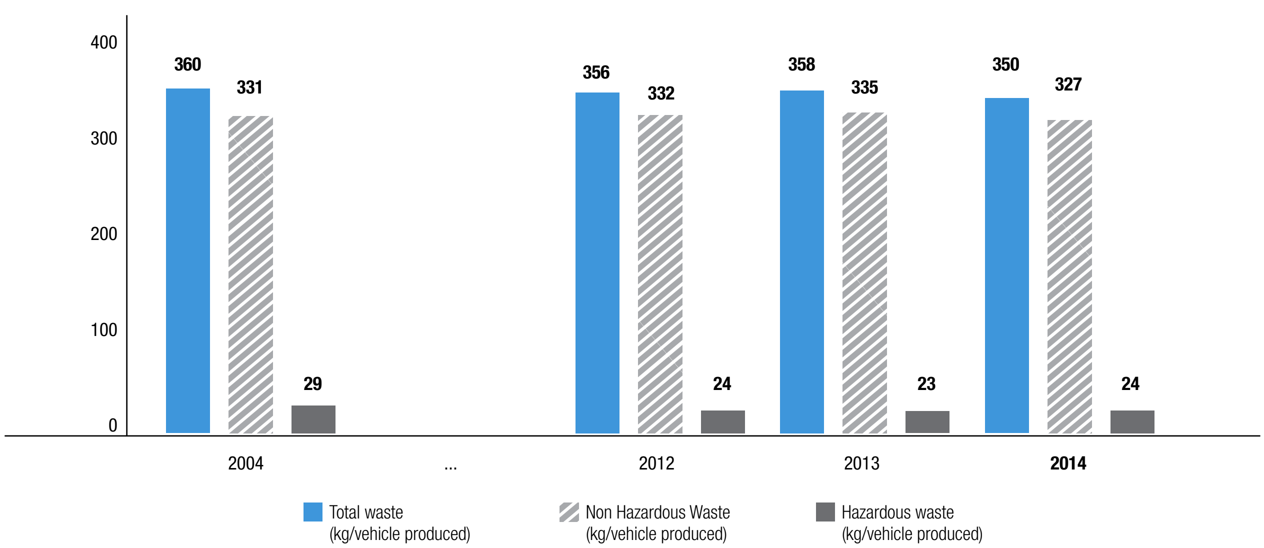
WASTE – TYPES AND TREATMENT METHODS (TONS/YEAR)[(1)]

		TOTAL	RECYCLED	ENERGY RECOVERY	INCINERATED WITHOUT ENERGY RECOVERY	OTHER ELIMINATION CHANNELS
	2014	**60,785**	15,066	26,577	3,856	15,286
	2013	**57,401**	13,533	23,506	3,073	17,290
Hazardous industrial waste	2012	**56,234**	12,485	23,972	2,347	17,429
	2014	**169,621**	124,658	7,961	1,166	35,837
	2013	**192,954**	141,201	9,735	675	41,343
Non-hazardous industrial waste [(2)]	2012	**184,279**	138,878	8,220	663	36,518
	2014	**669,978**	666,454			3,524
	2013	**652,698**	650,299			2,399
Metallic waste	2012	**607,606**	603,033			4,572
	2014	**900,384**	**806,177**	**34,538**	**5,022**	**54,647**
	2013	**903,052**	**805,032**	**33,241**	**3,748**	**61,031**
TOTAL	**2012**	**848,119**	**754,396**	**32,192**	**3,011**	**58,520**

(1) Scope: all manufacturing plants and the main tertiary, logistics and engineering sites except those in the RRG sales network (the scope of reporting described in Appendix 2.8.2.2) Quantities of construction waste that are unrelated to the activity are not included.

(2) Excluding metallic waste.

WASTE PER VEHICLE PRODUCED (KG/VEHICLE)[(1)]



(1) Scope: all manufacturing plants and the main tertiary, logistics and engineering sites except those in the RRG sales network (the scope of reporting described in Appendix 2.8.2.2) Quantities of construction waste that are unrelated to the activity are not reflected by this graph.

2.6.3.4 WATER CONSUMPTION AND QUALITY

MAIN OBJECTIVES		SETTING OF OBJECTIVE	DEADLINE	STATUS AS OF YEAR-END 2014
Manufacture	Reduce water consumption by vehicle by 45% (all sources included) compared with 2005	2012	2016	- 42% in 2014 compared with 2005
Manufacture	Reduce the quantity of heavy metals (METOX) in liquid effluents per vehicle by 60% compared with 2005	2012	2016	- 30% in 2014 compared with 2005

Preserving water resources is an ongoing concern for Renault, both to ensure long-term supply and to reduce the 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 five following objectives:

1. **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;
2. **recover** water as much as possible for the same use: cooling in a closed circuit, increase in the lifespan of the baths, etc.;
3. **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;
4. **minimize the impact of** residual waste on the environment through efficient and strictly controlled treatment processes. For example, new biological treatment plants were set up at the Le Mans plant (France) in 2012 and at the Dacia plant (Romania) in 2013 to improve the quality of discharged effluents; (see if there are any examples to mention for 2014);
5. **control the risk** of accidental pollution of water resources by installing the means needed to confine waters from accidental spillage and that used for fire fighting.

RECYCLING OF INDUSTRIAL EFFLUENTS

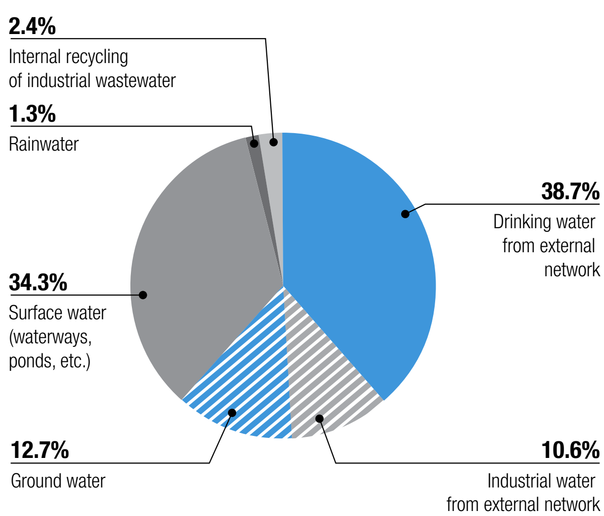
Among measures used to meet its objective of reducing water consumption and the discharge of pollutants into the environment, Renault places a particularly strong emphasis on the recycling of industrial effluents: the wastewater generated by the manufacturing process is treated in a manner that allows 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. Eight out of the Renault group's thirteen powertrain plants implemented evaporation treatment on all (four plants) or part (four plants) of their industrial effluents in 2014.
- In the **body assembly plants,** the recycling technology is more complex because the water used in the manufacturing process (surface treatment and e-coating) must be of very high quality. The treated waste must be subjected to a reverse osmosis process (a purification process using a membrane), and 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, which opened in February 2012 in an area where water is very scarce, is equipped with the most advanced technologies available, enabling it to recycle all its wastewater from the manufacturing process. This made it possible to save more than 200,000m^3 of water in 2014, and to cut in half the amount of water brought in to the site per vehicle produced (from 3.35 to 1.68 m^3 per vehicle) compared to 2013.

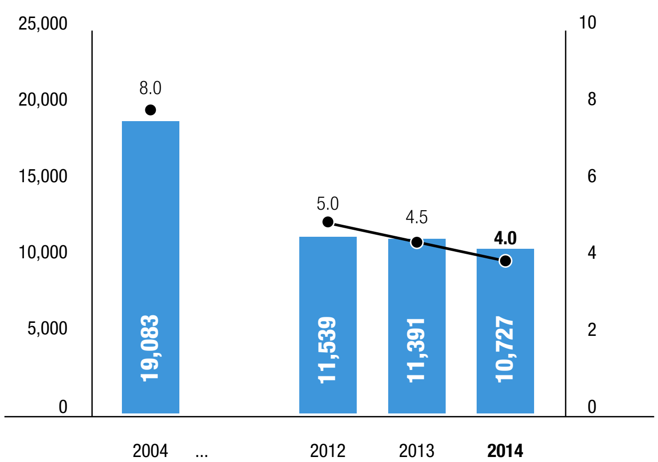
The increasing amount of water recycled from plant effluents contributing to the Group's water supply, along with implementation of best practices in reducing water use, have allowed the Group to decrease its reliance on external water supply per vehicle produced, which has decreased by 8% compared to 2013 and by 47% over 10 years (see graph).

DISTRIBUTION OF THE WATER SUPPLY BY SOURCE



Scope: all assembly plants & main Logistical and Engineering Service Sites, without, the RRG Commercial Network. (Reporting scope described in Appendix 2.9.2.2).

EXTERNAL WATER SUPPLY



External water supply corresponds to drinking water, industrial water, surface water, rainwater and groundwater networks.
The values above correspond to the emissions of the main heavy metals, weighted by toxicity. Given this weighting, the above values are higher than the physical measurements (see Appendix 2.9.2.2)

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2.6.3.5 AIR QUALITY

MAIN OBJECTIVES		DATE OBJECTIVE WAS SET	DEADLINE	STATUS AS OF YEAR-END 2014
Manufacture	Reduce VOC emissions through continuous progress and by the gradual replacement of obsolete installations	2012	2016	-8% (g/m²) compared with 2012

MANUFACTURE

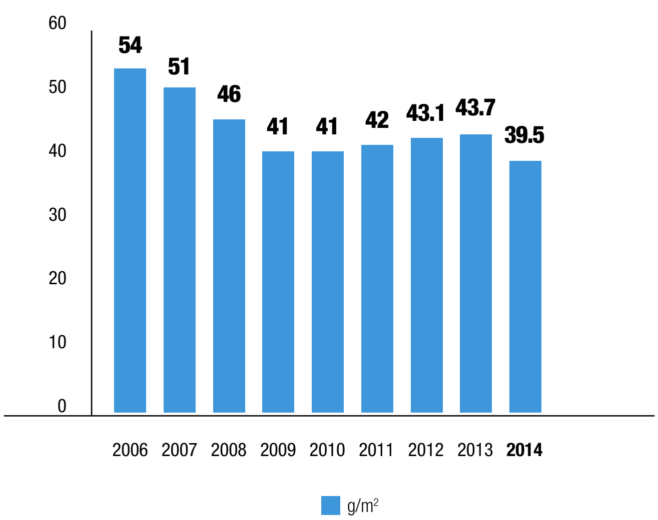
Volatile organic compounds (VOC)

Renault has made reducing emissions at source a priority. Accordingly, 76% of its production facilities are now equipped with booths using waterborne bases [1] and 80% with incinerators designed to cut VOC emissions from paint-drying operations. The main actions to reduce VOC emissions in 2014 in the Group's plants included:

- replacing of solvent bases at the Novo Mesto (Slovenia) plant with waterborne bases [1];
- connecting the air oven for preparations at the Sandouville (France) plant to the VOC incinerator for the bases and varnish air ovens;
- reducing the thickness of the first coat of paint on the two-tone CAPTUR produced in Valladolid (Spain);
- replacing a paint line water-soluble cleaning solvent with a non-solvent product in Busan (Korea).

The paint engineering department is driving the more widespread adoption of best practices, communication and knowledge sharing between plants.

VOC EMISSIONS

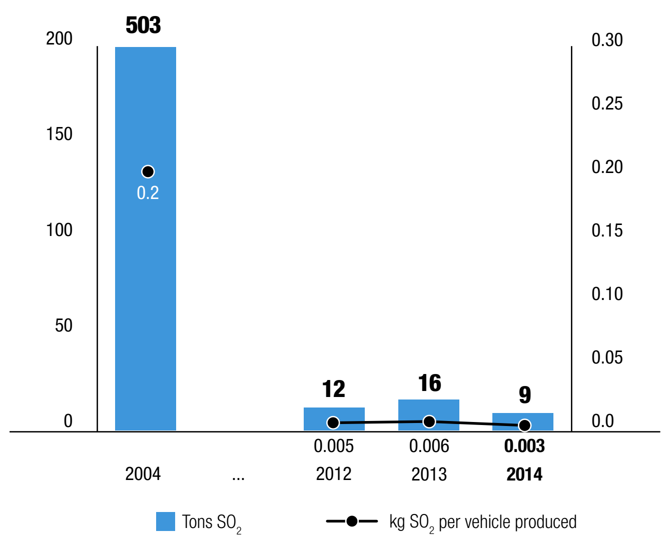


Scope: all body assembly and mixed plants (scope of reporting described in appendix 2.9.2.2). The emissions counted are those of the vehicle body paint workshops (excluding paint for parts such bumpers made of plastic materials and accessories).

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 is now almost no longer used at the Group's facilities (it represented 0.11% of the thermal energy consumed by Renault in 2014 versus 14% in 1999) efforts now bear mostly on the modernization of gas boilers and the installation of low NO_x emissions burners.

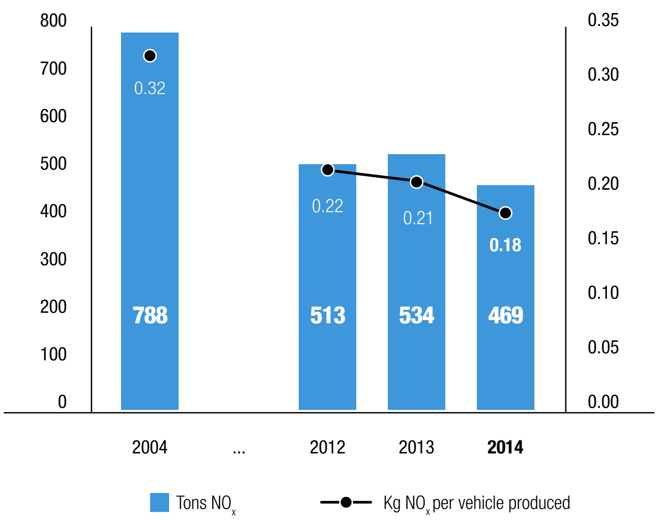
SO_2 EMISSIONS



Scope: all assembly plants & main Logistical and Engineering Service Sites, without, the RRG Commercial Network. (Reporting scope described in Appendix 2.9.2.2).

(1) The «bases» are the automotive body paint layer, which also includes the e-coating (protective coating), primer and varnish. The water-soluble bases have a reduced organic content solvent, largely replaced by water, which reduces the amount of VOC emitted during their application and drying

NO_x EMISSIONS



Scope: all assembly plants & main Logistical and Engineering Service Sites, without, the RRG Commercial Network. (Reporting scope described in Appendix 2.9.2.2).

VEHICLE UTILIZATION

Reduction of pollutant emissions in internal combustion vehicles

All passenger cars and LCVs sold in Europe since January 1, 2011, and January 1, 2012, respectively, have to comply with the Euro 5 standard. In particular, this means that all diesel engines must be equipped with a particulate filter. As of end-2014, two of the three models of the New Twingo already meet the Euro 6 standard. This standard will be gradually deployed on all European ranges of Renault and Dacia in 2015. It further lowers authorized particulate emissions for all models, but above all reduces NO_x emissions from diesel vehicles by more than half in comparison with Euro 5, which approaches those produced by gasoline vehicles.

Such a reduction, a more than sixfold decrease in the amount of NO_x emissions from diesel models within 10 years, is made possible by implementing a NO_x trap, a chemical system that traps nitrogen oxides and transforms them into neutral gases. This catalytic converter also helps oxidize the hydrocarbons and carbon monoxide produced by partial combustion. This after-treatment system was already available in 2014 on certain models of the Mégane range in the main European markets.

In other markets, Renault adapts the technical definitions of its powertrains to fit local conditions (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.

The continuing improvement in the energy efficiency of vehicles (see section 2.6.3.1) also contributes to the reduction in pollutant emissions in use.

EMISSION REDUCTION IN LINE WITH PASSENGER VEHICLE EMISSIONS STANDARDS (EUROPEAN UNION)

	EURO 1	EURO 2	EURO 3	EURO 4	EURO 5	EURO 6	% OF REDUCTION ACHIEVED BY EURO 6 COMPARED WITH THE FIRST LIMIT VALUE
START DATE (ALL TYPES)	1993	1997	2001	2006	2011	2015	
Diesel							
Nitrogen oxides (NO_x)	-	-	500	250	180	80	-84%
Carbon monoxide (CO)	2,720	1,000	640	500	500	500	-82%
Hydrocarbons and nitrogen oxides (HC + NO_x)	970	900	560	300	230	170	-82%
Particles – by mass (PM)	140	100	50	25	5	4.5	-97%
Particles – by number (PN)	-	-	-	-	6×10^{11}	6×10^{11}	-
Gasoline							
Nitrogen oxides (NO_x)	-	-	150	80	60	60	-60%
Carbon monoxide (CO)	2,720	2,200	2,200	1,000	1,000	1,000	-63%
Hydrocarbons (HC)	-	-	200	100	100	100	-50%
Non-methane hydrocarbons (NMHC)	-	-	-	-	68	68	-
Particles – by mass (PM)	-	-	-	-	5	4.5	-
Particles – by number (PN)	-	-	-	-	-	6×10^{11}	-

All values are expressed in mg/km except PN, which is expressed in number of particles per km.

Contribution of electric vehicles to the improvement of air quality in cities

Once they reach a significant proportion of all vehicles on the road, electric vehicles 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, resulting in political proactiveness to promote clean vehicles by 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 2 µg/m^3 (maximum value recommended by France's High Council for Public Health) in the historic city center would be reduced by nearly 50% in relation to the base scenario.

The proactive scenario modeled in Hong Kong assumed that 20% of passenger cars and light commercial vehicles (including light buses) would be electric and 20% of taxis and light buses would be bi-fuel LPG vehicles, all within a downtown area of 1 sq.km (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.

2.6.3.6 SOIL AND WATER TABLES

MAIN OBJECTIVE	DATE OBJECTIVE WAS SET	DEADLINE
Manage remediation work when there are known risks	2001	Ongoing

Pollution from past activities can potentially come into contact with humans and the natural environment through the soil and water tables. Renault has therefore implemented a policy to prevent pollution of the soil and water tables, and implements specific management strategies when there is suspicion of past pollution. 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 2014 Renault's production plants, engineering and logistics sites, and head office represented a total area of 4,049 hectares, of which 46% 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 risk of pollution associated with existing facilities and reinforce the level of protection 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 or in the process of being implemented across all Renault industrial sites worldwide. The prevention policy ultimately relies on monitoring of the quality of groundwater. This monitoring, which is mandatory for all industrial sites in France, is also carried out voluntarily by Renault when potential sources of pollution have been identified to ensure that pollutants are not moved to sensitive areas.

Since 2011, all French sites in the RRG commercial network have been equipped with long-term prevention tools, and oil and fuel are now stored above ground or in double-wall tanks fitted with alarms and retention tanks. Priority prevention methods such as neutralizing or removing simple underground tanks and replacing them 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 three aspects to the pollution management policy:

- historic and documentary study, including an analysis of the site's vulnerability, has been carried out for operational production plants, former production plants 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 2008 and the end of 2014, remediation work was undertaken at 22 sites.

(1) Excluding replacement parts

2.6.3.7 NOISE

MANUFACTURING

Noise is a complex subject that involves a wide range of factors such as weather, topography, type and power of noise sources by octave band, directivity, attenuation, and the impact of buildings. 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. Soundproofing measures are focused on stamping presses and extraction chimneys, which generally constitute the main sources of external noise across our industrial facilities.

VEHICLE USE

In accordance with European regulations, ICE vehicles sold by Renault in Europe generate maximum external noise of 74 dBA during driving.

With sound levels significantly below regulatory requirements, at between 68 dBA and 70.5 dBA, the vehicles in Renault's electric range contribute to reducing ambient noise and improving quality of life in urban areas. In addition, they produce a net improvement in users' acoustic comfort: The internal noise inside an electric vehicle is lower by approximately 10 dBA than that of an ICE vehicle.

2.6.3.8 BIODIVERSITY

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 the water, air and soil making up the ecosystem. Renault's continuous efforts to mitigate the environmental impact of its activities and products (see previous chapters) therefore help combat ecosystem depletion.

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. One such assessment was carried out for the Tangiers plant inaugurated in 2012. In Brazil, Renault went even further in 2008 when, with the agreement of the local authorities, it established a plan 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 araucarias, a species of pine threatened with extinction and protected under Brazilian law, is home to more than 170 animal species.

A biodiversity diagnostic was performed at the Engineering facility at the Technocentre (France) in 2013, which includes more than 80 hectares of pervious land.

2.7 HEALTH PROTECTION

In a proactive approach to health and safety, the Renault group is working to reduce the negative impacts of its activities and its products on the health and safety of all stakeholders. It aims to:

- improve working conditions for Group employees, protect their health, safety and well-being (see 2.4.3.1);
- include, in the environmental policy, air quality factors for manufacturing and vehicle use (see 2.6.3.5);
- ensure the safety of motorists and other road users, and help more generally to reduce death on the roads (see 2.7.1);
- protect the health of consumers and workers using a substance risk management policy (see 2.7.2).

2.7.1 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 1.3 million people are killed and between 20 and 50 million injured on the world's roads each year. Unless concerted and effective action is taken, the WHO predicts that the number of annual road fatalities will reach 1.9 million in 2020. Renault, an automotive manufacturer, designs, manufactures and distributes cars throughout the world. It has made road safety one of the core concepts of its corporate social responsibility.

DECADE OF ACTION FOR ROAD SAFETY 2011-2020
SUPPORTED BY RENAULT

The Renault group's international expansion must be accompanied by the design of vehicles meeting regulations and security requirements in these new markets. Because the causes of accidents and injuries in these new Regions differ from the European market, Renault is expanding its accident research beyond Europe, transferring its own know-how and gaining local expertise from local laboratories and universities, and other key players in road safety.

But, to fully assume its responsibilities, Renault has made a twofold 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, Renault works to raise awareness of road safety and facilitate transfer of competencies among road users and stakeholders.

2.7.1.1 RENAULT ROAD SAFETY POLICY

Renault includes in its systemic vision the specific features of each country to properly take into account factors other than the vehicles and their technologies, such as the road infrastructure, current legislation and its application, the policy and level of training and of raising awareness of road users, etc. Thus, either alone or in partnership, Renault is working to implement the most suitable measures in line with the maturity of each country.

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 on 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 other part 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 constitute the fundamental dynamics of the vehicle. They are crucial to accident avoidance. Even so, there are situations where technology has to 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 safety strategy is to protect all 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 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 one of its goals.

RESCUE

RESCUE
Renault collaborates with French and foreign emergency services to optimize care for accident casualties. These services receive guides explaining how to perform rescue operations on Renault vehicles. They are also given late-model vehicles on which they can practice victim extraction methods.

RAISE AWARENESS

SAFETY AND MOBILITY FOR ALL RENAULT

RAISE AWARENESS

Because it is important to learn the right habits from an early age, Renault continued its "Safety and Mobility for All" international road safety program during the 2013-2014 school year, relying on its expertise in this field.

This educational program is intended mainly for children and teenagers. Launched in 2000 it has already reached several million young people, and some 800,000 teaching kits have been distributed. Currently running in a dozen countries, it is the biggest road safety awareness campaign ever organized by an automaker. By way of example, the "Kids on the Road" program intended for elementary school children has been rolled out to countries beyond France, including Poland, Slovenia, Portugal, Turkey, Brazil, Argentina and Colombia. The teaching kits are now also available in a digital tablet application format in order to make them more accessible and to protect the environment. A serious game launched in 2014, raises the awareness of children between the ages of 7 and 12 in terms of road safety and sustainable mobility through three missions and numerous scenarios. The game can be downloaded from the program's educational resources center (http://www.securite-mobilite-pour-tous.com/accueil/centre-de-Resources/).

Since the start of the 2011 school year, "Safety and Mobility for All" covers the themes of environmental protection and eco-mobility. It continues to reach 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 2014 competition highlighted particularly concrete initiatives implemented in such countries as Russia, Brazil, Lebanon, India, Ukraine, China and Mexico.

THE "TKAYES PACT", A RENAULT GROUP ACTION PLAN IN MOROCCO

In Morocco, the Renault group continues to deepen its corporate citizenship commitment with its "Tkayes" road safety program, which appeals to the public to respect life and other people. The goal is for this meaningful concept to become ingrained and to encourage responsible behavior in a firm yet friendly tone.

In 2013, Renault Morocco organized the "Le Village Tkayes" road safety circuit in Tangiers, the first of its kind, in partnership with the Ministry of Equipment, Transport and Logistics, the National Committee for the Prevention of Road Traffic Accidents, the Moroccan Driving School and the Delegations of the National Education Ministry in Tangier and Fahs Anjra. In 2014, the village welcomed 2,700 young people from 50 regional grade schools. Two hundred hours of training took place.

"Le Village Tkayes" ties in with the initiatives the Renault Morocco group has carried out since 2007 as part of a national road safety effort.

- "Tkayes Style Competition" A poster creation competition on the theme of road safety and the prevention of accidents. In 2014, nearly 2,000 posters were presented, representing over 1,000 participants and more than 33,000 fans. The top 20 posters were included in a traveling exhibition;
- "Tkayes Mix." Renault Morocco produced and distributed more than 20,000 CDs featuring a compilation of songs from the national music scene dealing with road safety themes. This campaign was seen at key locations, such as gas stations, thanks to a partnership with Total Morocco, taxi stands and Morocco's main beaches and involved a number of cities throughout the country: Casablanca, Rabat, Tangiers, Tétouan, Salé and Marrakesh;
- Tkayes also conveys its messages through its Facebook page (www.facebook.com/tkayes style), which already counts more than 70,000 fans;
- In 2014, a video competition was organized through a tour of schools specializing in graphic arts and cinema. Twenty-three road safety videos were completed.

GLOBAL ROAD SAFETY PARTNERSHIP – GLOBAL ROAD SAFETY INITIATIVE

In order to counter the deterioration in road safety that inevitably accompanies access to mobility and cars, Renault has been involved in two large-scale programs since 2005: the Global Road Safety Partnership (GRSP) and the Global Road Safety Initiative (GRSI).

http://www.grsproadsafety.org

The GRSP is an NGO supported by the International Federation of Red Cross and Red Crescent Societies, combining government agencies, private-sector entities and civil society that work together to help emerging countries develop their own road safety capabilities, deploy best practices, and set up the multi-sector partnerships needed to effectively promote road safety.

In 2014, the GRSP operated in 48 countries around the world, directly reaching around 38 million people.

The GRSI is an international road safety program supported by five of the largest automotive and petroleum companies in the world: Renault, Toyota, Michelin, Total, and Shell. It was set up by the GRSP to respond to challenges identified in the "World report on road traffic injury prevention."

In 2009, Renault confirmed its involvement in the 2nd phase (2010-2014). This new phase continues the work done in Brazil, China and the ASEAN countries, and introduces GRSI and member projects to Africa.

In 2014, Renault continued to support the actions of the GRSP and the GRSI at the corporate level, but also in the target countries through its decentralized Engineering departments and sales subsidiaries.

DRIVER TRAINING

The "Renault Track, the Right Track", a post-driver's license driving school launched in France (Eure department) in June 2013, is open to everyone: private and professional customers, Renault employees, experienced drivers, senior citizens anxious to improve or young people in the process of learning, as well as individuals with reduced mobility. The educational program addresses both accident prevention and eco-driving. It tries to give students a better understanding of what causes accidents, helps them analyze their own reactions (reflexes and fears) and become familiar with the possibilities and limitations of the vehicle's technology (ABS, EBA, etc.). It also explains the principles of eco-driving (gear shifting, managing acceleration and braking by anticipating traffic conditions) and teaches students how to make the most of eco-driving functions (driving style indicator, journey report, eco-coaching and eco-navigation) to reduce fuel consumption and therefore transport costs. All of the profits generated will be earmarked for social initiatives that target young people in difficulty, to help them re-enter the labor force. (Renault also offers specific training dedicated to eco-driving, called Driving eco² (see 2.6.3.1).

A similar school has existed in Poland since 2004. It has already trained over 13,000 individuals from 280 different companies.

2014 saw the start of a road risk prevention collaboration with the University of Aix-Marseille in France. It aims to train people to drive behavioral changes to decrease the Company's road accident rate. The course, which lasts for 7.5 days and takes place at the Renault Track, is recognized by a university certificate.

The course covers both theory and practice, addresses the limits of the Human-Environment-Vehicle-Organization system using research conducted in particular by Renault. Participants put into practice on the track, the risk representations, perspective and analytical limits of the driving task, the GDE matrix (Goals of Driver Education), the physiology of risk etc.

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 co-developed a master's in road safety management (MANSER) for the Middle East and North Africa, where road risk is acute. The objective is to produce national and regional managers and experts capable of creating and coordinating road safety policies in their countries. The program was launched in 2012 and 10 students have completed the 18 theoretical and practical teaching modules to obtain their diploma in 2014.

PREVENTION, CORRECTION, PROTECTION

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. Its history in this field, from concept cars such as BRV and Epure, which were revolutionary in their day, to its numerous publications at renowned conferences, has resulted in an integrated approach to vehicle safety. Based on passive safety features that exceed well-publicized demands, such as all-round protection, and anti-submarining measures, the approach also includes assistance in normal driving conditions (Renault was among the first to pioneer speed limiters in Europe) so that drivers adopt appropriate on-the-road behavior.

These passive safety efforts will continue, particularly by introducing stricter rules for accident testing around the world. In addition, the future of driver safety now involves Advanced Driver Assistance Systems (ADAS), which Renault is encouraging high-end manufacturers to make widely available.

Our new Espace heralds the arrival of the systems that will ultimately be widely used in the range: The Speed Alert, which recognizes traffic signs, the Adaptive Speed Regulator, the head-up display and the automatic switch between high headlight beams and low beams during night-time driving. Line-crossing, blind spot and safe distance alerts will be available, as well as emergency active braking to avoid collisions or lessen their impact and protect the occupants.

Thanks in particular to the Renault-PSA Peugeot Citroën Laboratory for Accidentology, Biomechanics and the Study of Human Behavior (LAB), as well as contributions from numerous international working groups, Renault has, for more than 40 years, built up an accident database that provides extensive knowledge of what causes accidents and the ability to measure the effectiveness of safety systems in terms of lives saved and injuries prevented. It also helps identify the systems that need to be installed on vehicles to maximize their real safety. This accident research-based approach is supplemented and enriched by biomechanical research to gain a better understanding of the lesional mechanisms that cause injuries and to continually improve safety systems on Group vehicles.

RESCUE

RESCUE

Since 2010 Renault has voluntarily undertaken to work with the emergency services to maximize their efficiency and safety whenever they are called to a vehicle accident. Renault and the French National Federation of Fire and Rescue Services (Fédération Nationale des Sapeurs-Pompiers) signed a partnership agreement in June 2012 to strengthen this commitment. Agreements have also been signed with half of the Departmental Fire and Rescue Services in France.

The implemented strategy focuses on four factors:

- improved knowledge of the Group's vehicles among firefighters;
- acknowledgment of constraints experienced by firefighters during interventions;
- implementation of research and innovation projects;
- technical modification to vehicles.

Intervention manuals for the brand's electric vehicles are also made available to emergency services, as well as decision support sheets, to be used in case where extrication is needed, for each new model in the range. These documents are created in conjunction with emergency services so as to best address their real needs.

Emergency services needs are taken into account from the design stage of vehicles. This is evidenced by the fireman access, already incorporated in ZOE, and which will be present in future electric vehicles in the range. This system enables firefighters to quickly and efficiently extinguish an electric vehicle fire.

New measures were implemented in 2014:

- a total of 250 internal combustion and electric vehicles, some intact and some from crash testing, were donated to emergency services to help improve their training in extricating people from vehicles;
- the donation of two educational ZOE vehicles to help teach firefighters how to handle a crashed electric vehicle in specific scenarios: frontal impact, lateral impact and rear impact;
- the training of 400 French firefighter trainers in how to handle electric vehicles (EV) from the Renault and Nissan ranges. This training was later expanded to include Spanish, Paraguayan and Bosnian firefighters;
- contribution to the creation of an ISO format for the decision support sheets used in dealing with vehicle accidents;
- the creation of a national highway emergency challenge aimed at all French firefighters and intended to improve highway emergency practices;
- technical contribution to four annual national firefighter meetings: technical days, themed days, national firefighters' convention, highway and medical conventions;
- the rescue code, in use since mid-2014, is another example of the improvements in efficiency and safety of emergency services procedures. It enables firefighters to photograph a QR code located on the windscreen and rear window and instantly access the decision support sheet for any vehicle in the Renault or Dacia range, when attending a highway accident. This is made possible by a special application that was custom-designed in partnership with DESINCAR and made available to firefighters free of charge.

A number of research and innovation projects are underway in partnership with French firefighters, as well as the improvement of any existing systems and components in our vehicles that could affect their security on the job. Everything is geared toward improving the care given to the victims of road accidents by ensuring the safety of both victims and rescue workers. For example, the Road Safety Foundation (*fondation sécurité routière*) is subsidizing the launch of a research project named QUO VADIS. This project is a partnership with French firefighters and doctors and aims to improve the care provided to accident victims.

To date, Renault has invested over €2 million in all its support programs for firefighters.

2.7.1.2 INTEGRATING NEW TECHNOLOGIES

The modern vehicle will have zero emissions, will communicate and be autonomous.

The vehicle will communicate with other vehicles, with the road, the environment, and with the drivers and passengers. Vehicles will share information regarding their location, speed and expected itinerary, etc. The vehicles will also be able to sense other vehicles, traffic, the level of road adherence, road hazards, traffic incidents and unforeseen events. The information collected will be used to offer safety services (for example, alerts regarding incidents occurring along the itinerary, zones with specific dangers, traffic control at intersections, and why not even anti-collision information), as well as traffic services (congestion, alternative itineraries in real time, etc.) or infotainment services (information and *entertainment* for passengers). The New Information and Communication Technologies (*Nouvelles technologies de l'information et de la communication*, NTIC) are becoming increasingly powerful and robust, and increasingly affordable, simple to use and diverse.

The vehicle will be autonomous: this autonomy may not be complete, it could be partial or conditional, depending on the level of automation and the potential driving situations, commonly referred to as "cases of use". A case of use describes a larger or smaller driving delegation feature, in very specific conditions relating to traffic, infrastructure, environment, and delegation method.

Various authorities (NHTSA, SAE, OICA, VDA, etc.) have defined levels of autonomy using scales (generally from 0 to 5), running from manual driving or assisted by driving information aids (level 0) to complete vehicle autonomy under all circumstances (level 5). These levels are established according to the distribution of tasks and the driving authority between the driver and the vehicle, particularly in situations with a risk of accident can be foreseen.

The major challenges associated with this modern vehicle are technological (performance and reliability of the sensors and artificial intelligence), ethical and legal (are we ready for automated roadways and in what legal context?), and ergonomic (how do we design a driver-automaton relationship that manages driving situations and risk situations better than today's drivers?)

Of course, one of the greatest challenges is ensuring the safety of all users on a road system that is growing increasingly connected and automated. To this end, in conjunction with Nissan, with the scientific community, its industrial partners and public authorities, and internally, Renault is working on all aspects of safety:

- the reliability of operation;
- the Overall Product Safety;
- compliance with regulations (technical aspects and traffic laws);
- compliance with the European declaration of principles regarding the human/machine interface;
- the creation of international standards and norms;
- the definition of a case of use for connectivity and automation services compatible with foreseeable or predictable modes of use, particularly regarding the potential distraction effects;
- compliance with the provisions regarding the recording of personal data.

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, from technical testing in a laboratory setting, through to large-scale testing on open roads with regular test subjects:

- 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, such as Renault's R-Link. Partially automated vehicles with simple initial cases of use will take their place in the Renault range before 2020.

2.7.1.3 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 at dealership level or in the rare case of 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 a leader expert;
- 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 leader expert in product operational safety and general safety;
- establishment and introduction of training/awareness-raising sessions for relevant Renault employees.

2.7.1.4 EMPLOYEE SAFETY

Renault is particularly focused on employees' risk exposure and road safety training. Campaigns to inform and train them are constantly being undertaken: communication, road safety week, defensive driving courses, etc.

The prevention of employee accidents during travel and traffic accidents while on business is part and parcel of an overall road risk prevention effort launched by Renault many years ago. Renault is a signatory of the Road Safety Charter, thereby confirming the Company's commitment to the fight against poor road safety. In this context, the Company has initiated a series of campaigns to promote road safety to Group employees at its facilities in France and abroad, including throughout its engineering, manufacturing and sales operations.

Renault also leads long-term communication and awareness-raising campaigns throughout the Group, as evidenced by:

- the implementation of employee awareness-raising campaigns led by prevention, health and safety engineers, occupational physicians and professionals in the field of the prevention of road hazards;
- the development of training measures for road risk prevention so as to reach a larger percentage of the workforce (including France, Romania, Morocco, and Algeria).

2.7.2 SUBSTANCE RISK MANAGEMENT

MAIN OBJECTIVES		DATE OBJECTIVE WAS SET	DEADLINE
Manufacturing and product	Replace potentially toxic chemical substances	2009	Ongoing

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 a 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 automotive manufacturers. 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.

In addition, following an implementation phase, the REACH regulation is now fully 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 fulfill the information and transparency obligations required by REACH. The team works with a network of around 50 correspondents across Europe and maintains a dialog with counterparts inside and outside the Alliance. Its brief is to identify and supervise the work necessary to achieve compliance by the 98 Renault legal entities concerned, 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 anticipatory approach, Renault has replaced toxic substances found in the chemicals used at its plants since the 1960s and substances found in materials since the early 2000s. Since the number of chemicals considered toxic to varying degrees increases regularly due to improvements in scientific knowledge, Renault has drawn up two lists of substances for which substitution is a priority for chemical products and materials. These lists include in particular carcinogenic, mutagenic and reprotoxic (CMR) substances, substances of very high concern subject to prior authorization (Appendix XIV of REACH), and substances that are not currently restricted but for which Renault aims to anticipate a potential ban at global level.

In calls for tenders, Renault explicitly asks suppliers to comply with its substances standard. This prohibits the use of hazardous substances and substances of concern, lists priority substances for substitution, and requires suppliers to declare the substances used to create their parts and preparations. The standard 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. However, Renault's R&D objectives do not include expanding the use of nanotechnologies. Their uses correspond to those commonly proposed by automotive industry suppliers.

2.8 SUPPORTING LOCAL COMMUNITIES WHEREVER WE OPERATE

2.8.1 RENAULT, AN ACTIVE PARTICIPANT IN THE ECONOMIC GROWTH AND DEVELOPMENT OF ITS OPERATING REGIONS

The Company is a key participant in economic development due to the location and size of its operations, its procurement of parts and services, its distribution network and mobility solutions (products and services) proposed, and plays a role in the social development of its host countries. It seeks to be a motor for change and act as a partner in the transformation of the communities within which it operates. For the Company, this means identifying the needs and expectations of its circle of stakeholders and offering them solutions through its core business, the introduction of innovative approaches and support for their individual and collective development. The majority of the Group's contributions to its host countries are described in the preceding sections. Nevertheless, some illustrations are featured below.

2.8.1.1 AN ACTIVE PARTICIPANT THROUGH ITS CORE BUSINESS ACTIVITIES

With a few rare exceptions, it is impossible to truly isolate the Company's contributions within a complex and interdependent socioeconomic fabric. Beyond direct employment generated and the taxes paid by the Company, the other direct and indirect contributions and benefits are shared among the members of a network.

According to the figures published by the European Automobile Manufacturer's Association (ACEA), the automotive industry in EU 27 supported 12.9 million jobs in 2012, 2.2 million direct jobs, and roughly five indirect jobs for each automotive industry employee. These figures are confirmed by the OICA (International Organization of Motor Vehicle Manufacturers) internationally. 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 14 European countries for which tax data is available, the automotive industry has generated annual tax revenue totaling €385 billion for governments (2011 or 2012 depending on the country). This includes VAT on vehicles, parts and accessories, taxes on fuel, and lubricants, registration, insurance, driver's licenses, road fees, tolls, etc.

2.8.1.2 AN ACTIVE PARTICIPANT THROUGH ITS VOLUNTARY COMMITMENTS

This social aspect of the Renault group'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 local challenges and expectations;
- on an ad hoc basis, in response to special requests from NGOs, charities and volunteer organizations.

Although the Company's past societal contributions mainly consisted of altruistic and *ad hoc* philanthropic activities, even though these may have reflected its values, they are now long-term efforts guided by a more strategic and sustainable strategy.

THE RENAULT GROUP FOUNDATIONS

Some Group subsidiaries now carry out their CSR 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. These foundations are locally funded and chaired by Renault's Chief Executive Officer in the country concerned, or the Company's Chairman and Chief Executive Officer for the Company Foundation in France. Since 2009, the global CSR function 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 websites.

COUNTRIES	NAME	YEAR OF CREATION	PRINCIPAL ACTIVITIES	SCOPE OF ACTIVITY	ANNUAL BUDGET
Argentina	Fundación Renault Argentina http://www.fundacionrenault.org.ar/	1960	Education Environment Road safety Health Local development	Local and regional	€111K
Brazil	Instituto Renault do Brasil http://www.renault.com.br/mais_renault/instituto-renault/	2010	Education Environment Road safety Diversity Local development	Local and regional	€3.8M
Colombia	Fundación Renault Colombia	2014	Education Diversity Environment Road safety	National	€128K
Spain	Fundación Renault España	1963	Education Sports	National - for employees' children	€420K
	Fundación Renault para la Movilidad Sostenible http://www.fundacionrenaultmovilidadsostenible.com/	2012	Sustainable mobility	National	€100K
France	Fondation d'Entreprise Renault https://www.fondation.renault.com/	2001	Education	International	€2.8M

Renault also contributes by providing direct local assistance using a proactive approach. The Renault group employs innovative solutions aimed at resolving the issues faced by the communities in which it operates, while improving the Company's performance. This involves the creation of shared value

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 as a result of 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 and the French Development Agency, it was designed by Renault Tangiers Operations, then placed under Renault's leadership during the construction of the Tangiers plant, to provide public training for the automotive professions.

  This center has provided a significant portion of Renault's training endeavors, with no fewer than 5,500 individuals trained, for a total of slightly over one million hours of training.

  IFMIA-TM now consists of seven maintenance schools, four manufacturing schools, a logistics school and three specialized workshops (product, health and prevention, security and environment). Its mission is to further the growth of the training program, research work and expertise in the automotive industry. It provides an initial training program to prepare for national diplomas (qualification diploma, technician diploma and specialized technician diploma) as well as the specialized training required for specific occupations within automotive industry companies. The institute also organizes ongoing training and development for personnel within this industry;
- in France, the Company signed the French government and local authorities' **Company and Neighborhoods Charter,** in June 2014. In doing so, it undertook to bring concrete solutions to economic, social and cultural development issues in neighborhoods deemed of priority importance by city policy, and to work in close collaboration with public authorities. In addition to the Charter, Renault signed an agreement detailing its commitments in the following areas: An assessment of the agreement, including the structures set up and the results obtained, will take place after 12 months:
  - 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 will be paid to young people from high priority neighborhoods near our facilities. (ii) *Via* its Société des Automobiles Alpine subsidiary, Renault has taken part in the "50 chances, 50 jobs" program in the Dieppe region of France. Company managers coach young people in their employment search, thereby creating a bridge between them and the business world. (iii) In 2012, the Renault Foundation, the Institut Universitaire de Technologie de Mantes en Yvelines and the Université de Saint-Quentin-en-Yvelines created a professional degree in Electric Vehicles and Electromobility to serve as a launch pad toward employment in the electric mobility sector. Most of the students complete their internships with Renault. Particular attention is paid to recruiting young people from high priority neighborhoods,
  - local services, access to the Company's products and services; Based on a detailed mapping of priority neighborhoods, the Group is increasing the presence of Renault Socially Responsible Garages (Garages Renault Solidaires), part of the Mobiliz program (see section 2.2.3.1), so that low income populations will have greater access to the program's services;
- Renault also subscribes to the FMEA. **The Modernization Fund for Automotive Equipment Suppliers** (FMEA) is an investment fund created in 2009 that provides equity or quasi-equity to automotive equipment manufacturers. The FMEA operates uniquely as a long-term "prudent investor", generally for a seven to eight year term.

  The purpose of the fund is to help develop and consolidate intermediate firms and larger, more profitable, strategic and competitive SMEs, while being able to provide automakers with R&D capability and a stronger international base.

It invests in the following firms:

- equipment makers in need of equity to fund business growth and R&D programs,
- companies capable of forming and consolidating more efficient entities operating in different areas of auto equipment sectors (plastics, stamping and metalwork, foundry, rubber, etc.),
- highly innovative fast-growing companies in need of equity.

In October 2014, the French Minister of the Economy, Industry and Digital Affairs, Emmanuel Macron, announced a project to transform and change the FMEA, which became the Automotive Future Fund (*Fonds d'Avenir Automobile*, FAA) to be implemented in 2015.

2.8.1.3 AN ACTIVE PARTICIPANT THROUGH ITS PHILANTHROPIC ACTIVITIES

Since business is not everything, there is still room for pure philanthropy – unconditional donations – through patronage actions taken by Renault to support local or international initiatives.

These activities take place at the grassroots level in cooperation with local partners. They also play a role in cementing the position of the Group's entities in local communities

RENAULT s.a.s.

Renault is regularly approached by NGOs, associations, volunteer organizations and employees seeking support for projects of general interest, solidarity or good citizenship.

To respond to these demands, the Company drew up a standard procedure in 2010 that can be used to collect and analyze these applications through a single gateway accessible to all on www.renault.com.

This front office for submitting applications is open to external organizations and Renault employees who belong to them. Applicants provide documentation for the projects sponsored by their organization, including its goals, quantitative indicators and budget breakdown. They must present arguments showing how the project is consistent with the Renault group's CSR policy and how it fits within one of the four strategic priorities (sustainable mobility, road safety, environment, human capital). In 2014, Renault received and handled 130 requests for support for projects in France and abroad. €142,000 was awarded to 10 selected projects detailed in section 2.9.3.3.

Funding decisions are made collegially by a jury comprising employee representatives of the Renault group Works Council, the Legal, Communications, CSR and HR departments and the different international Regions. They meet three times a year to select the initiatives that will be funded. Country requests for support are always subject to local validation to ensure they are passed along to the appropriate quarter. Other locally relevant requests can be paid for directly out of the subsidiary's budget.

This type of ad hoc patronage, whether resulting from the patronage portal or initiated directly by the subsidiaries and sites, also gives the Company the opportunity to conduct pilot projects with some of the recipient associations, with the aim of establishing longer-term relationships.

RENAULT RETAIL GROUP

In 2003, RRG created a Social and Humanitarian Aid Fund (Fonds d'Aide Sociale et Humanitaire, FASH) dedicated to awarding financial assistance to RRG employees and to social, charitable or humanitarian organizations. Since its creation, nearly 160 organizations have received support.

FASH was renewed in 2014 with a three-year agreement with the labor unions. It will be funded by means of an annual 2% deduction from the sums due in respect of employee profit-sharing linked to Company performance. This endowment has a ceiling of €75,000 per year and is supplemented by a matching employer contribution from the Company. The fund is managed by a commission consisting of representatives from management and from each labor union, with requests submitted to the Works Councils.

2.8.1.4 CALCULATING THE IMPACT OF SOCIETAL FACTORS

To ensure its initiatives are coherent and in line with these themes, The Corporate CSR Department (DRSE) coordinates them at the global level and relies on a network of representatives in the main departments and the Group's geographical Regions, as well as a cross-functional network of CSR correspondents in most countries in which Renault operates.

To maximize the contribution these social initiatives make to the Group's challenges, as defined in the CSR strategy, Renault aims to allocate 80% of its social expenditures to the four themes listed above. The remaining 20% are used to support needs in other areas as identified locally.

All information about these initiatives is fed back to DRSE on an annual basis for centralized reporting. The methodological details can be found in section 2.9.3.1

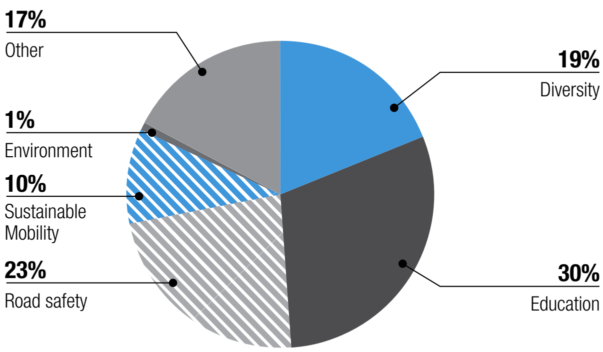
Selected key figures from 2014:

- more than 350 initiatives were identified in 30 countries, covering Renault's five geographical Regions;
- 83% of these initiatives address one of the Group's main social responsibility themes;
- 90% of the amount is geared toward community investment type projects.

A detailed breakdown is attached as Appendix 2.9.3.2.

DISTRIBUTION OF INVESTMENTS WITH A SOCIETAL PURPOSE

BY PRIORITY THEME

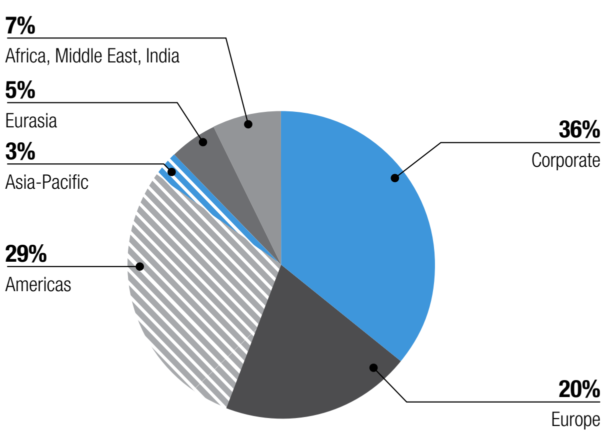


Grouped since 2014 under human capital, the education and diversity initiatives are presented separately here to indicate their respective weight and allow for comparison with the data published in 2013.

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 2.6). The actions referred to here are campaigns to raise awareness of environmental issues and local initiatives close to sites. To compare with the data published in 2013, "Environment" and "Mobility" should be added together.

In line with the Group's policy, over 80% of societal actions in 2014 concerned priority CSR areas.

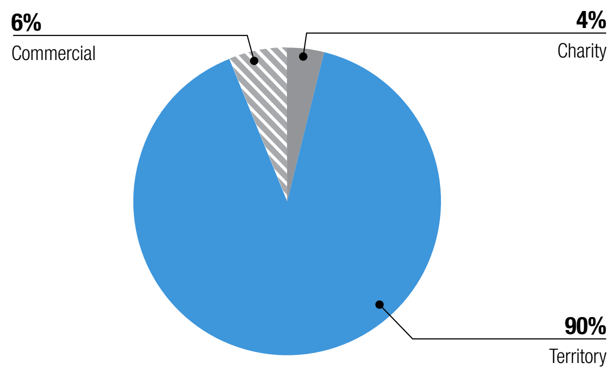
BY REGION



The representation of societal investments below includes two changes compared to 2013.

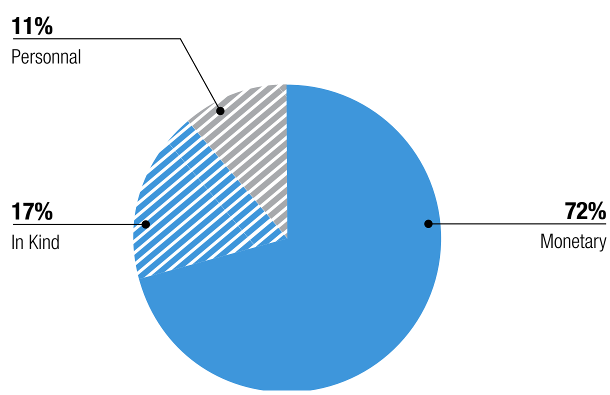
- The reallocation of certain countries to support the change in the geographical definition of the Group's Regions.
- The separation of corporate actions previously allocated to France (Europe region). Most of these actions have an international effect.

BY NATURE OF SUPPORT



In 2014, 90% of societal investment concerned the priority CSR areas in a strategic zone for the Company or a local focus considered as a priority.

BY TYPE OF DONATION



In 2014, the breakdown of societal expenses by type of donation was identical to 2013. Project financing corresponds to 72% of total investments.

This graph represents the actual cost to the Company, and does not show major donations-in-kind. Amortized in accounting terms by the Company, the residual value used for the calculations is zero, despite a significant actual value for the beneficiaries. By way of example, the machine tools and test benches given to engineering schools and technical training centers.

2.9 APPENDICES

2.9.1 SOCIAL APPENDICES

GROUP SAVINGS AND COLLECTIVE RETIREMENT PLAN

COMPOSITION		NUMBER OF SUBSCRIBERS AT DEC. 31 2014	ASSETS *(€ million)*	PERF. 2014 *(%)*
Actions Renault Funds (Group savings plan)				
Actions Renault Fund (1) (4)	Almost 100% Renault shares	35,903	311.9	3.56
Renault Shares Fund (2)	Almost 100% Renault shares	9,014	76 1	3.54
Renault Italia Fund (3)	Almost 100% Renault shares	115	1.01	3.54
Diversified funds (Group savings plan and collective retirement savings plan)				
Impact ISR Performance (4)	100% European shares	6,302	39.6	6.87
	50% diversified shares			
Impact ISR Équilibre (4)	50% bonds	11,882	142.4	8.83
	30% diversified shares			
	30% bonds			
	30% cash			
Impact ISR Rendement Solidaire (4)	10% shared return	2,997	9.4	5.47
Expansor Taux (ex compart. 3) (4)	95% diversified bonds	10,864	86.9	6.28
Impact ISR Monétaire (4)	100% cash	8,624	26.8	0.16
Natixis Horizon Retraite (collective retirement savings plan) (4) (5)				
2015	Diversified	659	3.6	1.87
2020	Diversified	702	3.8	8.71
2025	Diversified	386	1.8	10.71
2030	International shares	393	1.6	10.91
2035	International shares	273	0.9	11.07
2040	International shares	255	0.7	11.00
2045	International shares	91	0.2	10.92
2050	International shares	40	NS	10.94

(1) Actions Renault Fund for French tax residents.
(2) Renault Shares Fund for tax residents outside France and Italy. The Shares Fund and Italia Fund merged on July 4, 2014.
(3) Renault Italia Fund for Italian tax residents. The Shares Fund and Italia Fund merged on July 4, 2014.
(4) Fund open for payments throughout the year.
(5) Funds whose maturity date corresponds to the planned date of the employee's departure.

2.9.2 APPENDICES CONCERNING THE ENVIRONMENT

2.9.2.1 COMMENTS ON THE METHODOLOGIES FOR SELECTING ENVIRONMENTAL INDICATORS FOR PRODUCTS

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, the vehicle's manufacture, its recycling, taking into account its usage phase:

- raw materials and manufacturing: each vehicle is described in Renault's internal databases on the basis of the raw materials that are used in it. 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 150,000 km. 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 recognized. 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.

CARBON FOOTPRINT

The purpose of determining Renault's carbon footprint is to measure and propel the reduction of greenhouse gas emissions in the Renault group. The following methodologies have thus been chosen:

- the carbon footprint is calculated for a vehicle. Consequently, the emissions from associated logistics and powertrain plants are counted pro rata to the number of vehicles produced by the Group. (The Renault Group sells engines and transmissions to other manufacturers and therefore produces more mechanical components than vehicles);
- in the event of sales or acquisitions, the reference value (2010) is corrected to take into account 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;
- the carbon footprint is calculated for a constant scope of emissions (the categories of emissions included do not change from one year to another, even though continual improvement in the reporting methods broadens the range of available data, particularly for scopes 1 and 2).

The carbon footprint for Renault doesn't include a prospective dimension. The value retained for the carbon intensity of fuel and industrial processes is the one from the year release of the vehicle and doesn't vary during the lifecycle of the vehicle (10 years, 150,000 km).

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 GHG Protocol.

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GHG PROTOCOL CATEGORIES	RENAULT CARBON FOOTPRINT CATEGORY	SCOPE	SOURCE OF DATA
SCOPE 1		DIRECT EMISSIONS	
	Plants and other Renault sites	Worldwide Industrial, tertiary, logistics sites, monitored by Renault (see appendix: Environmental indicators for the sites) Emissions from combustion of fuels only	Primary: Annual reporting by the sites (Emissions from powertrain plants are corrected in proportion to the number of vehicles produced by the Group).
SCOPE 2		INDIRECT EMISSIONS	
	Plants and other Renault sites	Worldwide Industrial, tertiary, logistics sites, monitored by Renault (see appendix: Environmental indicators for the sites) Emissions from electrical energy only	
SCOPE 3		OTHER RELATED EMISSIONS	
Goods and services purchased	Materials	Worldwide «Cradle to gate» emissions related to the extraction of materials and fuels, to the transformation of materials into parts, and to the logistics between the extraction and the tier 1 supplier site, in relation to the number of vehicles sold. Benefits from the use of recycled materials are deducted. The GaBi LCA databases on the carbon intensity from materials and parts are the same between 2010 and 2013. To take into account the progress made by the industry, we take the value of 1.4% per year for carbon intensity reduction for the production of materials and parts. This ratio is based on the analysis from the International Energy Agency. The benefits associated with the use of recycled materials are deducted.	Secondary: GaBi LCA v5 database (emissions linked to materials and parts), Energy Technology Perspectives 2010 report by the International Energy Agency (improvement in the carbon intensity of manufacturing) Primary: Renault design database (composition of vehicles, recycled materials)
Logistics and distribution (upstream)	Logistics	Worldwide All transport modes	Primary: Reporting on logistics activities (Emissions from powertrain plants are corrected in proportion to the number of vehicles produced by the Group).
Business travel	Travel	Worldwide All modes of transportation (excluding air freight)	Primary: travel agency reporting and consumption at Renault-owned fuel stations
Daily transport for employees	Travel	France Emissions prevented through homeworking are deducted.	Primary: information provided by employees.
Logistics and distribution (downstream)	Logistics	Worldwide All modes of transportation (excluding air freight)	Primary: Reporting on logistics activities (Emissions from powertrain plants are corrected in proportion to the number of vehicles produced by the Group).
Use of products sold	Use	Worldwide All vehicles sold (passenger and light commercial) "Tank to wheel" emissions calculated for a 10-year life span/150,000km	Primary: Certification data technical definitions (for countries without CO_2 certification), Cruise modeling for countries without CO_2 certification or remediation. Certification data are not corrected, regardless of the certification cycle used (the certification cycle chosen by each country is assumed to correspond to majority use)
Processing end-of-life 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.	Primary: technical definitions (materials in the vehicles) Secondary: Gabi LCA database (emissions by treatment type).
Leased vehicles (downstream)	Use	Included in the category "Use of products sold" (vehicles under a leasing contract with or without a purchase option)	
Scope 3 GHG Protocol emissions not included in the Renault Carbon Footprint		Plant and equipment; Fuel and energy not included in scopes 1 and 2; Waste generated: Leased vehicles (upstream); Franchises, Investments; Transformation of products sold (not significant)	
OTHER INDIRECT EMISSIONS COUNTED IN THE RENAULT CARBON FOOTPRINT (OTHER THAN GHG PROTOCOL CATEGORIES)			
	Fuel	"Well to tank" emissions related to the production of energy consumed by vehicles sold (extraction of oil, transport, refining; production of the electricity consumed by electric vehicles)	Secondary: JEC "Well-to-tank report" version 4.a of JRC IET

PORTION OF RECYCLED MATERIALS IN VEHICLES PRODUCED IN EUROPE

For the monitoring period for the 2016 objective, the indicator is calculated based on a Renault Mégane equipped with a 1.6 L fuel engine representative of the range produced in Europe.

The rate is calculated using the composition of the materials in the vehicle and the average rate of use of recycled materials within the European materials production sector. When the same material presents variable rates of recycled materials depending on the mode of production (e.g. flat steel versus long steel), the material composition of the vehicle is adjusted to take this into account.

2.9.2.2 METHOD USED FOR THE «SITE ENVIRONMENTAL INDICATORS IN 2014» TABLE

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2014 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 the Energy & Health, Safety, Environment department of Renault.

SCOPE

The scope of the reported data encompasses the industrial subsidiaries (body assembly, final assembly, powertrain and foundry) and the support sites (product and process design, logistics) in which Renault holds a stake of at least 50%. All impacts are attributed to Renault. 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 2014" 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 Gaia is taken into account at sites where Gaia operates, except the site of Choisy-le-Roy (France), where the waste from Gaia is recorded separately.

The drinking water production and Davidesti waste storage activity at the Pitesti site (Dacia) was removed from the reporting scope. The data is shown for information purposes.

PROCEDURES FOR CONTROLLING AND CONSOLIDATING DATA

Experts from the Production Engineering Department (Energy & Health, Security, Environment office and the Painting 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, Ernst & Young et Associés. Their conclusions are set out in the report at the end of the document.

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 (RTR Titu, Giheung, Guyancourt, Maubeuge, Flins) is also included.

In Busan, the Delivery Dispatch Center (parking and shipping center for new vehicles) and employee housing are excluded for energy and water.

LIQUID DISCHARGES

Data on pollutant flows are based on measurements of effluents after they have been treated in the 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 COD represents the flow of suspended solids discharged, expressed in tons per year.

The quantity of OM represents the flow of oxidizable matter discharged, expressed in tons per year. This quantity is expressed in 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 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 Oxidizable Matter (OM) for which concentration and flow must be measured by law.

Where regulations do not require such measurements, the reported value is indicated as "not applicable". The Tangiers, Bursa, Casablanca (Somaca) sites and the Ayrton Senna complex (Curitiba) are subject to exemptions: these sites are not subject to a regulatory requirement for the calculation of the flows; however, given their significant contribution to the Group's impacts due to their discharges, these flows have been measured and included in the scope of the environmental reporting.

Black water discharges, for which there is no regulatory measurement and/or reporting obligation, are not included in the water discharges. This exclusion concerns around 29% of employees, mainly from the engineering, logistics and support sites.

The Moscow (Avtoframos) and Factoria Santa Isabel sites are subject to specific regulatory requirements, and receive an exemption on the calculation methodology of the flows.

The significant annual variations of these flows observed at certain manufacturing sites (Curitiba, Sofasa, Somaca, Factoria Santa Isabel, Choisy-le-Roi, Lardy and Ruitz) are due to the limited frequency of regulatory measurement, which results in some uncertainty with regard to the reliability of consolidated data, in particular for Suspended Solids (SS) and Oxidizable Matter (OM).

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 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 are the emissions from the combustion of fossil fuels 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 the Renault group and to comply with the recommendations of the GHG Protocol and the French protocol developed by Entreprises pour l'Environnement.

Emissions from the following sources were included:

- combustion of fossil fuels 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;
- fuel consumption during testing of engines, gearboxes and trials on the test track and test benches of non-TCM vehicles;
- 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 on site (in the European Union only).

These emissions make up more than 95% of the GHG direct emissions produced by the Renault group.

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 (outside the European Union);
- solvent incineration;
- tests on TCM vehicles leaving the assembly line (roller bench tests).

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 the Renault Group);
- fugitive emissions occurring when tanks of coolant (for vehicle air conditioning systems) are filled and emptied.

Greenhouse gas (GHG) indirect discharges are related to purchased electricity, steam and hot water. The emission factors used for the 2014 reporting are:

- for electricity, those published by the IEA (International Energy Agency) in its CO_2 Emissions from Fuel Combustion 2013 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 consistent with both the Order of 31 October 2012 on the verification and the quantification of emissions declared under the GHG Emissions Trading Scheme, and the CITEPA's OMINEA National Inventory Report - updated in February 2014.

The emission factor from fixed combustion installations of low NO_x Natural Gas 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 tons.

The waste reported includes hazardous waste (HW), non-hazardous waste (OIW), 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. 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 February 2014) and the Order of 31 October 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 1990-2009). The LHVs are consistent with the emissions reported in the EU Emissions Trading Scheme.

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2.9.2.3 SITE ENVIRONMENTAL INDICATORS IN 2014[1]

SITE NAME	VEHICLE PRODUCTION	EXTERNAL SUPPLY OF WATER *in thousands of m³*	TREATMENT *plant*	SUSPENDED SOLIDS (SS) *in tons/year*	COD *in tons/year*	TOXIC METALS *in ton/year*	TOTAL GHG *in t CO² eq*	OF WHICH DIRECT GHG	OF WHICH INDIRECT GHG	VOC *in g/m²*	VOC *in tons*	SO_2 *in tons*	NO_x *in tons*	TOTAL NHW *in tons*	TOTAL NHW *in tons*	OF WHICH NON-METALLIC NHW *in tons*	TOTAL HW *in tons*	ENERGY CONSUMPTION *in MWH NCV*
		LIQUID DISCHARGES					AIR EMISSIONS							WASTE, EXCLUDING WASTES FROM CONSTRUCTION SITES[18]				ENERGY
MANUFACTURING SITES																		
BODY ASSEMBLY PLANTS																		
Batilly (SOVAB)[2]	108,943	241.3	PB	1.9	10.2	0.2	32,061	27,890	4,171	44.6	811	0.26	26.9	2,959	2,350	609	1,683	197,582
Casablanca (Somaca)[17]	53,334	109.1	-	70.8	175.3	3.6	23,428	6,376	17,052	82.7	420	0.21	4.1	4,779	4,540	239	597	50,253
Cordoba Santa Isabel[14]	80,855	238.5	PU	2.3	9.4	0.1	35,864	17,889	17,975	84.5	575	0.12	16.5	15,150	6,703	8,447	813	113,835
Dieppe	5,782	6.7	U	n/a	n/a	n/a	4,136	3,771	365	46.6	30	0.03	2.7	591	591	0	187	22,373
Douai[8]	109,124	298.5	PB	3.5	3.4	0.2	41,121	35,518	5,603	28.9	348	0.23	30.9	46,253	2,572	43,681	1,453	218,829
Flins[10]	119,213	874.3	PB	13.1	33.9	1.3	49,949	43,256	6,693	34.6	384	0.36	26.4	56,035	3,987	52,048	1,439	291,471
Maubeuge	138,000	215.0	PB	1.3	4.0	0.2	26,602	22,537	4,065	34.1	508	0.19	22.6	31,863	1,796	30,067	1,772	168,477
Envigado (Sofasa)	69,468	158.5	PU	3.9	55.8	0.3	8,271	6,236	2,035	61.9	428	0.04	4.6	8,104	7,660	444	309	38,836
Moscou (Avtoframos)	154,271	495.2	PU	20.6	104.1	0.3	64,592	23,511	41,081	68.9	1,061	0.19	23.9	18,110	17,462	648	1,845	225,405
Novo Mesto	117,871	173.3	PU	0.8	35.3	0.0	36,018	15,349	20,669	27.3	246	0.12	15.9	25,570	2,432	23,137	831	126,772
Palencia[11]	133,701	341.8	PB	1.2	11.7	0.3	39,451	22,064	17,387	28.3	377	0.22	24.9	24,198	1,945	22,253	1,045	158,252
Sandouville[13]	51,758	321.7	PB	1.6	10.0	0.2	29,081	23,274	5,807	48.1	328	0.20	25.1	15,930	1,941	13,989	1,893	225,428
Valladolid Carrosserie		109.2	PU	0.3	4.7	0.1	19,832	8,207	11,625	n/a	n/a	0.07	9.1	71,844	1,168	70,676	488	77,292
Valladolid Montage	209,863	380.2	PU	2.8	29.8	0.9	52,654	30,967	21,687	29.1	601	0.27	35.5	6,690	4,728	1,962	1,426	220,678
Tanger	178,519	299.0	PU	n/a	n/a	n/a	4,942	4,942	0	27.2	505	0.14	2.7	53,660	7,977	45,683	2,680	183,848
POWERTRAIN PLANTS																		
ACI Villeurbanne		15.0	U	n/a	n/a	n/a	2,062	1,352	710	n/a	n/a	0.01	1.5	2,394	181	2,213	107	17,998
Cacia[5]		88.1	PB	5.2	16.9	0.4	16,921	1,352	15,570	n/a	n/a	0.01	0.5	6,489	586	5,904	904	55,965
Choisy-le-Roi[6]		15.4	PU	1.1	4.9	0.01	1,538	1,334	204	n/a	n/a	0.01	1.4	2,390	312	2,078	149	9,086
Cléon[7]		909.5	PU	7.1	244.9	0.2	33,069	17,585	15,485	n/a	n/a	0.12	14.9	25,641	3,286	22,355	7,383	322,116
Le Mans		1 990.9	P	37.8	55.8	0.1	25,654	15,623	10,030	n/a	n/a	0.16	10.5	36,074	18,910	17,164	1,181	228,856
Los Andes		23.3	U	n/a	n/a	n/a	8,927	1,880	7,047	n/a	n/a	0.06	1.2	2,241	416	1,825	1,644	23,696
Ruitz (STA)		24.6	U	1.4	3.8	0.004	5,016	2,898	2,118	n/a	n/a	0.02	2.9	2,719	263	2,456	525	46,461
Seville		109.0	PU	1.3	37.3	0.003	28,814	8,033	20,781	n/a	n/a	0.04	5.1	7,644	566	7,078	2,678	92,323
Valladolid Motores[15]		182.1	PU	1.0	10.4	0.3	51,342	8,509	42,833	n/a	n/a	0.09	7.8	25,285	2,571	22,714	5,533	179,275
MIXED PLANTS																		
Bursa[3]	229 757	479.6	PBU	31.6	27.4	1.1	93,207	28,527	64,680	33.9	1,030	0.23	26.3	66,237	8,711	57,526	2,114	259,991
Busan (RSM)[4]	338 878	427.6	PBU	0.2	6.2	0.6	76,286	23,719	52,567	23.4	366	0.16	19.8	23,755	4,614	19,141	1,386	214,960
Curitiba Complexe Ayrton Senna	318 198	425.0	PU	51.9	308.8	1.3	31,016	23,209	7,808	43.5	1,036	0.18	23.8	47,904	17,495	30,409	3,680	212,932
Dacia Automobile[12]	153 650	1 048.8	PU	102.7	428.0	0.5	208,264	81,103	127,161	39.4	1,371	0.57	51.6	171,548	14,809	156,739	8,363	561,271
FOUNDRIES																		
Cordoba Fonderie Aluminium		14.7	U	n/a	n/a	n/a	5,500	3,104	2,395	n/a	n/a	0.03	3.6	212	10	202	4,777	20,779
Fonderie de Bretagne		120.6	PU	0.4	1.3	0.001	9,196	4,047	5,149	n/a	n/a	0.03	4.1	17,659	12,424	5,234	294	102,081
Tandil		38.4	U	n/a	n/a	n/a	9,436	1,419	8,017	n/a	n/a	0.01	1.5	3,783	3,682	101	122	26,675
TOTAL	**2,571,185**	**10,175**		**365.7**	**1,633**	**12.1**	**1,074,247**	**515,479**	**558,769**	**39.5**	**10 424**	**4.4**	**448.2**	**823,709**	**156,687**	**667,022**	**59,299**	**4,693,795**

			LIQUID DISCHARGES				AIR EMISSIONS							WASTE, EXCLUDING WASTES FROM CONSTRUCTION SITES[18]				ENERGY
SITE NAME	VEHICLE PRODUCTION	EXTERNAL SUPPLY OF WATER *in thousands of m³*	TREATMENT plant	SUSPENDED SOLIDS (SS) *in tons/year*	COD *in tons/ year*	TOXIC METALS *in ton/year*	TOTAL GHG *in t CO² eq*	OF WHICH DIRECT GHG	OF WHICH INDIRECT GHG	VOC *in g/ m²*	VOC *in tons*	SO_2 *in tons*	NO_x *in tons*	TOTAL NHW *in tons*	TOTAL NHW *in tons*	OF WHICH NON-METALLIC NHW *in tons*	TOTAL HW *in tons*	ENERGY CONSUMPTION. *in MWH NCV*
ENGINEERING, LOGISTICS AND SUPPORT SITES																		
Aubevoye		28.6	U	n/a	n/a	n/a	7,073	6,239	833	n/a	n/a	0.02	1.0	1,315	254	1,061	57	23,950
Boulogne (Siège et autres entités)		28.6	U	n/a	n/a	n/a	5,255	3,223	2,032	n/a	n/a	0.02	1.4	506	498	8	92	28,857
Cergy-Pontoise		38.1	U	n/a	n/a	n/a	4,088	765	3,323	n/a	n/a	0.01	0.7	2,019	1,807	212	49	19,927
DACIA centre logistique CKD		11.3	U	n/a	n/a	n/a	3,660	1,808	1,852	n/a	n/a	0.01	0.4	2,319	2,266	53	0	7,893
Giheung (RSM)		8.6	B	n/a	n/a	n/a	14,266	3,085	11,181	n/a	n/a	0.02	0.8	359	264	95	592	27,952
Grand-Couronne		52.6	U	n/a	n/a	n/a	1,803	1,626	177	n/a	n/a	3.99	2.7	888	779	109	10	7,077
Guyancourt		5.7	U	n/a	n/a	n/a	21,268	16,653	4,615	n/a	n/a	0.12	5.4	2,465	2,073	392	176	129,953
Heudebouville (Renault Tech)		178.3	U	n/a	n/a	n/a	237	193	43	n/a	n/a	0.00	0.2	44	44	0	29	1,424
Lardy		0.9	U	11.3	39.7	0.1	18,747	14,867	3,880	n/a	n/a	0.11	4.1	488	381	107	354	106,180
Rueil-Malmaison		119.6	U	n/a	n/a	n/a	1,544	1,151	393	n/a	n/a	0.01	0.3	588	336	252	31	9,916
Saint-André-de-l'Eure		11.1	U	2.5	8.4	0.0	996	874	122	n/a	n/a	0.01	0.4	1,326	1,179	147	18	5,739
Titu		6.5	U	n/a	n/a	n/a	10,203	3,813	6,391	n/a	n/a	0.01	0.7	260	188	72	23	20,447
Valladolid Services Centraux		37.4	U	0.2	0.9	0.0	6,836	4,977	1,858	n/a	n/a	0.06	2.3	672	459	214	31	15,529
Villeroy (DLPA)		38.3	U	n/a	n/a	n/a	1,284	820	464	n/a	n/a	0.01	0.4	2,390	2,198	192	2	11,213
Villiers-Saint-Frédéric		4.8	U	n/a	n/a	n/a	2,559	1,900	659	n/a	n/a	0.01	0.5	251	210	41	23	15,587
TOTAL		**571**		**14.0**	**49.0**	**0.10**	**99,817**	**61,996**	**37,822**	**N/A**	**0**	**4.4**	**21.2**	**15,890**	**12,934**	**2,956**	**1,486**	**431,646**
GROUP TOTAL 2014	**2 571 185**	**10,746**		**379.7**	**1,682**	**12.2**	**1,174,065**	**577,474**	**596,590**	**39.5**	**10,424**	**8.8**	**469.4**	**839,599**	**169,621**	**669,978**	**60,785**	**5,125,441**
GROUP TOTAL 2013 [16] [18]	**2 523 237**	**11,391**		**418.7**	**1,611**	**8.3**	**1,224,965**	**656,335**	**568,629**	**43.7**	**11,044**	**15.8**	**534.3**	**845,275**	**190,450**	**654,825**	**57,774**	**5,479,395**
SITES OUTSIDE THE SCOPE OF CERTIFICATION. *for information purposes only:*																		
Dacia Drinking water production site	196.2	U	3.72	0.59	0.01	527.02			n/a		0.00	0.02	n/a	n/a	n/a	n/a	1 188.30	1 612.00
Dacia Davidesti waste storage facility	0.3	PB	0.12	0.45	0.00	27.49			n/a		0.00	0.00	n/a	n/a	n/a	n/a	55.09	41.96

n/a: not applicable (see comments on methodology.)
nm: not measured.
Treatment Plant Codes (means of treatment of liquid discharges): P: physico-chemical, B: biological, U: urban;
SS: 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);
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 comments on methodology in 2.9.2.2.
(2) Liquid discharges from the Batilly (SOVAB) plant include those of 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 site includes that of the Industrial Supplier Park.
(4) The Welfare Center of the Busan site is excluded from the impacts.
(5) All the impacts of the Industrial Supplier Park are included in Cacia plant data.
(6) For Choisy-le-Roi, the waste from Gaïa is excluded.
(7) The Cléon site includes the Fonderie de Normandie (FDN).
(8) The liquid discharges from the Douai site include those of the Industrial Supplier Park and all the impacts of the Delivery Dispatch Center.
(10)Water consumption at the Flins site includes that of the Spare Parts Distribution Center as well as the environmental impacts of Gaïa.
(11)Water consumption at the Palencia site includes that of the Industrial Supplier Park.
(12)Liquid discharges at the Pitesti site (Dacia) include those of the Industrial Supplier Park.
(13)Water consumption and liquid discharges at the Sandouville site include those of the Industrial Supplier Park.
(14)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).
(15)Liquid discharges from the Valladolid Motores plant are aggregated with those from the Valladolid Montage plant.
(16)The total impacts for the previous year are provided for information and relate to the certified scope of the year in question.
(17)Liquid discharges from the Casablanca (Somaca) plant include those of an industrial complex, not operated by Renault, close to the site.
(18)From FY 2013, the waste indicators do not take into account waste from construction sites, which are not directly related to the activity of the Group. Because of this change in methodology, the 2013 data cannot be directly compared with previous years' data. For an isoperimetric comparison, please refer to chapter 2.6.3.3.

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2.9.2.4 ENVIRONMENTAL INDICATORS FOR PRODUCTS

ENVIRONMENTAL CHARACTERISTICS FOR THE BEST-SELLING PASSENGER CARS IN EUROPE (28 COUNTRIES) IN 2014

		BEST-SELLING VERSION						LOWEST CO_2 EMITTING VERSION				
MODEL	FUEL	EMISSION STANDARDS	EXTERNAL NOISE DB	ENGINE	FUEL CONSUMPTION NEDC	CO_2 EMISSIONS	LABEL	EMISSION STANDARDS	ENGINE	FUEL CONSUMPTION NEDC	CO_2 EMISSIONS	LABEL
RENAULT BRAND												
	D	Euro 5	71.8	dCi 85	3.3	85	Eco^2	Euro 5	dCi 85	3.3	85	Eco^2
Twingo II	G	Euro 5	71.4	1.2 16v	4.7	108	Eco^2	Euro 5	1.2 16v	4.5	104	Eco^2
Twingo III	G	Euro 5	71.4	Sce 70	4.5	105	Eco^2	Euro 6	Sce70 Stop & Start	4.2	95	Eco^2
ZOE	VE	-	70.2		0	0	-	-		0	0	-
	D	Euro 5	71.4	dCi 75	3.8	99	Eco^2	Euro 5	dCi 75	3.8	99	Eco^2
Clio III	G	Euro 5	72.5	1.2 16v	5.6	130	-	Euro 5	1.2 16v	5.6	130	-
	D	Euro 5	70.3	dCi 75	3.6	95	Eco^2	Euro 5	dCi 90 82g	3.1	82	Eco^2
	G	Euro 5	72.3	1.2 16v 75	5.5	127		Euro 5	Tce 90	4.2	95	Eco^2
Clio IV	GPL	Euro 5	72.3	1.2 16v 75 LPG	7.2	116	Eco^2	Euro 5	1.2 16v 75 LPG	7.2	116	Eco^2
	D	Euro 5	71	dCi 90	3.6	95	Eco^2	Euro 5	dCi 90	3.6	95	Eco^2
Captur	G	Euro 5	71.8	TCE 90	4.9	113	Eco^2	Euro 5	TCE 90	4.9	113	Eco^2
	D	Euro 5	73.8	dCi 110	4.6	120	Eco^2	Euro 5	dCi 110	4.4	114	Eco^2
	G	Euro 5	74	1.6 16v 110	6.8	155	-	Euro 5	2.0 140	6.3	149	-
Fluence	VE	-	69		0	0	-	-		0	0	-
	D	Euro 5	72.8	dCi 110	3.5	90	Eco^2	Euro 5	dCi 110	3.4	88	Eco^2
Mégane III	G	Euro 5	70.8	Tce 130	5.1	119	Eco^2	Euro 5	Tce 130	5.1	119	Eco^2
	D	Euro 5	71	dCi 110	4.1	105	Eco^2	Euro 5	dCi 110	4.1	105	Eco^2
Scénic III	G	Euro 5	70.8	Tce 130	5.9	135	-	Euro 5	Tce 130	5.9	135	-
	D	Euro 5	72.3	dCi 110	4.2	109	Eco^2	Euro 5	dCi 110	4.2	109	Eco^2
Laguna III	G	Euro 5	71	2.0 16v	7.5	173	-	Euro 5	2.0 16v	7.5	173	-
Latitude	D	Euro 5	72	dCi 150	4.8	126	-	Euro 5	dCi 150	4.8	126	-
Koleos	D	Euro 5	73	dCi 150	5.7	147	-	Euro 5	dCi 150	5,7	147	-
Espace IV	D	Euro 5	72.3	dCi 150	6.4	169	-	Euro 5	dCi 130	5,7	150	-
	D	Euro 5	72.2	dCi 110	4.6	119	Eco^2	Euro 5	dCi 75	4.3	111	Eco^2
Kangoo II VP	G	Euro 5	71.1	Tce 115	6.1	140		Euro 5	Tce 115	6.1	140	
Trafic II VP	D	Euro 5	72.8	dCi 115	7.3	190		Euro 5	dCi 115 BVR	6.5	171	
Master III VP	D	Euro 5	72.9	2.3 dCi	7.2	190		Euro 5	2.3 dCi	6.3	166	
DACIA BRAND												
	D	Euro 5	71.3	dCi 75	3.8	99	Eco^2	Euro 5	dCi 75	3.8	99	Eco^2
	G	Euro 5	71.8	Tce 90	5.4	124		Euro 5	Tce 90	5	116	Eco^2
Sandero II	LPG	Euro 5	72.1	1.2 16v75 LPG	7.5	120	Eco^2	Euro 5	1.2 16v75 LPG	7.5	120	Eco^2
	D	Euro 5	71.3	dCi 75	3.9	103	Eco^2	Euro 5	dCi 75	3.8	99	Eco^2
	G	Euro 5	72.1	1.2 16v 75	5.9	137		Euro 5	Tce 90	5.0	116	Eco^2
Logan II	LPG	Euro 5	72.1	1.2 16v75 LPG	7.5	120	Eco^2	Euro 5	1.2 16v75 LPG	7.5	120	Eco^2
	D	Euro 5	71.5	dCi 90	3.9	103	Eco^2	Euro 5	dCi 90	3.8	99	Eco^2
	G	Euro 5	71.8	Tce 90	5.0	116	Eco^2	Euro 5	Tce 90	5.0	116	Eco^2
Logan II MCV	LPG	Euro 5	72.1	1.2 16v75 LPG	7.5	120	Eco^2	Euro 5	1.2 16v75 LPG	7.5	120	Eco^2
	D	Euro 5	73.4	dCi 110 4x2	4.8	127	-	Euro 5	dCi 90 4x2	4.7	123	-
	G	Euro 5	71.4	Tce 125 4x2	6.3	145	-	Euro 5	Tce 125 4x2	6.3	143	-
Duster	LPG	Euro 5	73.2	1.6 16v 105 LPG 4x2	9	145	-	Euro 5	1.6 16v 105 LPG 4x2	9	145	-
	D	Euro 5	74.6	dCi 110	4.4	116	Eco^2	Euro 5	dCi 90	4.2	109	Eco^2
Lodgy	G	Euro 5	72.3	Tce 115 7 seater	5.9	135	-	Euro 5	Tce 115 5 seater	5.7	131	-
	D	Euro 5	72.6	dCi 90	4.5	118	Eco^2	Euro 5	dCi 90	4.5	118	Eco^2
	G	Euro 5	73.9	1.6 Mpi 85	7.3	168	-	Euro 5	Tce 115	5.8	135	-
Dokker	LPG	Euro 5	73.9	1.6 Mpi 85 LPG	9	144	-	Euro 5	1.6 Mpi 85 LPG	9	144	-

2.9.3 APPENDICES CONCERNING SOCIETAL COMMITMENT

2.9.3.1 METHODOLOGY USED FOR KEY SOCIETAL REPORTING FIGURES

A. IDENTIFICATION OF INITIATIVES

The information included in the comprehensive reporting of social initiatives is collected from a network of correspondents covering all countries in which Renault operates. This information:

- the four CSR policy priorities: human capital, environment, sustainable mobility, road safety and "other" (including humanitarian aid, culture, sports, health, etc.);
  - the purpose of each initiative determines the category to which it is assigned. For example, donating a vehicle to help keep children from dropping out of school would be classified under "education"/human capital,
- they are divided into three categories corresponding to the LBG (London Benchmarking Group) recommendations: charitable gifts, investment in the community, and commercial initiatives:
  - **charitable** gifts are a mostly intermittent response to the needs and appeals of charitable and community organizations. They do not fit into the community investment strategy (see below) because of the area they target or their geographic scope,
  - **community** investment describes the involvement in local partnerships to address a limited range of social issues chosen by the Company to protect its long-term interests and enhance its reputation,
  - the contribution should address at least one of the four key focuses (human capital, environment, road safety, sustainable mobility) in a strategic region (Group presence). There should be no direct commercial interest,
  - or the contribution addresses another issue viewed as strategic at the local level, with no direct commercial interest,
  - **commercial initiatives,** in partnership with charities and/or local community-based organizations, aim to meet local needs or expectations, while supporting the success of the Company by promoting the brand and its strategy;
- includes information from the website which centralizes support requests submitted by charities (see chapter 2.8.1.3).

B. ASSESSMENT OF THE INVESTMENT ASSOCIATED WITH THE SOCIETAL INITIATIVES

The following are included in the calculations:

- social initiatives (defined in A) conducted by the Group's entities worldwide;
- annual allocations to the Group's Foundations for their CSR activities, broken down by specific initiative;
- the corporate CSR department budget allocated to the programs relating to the four priorities;
- the portion of payroll costs associated with the implementation of the Foundation's and corporate department's CSR programs.

The investment associated with each initiative is calculated as follows:

- for items donated from inventory – their inventory value;
- for equipment that has been decommissioned or is to be scrapped – its residual value (which in most cases will be zero);
- for a new vehicle donated from inventory – its sales cost;
- for the loan of a vehicle – application of an average monthly cost, all vehicles combined (calculation below), multiplied by the number of months it is made available;
- for time spent by group employees to organize and implement the identified activities:
  - the amounts are reported in the country in which the expense is incurred,
  - the amounts reported do not incorporate any patronage-related tax credits.

Calculation of the monthly rate for a vehicle loan:

The average length of time a vehicle is garaged by corporate management, the entity tasked with managing the Company's vehicles, including those supplied to our commercial and non-profit partners, is estimated at 24 months.

Based on a B segment vehicle, a Renault Clio or equivalent, the Sales and Marketing department France estimates the final cost to the Company at €7,220 for this time period, or a monthly cost of €301.

The average cost of a vehicle's Registration document is €500. Spread over 24 months, its monthly cost is €21.

The average Company car tax paid by Renault is €870 per year per vehicle, or €73 per month.

The average cost of supplying a vehicle is therefore **€395 per month**.

Calculation of daily rate for employees:

- number of days worked in the year = (average annual hours worked/length of work week)* 5, or 230 days. Source: http://stats.oecd.org;
- average annual cost = Payroll costs (see chapter 2.4.1.2)/Total workforce (see chapter 2.4.1.1);
- average daily rate applied = Average annual cost/number of days worked, or €197/day.

2.9.3.2 SUMMARY TABLE OF KEY SOCIETAL REPORTING FIGURES

Figures at 01/23/2015.

NUMBER OF INITIATIVES BY THEME AND BY GEOGRAPHIC REGION

			REGION				
SUBJECT	NO. OF ACTIONS	CORPORATE	EUROPE	AMERICAS	ASIA-PACIFIC	EURASIA	EUROMED-AFRICA
TOTAL	**355**	**48**	**159**	**79**	**16**	**33**	**20**
Diversity	83	17	29	23	6	8	1
Education	93	12	43	15	2	13	8
Road safety	61	10	21	15	1	5	9
Sustainable mobility	26	4	13	8	1	0	0
Environment	10	1	3	2	1	2	1
Other	82	4	50	16	5	6	1

BREAKDOWN OF SOCIAL INVESTMENTS BY THEME AND BY GEOGRAPHIC REGION

			REGION					
SUBJECT	NO. OF ACTIONS	CORPORATE	EUROPE	AMERICAS	ASIA-PACIFIC	EURASIA	AFRICA-MIDDLE EAST-INDIA	TOTAL
TOTAL	**355**	**3,805,067**	**2,094,310**	**3,061,309**	**339,068**	**523,694**	**706,210**	**10,529,658**
Diversity	83	324,476	355,314	1,230,420	27,556	51,365	0	**1,989,131**
Education	93	1,559,000	684,340	331,927	186,573	225,534	158,546	**3,145,919**
Road safety	61	1,042,322	377,519	209,958	49,166	196,251	520,024	**2,395,239**
Sustainable mobility	26	754,210	209,655	43,452	58,309	0	0	**1,065,626**
Environment	10	8,000	35,662	23,277	816	7,394	17,640	**92,789**
Other	82	117,059	431,821	1,222,275	16,649	43,150	10,000	**1,840,954**

BREAKDOWN OF SOCIETAL INVESTMENTS BY THEME AND BY MAIN OBJECTIVE

SUBJECT	NO. OF ACTIONS	CHARITY	TERRITORY	COMMERCIAL	TOTAL
TOTAL	**355**	**403,364**	**9,495,931**	**630,363**	**10,529,658**
Diversity	83	20,963	1,916,425	51,743	**1,989,131**
Education	93	187,717	2,797,415	160,787	**3,145,919**
Road safety	61	0	2,325,207	70,032	**2,395,239**
Sustainable mobility	26	5,440	875,248	184,938	**1,065,626**
Environment	10	0	92,789	0	**92,789**
Other	82	189,244	1,488,846	162,863	**1,840,954**

BREAKDOWN OF SOCIAL INVESTMENTS BY THEME AND BY TYPE OF DONATION

SUBJECT	NO. OF ACTIONS	MONETARY	IN KIND	PERSONNEL	TOTAL
TOTAL	**355**	**7,574,320**	**1,831,505**	**1,135,301**	**10,529,658**
Diversity	83	1,694,093	217,875	78,357	**1,989,131**
Education	93	2,382,049	405,552	363,859	**3,145,919**
Road safety	61	1,105,107	1,040,455	253,539	**2,395,239**
Sustainable mobility	26	797,529	19,680	252,259	**1,065,626**
Environment	10	68,403	3,240	21,473	**92,789**
Other	82	1,527,139	144,705	165,815	**1,840,954**

2.9.3.3 BREAKDOWN OF THE PROGRAMS HAVING BENEFITED FROM SPONSORSHIP IN 2014 *VIA* THE RENAULT.COM WEBSITE

THEME	PROJECT	OBJECTIVE	SUPPORT GRANTED
	Umen	The organization wishes to continue providing access to everyone, particularly disabled individuals, to rural, urban and mountain settings. Its objective is to promote solidarity and social integration through these mixed groups. It features the first regional hiking guide and organized activity service tailored to disabled individuals, students and school pupils in the Great South.	8,000
	ASCE Triathlon	Project to integrate disabled students within an educational establishment. ASCE Triathlon organizes, in partnership with the Saint-Spire middle school in Corbeil-Essonnes and the French Department of Education, a Triathlon to expose disabled students to this discipline. This program imparts values and raises awareness regarding the benefits of sports and promotes integration within the school and charitable environments.	4,500
	Libre Vue	The association created a Cécifott Sports Center within the Institute for Young Blind People of Bamako, Mali. The goal is to impart physical, moral and intellectual values to young blind people experiencing social difficulties. The association is requesting financial aid from Renault in order to purchase a vehicle that would enable these children to participate in various activities outside the school: exhibitions, sports competitions and initiation bringing together the disabled and the able-bodied.	19,000
	Arche Oise	The Arche Oise establishment consists of households where mentally disabled individuals and those who support them, their “assistants”, live and work together. These assistants can be salaried professionals or young volunteers. It endeavors to promote the integration of the disabled by offering them organized activities and workshops daily.	20,000
Human Capital	Uni-Cite	This association is a pioneer in civic education in France. It recruits young people between the ages of 16 and 25, based on their volunteering and motivation, in order to perform assignments focusing on civic skills, the environment and discrimination against the youngest. Renault supports a project aimed at preparing young people for their future roles as adult citizens and promoting the acquisition of civic skills.	20,000
	Emmaüs	In cooperation with the city of Paris, the “recyclerie” is a social integration project at the heart of the circular economy, with a triple social, ecological and societal objective: “re-employing people to re-use objects” The association wishes to purchase an ecological light commercial vehicle to transport products for recycling. The project facilitates the social integration of persons experiencing difficulties and represents an efficient waste prevention initiative for Paris.	8,000
	Jardin Cognac du Limon	This is one of the largest social integration projects in France. It produces organic vegetables and distributes weekly baskets to members. With Renault’s support, the association enables people in difficult situations to find employment once again and to build a professional and personal project.	7,350
	Crepi	The association represents a group of associations whose objective is to facilitate the re-insertion into the workforce of individuals who have stopped working. It has asked for Renault’s help in organizing employment rallies intended to re-energize job seekers.	19,000
Sustainable mobility	Espaces	This association represents a means of integration through economic activity. With the help of the SNCF and the RFF, it has organized a social integration project involving the planting of green areas at train stations in the Yvelines department. Renault’s support will allow the continuation of this project aiming to mobilize and train employees rejoining the workforce.	9,000
Road safety	Prado Rhone Alpes	This project is supported by the Closed Education Center of the Plaine du Forez, and is managed by the Prado Rhône-Alpes association. The main objective is to educate/re-educate young people in difficult situations through a road safety course and training on the rules of the road during their detention at the center.	27,150

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2.9.4 GRENELLE II CROSS-REFERENCE TABLE

CORPORATE SOCIAL, ENVIRONMENTAL AND SOCIETAL DATA IN ACCORDANCE WITH THE GRENELLE 2 ACT (ARTICLE 225-102 OF THE FRENCH COMMERCIAL CODE)

CORPORATE SOCIAL DATA

Employment				
		Group workforce	Group	2.4.1.1
		Workforce by Region	Group	2.4.1.1
		Workforce by gender	Group	2.4.1.1
	Total workforce and breakdown by Region, gender and age	Workforce by age	Group	2.4.1.1
		New hires	Group	2.4.1.1
		New hires by Region	Group	2.4.1.1
	Hires and redundancies	Redundancies	Group	2.4.1.1
		Payroll expenditure by Region	Group	2.4.1.2
		Payroll expenditure to revenue	Group	2.4.1.2
		Average payroll costs by Region	Group	2.4.1.2
		Performance appraisal, career development and remuneration	Group	2.4.3.2
Employment	Payroll expenditure and trends	Employee profit-sharing	Group	2.4.3.2
Work organization				
	Organization of work time	Remote employees	France	2.4.1.3
Work organization	Absenteeism rate	Absenteeism rate	Group	2.4.3.1
Training				
		Dynamic competency management policy	Group	2.4.1.4
		Monitoring of jobs and skills management planning	France	2.4.1.4
		Expanding consultancy	Group	2.3.1
		Management quality	Group	2.4.2.1
		Talent development	Group	2.4.2.2
	Training policies	Exchanges with Renault partners	Group	2.4.2.2
Training	Total number of training hours	Total training hours	10 major countries	2.4.1.4
Equal opportunity				
		Promotion of diversity	Group	2.4.2.3
		% of female managers	Group	2.4.2.3
	Policies to promote gender equality	% of key positions held by women	Talent@Renault	2.4.2.3
	Measures taken in favor of employment and integration of people with disabilities	% of disabled employees	10 major countries	2.4.2.3
		% of key positions held by international profiles	Talent@Renault	2.4.2.3
Equal opportunity	Anti-discrimination policy	Young people and senior employment policy	Group	2.4.2.3
Health and safety				
		Prevention of psycho-social risk and occupational stress	Group	2.3.3
		Ergonomic rating of workstations in manufacturing	Group	2.4.3.1
		Road accident risk management	Group	2.4.3.1
		Occupational health and safety management system certification	Group	2.4.3.1
	Occupational health and safety	Monitoring of the workplace environment policy	Group	2.4.3.1
	Agreements with labor unions or employee representatives on occupational health and safety	Description of the policy on workplace health, safety and environmental risk prevention covered by the global framework agreement	Group	2.4.4.2
		Number of workplace accidents (F1)	Group	2.4.3.1
		Number of workplace accidents with lost time (F2)	Group	2.4.3.1
		Days of lost time due to workplace accidents (G)	Group	2.4.3.1
Health and safety	Workplace accidents (frequency and severity) and occupational illnesses	Occupational illness rate	Group	2.4.3.1

Industrial relations				
	Organization of social dialog, especially procedures on notification and consultation of employees and negotiations with employees	Global framework agreement on social, societal and environmental responsibility	Group	2.4.4.2
		Internal communications	Group	2.4.4.2; 2.4.4.3
Industrial relations	Collective agreements	No. of major agreements	10 major countries	2.4.4.1 2.4.4.2
		Topics of major agreements	10 major countries	2.4.4.4.1 2.4.4.2
Advancement of and compliance with the fundamental principles of the International Labour Organization in respect of 2.4.4.3				
	Freedom of association and the right to collective bargaining	Global framework agreement on social, societal and environmental responsibility	Group	2.4
	Elimination of discrimination in employment and occupation	Global framework agreement on social, societal and environmental responsibility	Group	2.4
	Elimination of forced or compulsory labor	Global framework agreement on social, societal and environmental responsibility	Group	2.4
ENVIRONMENTAL DATA				
Overall environmental policy				
	Integrating environmental issues into the Company organization	Describing the way environmental issues are integrated into the Group organization LCA comparison for Twingo II/New Twingo and Espace IV/ New Espace	Group	2.6.2.3 2.6.2.1
	Environmental assessment and certification processes	**Manufacturing** No. and % of ISO 14001-certified manufacturing sites % of manufacturing sites covered annually by environmental and risk prevention audits **Vehicles** % of models of the passenger cars range available in eco² version (in % of worlwide sales) % of vehicles in the range that have had an LCA	Group Europe Group	Manufacturing 2.6.2.2 2.6.2.2 Vehicles 2.3.3.3 2.6.2.1
	Environmental information and training for employees	Presentation of the different types of environmental training sessions and awareness campaigns dedicated to employees	Group	2.6.2.2
	Resources dedicated to preventing environmental risk and pollution	Human resources (no. of members of the industrial environment network) Expenditure on Research and Advanced Engineering to reduce the environmental impact of the vehicles Investments dedicated to the protection of environment, employees and property and production and distribution on industrial sites	Group	2.6.2.2 2.6.2.3 2.6.2.3
Overall policy	Provisions and guarantees for environmental risks	Amount of provisions	Group	Note 20 on provisions - 4.2.6.4
Pollution and waste management				
	Prevention, reduction and remediation of air, water and soil pollution with a severe environmental impact	**Manufacturing** COV, NO_x, SO_2 emissions % of production capacity equipped with water-soluble painting facilities % of production capacity equipped with VOC incinerators Discharges of toxic metals, organic compounds, suspended particulate matter No. of powertrain sites with zero industrial wastewater recycling	Group	Manufacturing 2.6.3.5 and 2.9.2 2.6.3.5 2.6.3.5 2.6.3.4 2.6.3.4
	Prevention, recycling and elimination of waste	**Manufacturing** Quantity of waste generated by the plants (NHIW, non-metal NHIW, metal HIW, HIW), total and relative to no. of vehicles produced Waste by treatment type No. of sites with zero waste to landfill **Vehicles** Number of end-of-life vehicles dismantled by the subsidiary INDRA 2.6.3.2 % of sales in a country where Renault contributes to the collection of end-of-life vehicles (ELVs)	Group France	Manufacturing 2.6.3.3 and 2.9.2 2.6.3.3 2.6.3.3 Vehicles 2.6.3.2 2.6.2.2
Pollution and waste management	Mitigation of noise and other types of pollution specific to an activity	**Vehicles** Approved noise pollution levels for the top-selling versions of each model in the range in Europe	Europe	Vehicles 2.9.2

	Sustainable resource use			
	Water consumption and water supply depending on local constraints	Water consumption (total m³ and m³/vehicle produced) Water consumption by source	Group	Manufacturing 2.6.3.4 and 2.9.2
	Raw materials consumption	Quantity of steel, cast iron, aluminum and plastics used in vehicle production	Group	Manufacturing 2.6.3.2
	Improving efficiency of resource use	Quantity of recycled steel, cast iron and aluminum used % of recycled materials in vehicles produced in Europe % of recycled plastics in Captur	Group	2.6.3.2 2.6.3.2 2.6.3.2
	Energy Consumption	**Manufacturing** Energy consumption (total and per site) **Vehicles** Fuel consumption by (1) the top-selling versions and (2) the most efficient versions of each model in the range in Europe	Group Europe	Manufacturing 2.6.3.1 and 2.9.2 (appendix) Vehicles 2.9.2 (appendix)
	Improving energy efficiency	**Manufacturing** Energy consumption per vehicle produced **Vehicles** List of models with embedded eco-driving aids	Group	2.6.3.1 Manufacturing and vehicles 2.6.3.1
	Renewable energy use	**Manufacturing** % of renewable energy (direct and indirect) in energy consumption of manufacturing sites	Group	Manufacturing and vehicles 2.6.3.1
Sustainable resource use	Land use	% of water-tight areas	Group	2.6.3.6
	Climate change			
	Greenhouse gas emissions	**Manufacturing** Greenhouse gas (GHG) emissions, total and per site Direct and indirect GHG emissions GHG emissions by source **Vehicles** Average GHG emissions of the passenger-car range Approved emissions of (1) the top-selling versions and (2) the most efficient versions of each model in the range in Europe	Group Europe	Manufacturing 2.6.3.1 and 2.9.2 (appendix) 2.6.3.1 Vehicles 2.6.3.1 and (appendix)
Climate change	Climate change adaptation			2.6.3.1
	Biodiversity			
Biodiversity	Actions taken to protect biodiversity			2.6.3.8
INFORMATION RELATING TO SOCIETAL COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT:				
	Regional development		Group	2.8.1.2
Local impact	Residents and local populations		Group	2.8.1.1 and 2.8.1.2
	Conditions for dialogue		Group	2.1.6
Relations with stakeholders	Partnerships and sponsorship		Group	2.8.1.2 and 2.8.1.3
	Inclusion of social and environmental issues in the purchasing policy	Dissemination of CSR standards across purchasing processes	Group	2.3.2
Relations with sub-contractors and suppliers	Importance of sub-contracting and inclusion of CSR in relations with sub-contractors and suppliers	Monitoring suppliers' CSR performance	Group	2.3.2 and 2.8.1.2
	Anti-corruption action		Group	2.1.5 and 3.1.4
Fair practices	Consumer health and safety		Group	2.7.1 and 2.7.2
Other actions implemented				

2.9.5 SUSTAINABILITY RATINGS AND INDEXES

Sustainability rating agencies and specialized departments of financial institutions assess companies on their commitments, policies and performance in terms of labor relations, environmental protection and corporate governance. These assessments, made using analytical and scoring techniques, are designed to meet demand from socially responsible investors, who use the findings to select the companies in which they invest [1].

Methods vary from agency to agency. Some agencies are specialized by investment region (Europe, world, OECD, etc.) or asset class (large caps, small caps), have a sector focus, or base their analyses on a basket of weighted criteria, which can vary significantly depending on their targets.

Some of these rating agencies, usually working in partnership with providers of equity indexes, have developed special benchmarks composed of the top-rated companies for labor relations, environmental protection and corporate governance.

2.9.5.1 RENAULT'S RATINGS IN 2014

ROBECOSAM

SAM is an independent asset management company founded in 1995 and based in Switzerland. It specializes in setting up investment strategies based on economic, environmental and social criteria, analyzed in terms of long-term value creation.

2014 Results: Renault was not included in the Dow Jones Sustainability World index (DJSI World), despite the Group's outstanding performance, particularly in the environmental field. Its global rating remains well above the average in the automotive sector. For further details, please contact the RobecoSAM agency.

OEKOM

Oekom, one of Germany's leading rating agencies, analyses 750 large and midsized companies and more than 100 small enterprises within a geographical universe that spans the OECD, new EU member states, Russia and leading Asian markets. The agency thus covers 80% of the MSCI World index, which measures stock market performance in developed countries.

2014 Results: Renault scored a B rating overall, and the Group was again ranked first out of the 16 leading global automakers analyzed.

RATING SCALE A+ TO D-	OEKOM RATING	RANKING AMONG AUTOMAKERS
Social and cultural	B+	1
Environment	B	1
TOTAL SCORE	**B**	**1**

In 2007 Oekom created the Global Challenges index, a listing of 50 companies around the world that make substantial efforts to address major planetary issues such as climate change, drinking water availability, deforestation, biodiversity, poverty, and global governance. Renault has been included in this index from the start. More information can be found on www.gcindex.com.

VIGEO

Vigeo is an independent rating agency founded in July 2002. The major shareholder, Caisse des Dépôts et Consignations, contributed the assets of Arese, which pioneered social and environmental rating in France. Vigeo is owned by some 50 shareholders, organized into three sub-groups: institutional investors, European labor unions, and multinational corporations. Vigeo's unique model is aimed both at investors, with investor-solicited ratings of Euro STOXX 600 companies, and corporations, with corporate-solicited ratings.

2014 Results: Renault is still rated by Vigeo. For further details, please contact Vigeo directly.

CARBON DISCLOSURE PROJECT

The carbon disclosure project (CDP), founded in 2000, is mandated by a group of institutional investors to enhance understanding of the potential impacts of climate change on the value of the assets managed by its signatories.

Since 2002 the CDP has sent a regular information request to companies in a standard format, asking them about their greenhouse gas emissions and policy on climate change. Since CDP6, the CDP has included the FT Global 500 – the largest companies in the world by market capitalization.

Following its 2007 report, and as for the previous two versions, the CDP compiled the Climate Leadership index, composed of the 50 companies in the FT500 assessed as having the best practices in terms of information on climate change.

Results in 2014: Based on its responses to the CDP questionnaire, which are available at www.cdproject.net, Renault was awarded a score of 98/100 and an A performance rating according to the A to D rating system introduced in 2010.

On October 15, 2014, the carbon disclosure project (CDP) organization awarded Renault a prize to highlight the Group's entry into the CPLI (Climate Performance Leadership Index), which selects the companies most active in the fight against global warming.

(1) Socially responsible Investment means all financial investments made, not only depending on, financial performance criteria of the monitored values, but also on the behavior of the company versus its social, economical and environmental environment.

Note:

- scope 1 deals with direct greenhouse gas emissions from sources owned or managed by the Company (boilers, ovens, turbines, incinerators, engines, etc.), the combustion of fuel during transportation performed by or on behalf of the Company (passenger cars or light commercial vehicles, planes, boats, trains, etc.) and the physical or chemical processes (*e.g.* in cement-making, cracking in petrochemical processes, die casting of aluminum, etc.). More specifically at Renault, it concerns heating, refrigerants in air conditioning systems (line vehicles, plants), company cars (taxi pools), and vehicle trials on test tracks and benches;
- scope 2 concerns greenhouse gas emissions from the generation by another party of electricity, heat, cooling or steam that is purchased and consumed by the Company. This is often described as "purchased electricity," as it represents the main source of scope 2 emissions. Emissions generated by the electricity used for homeworking and data processing are included in scope 2;
- scope 3 covers "all other indirect emissions that occur from GHG sources that are not owned or controlled by the Company".

2.9.6 INCLUSION IN SOCIAL RESPONSIBILITY INDEXES

Renault is included in the following social responsibility indexes:

- the Euronext-Vigéo Europe 120: The Vigéo index lists companies that obtain the best aggregate scores in their category. These scores are arrived at by weighting the global score for each company's overall performance on all risk factors taken into account by Vigéo in the definition and assessment of corporate social responsibility;
- l'Euronext Vigéo Eurozone 120: this index lists the 120 most advanced companies within the Eurozone;
- ESI Excellence Europe, set up by the Ethibel agency, acquired by Vigeo. This index lists pioneering companies as well as those whose performance is average for their sector but that satisfy the financial criteria set out in the screening methodology;
- ECPI E. Capital Partners Indices, developed by investment advisory firm E. Capital Partners, list 150 of the most socially responsible companies among Europe's largest in terms of market capitalization;
- 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.

2.9.7 RAPPORT DES COMMISSAIRES AUX COMPTES

Year ended the 31st December 2014

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

This is a free translation into English of the original report issued in the French language 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.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Renault, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31st December 2014, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (Code de commerce).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105-1 of the French Commercial code (Code de commerce), in accordance with the protocols used by the company. This latter is composed of the 2014 versions of the Environmental Reporting Protocol for Renault Facilities (Protocole de Reporting Environnement Etablissements Renault), the Calculation Procedure for accident rate indicators (Procédure de calcul des indicateurs d'accidentabilité), the reporting instructions for HR indicators and the Carbon Footprint calculation procedure (hereafter referred to as the "Criteria"), and of which a summary is included in chapter "2.9.2 Appendices Concerning The Environment" and in the methodological notes from chapter "2.4 Human Capital: Committed To Sustainable Growth" of the management report and available on request at Plan Environnement, Human Resources and Corporate Social Responsibility Directions of the company.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (Code de commerce). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (Code de commerce) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;
- to express, at the request of the company, a reasonable assurance conclusion that the information selected by the company and presented at line "Group total 2014" of the "Site Environmental Indicators In 2014" table in chapter 2.9.2.3 of the management report (hereafter referred to as "Selected Environmental Information"), has been established, in all material aspects, in accordance with the Criteria.

Our verification work was undertaken by a team of ten people between September 2014 and February 2015 for an estimated duration of twelve weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000[2].

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (Code de commerce).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (Code de commerce).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (Code de commerce) with the limitations specified in chapter "2.9.2 Appendices Concerning The Environment" and in the Methodological Note in chapter "2.4 Human Capital: Committed To Sustainable Growth" of the management report.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

(1) Scope available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information

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2. Limited assurance on CSR Information

Nature and scope of the work

We undertook approximately thirty interviews with forty people responsible for the preparation of the CSR Information in the different departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important(3):

- At the level of the consolidated entity and the controlled entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of entities and sites that we selected(4), based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 40% of the total workforce, 14% of Health and Safety indicators and between 19% and 82% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

3. Reasonable assurance on a selection of CSR Information

Nature and scope of work

Regarding the Selected Environmental Information we undertook work of the same nature as those described in paragraph 2 above for the CSR Information considered the most important, but in a more in-depth manner, in particular in relation to the number of tests.

The sample selected represents between 19% and 82% of the Selected Environmental Information and describe in the above paragraph.

We consider that this work allows us to express a reasonable assurance opinion on this information.

Conclusion

In our opinion, the Selected Environmental Information by the company has been established, in all material aspects, in compliance with the Criteria.

Paris-La Défense, the 27th February 2015

French original signed by:
Independent Verifier
ERNST & YOUNG et Associés

(3) Industrial sites quantitative environmental information: water consumption, energy consumption, emissions into water (Suspended solid, CDO, METOX), Industrial hazardous and non-hazardous wastes, GHG direct and indirect emissions, SO_2, NO_x and VOC emissions.
Quantitative environmental information of the retail network (Renault Retail Group perimeter): wastes, energy consumption, GHG emissions, VOC emissions, water consumption.
Other quantitative environmental information: Group carbon footprint (including CO_2 emissions associated to the use of vehicles sold during the year and CO_2 emissions associated to the production of the raw materials consumed by the Group).
Social quantitative information: headcounts and their split (age, sex, region), recruitments, lay off, absenteeism rate, frequency rate without lost days (F1 rate) and with lost days (F2 rate), gravity rate (G rate), professional diseases, training hours number, handicapped employment rate, number of collective agreements signed.
Qualitative information: new mobilities (chapter 2.2), electric vehicle (chapter 2.6.3.1), relationship with suppliers (chapter 2.3.2), management of critical competencies (chapter 2.4.1.4) and personal expenses (chapter 2.4.1.2).

(4) Regarding industrial sites quantitative environmental information, we have selected: Fonderie de Bretagne (France), Ruitz STA (France), Busan (South Korea), Bursa (Turkey), Curitiba (Brazil), Dacia (Romania), Casablanca (Morocco), Flins (France), Sevilla (Spain), Moscow (Russia), Sandouville (France), Cergy-Pontoise (France), Le Mans (France), Maubeuge (France).
Regarding retail network quantitative environmental information, we have selected: Paris Area (Trappes and Buc garages).
Regarding quantitative health and safety information, we have selected: Ruitz STA (France), Busan (South Korea), Bursa (Turkey), Cergy-Pontoise (France), Moscow (Russia), Sevilla (Spain).
Regarding quantitative social information linked to absenteeism, training, handicap, and collective agreements, we have selected: France, Turkey, Morroco and Russia.

19 DIRECTORS
OF THE BOARD WITH VARIOUS COMPETENCIES AT RENAULT'S SERVICE

3 CORPORATE GOVERNANCE

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

Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors is required to submit an additional report, appended to the management report, concerning the composition of the Board of Directors, and the preparation and organization of the Board's work, as well as the internal control and risk management procedures.

This report was prepared under the responsibility of Chairman of the Board of Directors based on the work carried out as part of a multidisciplinary working group composed of representatives of the Finance department, the Audit, Risk Control and Organization department and the Group's Legal department.

The report was ratified by the Board of Directors at its meeting on February 11, 2015.

Renault also continually analyzes the best practices set out in the Afep-Medef Code on the corporate governance of listed corporations. In accordance with Article L. 225-37 of the French Commercial Code, the Company refers to the Afep-Medef Code in preparing this report. A table is included indicating the few recommendations that have not been followed (see table, chapter 3.1.1.7).

The Afep-Medef Code is available for consultation at the Renault head office.

3.1 REPORT OF THE CHAIRMAN OF THE BOARD

3.1.1 CONTENT, PREPARATION METHODS AND WORK OF THE BOARD OF DIRECTORS

This chapter describes the management and administration methods used by Renault SA, a publicly listed company and parent of the Renault group. The methods also apply to Renault s.a.s., the lead holding company for Renault's automotive and financial businesses.

The operating principles and missions of the Board are described in the internal regulations of the Board of Directors, which is available in its entirety on the Renault group website. The main extracts from the internal regulations are presented below.

3.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

Internal regulations of the Board of Directors on the Board's composition:

Through its composition, the Renault Board of Directors seeks balanced representation, competence and ethical behavior in its members. For this purpose, it considers the following points when examining candidates for membership:

- the ownership structure and any changes to it;
- independence;
- the balance between women and men;
- the need for diverse and complementary competencies relevant to Renault's strategy and development;
- diversity of nationalities;
- knowledge of the markets in which Renault operates or wishes to do so;

Each candidate profile is assessed with respect to the above criteria.

Internal regulations of the Board of Directors on the process for the selection of directors:

The candidates are then interviewed by the Appointments and Governance Committee. Following these interviews, the Appointments and Governance Committee makes recommendations to the Board of Directors.

The Board of Directors discusses the candidatures proposed by the committee and votes to determine which of them will be submitted to the Shareholders' General Meeting.

After this, the composition of the Board of Directors is:

- reviewed as part of the annual assessment of the Board's organization and operation. Whenever it considers it necessary and at least every three years, the Board of Directors conducts a formal assessment;
- described in the Chief Executive Officer's report on the composition of the Board of Directors and on the application of the principle of balanced representation of men and women, the manner in which the Board's proceedings are prepared and organized, and the internal control and risk management procedures implemented by the Company.

The Company is administered by a Board of Directors with 19 members, including:

- 14 directors appointed by the Annual General Meeting of Shareholders (AGM), of which 2 directors appointed on proposal of Nissan and 1 director appointed on proposal of the employee shareholders;
- two directors appointed by administrative order, representing the French State;
- three directors elected by employees.

The number of Board members is linked on the one hand to a desire to have a majority of independent directors, and on the other to the significant number of directors elected or appointed directly pursuant to laws, by-laws or agreements with Nissan.

The composition of the Board aims to find a balance of experience, competence, independence and ethics, while respecting the principle of equal male/female representation and with a level of diversity which reflects the Group's international presence. Thus, the Board is composed of:

- four women: Ms Koike, Ms de La Garanderie, Ms Rih and Ms Sourisse. Women directors have sat on Renault's Board continually since 2003. Renault applies Law No 2011-103 of January 27, 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards, and on professional equality. The Board will continue to apply its policy to promote female directorships, aiming to have at least 40% female members by 2017, in accordance with the law and the Afep-Medef Code;
- a number of Directors of non-French nationality (Japanese, American, Brazilian), who represent 26.3% of the members of the Board;
- four directors representing employees and employee shareholders.

Directors are selected based on the criteria mentioned above, as well as on the basis of their experience and skills (managing large international groups, knowledge of specific aspects of Group's business, financial knowledge).

The directors elected internally by employees in November 2012, Ms Mariette Rih and Messrs. Richard Gentil and Eric Personne, as well as the director representing employee shareholders, Mr Benoît Ostertag, continued their training cycle in 2014. In particular, they undertook internal training provided by Group employees and training by external organizations. These training courses were aimed at enabling them to rapidly acquire the specific skills they will need to fully perform their roles and missions as corporate directors. In addition, their professional careers and their labor union activities in the Group give them a good understanding of the Group's organization and operations (their biographies are found in section 3.1.1.2).

Finally, apart from the directors elected on a proposal from Nissan and directors representing the State, there are no agreements with major shareholders, customers, suppliers or others according to which one of these persons or one of their representatives was selected as a member of a Board of Directors or Senior Management.

During 2014, the composition of the Board changed as follows:

- the term of Chairman of the Board of Directors, Carlos Ghosn, was renewed at the General Meeting of April 30, 2014 for a period of four years. This term will expire at the end of the General Meeting to approve the financial statements for the year ending December 31, 2017. Carlos Ghosn was also reappointed as Chairman and CEO;
- Mr Patrick Thomas was appointed as a Director at the General Meeting of April 30, 2014 for a period of four years, replacing Mr Bernard Delpit;
- the terms of Ms Sourisse, Mr Ladreit de Lacharrière, Mr Riboud and Mr Saikawa were renewed at the General Meeting of April 30, 2014;
- by order dated September 5, 2014, Mr Régis Turrini, the new Commissioner of the Agency for State Participation, was appointed to the Board of Directors as a representative of the State, replacing Mr David Azéma.

The term of the directors is four years. In accordance with the recommendations of the Afep-Medef Code, the expiration of these terms will be staggered in order to avoid a large number of renewals at once.

Finally, the average age of the directors in office at December 31, 2014 was 61 years.

EXPIRATION OF THE TERMS OF BOARD MEMBERS

YEAR OF EXPIRATION	EXPIRATION OF THE TERM OF	DATE FIRST APPOINTED	
	Ms Sourisse	April 2010	Renewed
	Mr Delpit	April 2010	Replaced by Mr Thomas
	Mr Ghosn	April 2002	Renewed
	Mr Ladreit de Lacharrière	October 2002	Renewed
	Mr Riboud	December 2000	Renewed
2014	Mr Saikawa	December 2006	Renewed
2015	**Mr Lagayette**	**May 2007**	
	Ms Rih	November 2012	
	Mr de Croisset	April 2004	
	Mr Desmarest	April 2008	
	Mr Garnier	April 2008	
	Mr Gentil	November 2012	
2016	Mr Personne	November 2012	
	Ms de La Garanderie	February 2003	
	Mr Belda	May 2009	
	Ms Koike	April 2013	
2017	Mr Ostertag	May 2011	

3.1.1.2 LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS

DIRECTORS AT DECEMBER 31, 2014

CARLOS GHOSN

Chairman of the Board of Directors

Birth date:
03/09/1954 (60 years old)

Nationality: French-Brazilian

Date of first appointment:
April 2002

Start date of current office:
April, 2014

Current term expires: 2018 AG

Number of registered shares held: 255,200

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born in Brazil in March 1954, Carlos Ghosn is a graduate of the École Polytechnique and of École des Mines in Paris. He joined Michelin in 1978 as manager of the Le Puy plant in France. He became Chief Operating Officer of Michelin's South American activities based in Brazil before being appointed Chairman and Chief Executive Officer of Michelin North America in 1989.

He joined Renault as Executive Vice President in 1996. In addition to supervising Renault activities in Mercosur, he was responsible for research, automobile engineering and development, manufacturing, powertrain operations, and purchasing. Carlos Ghosn joined Nissan Motor as Chief Operating Officer in June 1999 and was named Chief Executive Officer in June 2001.

CEO of Renault since May 2005, he remains President and CEO of Nissan. He was appointed President and CEO of Renault on May 6, 2009 and reelected in 2013.

Carlos Ghosn was also elected chairman of AvtoVAZ, Russia's largest automotive manufacturer in 2013.

In May 2014, he was elected president of the European Automobile Manufacturers' Association (ACEA).

He serves on the board of directors of the Brazilian bank Itau Banco. He is a World Economic Forum Governor, a member of the International Advisory Council of Tsinghua University in Beijing, and a member of the Strategic Council of Saint Joseph University in Beirut.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Chairman and Chief Executive Officer of Renault SA (France)

Chairman and Chief Executive Officer of Nissan Motor Co., Ltd. (Japan)

Chairman of AVTOVAZ (Russia)

Non listed companies:

Chairman of Renault s.a.s. (France)

Chairman of the Board of Directors of Renault-Nissan b.v. (Netherlands)

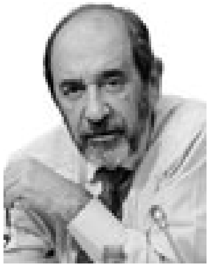
Chairman of the Board of Directors of Alliance Rostec Auto BV (Netherlands)

Chairman of the Board of Directors of Renault do Brasil (Brazil)

Other legal entities:

N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Alcoa	2011



ALAIN J.P. BELDA

Director

Birth date:
06/23/1943 (71 years old)

Nationality: American

Date of first appointment:
may 2009

Start date of current office:
April, 2013

Current term expires: 2017 AG

Number of registered shares held:
1,000

Chairman of the Remunerations Committee
Member of the Appointments and Governance Committee
Member of the International Strategy Committee

BIOGRAPHY - PROFESSIONAL EXPERIENCE

Based in São Paulo, Alain J.P. Belda joined Warburg Pincus in 2009. He leads the Group's investment decisions in Latin America and provides strategic counsel for the Group's entire portfolio. Mr. Belda is also a member of executive management of Warburg Pincus. He retired from Alcoa in 2008, after having served as President and Chief Executive Officer from 1999 and as Chairman of the Board of Directors from 2001. Alain J.P. Belda spent 40 years of his career at Alcoa, having first joined the organization's Brazilian affiliate, Alcoa Aluminio in 1969.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Director of IBM (USA)

Director of Pet Center Marginal (Brazil)

Director of Dudalina (Brazil)

Non listed companies:

Executive Director of Warburg Pincus (USA)

Director of Oméga Energia Renovavel SA (Brazil)

Director of Banco Indusval & Partners (Brazil)

Other legal entities:

N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Alcoa	2010
Director of Citibank	2012
Member of the Business Council	2015

CHARLES DE CROISSET

Director

Birth date:
09/28/1943 (71 years old)

Nationality: French

Date of first appointment:
April 2004

Start date of current office:
April, 2012

Current term expires:
2016 AG

Number of registered shares held: 1,000

Member of the Audit, Risks and Ethics Committee
Member of the Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born on September 28, 1943 in New York (USA), Charles de Croisset is a graduate of the Institut d'Études Politiques in Paris and of the École Nationale d'Administration (ENA). He was appointed Inspecteur des Finances in 1968.

In 1972, he was Special Advisor to the Secretariat General of the French President (Georges Pompidou). He served as Adviser and then Chief of Staff to a number of different Ministries from 1974 to 1980 (Ministry of the Economy and Finance, Ministry of Public Works, Development and Transport, Ministry of Industry). From 1987 to 1988 Charles de Croisset was Chief of Staff to the Minister of the Economy, Finance and Privatization.

In 1980, he joined Crédit Commercial de France (CCF) as Secretary General before being appointed Chairman and Chief Executive Officer of HSBC Holding plc and Director of HSBC Bank plc.

Since 2004, he has been an International Advisor at Goldman Sachs International.

Charles de Croisset has also been Chairman of the Fondation du Patrimoine since 2006.

He is a Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite) and is in the French Legion of Honor (Légion d'Honneur). In 2004, he was elevated to the rank of Commander of the Order of the British Empire.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Director of LVMH (France)

Non listed companies:

Other legal entities:

Chairman of the Fondation du Patrimoine

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Bouygues	2010
Non-voting Director of Galeries Lafayette	2012
Member of the Supervisory Board of Euler & Hermès (France)	2013

THIERRY DESMAREST

Administrateur

Birth date:
12/18/1945 (69 years old)

Nationality: French

Date of first appointment:
April 2008

Start date of current office:
April, 2012

Current term expires: 2016 AG

Number of registered shares held: 1,500

Chairman of the International Strategy Committee
Member of the Remunerations Committee
Member of the Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Thierry Desmarest is a graduate of École Polytechnique, and an Engineer of the French Corps des Mines. Thierry Desmarest spent four years at the Mines department of New Caledonia before taking up the position of technical adviser to the Office of the Minister of Industry in 1975, and then the Minister of Economy in 1978.

Thierry Desmarest joined Total in 1981 to head up Total Algeria. He then held a range of management positions within Total Exploration Production and became Chief Operating Officer of Total and a member of its Executive Committee in 1989.

He became Chairman and CEO of Total in 1995, of TotalFina in 1999, and of Elf Aquitaine and TotalFinaElf in 2000.

He was Chairman and Chief Executive Officer of Total SA from 2003 to February 2007, date on which he became Chairman of the Board of Directors. In May 2010 he was appointed Honorary Chairman and remains a Director of Total SA and Chairman of the Total Foundation. He has been Chairman of the Board of Directors of Total SA since October 2014. He also chairs the Governance and Ethics Committee and the Strategy Committee of Total SA.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Chairman of the Board of Directors of Total SA (France)

Independent Director and Director of Air Liquide (France)

Non listed companies:

N/A

Other legal entities:

Chairman of the Total Foundation

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Member of the Supervisory Board of Areva	2010
Director of the Musée du Louvre	2014
Director of the École Polytechnique	2014
Chairman of École Polytechnique Fondation	2014
Honorary Chairman of Total SA	2014
Director of Sanofi	2014
Director of Bombardier Inc.	2014

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PASCAL FAURE

Director appointed by the State

Birth date:
02/01/1963 (52 years old)

Nationality:
French

Date of first appointment:
February 2013

Start date of current office:
February, 2013

Current term expires: N/A

Number of registered shares held: N/A

Member of the Industrial Strategy Committee
Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born on February 1, 1963 in Nice (France). Pascal Faure is an engineering graduate from the École des Mines, and also holds degrees from the École Polytechnique (1983) and the École Nationale Supérieure des Télécommunications de Paris (1988).

He started his career in R&D in Bell Labs (Pennsylvania, USA), and at Apple Computer (California, USA), before moving to the French National Telecommunications Research Center (France Télécom/CNET) as project leader in communication security and cryptology.

From 1992 to 1995, he worked in the French Finance Ministry, specifically on administrative IT policy credits. He was then appointed Technical Advisor with responsibility for budget, fiscal, employment and development affairs in the Office of the Minister of Tourism, before moving to the office of the Minister of Regional Development, Urban Affairs and Integration.

From 1997 to 2001, Pascal Faure served as Director of Development and Finance, and as Deputy Director of the Institut TELECOM, before being appointed Deputy Technical Director at the Ministry of Defence.

Concurrent offices during this time included his position as Chairman of the French Association of Telecommunications Engineers, from 2001 to 2006.

From 2007 to 2012, Pascal Faure was appointed Vice-President of the French information technologies general council (CGTI – Conseil Général des Technologies de l'Information), Vice-President of the general council for industry, energy and technologies (CGIET – Conseil Général de l'Industrie, de l'Énergie et des Technologies), and Vice-President of the general council for the economy, industry, energy and technologies (CGEIET – Conseil Général de l'Économie, de l'Industrie, de l'Énergie et des Technologies).

From December 2012 to September 2014, Pascal Faure held the position of Director General of competitiveness, industry and services.

On September 18, 2014, he was appointed Director General of French incorporations.

He is co-founder of the collection Territoires de l'information; co-editor of Nouvelles technologies, nouvel état (1999), Éthique et société de l'information (2000) and Media@media (2001).

Pascal Faure was awarded the French Legion of Honor (Chevalier de la Légion d'Honneur), the French Order of Merit (Officier de l'Ordre National du Mérite), and the French Academic Palms (Officier des Palmes Académiques).

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Government Representative on the Board of La Poste (France)

Member of the Board of Directors (non-voting director) of Areva SA (France)

Non listed companies:

Director representing the French State at Bpifrance Participations

Director representing the French State at Bpifrance Investissement

Other legal entities:

Member of the Atomic energy commission

Director representing the French State at Mines Paris Tech

Director representing the French State at the French Research Agency

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director representing the French State at Française des Jeux	2013
Director representing the French State at France Télécom	2013

DOMINIQUE DE LA GARANDERIE

Director

Birth date:
07/10/1943 (71 years old)

Nationality: French

Date of first appointment:
February 2003

Start date of current office:
April, 2013

Current term expires: 2017 AG

Number of registered shares held: 1,150

Member of the appointments and Governance Committee
Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Dominique de La Garanderie is a founding partner of La Garanderie & Associés, a law firm specializing in labor relations and employment law, corporate governance and social responsibility.

She was the first female President of the Paris Bar (Bâtonnier de l'Ordre des Avocats de Paris) from 1998 to 2000.

She served as Vice-Chairperson of the OECD Business Sector Advisory group on corporate governance principles (2005-2006).

She was a member of the French National Consultative Commission on Human Rights.

Dominique de La Garanderie is a Commander of the French Legion of Honor (Commandeur de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite).

She is currently a member of the Afep-Medef Senior Committee for corporate governance.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

N/A

Non listed companies:

N/A

Other legal entities:

Member of the Senior Council of Transparency International – France

Dean of the Economics division of the École Nationale de la Magistrature

Honorary President and founder of the Association Française des Femmes Juristes (AFFJ – French Women Lawyers' Association)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Holcim France Bénélux	2012

JEAN-PIERRE GARNIER

Director

Birth date:
10/31/1947 (67 years old)

Nationality: French, American

Date of first appointment:
April 2008

Start date of current office:
April, 2012

Current term expires:
2016 AG

Number of registered shares held: 1,000

Chairman of the Industrial Strategy Committee
Member of the Remunerations Committee
Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Jean-Pierre Garner holds a PhD in Pharmacology and a Masters in Pharmaceutical Sciences from the University Louis-Pasteur of Strasbourg. He earned an MBA from Stanford University (California) in 1974.

Jean-Pierre Garnier joined the American pharmaceutical firm Schering-Plough where he held positions in Switzerland, Denmark and Portugal. In 1983, he was appointed Vice-President, Marketing, before becoming Senior Vice-President and Chief Executive Officer of the over-the-counter drugs business line, and General Manager of Sales and Marketing for Schering-Plough's US business. He then served as President of Schering-Plough.

In 1990, he joined SmithKline Beecham as President of its North American Pharmaceuticals division. He was appointed President of Pharmaceuticals in 1994 and Chief Operating Officer the following year. He was elected Chairman and CEO of SmithKline Beecham in December 1999, and in December 2000, headed up the new merged group, GlaxoSmithKline (GSK).

July 2008 saw Jean-Pierre Garnier move to Laboratoires Pierre Fabre as Director of Pierre Fabre Participations. At the end of August 2008, he was appointed Chief Executive Officer of Laboratoires Pierre Fabre and in 2011 he became Chairman and CEO of Actélion.

He is an Operating Partner of Advent International (USA).

Mr Garnier is an Officer of the French Legion of Honor (Officier de la Légion d'Honneur) and a Knights Commander of the Order of the British Empire.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
Chairman of the Board of Directors of Actélion (Switzerland)
Director of United Technology Corp. (USA)

Non listed companies:
N/A

Other legal entities:
Director of the Paul Newman Foundation (USA)
Director of the Max Planck Institute (Germany)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Pierre Fabre Participations	2010
Chairman of the Board of Directors of Cérénis (France)	2015

RICHARD GENTIL

Director elected by employees

Birth date:
04/29/1968 (46 years old)

Nationality: French

Date of first appointment:
November 2012

Start date of current office:
April, 2012

Current term expires:
November 2016

Number of registered shares held: 1

Member of the Industrial Strategy Committee
Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A maintenance technician, Richard Gentil started at Renault in 1988 at the foundry, and is a hydraulics, pneumatics and gas specialist. He holds BEP/CAP electro-technical and electro-mechanical professional qualifications and a Baccalaureate in Automated Mechanical Systems Maintenance. He speaks and writes fluent English. Richard Gentil is a member of the Solidarity Committee of the Renault Cléon Works Council.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
N/A

Non listed companies:
N/A

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

YURIKO KOIKE

Director proposed for election by Nissan

Birth date:
15/07/1952 (62 years old)

Nationality: Japanese

Date of first appointment: April 2013

Start date of current office:
April, 2013

Current term expires: 2017 AG

Number of registered shares held:
100

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yuriko Koike is currently a member of the Japanese House of Representatives, having served as Japanese Minister of the Environment from 2003 to 2006. She successfully promoted a new business model, known as “Cool Biz”, as well as a number of other policies aimed at changing the mindset of the general public and countering global warming. Ms. Koike subsequently occupied two other ministerial posts. She was appointed Special Advisor to the Prime Minister on national security in 2006, before becoming the first female Minister of Defense in July 2007. She was also the first woman to put forward her candidacy to lead the ruling party in Japan, positions that automatically open up the possibility of a run for Prime Minister. Ms. Koike began her career as a television personality and an expert on affairs in the Arab world. She has authored books and articles on Japanese policies, international affairs and women’s professional networks.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
N/A

Non listed companies:
N/A

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

MARC LADREIT DE LACHARRIÈRE

Director

Birth date:
11/06/1940 (74 years old)

Nationality: French

Date of first appointment:
October 2002

Start date of current office:
April, 2014

Current term expires:
2018 AG

Number of registered shares held: 1,020

Chairman of the Appointments and Governance Committee
Member of the Remunerations Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Marc Ladreit de Lacharrière studied economics in Paris, and then graduated from the École Nationale d’Administration (ENA) in the “Robespierre” class (January 1968 to May 1970).

He joined Banque Indosuez where he occupied a number of different management positions until 1976, before moving to the L’Oreal group where he was appointed Executive Vice-President, a position he held from 1984 to 1991. At the same time, he was a Director of Synthélabo (1986-1991), Crédit Lyonnais, Air France, France Télécom, the Musée du Louvre, and L’Oréal.

En 1991, Marc Ladreit de Lacharrière founded his own company, Financière Marc de Lacharrière (Fimalac). Fimalac makes equity investments in a number of companies, particularly in the culture and media sectors. Fimalac currently holds the financial ratings agency, Fitch Ratings, and previously held Algorithmics.

Marc Ladreit de Lacharrière is co-founder of the French foundation to combat exclusion, Fondation Agir contre l’exclusion.

Marc Ladreit de Lacharrière has been Director of Group Casino since 2000, and of Renault since 2002.

Marc Ladreit de Lacharrière is Chairman of the French intellectual journal, La Revue des Deux Mondes.

He was elected to the Académie des Beaux-Arts in 2006 to the Gérald Van der Kemp Chair (free members section). That same year, he founded and finances the Fondation Culture & Diversité to assist young people from disadvantaged schools.

In 2007, he was appointed Chairman of the Board of Directors of the Agence Internationale des Musées de France (France Museums), the agency with responsibility, notably, for the Louvre Abu Dhabi project.

On December 31, 2010, he was awarded the honour of the Grand Cross of the French Legion of Honor (Grand-Croix de la Légion d’honneur).

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Chairman and Chief Executive Officer of Fimalac (France)

Director of Casino group (France)

Non listed companies:

Chairman of the Executive Board of Groupe Marc de Lacharrière (France)

Chairman of the Board of Directors of Agence France Museums (France)

Chairman of the Board of Directors of Fitch group (USA)

Chairman of the Supervisory Board of Webedia (France)

Director of Fermière du Casino Municipal de Cannes (France)

Director of Lucien Barrière SAS group (France)

Permanent representative of Fimalac on the Board of Directors of NextRadio TV

Manager of Fimalac Participations Sarl (Luxembourg)

Other legal entities:

Member of the Institut Académie des Beaux-Arts

Honorary Chairman of the French National Committee of Foreign Trade Advisors (Comité National des Conseillers du Commerce Extérieur de la France)

Chairman of the Fondation Culture et Diversité

Member of general interest associations: Conseil Artistique des Musées Nationaux – Fondation des Sciences Politiques – Musée des Arts Décoratifs – Fonds de dotation Abbaye de Lubilhac

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director of Algorithmics (Canada)	2009
Chairman of the Board of Directors of Fitch Ratings (USA)	2012
Director of L’Oréal	2014

PHILIPPE LAGAYETTE

Director

Birth date:
06/16/1943 (71 years old)

Nationality: French

Date of first appointment:
May 2007

Start date of current office:
April, 2011

Current term expires:
2015 AG

Number of registered shares held: 1,000

Lead Independent Director
Chairman of the Audit, Risks and Ethics Committee
Member of the Appointments and Governance 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 up JP Morgan's activities in France from 1998 to August 2008 and then held the position of Vice-Chairman for the EMEA Region until January 2010.

He is currently Barclays' Senior Advisor in France.

Mr Lagayette is a Commander of the French Legion of Honor (Commandeur 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

Listed companies:
Director of Kering (formerly PPR) (France)
Director of Fimalac (France)

Non listed companies:
Chairman of PL Conseils (France)

Other legal entities:
Chairman of the Fondation de France
Chairman of the scientific research foundation, the Fondation Plan Alzheimer
Chairman of the Institut des Hautes Études Scientifiques

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Vice-Chairman of JP Morgan for the EMEA Region	2010
Chairman of the French American Foundation	2010

BENOÎT OSTERTAG

Director elected on proposal of the employee shareholders

Birth date:
08/02/1965 (49 years old)

Nationality: French

Date of first appointment:
May 2011

Start date of current office:
April, 2013

Current term expires:
2017 AGM

Number of registered shares held:
95 company mutual fund (FCPE) units

Member of the Audit, Risks and Ethics Committee
Member of the Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Engineering graduate from the École Centrale de Paris.

Benoît Ostertag has worked at Renault for the past 24 years in mechanical engineering at the Lardy (91) and Rueil (92) plants in France, designing test benches, engine cooling systems and thermal measurements. He was a team leader until 2011, and he currently manages processes in the Quality department.

Mr Ostertag was the elected CFDT representative on the Works Council and then on the Renault s.a.s. Central Works Council from 2006 to 2011.

He has represented employee shareholders on the Renault group's Board of Directors since May 2011.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
N/A

Non listed companies:
N/A

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

ERIC PERSONNE

Director elected by employees

Birth date:
10/14/1962 (52 years old)

Nationality: French

Date of first appointment:
November 2012

Start date of current office:
April, 2013

Current term expires:
November 2016

Number of registered shares held: 20

Member of the Remunerations Committee
Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Eric Personne began his career as a photographer, before becoming a Renault dealer in 1988 where he managed a team of 15 people selling 250 vehicles a year. In 2002, he joined Renault Retail Group, where he held a number of positions, including: head of after-sales development and head of ISO Certification. Since 2007, Eric Personne has been Manager of Sales and Quality Reporting at Renault Retail Group. He was the CFE-CGC representative of the Renault group Committee from 2005 to 2012 and has a track record of more than 30 years in employer or employee collective action in his professional domain.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
N/A

Non listed companies:
N/A

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

FRANCK RIBOUD

Director

Birth date:
11/07/1955 (59 years old)

Nationality: French

Date of first appointment:
December 2000

Start date of current office:
April, 2014

Current term expires:
2018 AG

Number of registered shares held: 331

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Franck Riboud is Chairman of the Board of Directors of Danone.

He is a graduate of the École Polytechnique Fédérale de Lausanne.

He joined the BSN Gervais Danone group in 1981, where he held a number of positions in Management Control, Marketing and Sales until 1989. After having served as Sales Director at Heudebert, in September 1989, he was appointed Head of the department responsible for the integration and development of new companies in the Biscuits branch. He took part in the largest acquisition made by a French company in the United States, namely, BSN's acquisition of Nabisco's European activities. In July 1990, he was appointed Chief Executive Officer of Eaux Minérales d'Evian.

Franck Riboud took up the position of Director of Danone group Development in 1992, at which point Danone launched its international expansion plan, accelerating the pace of development in Asia and Latin America, and creating an Export division.

BSN Gervais Danone changed its name to Danone in 1994 to position itself as a global brand.

On May 2, 1996, he became Chairman and Chief Executive Officer of Danone. On a proposal by Franck Riboud, the Board of Directors of Danone decided to separate the offices of Chairman and Chief Executive Officer on September 2, 2014. Franck Riboud remained Chairman of the Board of Directors of Danone.

Since 2008, Mr Riboud has been Chairman of the Board of Directors of the danone.communities mutual fund (SICAV), a financing entity aimed at promoting the development of profitable companies whose primary goal is to maximize socially responsible objectives as opposed to profit.

He has also been Chairman of the Steering Committee of the Danone ecosystem fund, Fonds Danone pour l'Écosystème since 2009, and has been a member of the Livelihoods fund Steering Committee since December 2011.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
Chairman of the Board of Directors of Danone SA (France)

Non listed companies:
Director of Bagley Latinoamerica SA (Spain)
Chairman of the Board of Directors of danone.communities (mutual fund – SICAV) (France)
Director of Danone Espagne SA (Spain)
Director of Rolex SA (Switzerland)
Director of Rolex Holding SA (Switzerland)
Member of the Steering Committee of the Livehoods Fund (mutual fund – SICAV) (France)

Other legal entities:
Chairman of the Steering Committee of Fonds Danone pour l'Écosystème
Director of the HEC International Advisory Board
Member of the Supervisory Board of the Fondation ELA
Member of the Board of the Fondation EPFL Plus
Honorary Member of the Association ELA
Director of RAISE (endowment fund)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Director and Member of the Compensation Committee of Accor SA	2012
Director of Lacoste SA	
Director of Omnium Nord Africain (ONA)	2012
Director of the French national agri-foods industry association (Association Nationale des Industries Agroalimentaires)	2012 2013
Chief Executive Officer and Chairman of the Executive Committee of Danone SA	2013

MARIETTE RIH

Director elected by employees

Birth date:
03/26/1967 (47 years old)

Nationality: French

Date of first appointment:
November 2012

Start date of current office:
November, 2012

Current term expires:
November 2016

Number of registered shares held:
eight company mutual fund (FCPE) units

Member of the Industrial Strategy Committee
Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Having obtained a BTS vocational training certificate as a trilingual secretary, Mariette Rih joined Renault Automation in 1990 as an assistant in the Export department. In December 1999, she joined the Renault-Nissan Alliance coordination office and then took up a position with the Nissan Europe Communication CEO, which she held until 2005. From 2005 to 2007, Mariette Rih returned to Renault, to L'Atelier, before taking over management of Renault Square Com. exhibitions. In 2009, Mariette Rih headed up the development demonstrators and communication technology tools at Renault's Brand division. She has been B2E Project Manager at Digital division since June 2014.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
N/A

Non listed companies:
N/A

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

HIROTO SAIKAWA

Director elected on proposal of Nissan

Birth date:
11/14/1953 (61 years old)

Nationality: Japanese

Date of first appointment:
December 2006

Start date of current office:
April, 2014

Current term expires: 2018 GM

Number of registered shares held:
100

Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Hiroto Saikawa was born on November 14, 1953. He graduated from Tokyo University in 1977 with a degree in economics and joined Nissan Motor Co. Ltd. the same year. In 1999, he moved to Nissan Europe N.V., where he was appointed General Manager of Purchasing Strategy Department, then General Manager of Purchasing Strategy Department in 2000 of Nissan Motor Co Ltd. In 2001, he assumed the position of Executive General Manager of the Renault Nissan Purchasing Organization, before being appointed Senior Vice-President of Nissan Motor Co. Ltd. in 2003. Hiroto Saikawa became Executive Vice-President of Nissan Motor Co. Ltd in April 2005, and was also appointed as a member of the Board of Directors in June of that year. He was Representative Director and Executive Vice President in June 2011, and has been named as Chief Competitive Officer of Nissan Motor Co. Ltd since April 2013.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:
Chief Competitive Officer and Representative Director of Nissan Motor Co., Ltd.

Non listed companies:
Director of Dongfeng Motor Co., Ltd

Other legal entities:
N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

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PASCALE SOURRISSE

Director

Birth date: 03/07/1962 (52 years old)

Nationality: French

Date of first appointment: April 2010

Start date of current office: April, 2014

Current term expires: 2018 AG

Number of registered shares held: 1,000

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Pascale Sourisse is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications (ENST).

She began her career holding management positions within France Telecom, Jeumont-Schneider and Compagnie Générale des Eaux, as well as with the French Ministry of Industry, and then at Alcatel. She became Chairman and Chief Executive Officer of Alcatel Space in 2001, and then of Alcatel Alenia Space en 2005. In 2007, Pascale Sourisse was appointed Senior Vice-President of Thales, a member of the Executive Committee with responsibility for the Space division, and Chairperson and CEO of Thales Alenia Space. In 2008, she was appointed Senior Vice-President, Managing Director of the Land & Joint Systems division, and in February 2010, became Senior Vice-President, Managing Director of Defense and Security C41 Systems. Pascale Sourisse was also Chairperson and CEO of Thales Communications & Security and Chairperson of Thales Services until 2012.

She was appointed Senior Executive Vice-President of International Development within the Thales group in February 2013. She is also Chairperson of Thales International.

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

Listed companies:

Director of Vinci (France)

Non listed companies:

Chairperson of Thales International SAS

Chairperson of Thales Europe SAS

Director of the Agence Nationale des Fréquences (France)

Other legal entities:

Chairman of the Board of École de Télécom Paris Tech

Permanent representative of Thales as Director of ODAS and SOFRESA

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Member of the Board of Directors of the Institut Télécom	2011
Chairperson and Chief Executive Officer of Thales Communications & Security	2012
Chairperson of Thales Services SA	2012
Member of the Supervisory Board of Thales Alenia Space	2012
Member of the Board of Directors of DCNS	2012
Chairperson of Thales Canada Inc. (Canada)	
Director of Thales UK Ltd. (United Kingdom)	
Director of Thales Electronics plc (UK)	2013
Director of Thales Netherland plc (Netherlands)	
Director of Thales Australia Holdings pty Ltd. (Australia)	
Director of Thales USA Inc. (USA)	

PATRICK THOMAS

Director

Birth date: 06/16/1947 (67 years old)

Nationality: French

Date of first appointment: 2014 AG

Current term expires: 2018 AG

Number of registered shares held: 100

Member of the International Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Patrick Thomas is a graduate of the École Supérieure de Commerce de Paris (ESCP).

He was Chairman of the Lancaster group from 1997 to 2000 before being appointed Chairman and Chief Executive Officer of the British company William Grant & Sons from 2000 to 2003.

As an outsider to the Hermès family, Patrick was appointed Chief Executive Officer of Hermès International, a position he held from 1989 to 1997. He returned to the Hermès group on July 15, 2003 as Chief Executive Officer of Hermès International before being appointed manager on September 15, 2004, until his retirement on January 31, 2014.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Member of the Supervisory Board of Laurent Perrier (France)

Non-voting director of Rémy Cointreau (France)

Non listed companies:

Member of the Supervisory Board of Leica Camera AG (Germany)

Member of the Supervisory Board of Château Palmer (France)

Member of the Supervisory Board of Ardian Holding (France)

Member of the Supervisory Board of Massilly Holding (France)

Manager of SCI Les Choseaux (France)

Offices in the Hermès group:

Chairman of the Board and Director of Shang Xia Trading (Shanghai)

Director of Faubourg Italia (Italy)

Chairman and Director of Full More group (Hong Kong)

Other legal entities:

N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Member of the Supervisory Board of Banque Neuflize OBC (France)	2008
Director of Wally Yachts (Luxembourg)	2009
Vice-Chairman and member of the Supervisory Board of Gaulme (France)	2012
Director of Lacoste (France)	2012
Manager of Hermès International	2014

Mr Thomas has held numerous corporate offices in the Hermès group's subsidiaries. In the interests of clarity and legibility, all of these offices are not listed here

RÉGIS TURRINI

Director appointed by the State

Birth date:
03/14/1959 (55 years old)

Nationality: French

Date of first appointment:
September 2014

Current term expires: N/A

number of registered shares held: N/A

Member of the Appointments and Governance Committee
Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Mr Turrini is a graduate of the Institut d'Études Politiques in Paris and holds a Master's degree in Public Law. He also studied at the École Nationale d'Administration (ENA) and was a lawyer at the Paris Bar.

He began his career in 1989 as a counsellor at the Administrative Court and the Administrative Court of Appeal.

From 1989 to 1995, he worked as a corporate lawyer at Cabinet Cleary Gottlieb and then Cabinet Jeantet Associés.

From 1995 to 2002, he held a number of positions at Arjil & Associés Banque (Lagardère group), such as Executive Director, Managing Director and then Managing Partner.

From January 2003 to August 2014, Mr Turrini was Senior Executive Vice-President, Executive Vice-President in charge of divestitures, mergers and acquisitions, and member of the Vivendi Executive Committee.

On September 1, 2014, he was appointed Chief Executive Officer, Commissioner for the French state investment agency (APE), under the authority of the Ministry of Finance and Public Accounts and the Ministry of Economy, Industrial Renewal and Digital.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

Director of EDF (France)

Director of Thales (France)

Non listed companies:

Director of BPI group (France)

Other legal entities:

N/A

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
Member of the Supervisory Board – Canal+ group	2014
Chairman and Chief Executive Officer – Vivendi Net USA group, Inc.	2014
Chairman and Chief Executive Officer – MP3.Com Inc.	2014
Director – Wengo SAS	2014
Director – GVT Participaçeos Ltda	2014
Director, representative of Vivendi – SFR	2014

DIRECTOR PROPOSED FOR RE-ELECTION

The only term which expires at the end of the General Meeting of Shareholders on April 30, 2015 is that of Mr Philippe Lagayette.

As part of the preparation of the General Meeting, the Board of Directors reviewed the individual situation of Mr Lagayette including:

- the prospect of his renewal;
- the skill and experience he brings to the work of the Board;
- his availability and involvement in the work of the Board and its committees;
- his independence and the absence of conflicts of interest;
- his contribution to the diversity of the composition of the Board with respect to male/female representation and his nationality.

DIRECTORS WHOSE APPOINTMENT IS PROPOSED TO THE MEETING

Mr Charles de Croisset having informed the Board of his wish to resign as a director with effect from April 30, 2015, it is proposed that the shareholders approve the appointment of Ms Chérie Blair as a new Director.

As part of the preparation for the General Meeting, the Board considered the nomination of Ms Blair, in light of:

- the composition of and changes in the share ownership pattern;
- independence;
- balanced representation of men and women;
- diversity of backgrounds and skills, their complementarity and relevance with regard to the strategy and development of Renault;
- diversity of nationalities;
- knowledge of the markets in which Renault is or seeks to be established.

The Board of Directors, at its meeting of February 11, 2015, found that the appointment of a female director, of British nationality, would contribute to the gender balance and the international diversity of the Board. Furthermore, it determined that her profession as a lawyer engaged in the struggle for human rights and labor law, would contribute to a future direction for Renault consistent with the CSR values held by the Group.

CHERIE BLAIR

Director

Birth date:
09/23/1954 (60 years old)

Nationality: English

Date of first appointment:
N/A

Current term expires:
N/A

Number of registered shares held: N/A

BIOGRAPHY-PROFESSIONAL EXPERIENCE

Cherie Blair CBE, QC is as a leading barrister, specialising in human rights and international law. She was appointed a Queen's Counsel in 1995, and is the wife of former British Prime Minister Tony Blair. Through her role as Founder and Chair of Omnia Strategy LLP, Mrs Blair currently advises both governments and international corporations on how to improve and sustain strong human rights standards. As a supporter of the United Nations Global Compact, she also advises on implementing the UN Guiding Principles on Business and Human Rights and works with business to develop and strengthen corporate social responsibility practices. With over 35 years' 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 global group of leaders, "to create a future where the purpose of business is to be a driving force for social, environmental and economic benefit".

Mrs Blair is the Chancellor Emeritus and Honorary Fellow of Liverpool John Moores University; Governor Emeritus and Honorary Fellow of the LSE and the Open University (D.Univ.Open 1999); LLD (Hons), University of Liverpool (2003); Hon.D.Lit UMIST (2003); Doctor of Laws (Westminster University). She is also the founder of the Cherie Blair Foundation for Women, which runs programmes to support women entrepreneurs across the developing world, including Africa.

She is Vice Chair of the International Council on Women's Business Leadership founded by Secretary Hillary Clinton. Mrs Blair sits as an Honorary Chair of the World Justice Project and is patron and President of the Africa Justice Foundation. In 2007, she received the Eleanor Roosevelt Val-Kill medal in recognition of her high ideals and courageous actions. In 2013, she was awarded the CBE in the New Year Honours for her services to women's issues and to charity in the UK and overseas.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Listed companies:

N/A

Non listed companies:

Founder and Chair, Omnia Strategy LLP, London

Other legal entities:

Founder and Patron, Cherie Blair Foundation for Women, London

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term of offices expired
N/A	

3.1.1.3 ADDITIONAL INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS

RIGHTS AND OBLIGATIONS OF DIRECTORS

The internal regulations of the Board presents the rights and obligations of directors with respect to:

- an awareness of the legal regulations relating to *sociétés anonymes* (public limited companies) and the Company's articles of association;
- the right to disclosure and duty to keep informed;
- the duty of diligence;
- the duty of loyalty;
- professional confidentiality and privileged information;
- the holding of shares in the Company. The Board's internal regulations, amended with reference to the revised Afep-Medef Code, recommend that directors own a significant number of shares in view of the director's fees paid to them(1), except for those directors who do not receive fees personally. In this respect, the directors representing the staff or the shareholder employees who do not personally receive director's fees (which are paid directly to their trade unions); they are therefore not required to hold a significant number of shares. In addition, administrative regulations forbid directors appointed by the French State from owning shares;
- refund of expenses.

NO CONVICTIONS OR CONFLICTS OF INTEREST

To Renault's knowledge, none of its directors or senior executives has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation proceedings in the past five years and none has been charged or punished by a statutory or regulatory authority. None of the directors has been barred by a court from serving as a member of the Board of Directors, Management Board or Supervisory Board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.

To Renault's knowledge, there are no conflicts of interest between the directors' private interests and their duties to the Company.

The directors are not related by family ties.

Company officers are not bound to Renault or any of its subsidiaries by service agreements that provide for benefits.

(1) Percentage of Renault's capital owned by the directors excluding the French State: 0.02%.

3.1.1.4 ORGANIZATION, OPERATION AND MISSIONS OF THE BOARD

1. OPERATION OF THE BOARD

The missions and operation of the Board of Directors are specified in the Board's internal regulations.

Internal regulations concerning the operation of the Board of Directors:

The proceedings of the Board of Directors and the meetings of the Board committees may be conducted using any technical means, provided they guarantee effective participation by directors.

Accordingly, the directors participating in the Board's proceedings by the aforementioned means are deemed attending, for calculation of the quorum and majority, except for the meetings finalizing the separate or consolidated financial statements, appointing or dismissing the Chairman of the Board of Directors, the Chief Executive Officer and the deputy Chief Executive Officers, for which proceedings the directors are required to attend in person.

Meetings are convened by any means and may be sent by the Secretary of the Board.

The proceedings of the Board of Directors are conducted on the basis of documents sent to each director not less than five (5) days before the meeting of the Board of Directors.

However, where the aforementioned documents are submitted beforehand to a committee of the Board within a shorter time limit, those documents shall be forwarded to the directors at the close of the relevant meeting of that committee.

In the event of urgency or where the time limit cannot be met, the agenda and the documents relating to the matters for discussion by the Board of Directors shall be transmitted not less than 24 hours before the Board of Directors meets.

Minutes of each meeting of the Board of Directors are kept in accordance with legal provisions..

The Board of Directors appoints one of its members as Chairman. The Chairman, who must be a natural person, may be re-elected

2. MISSIONS OF THE BOARD OF DIRECTORS

Internal regulations concerning the missions of the Board of directors

The Board of Directors is a collegiate body.

It has the obligation to act in the corporate interests of the Company under all circumstances. It receives its powers from the shareholders as a body, and also takes account of the expectations of other stakeholders.

It meets as often as the interests of the Company and the laws and regulations require.

On a proposal by the Chief Executive Officer, the Board of Directors determines the Company's strategy. The Board discusses the Company's strategic guidelines on a yearly basis, including those relating to the Alliance, proposed by the Chief Executive Officer. It examines any amendments to those guidelines. The Board gives its opinion beforehand on any major decision that is not in line with the business strategy.

It is alerted promptly by the Chief Executive Officer in the event of any external event or internal change radically affecting the Company's prospects or the forecasts submitted to the Board of Directors.

Every year, the Board examines the medium-term plan and the budget.

It is regularly informed of the Company's results as reflected in the income statement, balance sheet and cash flow; it is also informed of off-balance-sheet commitments.

It ensures the quality of financial information published, including the financial statements or in the case of significant transactions. It publicizes its opinion on the conduct of transactions in the Company's securities whenever warranted by the nature of those transactions.

The Board meets once a year, in the absence of the Chief Executive Officer, to assess the latter's performance and set his/her remuneration.

Each year it also approves the list of directors considered to be independent. The Board debates at least once a year issues surrounding its operation and that of its committees, in addition to the annual assessment that is made in this respect.

The Board prepares and convenes the General Meeting of Shareholders and sets its agenda.

One of the basic tasks of the Board is to define the mode of general management and the limitations of power of the Chairman and Chief Executive Officer.

2.1 Functions of Chairman of the Board combined with those of Chief Executive Officer

On May 6, 2009, acting on a proposal from the Appointments and Governance Committee, the Renault Board of Directors combined the functions of Chairman of the Board and Chief Executive Officer. Mr Ghosn was appointed Chairman and CEO at that time, and reappointed in 2010 and 2014. The term of Chairman of the Board of Directors of Carlos Ghosn was renewed at the General Meeting of April 30, 2014 for a period of four years.

This mode of governance, unifying the functions of Chairman of the Board and Chief Executive Officer, occurs in a majority of French listed companies with Boards of Directors. It is suited to the Company's organization and operation, providing in particular a responsive and efficient decision-making process to ensure and strengthen the cohesion of the entire organization.

2.2 Limitations on the powers of the Chairman and CEO

The balance of power is ensured in particular by:

- the presence of a majority of independent directors on the Board of Directors;
- the presence since July 2009 of a Lead Independent Director, chosen from among the independent directors, whose role is described hereafter;
- limitations on the powers of the Chief Executive Officer, specified in the internal regulation of the Board of Directors.

All these provisions allow for balanced governance while ensuring effective decision-making.

I. Independence of the Board of Directors

The Board of Directors is committed to the principle of independence set down in its internal regulations.

Internal regulations concerning the independence of Directors:

A director is independent when he/she entertains no relationship whatsoever with the Company, its group or general management, such as might compromise the exercise of his/her freedom of judgment. Thus, an independent director shall be understood to mean not only a non-executive director, i.e. one not performing management duties in the Company or its group, but also one devoid of any particular bonds of interest (significant shareholder, employee or other) with these entities.

The Board of Directors shall determine each year, on a proposal of the Appointments and Governance Committee, the list of its members considered independent, based on the criteria set by the Afep-Medef Code:

- not to be a customer, supplier, investment banker or commercial banker that is material to the corporation or its group, or for which the corporation or its group accounts for a significant part of its business;
- not to have close family ties with a company officer;
- not to have been an auditor of the corporation within the previous five years;
- not to have been a director of the corporation for more than 12 years. The loss of independent-director status by reference to this criterion should occur only at the expiry of the term of office during which such director exceeds the term of twelve (12) years;
- not to be an employee or officer of the Company, an employee or director of the parent company or of a company within its scope of consolidation, or have been any of these within the preceding five years;
- not to be an officer of a company in which the Company sits directly or indirectly on the Board of Directors, or of which an employee designated as such or a company officer (serving currently or within the past five years) is a director;
- the independence of directors representing major shareholders of the Company (10% or more of the capital or voting rights) must be assessed on a case-by-case basis.

The Board of Directors of Renault must be composed of at least 50% independent directors, the percentage being calculated according to the recommendations of the Afep-Medef Code on the matter.

Once a year, the Board of Directors reviews the independence of each director according to the following independence criteria specified in the internal regulations.

On February 11, 2015, the Board approved the following list of independent directors: Ms de La Garanderie, Ms Sourisse, and Messrs. Belda, de Croisset, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette, Riboud and Thomas.

The Board of Directors has closely examined the situations of Messrs. Ladreit de Lacharrière and Riboud, whose terms were renewed by the General Meeting of April 30, 2014, in relation to the Afep-Medef Code's recommendation that a person should not serve as a director for more than twelve years.

Pursuant to the "comply or explain" principle, the Board decided not to adopt this criterion for these two directors for reasons set out in the table in section 3.1.1.7.

Moreover, the Board noted the insignificant nature of business relationships between the directors and Renault. The Board thus ensured that no significant cash flow existed between Renault and any one of the companies in which one of its directors is a director or executive officer, including by examining the proportion that these companies represent in Renault's revenue. In this review, the Board paid particular attention to the situation of Mr de Croisset, an advisor for Goldman Sachs International, and Mr Lagayette, an adviser for Barclays. It emerged that Renault had only limited financial flows with these two banks, which are not the banking institutions with which Renault works principally.

II. Lead Independent Director

Mr Lagayette has been Lead Independent Director since April 29, 2011.

The role of the Lead Independent Director is defined in the internal regulations.

Internal regulations of the Board of Directors concerning the Lead Independent Director:

The Board of Directors must, in line with the decision to concentrate in the same hands the functions of Chairman of the Board of Directors and of Managing Director, appoint from among the members of the Board a "Lead Independent Director".

The role of Lead Director shall consist of coordinating the activities of the independent directors. The Lead Director also liaises between the Chief Executive Officer and the independent directors.

The Lead Director is appointed by the Board of Directors on a proposal by the Appointments and Governance Committee, from among the directors qualifying as independent. The Lead Independent Director is appointed for the term of his/her Directorship, however the Board may at any time discontinue the position.

The duties of Lead Director may not be carried out for more than four consecutive years.

The Lead Director has the following missions:

- advising the Chairman of the Board and the Chairmen of the specialized committees;
- seeing that the directors are able to perform their roles under the best possible conditions and in particular that they are well informed before Board meetings; The Lead Independent Director is also the preferred point of contact for the independent directors;
- managing and preventing conflicts of interest;
- ensure compliance with the internal regulations;
- making decisions concerning the proposed agenda of Board meetings;
- chairing the meetings of the Board of Directors in the absence of the Chief Executive Officer; in particular, the Lead Director chairs discussions assessing the performance of the Chief Executive Officer and the setting of the latter's remuneration;
- convening the Board of Directors in exceptional circumstances after obtaining the opinions of all committee Chairmen;
- meeting the Group managers regularly;
- reporting on his/her activities in the Registration document.

The Lead Independent Director may also be a member of one or more specialized committees. He/she may also attend meetings of the specialized committees of which he/she is not a member.

2014 ANNUAL REVIEW OF THE LEAD INDEPENDENT DIRECTOR

The Lead Independent Director attended all Board meetings and, all meetings of the Appointments and Governance Committee and all meetings of the CARE which he chairs.

He communicated with the independent directors to ensure that the conditions were met for them to effectively fulfill their roles.

He communicated regularly with the Chairman and CEO, members of the Group Executive Committee and the Directors of the key departments (Director of Group Accounting, Legal Director, Tax Director, etc.) and the Statutory Auditors. He also ensured that he kept abreast of the activities of the Group and its competitors.

He gave his opinion on the agenda of each meeting of the Board of Directors, which was submitted to him prior to the sending of the notification to attend.

He chaired the proceedings of the Board of Directors regarding the performance evaluation and compensation of the Chairman and CEO.

He noted the concerns of major shareholders and ensured that the Company responded to them.

He was also involved in the recruitment process for new directors as a member of the Appointments and Governance Committee.

He participated in discussions related to the governance and operation of the Board.

He reviewed the changes to the internal regulations of the Board of Directors in accordance with the Afep-Medef Code.

As part of his duties as President of CARE, he oversaw the Group's risk monitoring, and participated in the selection of a new firm of statutory auditors and the kept abreast of developments in relation to the Group's position in Iran and Russia.

III. Specific authorizations of the Board of Directors

The Board's internal regulations provide that the Board of Directors will examine annually the Group's strategic policies put forward by the Chairman and CEO, including those related to the Alliance. The Board reviews any changes to those policies and gives its opinion before any major decision inconsistent with the Company's strategy is made.

In addition, the internal regulations provide for the following limitations of power:

Internal regulations of the Board of Directors concerning the limitation of the powers of the Chairman and CEO:

The Chief Executive Officer must obtain authorization from the Board of Directors for any external-growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds two hundred and fifty million euros (€250 million).

The Chief Executive Officer must inform the Board of Directors of any external growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds 60 million euros (€60 million).

3. ACTIVITY OF THE BOARD OF DIRECTORS IN 2014

The Board of Directors met seven times in 2014.

Board meetings lasted an average of two hours. A session dedicated to strategy took place over a whole day and was held at the Paris Motor Show. During this session the directors had the opportunity to take a tour of the Renault, Nissan and Dacia stands, and were given an in-depth presentation on product strategy and the range of vehicles, from operational managers (program managers, design managers, etc.).

In 2014, the attendance rate was 86% (more details by director in section 3.3.2.2).

During the year, the Board gave its opinion on all business placed on its agenda pursuant to legal and regulatory requirements in France.

On the main matters, the Board took the action described below:

Accounts and budget

In particular, the Board:

- approved the Group's consolidated financial statements and the parent company financial statements of Renault SA and Renault s.a.s. for 2013;
- set the appropriation of 2013 income to be proposed to the Shareholders' General Meeting, which included a dividend payout;
- examined the consolidated financial statements for first-half 2014;
- approved the budget for 2015.

Group strategy

The Board discussed and examined, in particular:

- the second part of the Renault 2016 – Drive the Change plan (2014-2016), presented by Senior Management and approved in 2011 by the Board of Directors;
- synergies within the Alliance, in particular the acceleration of synergies in the context of the convergence of four departments (purchasing, engineering, manufacturing and logistics, and human resources);
- brand strategy, particularly in connection with the coexistence of several brands within the Group;
- synergies from partnerships, notably with Daimler;
- Renault's strategy in China, Southeast Asia including India.

Corporate governance

In particular, the Board:

- proposed the renewal of the term as Chairman of the Board of Directors of Carlos Ghosn;
- strengthened the powers of the Lead Independent Director;
- drew up the list of independent directors (see section page 218 above);
- revised the composition of its specialized committees following the renewal of the terms of some directors, the appointment of a new director, and the revision of the Afep-Medef Code in 2013;
- reviewed the reports prepared by each specialized Board committee;
- conducted an assessment of its operation in 2014 with the help of a firm of external consultants and then made this an agenda item in early 2015 (the conclusions of this discussion can be found in section 3.1.1.6);
- noted the appointment of Mr Turrini, a new director representing the State, appointed by order, to replace Mr David Azéma;
- determined the remuneration of the Chairman and Chief Executive Officer;
- assessed the achievement of performance criteria specified in the stock-options and bonus shares plan for 2013;
- conducted a review of its internal regulations, particularly with regard to the revision of the Afep-Medef Code;
- approved the report of the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code;
- examined and approved answers to shareholders' questions ahead of the AGM.

Regulated agreements

At its session of February 11, 2015, the Board of Directors:

- reviewed the "regulated" agreements entered into in prior years and which were ongoing;
- authorized the signing of an non-compete agreement between the Company and Mr Carlos Ghosn, Chairman and CEO. The details of this agreement are in chapter 3.3.1.1 the special report of the statutory auditors in chapter section 4.3.2.

3.1.1.5 SPECIALIZED COMMITTEES OF THE BOARD IN 2014

Five specialized committees have been set up to conduct in-depth examinations of specific topics relating to the Board of Directors' role. The Board is informed of the committees' opinions in reports made by their respective Chairmen at Board meetings.

The general operation of the committees is primarily set out in the internal regulations of the Board of Directors.

Internal regulations of the Board of Directors concerning the committees:

In order to assist it in its missions and activities, the Board of Directors has the following five committees:

- an Audit, Risks and Ethics Committee;
- a Remuneration Committee;
- an Appointments and Governance Committee;
- an International Strategy Committee;
- an Industrial Strategy Committee.

The Board of Directors decides on the composition of the committees and the choice of their respective Chairmen based on a proposal of the Appointments and Governance Committee.

The existence in the committees of cross-directorships – as understood by the Afep-Medef Code – should be avoided.

The Chairmen of the committees may, if they wish, attend the meetings of the other committees of which they are not members.

The Chairmen of the committees shall report on the activities and recommendations of their respective committees at the meetings of the Board of Directors. Where prevented from attending, the Chairman shall appoint a member of the committee to deliver his/her report to the Board of Directors.

The Chief Executive Officer may consult the committees on any matter relating to their missions.

The committees shall meet whenever they deem it necessary and at least twice a year.

In any case, the committees shall meet ahead of the meetings of the Board of Directors having on their agenda matters within those committees' remit.

The committees shall meet no later than two (2) days before the meetings of the Board of Directors scheduled to discuss matters examined in the committees, except in cases of urgency or where prevented from meeting.

The documents intended for the following committees shall be sent to their members not less than five (5) days before the committee meeting, except in cases of urgency or where prevented:

- Industrial Strategy Committee;
- International Strategy Committee.

The documents intended for the following committees shall be sent to their members not less than two (2) days before the committee meeting, except in cases of urgency or where prevented:

- Audit, Risks and Ethics Committee;
- Appointments and Governance Committee;
- Remuneration Committee.

In order to fulfill their missions, the committees may, at their option:

- meet staff in the divisions relevant to their duties;
- interview functional managers or those of operating entities;
- request company representatives to communicate any document or information they consider necessary to the discharge of their mission;
- call upon organizations and service providers outside the Company to perform, at the Company's expense, any studies they consider conducive to the fulfillment of their missions.

1. AUDIT, RISKS AND ETHICS COMMITTEE ("CARE")

Composition

The internal regulations detail the guidelines for the composition of the CARE.

Internal regulations of the Board of Directors concerning the composition of the CARE:

The composition of the CARE is as follows:

- at least two-thirds independent directors, excluding employee directors or those representing employee shareholders;
- directors having accounting and/or financial skills;
- a committee Chairman is chosen with particular care from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

The members of the CARE shall, upon their appointment, be informed of the Company's specific accounting, financial and operating features. Furthermore, each director may, where he/she considers it necessary, receive additional training in the Company's specific features, its business lines and the automotive industry. Directors representing employees or employee shareholders shall receive appropriate training to enable them to discharge their duties.

At December 31, 2014, the CARE is composed of six members, chaired by Mr Lagayette and includes Ms de La Garanderie, Ms Sourisse, Mr de Croisset, Mr Ostertag and Mr Turrini.

Mr Turrini was appointed member of the CARE on December 12, 2014.

Four of the committee's six members are independent directors.

The composition of the CARE was reviewed to ensure that all its members have the financial and/or accounting knowledge or professional background appropriate to the fields covered by the committee's missions (see the directors' biographies in section 3.1.1.2).

Mr Lagayette, the committee's Chairman, has spent his career in the economics and finance sector, working both in government and the private sector.

Ms de La Garanderie, former President of the Paris Bar, is a lawyer whose experience enables her to take an active part in the discussions of accounting and financial matters in this committee. Her involvement with ethical issues during her career makes her membership of this committee particularly appropriate.

Ms Sourisse has held executive positions in several major companies in France and abroad. Her experience enables her to participate actively in all the committee's discussions.

Mr de Croisset has worked as an auditor at the Treasury and the Ministry of Finance. He has also held management positions and served as an officer in several credit institutions. He is currently the International Advisor at Goldman Sachs.

Mr Ostertag is a Director representing the employee shareholders. Like the employee directors, he receives special training to serve as a director, including in the accounting and financial aspects of corporate management. Owing to his excellent knowledge of the Company, he is able to easily grasp and actively participate in this committee's work.

Mr Turrini held management positions in large groups, in particular on such issues as mergers and acquisitions. He is currently Commissioner of the Agency for State Participation.

Missions

Internal regulations of the Board of Directors concerning the missions of the CARE:

The following are the missions of the CARE:

- monitoring the processes for generating financial information, supervising the methods adopted for drawing up financial statements, drawn up in compliance with prevailing standards and in accordance with the IFRS accounting system;
- examining and analyzing the financial statements as prepared by the Company's directors, and reporting on its findings in this respect to the members of the Board of Directors;
- monitoring the effectiveness of schemes for risk control, internal control and regulatory and operational compliance;
- ensuring compliance with ethical rules, particularly business ethics;
- ensuring the Company has a good level of commitment to corporate social responsibility (CSR).

As such, the CARE:

- examines – as part of its analysis of the financial statements – the memorandum of the statutory auditors highlighting the salient points in the results, the accounting options adopted, and a memorandum from the Financial Director describing the risk exposure, and the off-balance-sheet commitments of the business;
- proposes to the Board the procedure for selecting the statutory auditors, manages the selection procedure, issues an opinion on the quality of those auditors' work and ensures compliance with the rules safeguarding their independence; within this framework, it issues a recommendation regarding the statutory auditors proposed for appointment by the Shareholders' General Meeting;
- regularly interviews the statutory auditors, who must submit their general program of work and the tests and samplings they have undertaken;
- is informed of the existence of a system for identifying and assessing the Group's risks and ensures that the system's effectiveness is duly monitored;
- ensures that an internal control system exists, and monitors its effectiveness;

- supervises the audit plan, monitors its execution and checks that the recommendations are implemented;
- supervises the proper implementation and assesses the effectiveness of the ethical scheme, and monitors the enforcement of the Group code of conduct together with its related procedures;
- receives, from the Ethics Director, the Company's annual activity report on ethics and compliance, together with the actions undertaken; this committee examines and issues its opinion on the action program for the following year, and monitors the developments in it;
- interviews the Ethics Director and, if it considers it necessary, the Chairmen of the Ethics and Compliance Committee and the Risks and Internal Control Committee;
- examines relations with stakeholders regarding any issue relating to ethics and to social and environmental responsibility;
- interviews the Company's Social Responsibility Director once a year on the actions conducted in this area;
- examines the part of the report of the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, which relates to internal control and risk management procedures;
- formulates any recommendation to the Board of Directors or the Company's management bodies in the areas within its remit.

Within the scope of its authority, the CARE regularly interviews representatives of the following entities:

- the Audit, Risk Control and Organization department;
- the Group Protection and Risk Prevention department;
- the Ethics department;
- the Group Finance department;
- the statutory auditors.

Overview of activity

The CARE met four times in 2014, with an attendance rate of 100% (details in the table in section 3.3.2.2).

In compliance with French legal and regulatory requirements and the Afep-Medef Code, the Audit, Risk and Ethics Committee dealt with the following matters in particular:

- review of the consolidated financial statements and the parent company financial statements of Renault SA and Renault s.a.s. for 2013, the Group's consolidated financial statements for the first half of 2014, and related financial press releases. The CARE studied in particular issues related to the valuation of assets in the Automotive division, asset impairment tests, the developments in the automotive market in France and Europe and its impact on Renault's financial performance;
- the review of the accounting and financial impacts of certain Group partnerships;
- monitoring of 2014 performance with respect to the budget;
- the preparation of the 2015 budget;
- a review of the 2014 internal audit plan and presentation of the internal audit plan for 2015;
- the external audit plan conducted by the statutory auditors as part of their legal auditing task;
- the independence and renewal of the appointment of the statutory auditors. The CARE also ensured a smooth transition of the statutory auditors' college;
- the monitoring of financial risks and notably the situation in Iran and Russia;
- the work of the Ethics department, as well as fraud monitoring and prevention procedures;
- the status of the main legal matters being dealt with by the Legal department;
- internal control and risk management (mapping of the Group's major risks);
- the CSR Director's Activity report under the new powers of the CARE set in 2014.

One of the responsibilities of CARE is to review the efficiency of internal control and risk management systems, as set out in section 3.1.4 below. On this point, the committee's examination of the financial statements, in the presence of the Chief Financial Officer, was accompanied by a presentation from the auditors describing the key points of their work and their conclusions regarding the accounting policies used and the main regulatory developments in this area. In addition, the CFO submitted a memo describing the Company's risk exposures and off-balance sheet commitments.

CARE also heard a report from the Company's statutory auditors without the Company's senior executives being present.

2. REMUNERATION COMMITTEE

Composition

The internal regulations detail the guidelines for the composition of the Remuneration Committee.

Internal regulations of the Board of Directors concerning the composition of the Remuneration Committee:

The composition of the Remuneration Committee is as follows:

- a majority of independent directors;
- one director representing the employees or employee shareholders;
- a Chairman appointed from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

Composed of five members at December 31, 2014, of which four are independent and one is a director elected by the employees. It is chaired by Mr Belda and includes Messrs. Desmarest, Garnier, Ladreit de Lacharrière and Personne.

In accordance with the Afep-Medef Code, as revised in 2013, this committee's membership has been changed so as to include a director representing the employees. Mr Éric Personne has thus been a member of this committee since February 12, 2014.

Missions

Internal regulations of the Board of Directors concerning the missions of the Remuneration Committee:

The Remuneration Committee's mission is to enable the Board of Directors to determine all the remunerations and benefits of the senior managers holding corporate office.

As such, the Remuneration Committee:

- proposes to the Board of Directors the amount of the fixed portion of the remuneration for the Chairman and Chief Executive Officer;
- proposes to the Board of Directors the rules for setting the variable portion of the remuneration for the Chairman and Chief Executive Officer and the amount of that variable portion;
- ensures the consistency of those rules with the annual or multi-year assessment of the Chairman and Chief Executive Officer's performance, and with the Company's medium-term strategy;
- supervises the annual application of those rules;
- makes all recommendations to the Board of Directors concerning the remuneration, non-cash benefits and retirement benefits of the Chairman and Chief Executive Officer;
- examines all remuneration and benefits received, including, where appropriate, from other Group companies, by the main senior managers not holding corporate office, particularly members of the Executive Committee; the committee may, on this occasion, invite the Chairman and CEO;
- examines the general policy for long-term incentive plans and formulates proposals to the Board of Directors both on that policy and on long-term incentive awards;
- reviews the information sent to shareholders for the purposes of consulting them on the remuneration of a senior manager holding corporate office.

Overview of activity

The committee met twice in 2014. The attendance rate was 90% (for details, see section 3.3.2.2).

The main items on its agenda were:

- the remuneration of the Chairman and CEO;
- performance conditions relating to the variable part of the remuneration of the Chairman and CEO, in connection with the Renault 2016 Drive the Change Plan and the definition of additional performance criteria for determining the variable portion of the remuneration of Mr Carlos Ghosn in 2015;
- the achievement of performance criteria associated with stock option plans and performance shares in respect of 2013 and plans for 2011-2013 for all beneficiaries;
- the summary table of compensation elements of the Chairman and Chief Executive Officer in view of the shareholder advisory vote.

3. APPOINTMENTS AND GOVERNANCE COMMITTEE

Composition

The internal regulations detail the principles of composition of the Appointments and Governance Committee.

Internal regulations of the Board of Directors concerning the composition of the Appointments and Governance Committee:

The composition of the Appointments and Governance Committee is as follows:

- a majority of independent directors;
- a Chairman appointed from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

Composed of five members at December 31, 2014, it is chaired by Mr Ladreit de Lacharrière, independent Director, and including Ms de La Garanderie, Mr Lagayette, Mr Belda and Mr Turrini.

Mr Turrini was appointed member of the Appointments and Governance Committee on December 12, 2014.

As Chairman and CEO, Mr Ghosn may intervene during committee meetings at the request of the directors, to add to the discussion.

Four of the committee's five members are independent directors.

Missions

Internal regulations of the Board of Directors concerning the missions of the Appointments and Governance Committee:

The missions of the Appointments and Governance Committee are as follows:

- drawing up a procedure for selecting directors, the Chairman of the Board of Directors, the Chief Executive Officer (whether a separate person or not) and the company officers;
- making all proposals to the Board of Directors regarding appointment of the Chairman of the Board of Directors, the Chief Executive Officer (whether a separate person or not) and the company officers in compliance with that procedure;
- deciding whether to renew company officers whose terms of office are expiring, taking into account in particular the pattern of shareholdings in the Company, the balance between men and women on the Board of Directors and the need to maintain an appropriate proportion of independent directors;
- proposing solutions to the Board for the succession of the Chief Executive Officer in the event of unforeseen vacancy, in line with a succession plan developed beforehand by the committee;
- making all proposals concerning the chairmanship, composition and duties of the different committees;

- monitoring corporate governance issues and enforcing compliance with the Afep-Medef Code;
- pointing out, where applicable, the Afep-Medef Code recommendations that have not been applied and explaining the reasons therefor in a clearly stated, relevant and detailed manner;
- proposing referral to the High Committee in charge of monitoring implementation of the Afep-Medef Code of any matter relating to a provision or the interpretation of said code;
- examines the part of the report of the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code relating to the composition of the Board and to the application of the principle of balanced representation of men and women on the Board, and the manner of preparing and organizing the proceedings of the Board;
- drawing up, each year, with the assistance (where necessary) of an organization outside the Company, an assessment of the composition of the Board, the manner of preparing and organizing the Board's proceedings, and, where applicable, proposing amendments.

Overview of activity

The committee met twice in 2014. The attendance rate was 100% (for details, see section 3.3.2.2).

The main items on its agenda were:

- the renewal at the General Meeting of April 30, 2014 of the term of Ms Sourisse, Mr Ghosn, Mr Ladreit de Lacharrière, Mr Riboud, and Mr Saikawa;
- the appointment of a new director, Mr Thomas, replacing Mr Delpit;
- the application of the effort to increase the proportion of female directors on the Board of Directors in light of the forthcoming renewal of directorships;
- the annual review of the Board of Directors;
- review of the list of independent directors pursuant to the criteria set out in the Afep-Medef Code, and in particular the criterion relating to potential conflicts of interest;
- strengthening the powers of the Lead Independent Director;
- revision of the Board's internal regulations, in particular with regard to the revised Afep-Medef Code;
- the composition of committees of the Board of Directors;
- questions concerning the age limit of Directors;
- the implementation of the reform on the establishment of a statutory double voting right attached to shares in registered form for more than two years;
- the succession plan for the Chairman and CEO.

4. INTERNATIONAL STRATEGY COMMITTEE

Composition

The internal regulations detail the guidelines for the composition of the International Strategy Committee.

Internal regulations of the Board of Directors concerning the composition of the International Strategy Committee:

The composition of the International Strategy Committee is as follows:

- directors chosen for their awareness of issues relating to the Company's international development;
- a Chairman appointed from among the independent directors.

Composed of nine members at December 31, 2014, it is chaired by Mr Desmarest and includes Ms Rih, Messrs. Belda, Faure, Garnier, Gentil, Personne, Saikawa and Thomas.

Mr Thomas was named a Member of the International Strategy Committee on December 12, 2014.

Four of the nine committee members are independent directors.

Missions

Internal regulations of the Board of Directors concerning the missions of the International Strategy Committee:

The missions of the International Strategy Committee relate to the Company's activity outside France and are as follows:

- studying the strategic development lines proposed by the Chief Executive Officer regarding the international development of the Company and the Alliance;
- analyzing and examining on behalf of the Board the Company's international projects, and giving opinions on those projects;
- monitoring the Company's international projects and drawing up reports as requested by the Board of Directors.

Overview of activity

It met twice in 2014. The attendance rate was 92.8% (for details, see section 3.3.2.2).

The main items on its agenda were:

- Renault projects in India;
- Renault policy in Africa;
- Renault's activities in Russia;
- the strategy for distribution and sales of services and parts in countries where Renault is represented by a third party.

5. INDUSTRIAL STRATEGY COMMITTEE

Composition

The internal regulations detail the guidelines for the composition of the Industrial Strategy Committee.

Internal regulations of the Board of Directors concerning the composition of the Industrial Strategy Committee:

The composition of the Industrial Strategy Committee is as follows:

- directors chosen for their expertise in the industrial sector;
- a Chairman appointed from among the independent directors.

The committee had seven members at December 31, 2014, chaired by Mr Garnier and including Ms Rih, Mr de Croisset, Mr Desmarest, Mr Faure, Mr Gentil and Mr Ostertag.

Ms Rih joined the committee on February 12, 2014.

Currently three of the seven members of this committee are independent directors.

Missions

Internal regulations of the Board of Directors concerning the missions of the Industrial Strategy Committee:

The following are the missions of the Industrial Strategy Committee:

- reviewing the major policy lines of the Group's industrial strategy, including the social and environmental impacts of these projects;
- reviewing industrial capacity projects;
- reviewing the main plants and the various projects for Group expansion and/or reduction;
- examining the competitiveness of the installed manufacturing sites and their supplier base;
- examining strategic agreement plans, partnerships and external acquisition or disposal transactions having a significant impact on the Company's industrial strategy;
- examining the main strategic policy lines by preparing the decisions for discussion by the Board of Directors;
- examining major vehicle and engine projects once a year, at the time when those projects are undertaken.

Overview of activity

It met twice in 2014. The attendance rate was 100% (for details, see section 3.3.2.2). It reviewed industrial strategy, with a particular focus on:

- the procurement strategy, notably through discussions on the shared organization of procurement across Renault and Nissan and relationships with suppliers;
- monitoring of the competitiveness agreement in France;
- a comparative analysis of Renault's industrial performance compared to its main competitors.

3.1.1.6 ASSESSMENT OF THE BOARD OF DIRECTORS

During the discussion on Renault's governance, the Board of Directors, on the recommendation of the Appointments and Governance Committee, decided that as of 2014, the Board assessment would be done regularly every three years with the assistance of an outside consulting firm. The aim will be to gain new perspectives on the Board's functioning and governance best practices.

This formal assessment was carried out during 2014. At the meeting of February 11, 2015, the Board noted and discussed the assessment report of the external consulting firm. This discussion was led by the Chairman of the Appointments and Governance Committee, Mr Ladreit de Lacharrière.

The debate was structured around the findings of the Board assessment and enabled the following:

- a review of the operating and organization procedures of the Board;
- ensuring that important issues were properly prepared and discussed;
- measurement of the actual contribution of each member to the work, in accordance with their competence and involvement in discussions.

The report was generally very positive, highlighting the positive view of the directors of the operation of their Board.

Two points were identified for improvement:

i. the organization of formal meetings of the independent directors without the presence of the Chairman and CEO ("executive sessions"), in addition to informal meetings which currently take place;

ii. convening of the members of GEC solely for Board meetings with which they are concerned.

3.1.1.7 THE "COMPLY OR EXPLAIN" PRINCIPLE

In exercising the "Comply or Explain" principle provided for by Article L. 225--37 of the French Commercial Code and Article 25.1 of the Afep-Medef Code, Renault is following the recommendations of the Afep-Medef Code for corporate governance of publicly listed companies. The recommendations of this code that have been disregarded and the reasons for doing so are summarized in the following table.

RECOMMENDATION OF THE AFEP-MEDEF CODE	COMMENT
Balanced representation of men and women: Article 6.4: "*In terms of the representation of men and women, the target is that each Board reach and maintain a percentage of at least 20% women within three years and at least 40% women within six years following the General Meeting of 2010 or the admission of company shares to trading on a regulated market, if later. The permanent representatives of corporate body directors and directors representing employee shareholders are included for the purposes of the calculation of these percentages, but not the directors representing employees.*"	Renault is attentive to gender parity within the Group's management bodies and within the Board of Directors. Thus, in the context of director selection policy, the Board pays special attention to diversity, whether it be diversity of gender, nationality or background and professional experience. Regarding parity, Renault complies with Law No. 2011-103 of January 27, 2011, on the balanced representation of women and men on Boards of Directors, which requires a move towards a greater number of women on Boards: • transition from 2014 to 2017, with a goal of 20% women; • permanent, as of 2017, with a goal of 40% women. As of December 31, 2014, Renault is compliant with the law, but because of the specific composition of its Board (nineteen members, including two State representatives, two representatives from Nissan, of which one woman appointed by the General Meeting in 2013, four employee representatives or employee shareholder representatives, including one woman), Renault was unable to comply with Recommendation 6.4 of the Afep-Medef Code At that date, the Board of Directors included four women, including one employee representative, who was not taken into account for parity calculations pursuant to the Afep-Medef Code. In order to comply with the code's recommendations, the appointment of a woman will be proposed to the General Meeting in 2015. If the appointment is approved, the percentage of women on the Board will increase from 18.7% to 25%, according to the criteria of the Afep-Medef Code (from 21% to 26.3% women under the terms of the law).
Independence of directors: Article. 8.4: Independence criteria for directors: The independence criteria contained in the Code include *"not having been a director for more than twelve years"*.	The Board of Directors has decided not to retain the criterion for independence in the Afep-Medef Code in relation to the term of office of Messrs. Ladreit de Lacharrière and Riboud. The Board noted, however, at its meeting of February 11, 2015, that the independence rate on the Board remained, in any event, higher than 50%, even having removed these two directors from the list of independents. The Board is therefore compliant with recommendation 9.2 of the Afep-Medef Code (independence rate: 66.6% including Mr Ladreit de Lacharrière and Mr Riboud; 53.3% excluding Messrs. Ladreit de Lacharrière and Riboud) • Independence of Mr Ladreit de Lacharrière At its meeting on February 11, 2015, the Board of Directors reviewed the situations of Mr Ladreit de Lacharrière with regard to the director independence criteria of the Afep-Medef Code. The Board noted that Mr Ladreit de Lacharrière met all of the code's criteria except that relating to the duration of his term. Specifically, Mr Ladreit de Lacharrière exercises no functions in the Group and has no particular interests or special relationships linking him to Renault. To ensure the independence of directors, the Afep-Medef Code recommends limiting the period a director may sit on the Board to twelve years. The Board concluded, however, with respect to Mr Ladreit de Lacharrière, that the length of his term as director was not of such nature as to call into question his independence. Mr Ladreit de Lacharrière is a leading figure and has held positions in large international groups (L'Oréal, Casino, France Telecom, Air France, etc.). Owing to the various directorships he has held, he has an overall perspective that enables him to make an extremely valuable contribution to the discussions of Renault's Board of Directors. His detailed knowledge of the functioning of Boards of Directors and professional experience mean that Mr Ladreit de Lacharrière brings an independent viewpoint and mind. In this regard, the Board considered the outstanding work he has carried out at Renault, in the implementation of best practices in governance, in the assessment of his independence. Accordingly, the Board considered that the length of term criterion was not relevant to the personality and experience of Mr Ladreit de Lacharrière and decided not to apply this criterion. • Independence of Mr Riboud At its meeting on February 11, 2015, the Board of Directors reviewed the situation of Mr Riboud with regard to the director independence criteria of the Afep-Medef Code. The Board noted that Mr Riboud meets all of the code's criteria except that relating to the duration of his term. Specifically, Mr Riboud exercises no functions in the Group and has no particular interests or special relationships linking him to Renault. To ensure the independence of directors, the Afep-Medef Code recommends limiting the period a director may sit on the Board to twelve years. The Board nevertheless concluded that the term of Mr Riboud was not of such nature as to call into question his independence. The experience of Mr Riboud as Chief Executive Officer of Danone is an indicator of his skill and significant contribution to the discussions of the Board. His experience in international development, particularly in Asia, is a major asset for Renault's expansion. His experience and natural authority also allow Mr Riboud to speak and express his opinions freely. This authority and freedom have not been diminished by the years he has served as a director, but are, on the contrary, a guarantee of independence. Accordingly, the Board concluded that the length of term criterion was not relevant to Mr Riboud and decided not to apply this criterion.

3.1.1.8 PROCEDURES FOR SHAREHOLDERS TO TAKE PART IN GENERAL MEETINGS

Article 21 of the Company's Articles of Association sets forth the procedures for shareholders to take part in General Meetings. These procedures are summarized in Chapter 5, "Renault and its shareholders" (see section 5.1.2.2).

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3 are described in section 5.2.6.2.

3.1.2 PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND COMPANY OFFICERS

As stated in the preamble to Chapter 3 of the Registration document, the Company refers to the Afep-Medef Corporate Governance Code as revised on June 8, 2013.

Acting on a proposal of the Remunerations Committee, the Board of Directors has laid down the rules for the remuneration of Mr Carlos Ghosn.

The Remunerations Committee worked with a specialized consultancy on the basis of an analysis of remuneration practice at comparable French blue chip companies and in foreign corporations operating in the same sector.

This remuneration comprises:

- a fixed portion;
- a variable portion equivalent to a percentage of the fixed portion, whose amount will be calculated in relation to performance criteria. The Board of Directors sets performance targets and assesses their implementation.

The variable portion can total up to 150% of the fixed portion if all the performance targets are reached. In exceptional cases, if all the targets were to be exceeded, the variable portion could represent up to 180% of the fixed portion.

The performance criteria set by the Board of Directors are as follows:

- the rate of return on equity;
- operating margin;
- free cash flow;
- a qualitative criterion linked to managerial quality.

Twenty-five percent of the variable portion is paid in cash. The balance (the "deferred variable portion") is paid in shares according to the terms and conditions described below.

The shares received as the deferred variable portion may not be acquired until four years after they are granted and on condition that:

- an attendance criterion within Renault;
- performance criteria, assessed for a period of three years from the time the shares are granted, are met.

The number of shares acquired by Mr Ghosn is determined by the amount of the deferred variable portion, the risk of the non-payment of this deferred variable portion, and the degree to which the performance criteria have been achieved.

The structure of the variable part of the remuneration of Mr Carlos Ghosn will change from 2015 through additional performance criteria to strengthen the links between the variable portion and the achievement of the Group's strategic objectives.

In order to increase the variable portion from 150% to 180% of the fixed portion, in addition to meeting the four criteria above mentioned, this additional 30% remuneration will also be subject to additional performance conditions concerning:

- operating margin (15%);
- free cash flow (15%);

All detailed information concerning the remuneration of the Chairman and Chief Executive Officer is found in chapter 3.3.1.

3.1.3 ROLE OF THE EXECUTIVE BODIES AND ROLE OF THE COMMITTEES

3.1.3.1 EXECUTIVE BODIES AT JANUARY 1, 2015

(See section 1.1.2)

3.1.3.2 ROLE OF THE EXECUTIVE BODIES

Management Committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope covers the entire Group, include notably:
  - the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions. The Group Executive Committee oversees operations and controls the execution of directives by monitoring budget commitments and strategic objectives as well as policies and operations in the Regions, programs and corporate functions,
  - the monthly "Operational Review" Committee, headed by the Chairman and CEO, is responsible for operational decisions,
  - specialized committees (*e.g.* Project Product Committees) headed by either the Chairman and CEO or, by delegation, the Chief Competitive Officer. They make decisions at Group level as well as in the Group's cooperative undertakings within the Renault-Nissan Alliance (including with AVTOVAZ and Daimler);
- level 2 committees, which are specialized by general management area or by function (for example, engineering and quality, planning, products, programs, manufacturing and logistics, sales and marketing, purchasing, design, legal, risks, ethics and compliance, Office of the CEO, etc.) or by Region.

The operating rules and characteristics of these committees – name of the committee Chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formally recorded in a standardized catalogue.

There is a Regional Management Committee (RMC) for each Region (Europe, Africa-Middle East-India, Americas, Asia-Pacific and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programs as well as managers from the main countries in each Region.

The Program departments correspond to segments of the automotive range. The Program departments are assigned long-term profitability objectives for the life cycles of the products they develop, manufacturing and market. They receive support from the Regions and corporate functions.

3.1.4 ETHICS POLICY

3.1.4.1 OBJECTIVES AND GUIDELINES

The ethics policy aims to:

- promote ethical values within the Group;
- implement a comprehensive and active anti-corruption policy within Renault;
- protect employees, customers and shareholders;
- protect the Group's image and assets;
- promote global citizenship by helping establish loyal and fair relationships with its economic partners (suppliers, etc.);
- encourage these, and in turn their own partners, to comply with shared ethical criteria (fundamental social rights, etc.).

The Ethics Charter sets out the Group's key principles and fundamental values and is applicable worldwide. It is intended for all 121,000 employees in the more than 120 countries where the Group is present. It has been translated into 14 languages and is distributed to each employee by his or her management. The Ethics Charter is also available in the Ethics section of the intranet.

The "Ethics in Practice" Guide sets out the Charter in detail. Available in the Ethics section of the Company's intranet site, it helps answer any questions that may arise regarding ethical issues encountered at work. One specific feature of this guide is that it can be adapted according to new ethical issues reported by operational staff.

The ethics guidelines also include six codes of good conduct which have been specifically drawn up for those business functions with specific ethical requirements: governance, safety, IT, stock exchange, purchasing and sales/marketing. Their aim is to explicitly set out what employees must do and, more particularly, what they must not do.

All of these documents are available to all employees in the Ethics section of the Group's intranet.

3.1.4.2 ACTORS AND BODIES

The Group Ethics Director is responsible for the ethics policy. He reports directly to the Chairman and CEO and regularly reports on actions undertaken to the Group's Board of Directors and the Audit, Risks and Ethics Committee (*Comité d'audit, des risques et de l'éthique,* CARE).

His three main objectives are to:

- reinforce the Group's ethical governance reference material;
- put in place and promote regulatory and organizational procedures specific to ethical issues;
- implement the Renault ethics policy internally and increase awareness of it externally in order to actively boost the Group's reputation and image in this area.

The Ethics Director relies on the following people in particular to implement his/her duties:

- the Data Protection Officer (*Correspondant informatique et liberté,* CIL), who reports to the Ethics department, is responsible for seeing that the Company meets its legal obligations and for supporting Renault's commitment to respecting the private lives and personal data of its employees and customers. This involves heightening employees' awareness of these issues, instituting procedures, leading a network of internal correspondents, serving as a liaison to the national data protection agency (*Commission nationale de l'informatique et des libertés*, CNIL) exchanging best practices with Nissan, participating in working groups focused on new regulations, and preparing professional codes and guidelines;
- Ethics Officers approved by Renault's Ethics Director have been appointed in the following countries: Algeria, Argentina, Brazil, Chile, Colombia, Korea, Spain, India, Morocco, Portugal, Romania, Russia, Slovenia and Turkey. The Ethics Officer is responsible for the ethics function in their corresponding country, in particular to ensure better compliance with laws and local regulations and lead the local Ethics and Compliance Committees (*Comité d'éthique et conformité pays,* CECP);
- two facilitators, whose mission in France is to create the conditions required to resolve any conflicts between two employees.

The Ethics Director directs the Group's ethics policy with the support of the following bodies:

- the Ethics and Compliance Committee (*Comité d'éthique et de conformité,* CEC) includes representatives of the following functions and departments: audit, risk management and organization, legal, human resources, corporate social responsibility, the environment, Group prevention and protection, finance, technical regulations and certification. It is presided by the Ethics Director. This committee contributes to creating internal jurisprudence for the processing of ethics-related cases and responds to all requests for assistance and advice within this field of expertise. The committee met four times in 2014;
- the Fraud and Anti-Corruption Committee (*Comité antifraude et corruption,* CAFC), presided by the Ethics Director, includes the following members from the Ethics and Compliance Committee: legal, human resources, safety, internal control. This allows for more specific monitoring of these issues, thus ensuring their prevention as well as detection and management. The committee met three times in 2014;
- the local Ethics and Compliance Committees (CECP), led by the corresponding country Ethics Officer, implement the tasks and decisions of the Group Ethics and Compliance Committee, with the approval and support of the Ethics Director as the leading authority. These are already in place in 15 countries (including France) where Renault has industrial and commercial operations.

The Ethics Director also receives alerts issued *via* a global whistle-blowing procedure that complies with regulatory requirements. This procedure is accompanied by a process that covers the documents that must be filled in to avoid any error, oversight or shortcoming. These documents have been approved by the CNIL. A description of this procedure is available to all employees in the Ethics section of the intranet. The Internal Control Director is the only other recipient of these alerts.

3.1.4.3 ASSESSMENT AND OUTLOOK

In 2014, the Ethics Director had regular meetings with the Chairman and CEO and submitted an activity report to the Audit, Risks and Ethics Committee on six occasions, including twice with the full committee present. He also provided an update on the progress of the deployment of the Group's ethics policy at several meetings of the Group's employee representative bodies: Group Committee, Site Committees.

In the year just ended, a total of 51 ethical cases were examined..

The Group's body of ethics documents was expanded with the creation of the code of ethics for sales/marketing and the creation of an ethics glossary translated into ten languages.

Ten new country Ethics Officers were appointed, bringing their total to 14. A seminar was organized for the first time this year, bringing all the different officers together to share their best practices and an intranet space was created dedicated to personal data protection.

The Data Protection Officer also created a network of shared skills to look at this issue within the different countries and Group business functions, as well as at Nissan and Daimler.

The following issues will be developed in 2015:

- training: all Group managers will be trained in business ethics (training already carried out in Morocco, Romania, India and Turkey in 2014);
- consolidation of the anti-fraud and anti-corruption policy: a document outlining and detailing the Renault group's anti-corruption rules and policy will be formalized and communicated both internally and externally to our partners. A due diligence process will be deployed, which will, in particular, allow the Group to protect itself, in relation to our current and future partners, against the risks of fraud and corruption. The e-learning program "Doing business without corruption" will be incorporated into the Renault training program, in collaboration with the NGO Transparency International, who created the program;
- Renault will set out its commitments, practices and methods linked to its lobbying activities in a dedicated code of ethics, created specifically for its employees and for any third party responsible for lobbying on behalf of Renault.

3.1.5 GROUP INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

3.1.5.1 OBJECTIVES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Renault group 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 the Company's businesses, activities and 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 business' objectives will be achieved. In order to mediate between the opportunities and risks, the Renault group's global risks management system aims to reduce the impact and/probability of events having a significant influence on the control of operations or the fulfillment of objectives. The internal control and risk management system identifies and assesses risks by measuring the level of risk factor management and the efficacy of management plans.

3.1.5.2 REGULATORY FRAMEWORKS FOR INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Since 2007, the Renault group has applied the reference framework and implementation guidelines of the French securities regulator, AMF, which were updated in July 2010, and the recommendations of the Audit Committee working group published in July 2010.

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 Chapter 3.1.7 (Sales financing). RCI Banque is subject to controls by the French Prudential Supervisory Authority (*Autorité de Contrôle Prudentiel et de Résolution*, ACPR).

3.1.5.3 ORGANIZATION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The internal control and risk management systems help control operations and fulfill Group objectives based on the three lines of control represented in the diagram below:

- the internal control system aims to control processes so as to provide reasonable assurance on the efficacy, 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 internal control and risk management systems, and issues recommendations for improvement.

The two main lines of control 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*) outlined in Chapter 3.1.4.2. They occasionally report to the Executive Committee and the Operational Review Committee as part of thematic presentations. The aim of the Risks and Internal Control Committee is to regularly validate and assess the efficacy of the internal control and risk management system.

The second and third lines of control report 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 Chapter 3.1.1.5.

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.

3.1.5.4 DEPLOYMENT OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Group comprises two operating segments, automotive and sales financing. Sales financing has its own internal control and risk management system and organization, which is outlined in Chapter 3.1.7. Automotive is organized around three axes: Regions, Corporate Functions and Programs. These help set the business' strategy and implement this on a daily basis through the QCD performance indicators (Quality/Cost/Delivery). However, each area has its own specific characteristic:

- the "Regions" axis develops the business in the field. The Regions are responsible for optimizing the business and profitable revenues;
- the "Corporate Functions" axis groups together all of the business' functions, with global responsibility. The 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 related services at a global level. The Programs develop the vehicle ranges and control their profitability (cost/value balance).

3.1.5.5 GUIDELINES FOR THE INTERNAL CONTROL SYSTEM

INTERNAL DELEGATIONS AND SEPARATION OF POWERS

In addition to command-line structures, the Group has set up a staff reporting system so that support 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 the personnel over the intranet. When a decision is required, a workflow chart specifies the persons involved, in accordance with internal control procedures.

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 is then made by the Chairman and Chief Executive Officer.

The principle of separation of functions 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.

ETHICAL GUIDELINES AND THE GROUP'S BUSINESS FUNCTIONS

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 Ethics Charter and the corresponding codes of conduct. The Internal Control department has distributed guidelines entitled "Minimum Control Standards", which lists the main controls to be performed and incorporated into the operational staff's control activities.

3.1.5.6 SCOPE

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

3.1.5.7 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 functions, the Renault internal control system is implemented in accordance with the three control levels set out in Chapter 3.1.5.3:

- at level 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 Group's code of ethics, as well as their own dedicated codes of ethics;
- at level two, this system is permanently monitored to evaluate its proper application and efficacy. 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 shortcomings are observed,
  - the Risk Management department: as both project manager for mapping the Group's major risks, and as an adviser and to support risk mapping by the Programs and operating entities in the Regions (whether industrial or commercial),
  - the Group Performance and Internal 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;
- level three involves:
  - the Internal Audit department, which independently and objectively assesses the control of operating performance, gives advice and recommends improvements to the control system. It also gives Senior Management reasonable assurance of the degree of control over operations in the form of a summary report.

3.1.5.8 ASSESSMENT AND OUTLOOK

In 2014, the work of the Internal Control department focused on the following points:

- the reinforcement of the anti-fraud and anti-corruption system following actions initiated in 2013 with the updating of the risk map, an inventory of known cases in view of the awareness-raising measures among operational actors, and the implementation of a whistle-blowing procedure in the event of fraud;
- the preparation and deployment of a self-assessment questionnaire at Group level for the 65 consolidated entities, on 33 risk factors relating to: governance, major operating processes, finance, accounting, human resources;
- the update of self-assessment questionnaires relating to activities in IT, purchasing and vehicle distribution, following organizational changes or the simplification of assessment processes;
- the continuation of a multi-year, Group-wide project aimed at bringing together everyone involved in the Company's risk control processes. This approach focusing on operating risks is crucial to securing processes and performance;
- the development of tools for operational staff, such as basic internal control principles ("Minimum Control Standards"), which provide a reference for control activities;
- launch of a data-mining project, which should be operational in 2015.

The priorities for 2015 will be certain actions and projects initiated in previous years, such as the data-mining project, and the development of control and risk monitoring systems.

3.1.5.9 TRAINING TO ADAPT SKILLS AND DEVELOP THE RISK CULTURE

The main corporate business lines and 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 management expectations.

The Internal Control and Risk Management departments have launched a program of specific and further training for operational managers within the entities. This program, which included more than 100 people in 2014, aims to train the employees concerned in internal control and risk management and raise awareness of the risk culture among management and employees.

3.1.6 IMPLEMENTATION OF INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

3.1.6.1 RISK MANAGEMENT

The global risk management system has been formally set out by the Risk Management department (*Direction du management des risques,* DMR) in a document that outlines all of the organizational principles and methods used by the Company.

The Group applies a risk management method based partly on identifying a wide range of risks, which are then mapped, and partly on carrying out action plans to deal with risks by means of: elimination, prevention, protection or transfer. This method applies to the Group, entities and vehicle programs. The mapping of major risks (descending and ascending) is presented to and validated by the Risks and Internal Control Committee, the Group Executive Committee and the Audit, Risks and Ethics Committee.

To carry out its duties, the Risk Management department relies on two networks:

- one comprising employees mainly from the performance and control function, for the operating entities (countries: sales/marketing subsidiaries and/or plants) and from the quality function, for the Programs. These employees are known as Operational Risk Managers (*Risk Managers Opérationnels,* RMO). They work with the Risk Management department on the operational implementation of risk management systems within the entities and programs;
- the other is made up of experts who manage a specific area of risks. These may be risks common to all companies or specific to Renault's sector of activity. These experts are known as Expert Risk Managers (*Risk Managers Experts,* 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 Chapter 1.5. Analysis is performed based on the type of risks within the Group (the Risk Universe). The risk management policy and insurance policy are also detailed there:

- risks linked to strategy;
- risks linked to governance;
- cross-group operating risks;
- risks linked to the definition of the product, service;
- risks linked to the design of the product, service;
- risks linked to purchasing;
- risks linked to upstream logistics;
- risks linked to manufacturing;
- risks linked to downstream logistics;
- risks linked to the sale of products and services;
- financial risks;
- quality risks;
- Human Resources risks;
- IT risks;
- legal 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 DMR with insight on the effective level of management of major risks.

3.1.6.2 ASSESSMENT AND OUTLOOK

In 2014, the Risk Management department focused its activities on:

- strengthening processes to improve the management of major risks identified in the 2012 mapping;
- updating the mapping of the Group's major risks. In accordance with best practices, the classic "descending" approach (questioning the members of the Renault Management Committee) was enhanced with an ascending approach that questioned around 60 operating entities (industrial and commercial);
- assisting the Program departments to create risk mapping for priority vehicle projects and the operating entities to map major risks linked to their operations.

Moreover, the measures (training, communication) to raise awareness of the risk culture among employees were significantly increased.

In 2015, in addition to its normal activities, the Risk Management department will focus on coordinating the management plans for the Group's major risks identified in the 2014 risk mapping.

3.1.6.3 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, human resources, environment, etc.) have put in place reliable procedures 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 all areas subject to regulation. In parallel with this assessment of the organization and processes in place, the Regulatory Compliance Officer and the Legal Compliance Officer have worked with each decision-making department to rank the severity of the risk of regulatory non-compliance. See Risk factors in Chapter 1.5.2.1.

This method has been applied to all areas subject to regulation and is regularly updated to asses the level of risk control and its severity. The frequency of the assessments, between six months and three years, depends on the severity of the risk and level of control in the previous assessment.

3.1.6.4 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, the vehicle program risk mapping, self-assessment questionnaires and performance reviews.

3.1.6.5 QUALITY AND RELIABILITY OF FINANCIAL, ACCOUNTING AND MANAGEMENT INFORMATION

Senior Management communicates Renault's overall objectives, in line with the multi-year plan and annual budgets, as well as the allocation of resources to the Regions, businesses and programs. Group Management Control draws up an instruction memorandum for each of the two operating sectors, the Regions, functions and programs. These memorandums include macroeconomic assumptions to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non-financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region sends these instructions to the subsidiaries within its scope of responsibility after adding elements specific to business functions.

The performance and control function stimulates and measures economic performance at the various levels of the organization (Group, operating sectors, Regions, functions, programs).

Management control is decentralized so as to take account of the specifics of each business. Its mission is laid out in instructions prepared periodically by the Corporate Control and Reporting department.

In the Group's management model, its role consists in:

- developing the Group's economic and budget objectives;
- implementing the internal control system and Renault's risk management process;
- coordinating the Group by measuring the performance of its entities, Regions, functions and vehicle programs and, in particular, monitoring free cash flow indicators;
- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each recommendation.

The Group uses management guidelines to prepare its accounting and financial information. These guidelines aim to provide operational staff with standard management procedures.

All the documentation is available to staff in all the Group's entities through the intranet portal for the management, internal control and risk management functions. Documentation includes:

- all standards, rules and instructions, whether they are specific business or apply across the entire Group;
- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance.

The internal control system for accounting and financial data is based on the AMF reference framework. It covers not only the processes for preparing financial data for the accounts, forecasting and financial reporting, but also the operational processes upstream that go into the production of this information.

The Group's information systems enable it to simultaneously produce accounts according to local accounting rules and those of the Group. This mechanism ensures that data remain consistent even though they are centralized and consolidated in short timeframes. The Administrative and Financial Directors of the subsidiaries, under the operational authority of the subsidiaries' Chairmen and CEOs and the functional authority of the Director of Group Accounting (DCgr), are responsible for preparing the financial statements.

The Group has a manual setting out presentation and evaluation standards. This manual is updated annually and provided to all entities so that financial information is reported in a uniform manner.

PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.

The Group Accounting department, which is under the direct authority of the Group's Chief Financial Officer, has an "Accounting Standards" unit. The department has the authority to enforce prevailing accounting rules. Company employees are regularly informed of changes and updates to IFRS.

The Renault group, whose activities are divided into two separate operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting Charter common to all consolidated entities.

The Group publishes half-yearly and annual statements. These statements are prepared in advance on the basis of two pre-closing dates: May 31 for the June closing and October 31 for the December close. Summary meetings are organized with the statutory auditors and attended by senior management as part of an ongoing process of dialogue with the latter. The CARE is involved at every key stage of the approval process for financial and accounting disclosures.

KEY COMPONENTS OF THE PROCESS FOR CONTROLLING FINANCIAL AND ACCOUNTING DISCLOSURES

The Renault group manages the decentralized operations of the subsidiaries in its two business divisions in France and abroad by relying on two key strategies that deliver high-quality accounting and financial information while reducing the time needed to prepare the financial statements:

- operating systems upstream from accounting are standardized as far as possible;
- ERP financial and accounting modules chosen by the Group are introduced in the industrial and/or sales/marketing, engineering and sales financing entities worldwide.

This software package ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles helps to ensure that the rules of task separation are respected.

Control of basic transactions handled by operational systems, where the initial control takes place, is key to ensuring that accounting and financial data are reliable. The operational systems feed data to the auxiliary accounting systems through a number of interfaces. These interfaces, which are continually monitored to ensure they capture all economic events for each upstream process, then rapidly and regularly send these data to the centralized accounting system.

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been prepared at corporate level. It is deployed in those subsidiaries that use the ERP.

STATUTORY AUDITORS' CHARTER

In connection with legal audit, Renault took the initiative in 2004 of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. This Charter governs the relationship between the Renault group (the parent company and the French and foreign subsidiaries) and its statutory auditors. The Charter was updated during the year just ended as part of the renewal of the Board of Auditors in 2014 and to take into account regulatory changes relating to legal audits.

FINANCIAL COMMUNICATION

Given the growing importance of financial communication, its multiple forms, and the vital need to provide a high standard of financial disclosure, the Renault group has turned over all of the Group's financial communication to the Financial Relations department in the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:

- communication with financial markets;
- relations with investors and individual shareholders;
- relations with financial rating agencies;
- relations with analysts and investors specialized in socially responsible investments;
- relations with the regulatory authority (AMF);
- the preparation of the half-yearly and annual financial reports and quarterly data as well as the filing of the RD with the AMF.

3.1.7 SALES FINANCING: RCI BANQUE

RCI Banque has an internal and risk management system that complies with banking and financial regulations. This system aims to reduce the probability of risk exposure in the Company by implementing appropriate action plans. This section deals with the following topics:

- organization of the RCI Banque group;
- the general framework for internal control and risk management within the RCI Banque group;
- the bodies and actors involved in internal control and risk management.

ORGANIZATION OF THE RCI BANQUE GROUP

The organization of the RCI Banque group aims to develop the commercial activities linked to sales financing, to manage transactions with customers and give the support functions a more global mission to support international development. The leadership of this organization comprises three components:

- the hierarchical line:
  - the Executive Committee of the RCI Banque group, the Group's Senior Management body, directs the policy and strategy of RCI Banque,
  - the Management Committees liaise with the Executive Committee in implementing the operations required to achieve their objectives;
- the functional line, which comprises the functional and activity departments, plays the role of "technical supervisor" for the following purposes:
  - to define specific policies and operating rules (IT system, human resources, financial policy, credit risk management, etc.),
  - to support the operating departments and ensure the proper implementation of the defined policies by said departments.

  The Group uses a standardized mapping for all the business processes;
- monitoring:
  - in 2014, in accordance with the application of CRD IV, Group monitoring was reinforced by separating the functions of Chairman and CEO. A Risk Management department was also created to replace the risk function,
  - in 2015, to reinforce monitoring even further, the Board of Directors will rely on four committees: a Risk Committee, a Remuneration Committee, an Appointments Committee and a Strategic Committee.

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 entire Group 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 global internal control system for the RCI Banque group includes two types of controls and three intervention levels:

- level 1 consists of self-inspection mechanisms for each department and geographical location. These entities are responsible for, among other things, applying existing procedures and performing all related controls in their own area of operations. Being primarily operational, first-level control is carried out by process owners in each subsidiary, who have been specially trained for this purpose. It covers all main risks;
- level 2 is lead by the Permanent Control department and coordinated by the local Internal Controllers, who are independent of the operating units and carry out inspections to ensure that operations are lawful and compliant;
- level 3 is conducted by independent oversight bodies (supervisory authorities, specially commissioned independent firms, etc.) and by the RCI Banque group's Audit and Periodic Control department, which implements the annual audit plan approved by the Audit and Accounts Committee. This control ensures that operations are compliant and procedures are respected, assesses the risk level actually incurred and ensures the efficacy and suitability of the permanent control system.

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.

The operating risk management system covers all the macro processes of the RCI Banque group and includes the following tools:

- the operational risk mapping deployed in all of the RCI Banque group's consolidated subsidiaries identifies the major operating risks, which are then managed and monitored on a regular basis. This operational risk mapping is updated annually by the functional departments and is assessed by the process owners;
- systems connected to the operating risks have been put in pace for the following risks: risk of non-compliance, internal fraud, outsourcing of essential or important services, money laundering and financing terrorism;
- the incident database identifies data relating to operational risk incidents so that preventive and corrective measures can be put in place and to create regulatory, leadership and management reports. The system sets thresholds for immediately communicating certain incidents to the Renault group's Executive Committee, Board of Directors and Ethics and Compliance Committee (CEC), and to the French Prudential Supervisory Authority (ACPR);
- the key risk indicators monitor the development of certain critical operating risks in order to implement, depending on the alert threshold fixed, preventive actions before incidents occur. These indicators are defined in the business and public customers, credit network, refinancing, accounting and IT processes.

BODIES AND ACTORS INVOLVED IN INTERNAL CONTROL AND RISK MANAGEMENT

- The RCI Banque Board of Directors, the decision-making body, which monitors and directs the Executive Committee to ensure that internal control is implemented. The Board devotes at least one meeting a year to a full review of the internal control system in order to sign off on the annual report on internal control, which is based on the work of the Audit and Accounts Committee and submitted to the French Prudential Supervisory Authority (ACPR).
- The RCI Banque Audit and Accounts Committee is responsible, under the leadership of the Board of Directors, for assessing the quality of internal control and the risk measurement, monitoring and control systems in particular. It validates audit plans, reviews the results of audits and monitors the progress of action plans. It examines the draft company and consolidated financial statements and ensures that the methods used to prepare them comply with standards. It reviews the statutory auditors' summary report, gives its opinion of the statutory auditors' work, and sees that the rules guaranteeing their independence are adhered to. It meets twice a year. Its members are appointed by the Board of Directors from among the directors.
- The RCI Banque Internal Control Committee, which comprises all the members of the Executive Committee, meets four times a year to assess the quality of the internal control system and related systems, and to monitor trends in operating risks. It provides the Audit and Accounts Committee and the Board of Directors with the information they need to carry out their tasks.
- Specific committees (Operational Committees, Financial, Operating and Compliance Risk Committees, Credit Committees, Basel II Committee, Commitment Committees) regularly control the different risk areas covered by the regulations. They present to the Executive Committee quantitative and qualitative information on the monitoring and management of risks, monitoring of the Group's exposure to credit risk, analysis of the overall profitability and profitability per product type of the Group's companies, control of the Group's exposure to financial risks (rates, liquidity, exchange rate, counterparty) and the compliance of operations with the list of authorized products.
- The Director of the Permanent Control department (*Département du contrôle permanent,* DCP), who reports to the Risk Management 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 in the RCI Banque group subsidiaries, the Director of the Permanent Control department is supported by Internal Controllers who report to him/her functionally. The Internal Controllers report hierarchically to the CEO of the subsidiary. The Director of the Permanent Control department is supported by employees within the coordination functions to manage the internal control system within the RCI Banque group departments.
- Process owners have been assigned to each macro process and are responsible for preparing and updating first level procedures and 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.
- IT security and safety employees work within their application field and ensure that access rules are adhered to and that the IT security policy is properly implemented.
- The Audit and Periodic Control Director for the RCI Banque group reports to the CEO and is independent of the Permanent Control department. He/she 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. The controls performed are also communicated to the Board of Directors. These controls are presented in the annual internal control report, which is submitted to the French Prudential Supervisory Authority (ACPR) in accordance with the banking regulations.

3.2 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225 235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF RENAULT

This is a free translation into English of the statutory auditor's report issued in French prepared in accordance with Article L. 225-235 of French Commercial Code (Code de commerce) on the report prepared by the Chairman of the Board of Directors of Renault on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information 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 the relevant professional standards applicable in France.

For the year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of Renault, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other disclosures

We hereby attest that the report prepared by the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Paris La Défense, February 16, 2015

French original signed by the statutory auditors

KPMG Audit *A department of KPMG SA*	ERNST & YOUNG Audit

3.3 REMUNERATION OF SENIOR EXECUTIVES

3.3.1 REMUNERATION AND BENEFITS OF CHIEF EXECUTIVE OFFICER

This section relates to the Chief Executive Officer, the Chairman and CEO, Mr Carlos Ghosn.

In accordance with the Afep-Medef recommendations and with the position of the French securities regulator, *Autorité des Marchés Financiers* (AMF), the Chief Executive Officer does not also hold an employment contract with Renault.

3.3.1.1 COMPONENTS OF REMUNERATION

The components of the remuneration due or attributed to the Chairman and CEO in respect of 2014, which will be submitted for a consultative opinion to the shareholders at the General Meeting to be held on April 30, 2015, are set forth in this chapter and summarized in a table in Chapter 6 of the Registration document.

FIXED AND VARIABLE REMUNERATION

It should be noted that the Chairman and CEO is not remunerated for his function as Chairman of the Board of Directors.

Acting on a proposal from the Remuneration Committee, the Board of Directors chose the following principles to guide the remuneration of Mr Ghosn in his capacity as Chief Executive Officer.

The Remuneration Committee worked with a specialized consultancy on the basis of an analysis of remuneration practice at comparable French blue chip companies and in foreign corporations operating in the same sector.

This remuneration comprises:

- a fixed portion;
- and a variable portion, representing a percentage of the fixed portion, whose amount is set depending on performance criteria. The Board of Directors sets performance targets and assesses their implementation.

The variable portion can total up to 150% of the fixed portion if all the performance targets are reached. Where all the targets are exceeded, the variable portion could represent up to 180% of the fixed portion.

The performance criteria set by the Board of Directors are as follows:

- the rate of return on Equity (up to 10%);
- operating margin (up to 40%);
- free cash flow (up to 40%);
- managerial performance, assessed qualitatively (up to 60%). The qualitative element is based on the following:
  - monitoring of the competitiveness agreement in France; assignments of vehicle and mechanical projects (Renault and partners), assessment of production volumes assigned for 2016,
  - the quality of the managerial environment: position in Europe in electric vehicles, CO_2 emissions of vehicles in Europe,
  - development of multi-year R&D strategy: level of investment in R&D and monitoring of Capex, further standardization policy (CMF approach – Common big Modules Families) and ongoing policy of module deployment, product coverage by Region,
  - CSR: verification of extra-financial data, visibility, social impact with respect to diversity and health and safety,
  - partnerships; increase in the number of projects with partners, development of synergies and cost reductions through partnerships,
  - synergies in the Alliance: increase in the amount of synergies, changes in major synergies.

Each of the six themes above is worth 10% of the qualitative element.

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the percentage achievement of these criteria.

The variable portion is paid in the following manner:

- 25% of the variable portion is paid in cash;
- the remainder is paid in shares, on a deferred basis, as follows.

The shares granted as part of the deferred variable portion will not be acquired until 2018, and subject to the following conditions:

- a four year attendance criterion within Renault;
- performance conditions based on the financial criteria for the variable portion of the remuneration of the Chairman and CEO, which are assessed over three consecutive fiscal years.

The number of shares acquired by the Chairman and CEO will be determined on the basis of the amount of the deferred variable portion, of the risk of non-payment of this deferred variable portion and of the Group's performance over three years.

For the 2014 fiscal year, the Board of Directors decided, as proposed by the Remuneration Committee, that the amount of the fixed portion would be €1,230,000. The amount of the fixed component is unchanged since 2011.

Concerning the variable part, the Board of Directors decided, as proposed by of the Remuneration Committee, that the degree of achievement of the financial criteria was 90% for the fixed portion and the degree of achievement of the qualitative criterion was 57.5% for the fixed portion.

Therefore, in respect of 2014, the Board of Directors approved the variable portion of the remuneration of the Chairman and CEO at 147.5% of the fixed portion, which amounted to €1,814,250 (compared with 112.6% of the fixed portion, or €1,384,980 for 2013).

The Board of Directors meeting of February 11, 2015, acting on a proposal from the Remuneration Committee, decided the payment of the variable portion as follows:

- variable portion paid in cash (25% of the variable portion): €453,563;
- variable portion paid in shares on a deferred basis (75% of the variable portion): €1,360,687.

MULTI-YEAR VARIABLE REMUNERATION

The Chairman and CEO does not receive multi-year variable remuneration.

EXCEPTIONAL VARIABLE REMUNERATION

The Chairman and CEO was not paid any exceptional remuneration in 2014.

LONG-TERM REMUNERATION

Since 2013, the Renault group has decided to no longer to implement "stock-option" plans, but to implement only performance share plans.

The Chairman and CEO thus receives performance shares, as authorized by the General Meeting of April 30 2013. The terms of these plans are described in chapter 3.3.3.

Performance shares (authorization granted by the General Meeting of April 30, 2013)

The Chairman and CEO receives performance shares, according to the same conditions as other Group executives, subject to additional performance criteria due to his position as Executive Director.

As authorized by the Extraordinary General Meeting of April 30, 2013, on February 12, 2014, the Board of Directors, acting on a proposal from the Remuneration Committee, granted the CEO 100,000 performance shares for 2014.

It is noted that allocations of performance share are subject to the following ceilings:

- the total number of performance shares allocated cannot exceed 1.5% of the share capital over three years, *i.e.* on average 0.5% of the share capital *per annum*;
- the Chairman and CEO cannot receive more than 15% of the total number of performance shares allocated.

Of the 100,000 performance shares, the number of vested shares will depend on the following performance criteria:

- free cash flow for one-third of the shares;
- the variation of the automotive operating margin ("OMP"), in percentage points, compared to a panel of car manufacturers having the same geographical and sectorial drivers as Renault (PSA auto, Fiat auto EMEA, VW Brand and Skoda Brand), for a third of the shares;
- an external criterion based on the total shareholder return (TSR), in line with CAC 40 practices, for a third of the shares.

With the exception of the last criterion (TSR), which applies only to the CEO, the same criteria will apply to all beneficiaries of performance shares.

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the percentage achievement of these criteria.

These criteria are assessed over a period of three years (2014, 2015, 2016).

In addition, the vesting of performance shares is subject to a condition of presence of four years from the date of allocation (*i.e.* until 2018).

The Chairman and CEO is subject to a holding requirement of 25% of the performance shares vested at the end of the vesting period until the end of his term of office.

DIRECTORS' FEES

The method of allotment of directors' fees is reiterated in chapter 3.3.2.2 of the Registration document. As a member of the Renault Board of Directors, Mr Ghosn received €48,000 gross in respect of 2014.

COMPENSATION FOR TERMINATION OF OFFICE AND NON-COMPETE INDEMNITY

The Chairman and CEO does not benefit from any severance or non-competition premium clause in respect of 2014. As of 2015, the Board of Directors authorised a non-compete agreement, the terms of which are described in the Statutory Auditors' Report appearing in Chapter 4.

SUPPLEMENTARY PENSION PLAN

The Chairman and Chief Executive Officer benefits from the collective supplementary pension scheme set up for members of the Group Executive Committee. This scheme is open to new beneficiaries.

This plan was approved by the Board of Directors meetings of October 28, 2004 and October 31, 2006 and by the General Meeting of April 30, 2010 (tenth resolution). The plan was confirmed by the Board of Directors on February 12, 2014 and approved by the General Meeting of April 30 2014 (seventh resolution).

The supplementary pension plan for the benefit of the Chairman and CEO covers:

- a defined contribution scheme equivalent to 8% (5% paid by the Company, 3% by the beneficiary) of the annual remuneration falling between eight and sixteen times the upper earnings limit for social security contributions;
- a supplementary scheme with defined benefits. Eligibility for this scheme is subject to a minimum length of service of five years and at least two years as a GEC member. The annual amount is equal to 10% of the reference compensation, plus 1.40% per year of service beyond five years as a member of the GEC and 0.40% per year outside GEC if the length of service at Renault exceeds five years.

This amount is capped at 30% of the reference compensation.

The reference earnings used for calculating the amount of the pension benefits under the defined-benefit plan is equal to the average of the three highest annual earnings in the last ten years before retirement. The reference earnings are capped at 65 times the annual social security ceiling.

In all cases, the total amount of retirement benefit of the Chairman and CEO is less than or equal to 45% of his basic remuneration.

Finally, the application of the supplementary pension plan is subject to the presence of the Chairman and CEO within the Group when he claims his pension.

3.3.1.2 SUMMARY TABLES

The tables below are based on the recommendations of the Afep-Medef and the French securities regulator.

SUMMARY TABLE OF REMUNERATIONS, STOCK OPTIONS AND SHARES ALLOCATED TO MR GHOSN

(Table 1 in accordance with Afep-Medef recommendations)

	2014	2013	2012
CARLOS GHOSN – Chairman and CEO			
Remuneration owing in respect of the year (details in table 2)	3,098,509	2,669,142	2,728,356(1)
Value of options granted during the year (details in table 4)	0	0(3)	750,258(2)
Value of performance shares granted during the year (details in table 6)	4,117,321	0	
TOTAL	**7,215,830**	**2,669,142**	**3,478,614**

(1) *Following the signing of the Competitiveness Agreement, payment of 30% of the variable portion included in this amount is postponed and made conditional on Renault's fulfillment of all the fixed-term commitments made under this Agreement.*

(2) *The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise (see Chapter 4 note 18-H of the notes to the consolidated financial statements).*

(3) *No options were granted in 2013. Those granted for FY 2013 have been executed on 12/13/2012. See table 4 hereafter.*

SUMMARY TABLE OF THE REMUNERATION OF MR CARLOS GHOSN

(Table 2 in accordance with Afep-Medef recommendations)

a) The total remuneration of the Chairman and CEO paid by Renault SA and the companies it controls was as follows *(in €)*:

	AMOUNTS 2014		AMOUNTS 2013		AMOUNTS 2012	
CARLOS GHOSN	OWING FOR THE YEAR	PAID DURING THE YEAR	OWING FOR THE YEAR	PAID	OWING FOR THE YEAR	PAID
Fixed remuneration	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000
Variable remuneration paid in cash	453,563	346,245	346,245	1,007,370	1,439,100(1)	1,599,000
Variable remuneration paid in shares, subject to conditions(2)	1,360,687	0	1,038,735			
Directors' fees	48,000	48,000	48,000	48,000	48,000	48,000
In-kind benefits	6,259	6,259	6,162	6,162	11,256	11,256
TOTAL	**3,098,509**	**1,630,504**	**2,669,142**	**2,291,532**	**2,728,356**	**2,888,256**

(1) *Following the signing of the Competitiveness Agreement, payment of 30% of this amount is postponed and made conditional on Renault's fulfillment of all the fixed-term commitments made under this Agreement.*

(2) *Effective from the variable portion of 2013, the Board of Directors has decided that 75% of the variable remuneration due in respect of a fiscal year would be converted to shares whose allocation would be subject to conditions of performance and presence. See section 3.3.1.1. for a description of this mechanism.*

b) Remuneration of Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd.

In compliance with the information published by Nissan on June 30, 2013 and June 30, 2014 in its annual financial report Yukashoken-Hokokusho for fiscal years 2012 (from April 1, 2012 to March 31, 2013) and 2013 (April 1, 2013 to March 31, 2014), the total remuneration received by Mr Ghosn as Chairman and CEO of Nissan Motors Co., Ltd. was ¥988 million for FY 2012 and ¥995 million for 2013.

FISCAL YEAR (FROM APRIL 1, 2013 TO MARCH 31, 2014)	REMUNERATION	STOCK OPTIONS	TOTAL
2013	995*	0	995*

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

This information is directly accessible, with all updates, on the Renault website at the address:

http://group.renault.com/finance/governance/activite-du-BOARD-dadministration/

c) Remuneration of Mr Ghosn in his capacity as a Director of AVTOVAZ.

In his capacity as a Director of AVTOVAZ, Mr Ghosn receives directors' fees. In 2014, however, Mr Ghosn did not receive remuneration for his position on the AVTOVAZ Board of Directors in respect of 2013, along with the other members of the Board.

SUMMARY TABLE OF BENEFITS PAID TO THE CHIEF EXECUTIVE

(Table 3 in accordance with Afep-Medef recommendations)

CHIEF EXECUTIVE OFFICER	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION PLAN	COMPENSATION FOR TERMINATION OF OFFICE	NON-COMPETE -INDEMNITY	OTHER REMUNERATION
CARLOS GHOSN **Chairman and CEO**	No	Yes	No	No	No

OPTIONS GRANTED TO THE CHIEF EXECUTIVE

(Table 4 in accordance with Afep-Medef recommendations)

	PLAN NO. AND DATE	TYPE OF OPTIONS	VALUE OF OPTIONS BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED ACCOUNTS(1)	NO. OF OPTIONS GRANTED	EXERCISE PRICE	EXERCISE PERIOD
CARLOS GHOSN	No. 18 04/29/2011	PURCHASES	931,000	100,000(2)	€38.80	From 04/30/2015 to 04/28/2019
	No. 19 12/08/2011	PURCHASES	558,000	100,000(3)	€26.87	From 12/09/2015 to 12/07/2019
	No. 20 12/13/2012	PURCHASES	750,258	150,000(4)	€37.43	From 12/13/2016 to 12/12/2020

(1) The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise (see Chapter 4 note 18-H of the notes to the consolidated financial statements).

(2) In view of the achievement of performance criteria, the Board of Directors in its meeting of February 12, 2014 decided to definitively allocate all options initially attributed.

(3) 50,000 after calculation of the achievement of the performance conditions.

(4) In view of the achievement of the plan's performance criteria, the Board of Directors in its meeting of February 12, 2014 decided to definitively allocate 88.48% of the 150,000 options initially attributed, totaling 132,720 shares.

OPTIONS EXERCISED DURING THE YEAR BY MR GHOSN

(Table 5 in accordance with Afep-Medef recommendations)

	PLAN NO. AND DATE	NO. OF OPTIONS EXERCISED DURING THE YEAR	EXERCISE PRICE	GRANT YEAR
CARLOS GHOSN	-	None.	-	-

PERFORMANCE SHARES ALLOCATED DURING THE YEAR TO MR GHOSN

(Table 6 in accordance with Afep-Medef recommendations)

	PLAN NO. AND DATE	NUMBER OF SHARES	VALUE OF SHARES (BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED ACCOUNTS)	DATE OF ACQUISITION	DATE OF AVAILABILITY	PERFORMANCE CONDITIONS
CARLOS GHOSN	No. 21 02/12/2014	100,000	4,117,321	02/12/2018	02/12/2018	Yes

PERFORMANCE SHARES AVAILABLE TO MR GHOSN DURING THE YEAR

(Table 7 in accordance with Afep-Medef recommendations)

	PLAN NO. AND DATE	NO. OF SHARES BECOMING AVAILABLE DURING THE YEAR	TERMS OF ACQUISITION
CARLOS GHOSN	-	None.	-

3.3.2 DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

3.3.2.1 AMOUNT

The Combined General Meeting on April 29, 2011 voted an annual amount of €1,200,000 to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

3.3.2.2 METHOD OF ALLOTMENT

Article 21.1 of the Afep-Medef Code recommends that directors' fees should include a variable portion, paid for actual attendance of Board and committee meetings. The variable portion should be larger than the fixed portion.

To comply with this recommendation, the Renault Board of Directors decided, on October 8, 2014, to amend the rules on the allocation and calculation of directors' fees. The new calculation rules will apply from 2014 onwards.

- Fees paid to Board members:
  - a fixed portion of €18,000 per year, for being a member of the Board,
  - a variable portion of €6,000 per meeting, for members' actual attendance at Board meetings.

  The fixed and variable portions are capped at a total of €48,000 per director per year.
- Fees paid to committee members:
  - a fixed portion of €1,500 per year, for being a member of a committee,
  - a variable portion of €3,000 per meeting, for members' actual attendance at committee meetings. capped at:
    - €6,000 per member, per year, for committees other than the Audit, Risks and Ethics Committee (CARE),
    - €9,000 per member, per year, for the Audit, Risks and Ethics Committee.

  The fixed and variable portions are capped at a total of:
  - €7,500 per member, per year, for committees other than the CARE Committee,
  - €10,500 per year for members of the CARE Committee.
- For chairing a committee:
  - a fee of €7,500 per year for Chairing a committee,
  - a fee of €15,000 per year for Chairing the Audit, Risks and Ethics Committee.

Total fees allocated to directors in respect of 2014 amounted to €1,182,000 (compared with €1,099,825 in 2013).

SUMMARY TABLE

Fees allotted to directors for the year based on attendance at Board and committee meetings

ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2014[1]							TOTAL GROSS FEES RECEIVED (in €)[2]	
DIRECTORS	BOARD	AUDIT, RISKS AND ETHICS COMMITTEE	REMUNERATION COMMITTEE	APPOINTMENTS AND GOVERNANCE COMMITTEE	INTERNATIONAL STRATEGY COMMITTEE	INDUSTRIAL STRATEGY COMMITTEE	**2014**	2013
Mr Ghosn	100%	-	-		-	-	48,000	48,000
Mr Azéma[3][4]	100%	100%	-	-	-	100%	54,107	60,000
Mr Belda	71%	-	100%	100%	100%	-	78,000	72,000
Mr de Croisset	86%	100%	-	-	-	100%	66,000	63,000
Mr Delpit[4][6]	25%	-	-	-	0%	-	-	52,500
Mr Desmarest	86%	-	100%	-	100%	100%	78,000	72,000
Mr Faure[3][4]	57%				100%	100%	57,000	52,512
Mr Garnier	71%	-	50%	-	50%	100%	72,000	75,000
Mr Gentil	100%	-	-	-	100%	100%	63,000	63,000
Ms Koike[5]	57%	-	-	-	-	-	-	-
Mr Ladreit de Lacharrière	71%	-	100%	100%	-	-	70,500	70,500
Ms de La Garanderie	100%	100%	-	100%	-	-	66,000	60,000
Mr Lagayette	100%	100%	-	100%	-	-	81,000	75,000
Mr Ostertag	100%	100%	-	-	-	100%	66,000	63,000
Mr Personne	100%	-	100%	-	100%	-	59,250	55,500
Mr Riboud	86%	-	-	-	-	-	48,000	45,000
Ms Rih	100%	-	-	-	100%	100%	59,250	55,500
Mr Saikawa	100%	-	-	-	100%	-	55,500	49,500
Ms Sourisse	100%	100%	-	-	-	-	58,500	49,500
Mr Thomas[4]	100%						25,714	-
Mr Turrini[3][4]	100%						17,143	

(1) For directors whose appointment to the Board or one of the committees began or ended during 2014, the attendance rate is calculated on the duration of their term of office, not the calendar year.

(2) Gross amounts are calculated on the basis of methods adopted in 2014 and listed in paragraph 3.3.2.2 above.

(3) Directors representing the French State.

(4) Directors whose appointment to the Board or one of the committees began or ended during 2014.

(5) Ms Koike expressed her wish to waive the fees due to her for 2013, the year in which she was appointed as a Director. The Board of Directors meeting of February 12, 2014 took note of this waiver. Ms. Koike donated the fees due to her in respect of 2014 to a non governmental organization.

(6) Mr. Delpit waived the fees due to him in respect of 2014.

3.3.3 REMUNERATION OF SENIOR EXECUTIVES: PERFORMANCE SHARES

3.3.3.1 LEGAL FRAMEWORK

In its fourteenth resolution, the Combined General Meeting of April 30, 2013, authorized the Board of Directors to make one or more bonus grants of "performance shares" (existing shares or shares to be issued in the future) to the Executive Director and some employees of the Company and its related companies, under the terms set forth in Article L. 225-197-1 of the French Commercial Code.

It is to be noted that performance shares granted under the abovementioned authorization are capped as follows:

- the total number of performance shares granted shall not exceed 1.5% of the share capital over three years, *i.e.* on average 0.5% of the share capital *per annum*;
- the Chairman and CEO cannot receive more than 15% of the total number of performance shares allocated;
- the members of the Executive Committee cannot receive more than 30% of the total number of performance shares allocated, including those allocated to the Chairman and CEO.

The meeting made the allocation of performance shares conditional on achieving the performance criteria set during the budgeting process.

The allocation of performance shares pursuant to the fourteenth resolution of the Mixed General Meeting of April 30, 2013 does not dilute the shares owned by shareholders, since the performance shares are allocated from treasury stock.

3.3.3.2 GENERAL POLICY ON PERFORMANCE SHARE PLANS

REMUNERATION COMMITTEE

The Board of Directors approves plans to allocate performance shares on the basis of the report and recommendations of the Remuneration Committee. The committee examines proposals from the Chairman to allocate shares to certain Group employees, in compliance with the general arrangements set by the Annual General Meeting.

AIMS OF PERFORMANCE SHARE PLANS

The main aim of allocations of performance shares is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group by allowing them to have an ownership interest in the Company.

The plan is also a way to reward those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", *i.e.* executives with strong potential. Granting performance shares helps to increase the commitment of these staff members and motivate them to work for the Company's advancement and growth.

The plan reinforces the role of the Group's responsibility centers in the world. In Automotive, it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

ALLOCATION POLICY

Allocations of shares vary according to the beneficiaries' level of responsibility and contribution to the Company, an appraisal of their performance and results, and an assessment of their development potential.

Beneficiaries are divided into three categories.

Senior executives

At March 1, 2015, the senior executives are the 29 members of the Renault Management Committee, including the 11 members of the Group Executive Committee.

The Chairman and CEO cannot receive more than 15% and the members of the Executive Committee cannot receive more than 30% of the total number of performance shares allocated.

Managing executives

Managing executives are granted a variable number of performance shares each year, based on the levels of responsibility, performance and results. Some managing executives may not be eligible for the allocation.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential or expertise. An array of complementary systems is used to assess and select beneficiaries level of responsibility (annual performance and development review, Careers Committees, personal monitoring for high-flyers, job-related variable remuneration, etc.). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Altogether the three categories represent roughly 900 executives annually. The total number of beneficiaries was 892 under the 2012 plan, 861 under the 2013 plan, and 898 under the 2014 plan.

3.3.3.3 SUMMARY TABLES OF PLANS

STOCK-OPTION AND PERFORMANCE-SHARE ALLOCATIONS

Plans 12 and 14 entitle the holder to subscribe for new issues, while Plans 17, 18, 19 and 20 give the right to buy existing shares.

Plans 17 b, 18 b, 19 b, 20 b and 21 b are performance share allocation plans from which the Executive Director is excluded.

Plan 21 is a performance share allocation plan. The shares allocated to the Chairman and CEO under this plan are subject to an additional performance criterion not applied to other beneficiaries of the plan.

The volume of Plans in progress at 12/31/2014 accounted for 1.48% of capital.

STOCK-OPTION PLANS

(Table 8 in accordance with Afep-Medef recommendations)

STOCK-OPTION PLANS

DATE OF GRANT/BOARD MEETING		TOTAL NO. OF SHARES THAT MAY BE GRANTED OR ACQUIRED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	OPTION START DATE	EXPIRY DATE	SUBSCRIPTION/ PURCHASE PRICE[1]	NO. OF SHARES SUBSCRIBED AT 12/31/2014	NO. OF CANCELED OR LAPSED OPTIONS AT 12/31/2014	OPTIONS OUTSTANDING AT 12/31/2014
AGM authorization granted on May 4, 2006									
Plan 12	05/04/2006	1,674,700	100,000	05/05/2010	05/03/2014	87.98	3,000	1,671,700	0
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	1,843,300	0
AGM authorization granted on April 29, 2011									
Plan 17[2]	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	176,000	0
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	11,388	478,612
Plan 19[3]	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	150,000	150,000
Plan 20[4]	12/13/2012	447,800	150,000	12/13/2016	12/12/2020	37.43	0	51,578	396,222

(1) The subscription/purchase price is equal to the average share price quoted during the twenty trading days prior to the Board of Directors meeting.

(2) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the stock options corresponding to Plan 17 have been cancelled.

Since the operating margin target was not met for plans 15 and 16, all of these plans' options were canceled (Board of Directors meeting of February 11, 2009 and Board of Directors meeting of February 10, 2010).

(3) The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target was not reached but that the FCF target was reached. As a result, 50% of the stock options corresponding to Plan 19 have been cancelled.

(4) The Board of Directors meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the stock options corresponding to Plan 20 have been cancelled.

PERFORMANCE SHARE PLANS

(Table 9 in accordance with Afep-Medef recommendations)

PERFORMANCE SHARE PLANS

DATE OF GRANT/BOARD MEETING		TOTAL NO. OF SHARES GRANTED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	FINAL ACQUISITION DATE	HOLDING PERIOD ENDS	SHARES CANCELLED AT 12/31/2014	SHARES OUTSTANDING AT 12/31/2014
Plan 17 b Shares[1]	04/29/2011	544,300	0	04/30/2013	04/30/2015	544,300	0
Plan 18 *b* Shares	04/29/2011	1,233,400	0	04/30/2014	04/30/2016	57,603	1,175,797
Plan 19 *b* Shares[2]	12/08/2011	609,900	0	12/09/2013	12/09/2015	312,050	297,850
Plan 20 *b* Shares[3]	12/13/2012	679,900	0	12/13/2014	12/12/2016	93,939	585,961
Plan 21 Shares	02/12/2014	313,807	100,000	02/12/2018	02/12/2018	1,500	312,307
Plan 21 b Shares	02/12/2014	980,045	0	02/12/2017	02/12/2019	1,300	978,745

(1) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the shares corresponding to Plan 17b have been cancelled.

Since the operating margin target was not met for plan 16 b, all of this plan's options were canceled (Board of Directors meeting of February 10, 2010).

(2) The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target was not reached but that the FCF target was reached. As a result, 50% of the stock options corresponding to Plan 19 have been cancelled.

(3) The Board of Directors meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the shares corresponding to Plan 20 have been cancelled.

INFORMATION ON THE TEN EMPLOYEES OTHER THAN COMPANY OFFICERS

(Table 10 in accordance with Afep-Medef recommendations)

SUMMARY OF STOCK OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES, OTHER THAN COMPANY OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS	TOTAL OPTIONS GRANTED/SHARES ACQUIRED	EXERCISE PRICE	PLAN 18	PLAN 19[(1)]	PLAN 20[(2)]
Options granted by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of options (aggregate information)	478,800	Plan 18 = €38.80 Plan 19 = €26.87 Plan 20 = €37.43	240,000	62,000	176,800
Options on the shares of the issuer or the aforementioned companies exercised by the ten employees of this issuer and these companies, acquiring or subscribing the largest number of options (aggregate information)	N/A				

(1) The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operating margin was not reached. As a result, 50% of the stock options corresponding to Plan 19 have been cancelled.

(2) The Board of Directors meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the stock options corresponding to Plan 20 have been cancelled.

SUMMARY OF PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES OTHER THAN COMPANY OFFICERS AND SHARES DEFINITIVELY ACQUIRED BY THESE EMPLOYEES	TOTAL NO. OF SHARES GRANTED	PLAN 18 B	PLAN 19 B[(1)]	PLAN 20 B[(2)]	PLAN 21 B
Shares granted by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of shares (aggregate information)	222,000	110,000	34,000	78,000	185,000
Shares held on the issuer or the aforementioned companies, and acquired by the ten employees of this issuer and these companies, acquiring the largest number of shares (aggregate information)	N/A				

(1) The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target had not been reached. As a result, 50% of the stock options corresponding to Plan 19 have been cancelled.

(2) The Board of Directors meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the shares corresponding to Plan 20 b have been cancelled.

3.3.3.4 ADDITIONAL INFORMATION

Loss of entitlement is governed by regulatory provisions, *i.e.* total loss in the event of resignation, and individual decision in the event of dismissal.

Pursuant to the Afep-Medef Code, the Chief Executive Officer made a formal commitment not to hedge performance share risk until the holding period set by the Board of Directors has expired.

3.4 INFORMATION ON SECURITIES TRANSACTIONS

The Board of Directors, as well as some Group employees whose position affords them access to privileged information, are classed as insiders under the meaning of Article L. 622-2 of the AMF General Regulation. Within this context, the Company, in accordance with Article L. 621-18-4 of the French Monetary and Financial Code, keeps a list of persons classed as permanent insiders, which can be accessed by the AMF.

In accordance with the provisions of the AMF General Regulation, Company employees concerned are kept informed of AMF and Company codes of good conduct and disclosure requirements applicable to personal transactions involving the Company's shares.

2014 OPERATING MARGIN
million euros

1,609

AND 3.9% OF REVENUE

4 FINANCIAL STATEMENTS

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

4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters.

These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken of outside of the financial statements.

This report also includes information relating to the specific verification of information given in the Group's management report and in the documents addressed to the 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, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014 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.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- as respectively disclosed in notes 12-A and 13-A to the consolidated financial statements, the Group accounts for its investment in Nissan and its investment in AVTOVAZ by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;
- as part of our assessment of the accounting policies applied by your company, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in the notes 2-K and 10-A2;
- as disclosed in the note 8-B to the consolidated financial statements, the Group has decided to recognize part of the net deferred tax asset of the French tax group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable income and the resulting utilisation of tax losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, February 16, 2015

The statutory auditors
French original signed by

KPMG Audit
A department of KPMG SA

ERNST & YOUNG Audit

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 CONSOLIDATED INCOME STATEMENT

(€ million)	NOTES	2014	2013
Revenues	**4**	**41,055**	**40,932**
Cost of goods and services sold		(33,310)	(33,611)
Research and development expenses	10-A	(1,721)	(1,812)
Selling, general and administrative expenses		(4,415)	(4,267)
Operating margin	**5**	**1,609**	**1,242**
Other operating income and expenses	6	(504)	(1,276)
Other operating income	*6*	*102*	*22*
Other operating expenses	*6*	*(606)*	*(1,498)*
Operating income (loss)		**1,105**	**(34)**
Net interest income (expenses)		(282)	(267)
Interest income		*216*	*183*
Interest expenses		*(498)*	*(450)*
Other financial income and expenses	7	(51)	(15)
Financial income (expenses)		**(333)**	**(282)**
Share in net income (loss) of associates and joint ventures		**1,362**	**1,444**
Nissan	*12*	*1,559*	*1,498*
Other associates and joint ventures	*13*	*(197)*	*(54)*
Pre-tax income		**2,134**	**1,128**
Current and deferred taxes	8	(136)	(433)
NET INCOME		**1,998**	**695**
Net income – non-controlling interests' share		108	109
Net income – parent company shareholders' share		1,890	586
Basic earnings per share[1] in €	9	6.92	2.15
Diluted earnings per share[1] in €	9	6.89	2.14
Number of shares outstanding (in thousands)	9		
For basic earnings per share		*273,049*	*272,290*
For diluted earnings per share		*274,101*	*274,096*

(1) Net income – parent company shareholders' share divided by number of shares stated.

4.2.2 CONSOLIDATED COMPREHENSIVE INCOME

			2014			2013
(€ million)	GROSS	TAX EFFECT[1]	NET	GROSS	TAX EFFECT	NET
NET INCOME	**2,134**	**(136)**	**1,998**	**1,128**	**(433)**	**695**
Other components of comprehensive income from parent company and subsidiaries						
Items that will not be reclassified subsequently to profit or loss	***(276)***	***18***	***(258)***	***73***	***(5)***	***68***
Actuarial gains and losses on defined-benefit pension plans	(161)	18	(143)	73	(5)	68
Fair value adjustments on financial liabilities[2]	(115)	-	(115)	-	-	-
Items that have been or will be reclassified subsequently to profit or loss	***(2)***	***38***	***36***	***220***	***(5)***	***215***
Translation adjustments on foreign activities[3]	(100)	-	(100)	(383)	-	(383)
Partial hedge of the investment in Nissan[4]	8	55	63	209		209
Fair value adjustments on cash flow hedging instruments[5]	(4)	2	(2)	39	(5)	34
Fair value adjustments on available-for-sale financial assets[4]	94	(19)	75	355	-	355
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	**(278)**	**56**	**(222)**	**293**	**(10)**	**283**
Share of associates and joint ventures in other components of comprehensive income						
Items that will not be reclassified subsequently to profit or loss	***(73)***	***-***	***(73)***	***42***	***-***	***42***
Actuarial gains and losses on defined-benefit pension plans	(73)	-	(73)	42	-	42
Items that have been or will be reclassified subsequently to profit or loss[6]	***507***	***-***	***507***	***(1,965)***	***-***	***(1,965)***
Translation adjustments on foreign activities	448	-	448	(2,112)	-	(2,112)
Fair value adjustments on cash flow hedging instruments	22	-	22	5	-	5
Fair value adjustments on available-for-sale financial assets	37	-	37	142	-	142
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**434**	**-**	**434**	**(1,923)**	**-**	**(1,923)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**156**	**56**	**212**	**(1,630)**	**(10)**	**(1,640)**
COMPREHENSIVE INCOME	**2,290**	**(80)**	**2,210**	**(502)**	**(443)**	**(945)**
Parent company shareholders' share			2,090			(1,055)
Non-controlling interests' share			120			110

(1) Income of €262 million resulting from recognition of net deferred tax assets of the French tax consolidation in 2014, comprising €210 million related to net income and €52 million relating to other components of comprehensive income (note 8-B).
(2) Correction to the fair value of financial liabilities at December 31, 2013.
(3) There were no reclassifications to profit or loss in 2014 (€9 million in 2013).
(4) There were no reclassifications to profit or loss for this item in 2014 or 2013.
(5) Including €11 million reclassified to profit or loss in 2014 (€25 million in 2013).
(6) There were no reclassifications to profit or loss in 2014 (€(19) million in 2013).

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4.2.3 CONSOLIDATED FINANCIAL POSITION

(€ million)	NOTES	DECEMBER 31, 2014	DECEMBER 31, 2013
ASSETS			
Non-current assets			
Intangible assets	10-A	3,443	3,282
Property, plant and equipment	10-B	10,801	10,973
Investments in associates and joint ventures		16,720	14,874
Nissan	*12*	*15,833*	*14,068*
Other associates and joint ventures	*13*	*887*	*806*
Non-current financial assets	22	1,681	1,530
Deferred tax assets	8	716	396
Other non-current assets	17	1,152	1,076
TOTAL NON-CURRENT ASSETS		**34,513**	**32,131**
Current assets			
Inventories	14	3,391	3,162
Sales financing receivables	15	25,733	23,650
Automotive receivables	16	1,242	970
Current financial assets	22	1,530	1,098
Current tax assets	17	38	64
Other current assets	17	2,607	2,256
Cash and cash equivalents	22	12,497	11,661
TOTAL CURRENT ASSETS		**47,038**	**42,861**
TOTAL ASSETS		**81,551**	**74,992**

(€ million)	NOTES	DECEMBER 31, 2014	DECEMBER 31, 2013
SHAREHOLDERS' EQUITY			
Share capital		1,127	1,127
Capital			
Share premium		3,785	3,785
Treasury shares		(134)	(187)
Revaluation of financial instruments		703	571
Translation adjustment		(3,276)	(3,674)
Reserves		20,381	20,629
Net income – parent company shareholders' share		1,890	586
Shareholders' equity – parent company shareholders' share		**24,476**	**22,837**
Shareholders' equity – non-controlling interests' share		422	377
TOTAL SHAREHOLDERS' EQUITY	**18**	**24,898**	**23,214**
Non-current liabilities			
Deferred tax liabilities	8	141	121
Provisions for pension and other long-term employee benefit obligations – long-term	19	1,683	1,447
Other provisions – long-term	20	1,240	1,097
Non-current financial liabilities	23	7,537	7,100
Other non-current liabilities	21	1,204	1,119
TOTAL NON-CURRENT LIABILITIES		**11,805**	**10,884**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	19	67	111
Other provisions – short-term	20	1,088	984
Current financial liabilities	23	3,216	2,921
Sales financing debts	23	25,828	23,757
Trade payables		7,094	6,171
Current tax liabilities	21	162	126
Other current liabilities	21	7,393	6,824
TOTAL CURRENT LIABILITIES		**44,848**	**40,894**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**81,551**	**74,992**

4.2.4 CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	NUMBER OF SHARES *(thousand)*	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 ENTITIES' SHARE)	TOTAL SHAREHOLDERS' EQUITY
RESTATED BALANCE AT DECEMBER 31, 2012[(1)]	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,388)**	**19,201**	**1,749**	**24,309**	**255**	**24,564**
2013 net income								586	586	109	**695**
Other components of comprehensive income[(2)]					535	(2,286)	110		(1,641)	1	**(1,640)**
2013 comprehensive income					***535***	***(2,286)***	***110***	***586***	***(1,055)***	***110***	***(945)***
Allocation of 2012 net income							1,749	(1,749)			
Dividends							(469)		(469)	(56)	**(525)**
(Acquisitions)/disposals of treasury shares and impact of capital increases				14					14		**14**
Changes in ownership interests[(3)]							19		19	68	**87**
Cost of share-based payments							19		19		**19**
BALANCE AT DECEMBER 31, 2013	**295,722**	**1,127**	**3,785**	**(187)**	**571**	**(3,674)**	**20,629**	**586**	**22,837**	**377**	**23,214**
2014 net income								1,890	**1,890**	108	**1,998**
Other components of comprehensive income[(2)]					132	398	(330)		**200**	12	**212**
2014 comprehensive income					***132***	***398***	***(330)***	***1,890***	***2,090***	***120***	***2,210***
Allocation of 2013 net income							586	(586)			
Dividends							(469)		**(469)**	(52)	**(521)**
(Acquisitions)/disposals of treasury shares and impact of capital increases				**53**					**53**		**53**
Changes in ownership interests[(3)]							10		**10**	(23)	**(13)**
Cost of share-based payments							(45)		**(45)**		**(45)**
BALANCE AT DECEMBER 31, 2014	**295,722**	**1,127**	**3,785**	**(134)**	**703**	**(3,276)**	**20,381**	**1,890**	**24,476**	**422**	**24,898**

(1) The restatements resulting from retrospective application of IFRS 11 "Joint Arrangements" and IAS 19 (revised) "Employee benefits" are presented in note 2-A2 to the annual consolidated financial statements for 2013.

(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period. In 2014 they also include an amount of €(115) million corresponding to a correction to the fair value of financial liabilities at December 31, 2013 (effect of €(50) million at December 31, 2012).

(3) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests. In 2013 they included the effects of Renault Pars' deconsolidation from June 30, 2013, the takeover of RCI Financial Services s.r.o. in October 2013, and the transfer of control over Renault South Africa in November 2013.

Details of changes in consolidated shareholders' equity in 2014 are given in note 18.

4.2.5 CONSOLIDATED CASH FLOWS

(€ million)	NOTES	2014	2013
Net income		**1,998**	**695**
Cancellation of dividends received from unconsolidated listed investments(1)		(31)	(27)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		2,711	3,169
Share in net (income) loss of associates and joint ventures		(1,362)	(1,444)
Other income and expenses with no impact on cash	26-A	92	815
Dividends received from unlisted associates and joint ventures		-	6
Cash flow(2)		**3,408**	**3,214**
Dividends received from listed companies(3)		**463**	**433**
Net change in financing for final customers		(1,618)	(534)
Net change in renewable dealer financing		(202)	(781)
Decrease (increase) in sales financing receivables		**(1,820)**	**(1,315)**
Bond issuance by the Sales Financing segment	23-A	3,469	2,958
Bond redemption by the Sales Financing segment	23-A	(3,396)	(2,465)
Net change in other sales financing debts		1,682	917
Net change in other securities and loans of the Sales Financing segment		(314)	(365)
Net change in financial assets and debts of the Sales Financing segment		**1,441**	**1,045**
Change in capitalized leased assets		**(291)**	**(333)**
Decrease (increase) in working capital	**26-B**	**771**	**528**
CASH FLOWS FROM OPERATING ACTIVITIES(4)(5)		**3,972**	**3,572**
Capital expenditure	26-C	(2,511)	(2,749)
Disposals of property, plant and equipment and intangibles		90	198
Acquisitions of investments involving gain of control, net of cash acquired		(11)	(5)
Acquisitions of other investments, net of cash acquired		(415)	(273)
Disposals of investments involving loss of control, net of cash transferred		-	26
Disposals of other investments, net of cash transferred and other(4)		-	91
Net decrease (increase) in other securities and loans of the Automotive segment		62	(12)
CASH FLOWS FROM INVESTING ACTIVITIES		**(2,785)**	**(2,724)**
Transactions with non-controlling interests(6)		-	(2)
Dividends paid to parent company shareholders	18-D	(503)	(502)
Dividends paid to non-controlling interests		(56)	(48)
(Acquisitions) sales of treasury shares		(26)	-
Cash flows with shareholders		**(585)**	**(552)**
Bond issuance by the Automotive segment	23-A	1,680	1,716
Bond redemption by the Automotive segment	23-A	(1,513)	(1,152)
Net increase (decrease) in other financial liabilities of the Automotive segment		(52)	(24)
Net change in financial liabilities of the Automotive segment		**115**	**540**
CASH FLOWS FROM FINANCING ACTIVITIES		**(470)**	**(12)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**717**	**836**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€31 million) and Nissan (€432 million) in 2014. Dividends from Daimler (€27 million) and Nissan (€406 million) in 2013.
(4) Current taxes paid in 2014 amount to €268 million (€356 million in 2013).
(5) Interest paid in 2014, net of taxes, amounts to €259 million (€337 million in 2013). Details are given in note 26.
(6) Acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	2014	2013
Cash and cash equivalents: opening balance	**11,661**	**11,180**
Increase (decrease) in cash and cash equivalents	717	836
Effect of changes in exchange rate and other changes	119	(355)
Cash and cash equivalents: closing balance	**12,497(1)**	**11,661**

(1) Cash subject to restrictions on use is described in note 22-A2.

4.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

4.2.6.1 INFORMATION ON OPERATING SEGMENTS AND REGIONS

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of the Automotive segment's cash management;
- the Sales Financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

A – Information by operating segment

A1 Consolidated income statement by operating segment

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2014				
Sales of goods	37,176	31	-	37,207
Sales of services	1,698	2,150	-	3,848
External revenues	**38,874**	**2,181**	**-**	**41,055**
Intersegment sales	(356)	413	(57)	-
Sales by segment	**38,518**	**2,594**	**(57)**	**41,055**
Operating margin(1)	**861**	**751**	**(3)**	**1,609**
Operating income (loss)	**409**	**699**	**(3)**	**1,105**
Financial income (expenses)(2)	**(108)**	**(15)**	**(210)**	**(333)**
Share in net income (loss) of associates and joint ventures	**1,366**	**(4)**	**-**	**1,362**
Pre-tax income	**1,667**	**680**	**(213)**	**2,134**
Current and deferred taxes	88	(225)	1	(136)
Net income	**1,755**	**455**	**(212)**	**1,998**
2013				
Sales of goods	36,964	33	-	36,997
Sales of services	1,811	2,124	-	3,935
External revenues	**38,775**	**2,157**	**-**	**40,932**
Intersegment sales	(361)	400	(39)	-
Sales by segment	**38,414**	**2,557**	**(39)**	**40,932**
Operating margin(1)	**521**	**747**	**(26)**	**1,242**
Operating income (loss)	**(744)**	**736**	**(26)**	**(34)**
Financial income (expenses)(2)	**(107)**	**-**	**(175)**	**(282)**
Share in net income (loss) of associates and joint ventures	**1,430**	**14**	**-**	**1,444**
Pre-tax income	**579**	**750**	**(201)**	**1,128**
Current and deferred taxes	(203)	(238)	8	(433)
Net income	**376**	**512**	**(193)**	**695**

(1) Details of amortization, depreciation and impairment are provided in the consolidated cash flow statements by operating segment.
(2) Sales Financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

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A2 Consolidated financial position by operating segment

CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT – DECEMBER 31, 2014

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
ASSETS				
Non-current assets				
Property, plant and equipment and intangible assets	14,076	178	(10)	14,244
Investments in associates and joint ventures	16,670	50	-	16,720
Non-current financial assets – investments in non-controlled entities	4,353	11	(3,131)	1,233
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	514	-	(66)	448
Deferred tax assets and other non-current assets	1,663	238	(33)	1,868
TOTAL NON-CURRENT ASSETS	**37,276**	**477**	**(3,240)**	**34,513**
Current assets				
Inventories	3,361	39	(9)	3,391
Customer receivables	1,409	26,198	(632)	26,975
Current financial assets	1,143	1,136	(749)	1,530
Current tax assets and other current assets	1,805	3,033	(2,193)	2,645
Cash and cash equivalents	11,591	1,102	(196)	12,497
TOTAL CURRENT ASSETS	**19,309**	**31,508**	**(3,779)**	**47,038**
TOTAL ASSETS	**56,585**	**31,985**	**(7,019)**	**81,551**

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	**24,811**	**3,136**	**(3,049)**	**24,898**
Non-current liabilities				
Long-term provisions	2,598	325	-	2,923
Non-current financial liabilities	7,272	265	-	7,537
Deferred tax liabilities and other non-current liabilities	779	566	-	1,345
TOTAL NON-CURRENT LIABILITIES	**10,649**	**1,156**	**-**	**11,805**
Current liabilities				
Short-term provisions	1,114	41	-	1,155
Current financial liabilities	3,872	-	(656)	3,216
Trade payables and sales financing debts	7,235	26,681	(994)	32,922
Current tax liabilities and other current liabilities	8,904	971	(2,320)	7,555
TOTAL CURRENT LIABILITIES	**21,125**	**27,693**	**(3,970)**	**44,848**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**56,585**	**31,985**	**(7,019)**	**81,551**

CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT – DECEMBER 31, 2013

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
ASSETS				
Non-current assets				
Property, plant and equipment and intangible assets	14,146	119	(10)	14,255
Investments in associates and joint ventures	14,859	15	-	14,874
Non-current financial assets – investments in non-controlled entities	4,036	55	(2,895)	1,196
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	368	-	(34)	334
Deferred tax assets and other non-current assets	1,301	206	(35)	1,472
TOTAL NON-CURRENT ASSETS	**34,710**	**395**	**(2,974)**	**32,131**
Current assets				
Inventories	3,121	48	(7)	3,162
Customer receivables	1,031	23,997	(408)	24,620
Current financial assets	975	925	(802)	1,098
Current tax assets and other current assets	1,604	2,900	(2,184)	2,320
Cash and cash equivalents	10,704	1,201	(244)	11,661
TOTAL CURRENT ASSETS	**17,435**	**29,071**	**(3,645)**	**42,861**
TOTAL ASSETS	**52,145**	**29,466**	**(6,619)**	**74,992**

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	**23,127**	**2,899**	**(2,812)**	**23,214**
Non-current liabilities				
Long-term provisions	2,277	267	-	2,544
Non-current financial liabilities	6,837	263	-	7,100
Deferred tax liabilities and other non-current liabilities	691	549	-	1,240
TOTAL NON-CURRENT LIABILITIES	**9,805**	**1,079**	**-**	**10,884**
Current liabilities				
Short-term provisions	1,067	28	-	1,095
Current financial liabilities	3,449	-	(528)	2,921
Trade payables and sales financing debts	6,349	24,657	(1,078)	29,928
Current tax liabilities and other current liabilities	8,348	803	(2,201)	6,950
TOTAL CURRENT LIABILITIES	**19,213**	**25,488**	**(3,807)**	**40,894**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,145**	**29,466**	**(6,619)**	**74,992**

A3 Consolidated cash flows by operating segment

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2014				
Net income	**1,755**	**455**	**(212)**	**1,998**
Cancellation of dividends received from unconsolidated listed investments[1]	(31)	-	-	(31)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,702	9	-	2,711
Share in net (income) loss of associates and joint ventures	(1,366)	4	-	(1,362)
Other income and expenses with no impact on cash	78	16	(2)	92
Dividends received from unlisted associates and joint ventures	-	-	-	-
Cash flow[2]	**3,138**	**484**	**(214)**	**3,408**
Dividends received from listed companies[3]	**463**	**-**	**-**	**463**
Decrease (increase) in sales financing receivables	-	(1,936)	116	(1,820)
Net change in financial assets and sales financing debts	-	1,429	12	1,441
Change in capitalized leased assets	(235)	(56)	-	(291)
Decrease (increase) in working capital	596	138	37	771
CASH FLOWS FROM OPERATING ACTIVITIES	**3,962**	**59**	**(49)**	**3,972**
Purchases of intangible assets	(964)	(3)	-	(967)
Purchases of property, plant and equipment	(1,541)	(3)	-	(1,544)
Disposals of property, plant and equipment and intangibles	89	1	-	90
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(11)	-	-	(11)
Acquisitions and disposals of other investments and other assets	(400)	(15)	-	(415)
Net decrease (increase) in other securities and loans of the Automotive segment	69	-	(7)	62
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,758)**	**(20)**	**(7)**	**(2,785)**
Cash flows with shareholders	(568)	(227)	210	(585)
Net change in financial liabilities of the Automotive segment	242	-	(127)	115
CASH FLOWS FROM FINANCING ACTIVITIES	**(326)**	**(227)**	**83**	**(470)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS[4]	**878**	**(188)**	**27**	**717**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends received from Daimler (€31 million) and Nissan (€432 million).
(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2014				
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**10,704**	**1,201**	**(244)**	**11,661**
Increase (decrease) in cash and cash equivalents	878	(188)	27	717
Effect of changes in exchange rate and other changes	9	89	21	119
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11,591**	**1,102**	**(196)**	**12,497**

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2013				
Net income	**376**	**512**	**(193)**	**695**
Cancellation of dividends received from unconsolidated listed investments[(1)]	(27)	-	-	(27)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,164	5	-	3,169
Share in net (income) loss of associates and joint ventures	(1,430)	(14)	-	(1,444)
Other income and expenses with no impact on cash	825	(2)	(8)	815
Dividends received from unlisted associates and joint ventures	6	-	-	6
Cash flow[(2)]	**2,914**	**501**	**(201)**	**3,214**
Dividends received from listed companies[(3)]	**433**	-	-	**433**
Decrease (increase) in sales financing receivables	-	(1,240)	(75)	(1,315)
Net change in financial assets and sales financing debts	-	1,063	(18)	1,045
Change in capitalized leased assets	(334)	1	-	(333)
Decrease (increase) in working capital	790	(198)	(64)	528
CASH FLOWS FROM OPERATING ACTIVITIES	**3,803**	**127**	**(358)**	**3,572**
Purchases of intangible assets	(827)	(4)	-	(831)
Purchases of property, plant and equipment	(1,914)	(4)	-	(1,918)
Disposals of property, plant and equipment and intangibles	198	-	-	198
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	24	(3)	-	21
Acquisitions and disposals of other investments and other assets	(183)	1	-	(182)
Net decrease (increase) in other securities and loans of the Automotive segment	(20)	-	8	(12)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,722)**	**(10)**	**8**	**(2,724)**
Cash flows with shareholders	(539)	(188)	175	(552)
Net change in financial liabilities of the Automotive segment	461	-	79	540
CASH FLOWS FROM FINANCING ACTIVITIES	**(78)**	**(188)**	**254**	**(12)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS[(4)]	**1,003**	**(71)**	**(96)**	**836**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends received from Daimler (€27 million) and Nissan (€406 million).
(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2013				
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**10,072**	**1,338**	**(230)**	**11,180**
Increase (decrease) in cash and cash equivalents	1,003	(71)	(96)	836
Effect of changes in exchange rate and other changes	(371)	(66)	82	(355)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**10,704**	**1,201**	**(244)**	**11,661**

B – Information by Region

The Regions presented correspond to the geographic divisions used for Group management.

The Group adjusted its international organization in 2014. The former Asia-Pacific and Euromed-Africa Regions were split to form three new Regions:

- the new Africa-Middle East-India Region comprising countries in Africa and the Middle East plus India;
- the Asia-Pacific Region including China, countries of the ASEAN (Association of South-East Asian Nations), Korea, Japan, Australia and Oceania;
- the Eurasia Region is now extended to include Turkey, Romania, Moldova and Bulgaria.

Figures for 2013 correspond to the new segments adopted in 2014.

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	ASIA-PACIFIC	AFRICA-MIDDLE EAST-INDIA	EURASIA	CONSOLIDATED TOTAL
2014						
Revenues	25,711	4,827	2,685	3,391	4,441	41,055
Property, plant and equipment and intangibles	10,524	707	477	791	1,745	14,244
2013						
Revenues	23,803	5,933	2,350	3,772	5,074	40,932
Property, plant and equipment and intangibles	10,285	639	437	831	2,063	14,255

(1) Including the following for France:

(€ million)	2014	2013
Revenues	*9,836*	*10,004*
Property, plant and equipment and intangibles	*8,799*	*8,613*

4.2.6.2 ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

NOTE 1

APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements for 2014 were finalized at the Board of Directors' Meeting of February 11, 2015 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

NOTE 2

ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2014 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2014 and adopted by the European Union at the year-end.

A – Changes in accounting policies

At December 31, 2014 the Group applies the new amendments to accounting standards shown below, which were published in the Official Journal of the European Union and mandatory.

NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2014	
Amendment to IAS 32	Financial instruments: Presentation – Offsetting of financial assets and financial liabilities
Amendment to IAS 36	Recoverable amount disclosures for non-financial assets
Amendment to IAS 39	Novation of derivatives and continuation of hedge accounting
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment entities

The amendment to IAS 32 specifies the requirements for offsetting financial assets and liabilities.

The amendment to IAS 36 requires publication of the recoverable amount of assets or cash-generating units that are subject to impairment or an impairment reversal, and additional disclosures (*e.g.* fair value) for assets impaired on the basis of their net fair value.

The amendment to IAS 39 allows continuation of hedge accounting when a derivative designated as a hedge is subject to novation if this novation results from new laws or regulations.

The amendments to IFRS 10, IFRS 12 and IAS 27 propose exemption from consolidation for investment companies. This has no consequences for the Group.

The Group also opted for early application from January 1, 2013 of the following standards and amendments, which were not mandatory until January 1, 2014.

STANDARDS AND AMENDMENTS APPLIED EARLY FROM JANUARY 1, 2013	
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
Amendment to IAS 28	Investments in Associates and Joint Ventures

The Group has not undertaken early application of the following interpretation, standards and amendments, which have been published in the Official Journal of the European Union and are mandatory as of January 1, 2015 or subsequently. The Group does not expect application to have any significant impact on the consolidated accounts.

NEW STANDARDS AND AMENDMENTS NOT APPLIED EARLY BY THE GROUP	
IFRIC 21	Levies
IAS 19	Defined-benefit plans – Employee contributions
Annual improvements – 2010-2012 cycle	Improvements to several standards
Annual improvements – 2011-2013 cycle	Improvements to several standards

The IASB has also published major new standards that have not been adopted to date by the European Union. The Group is in the process of studying the impacts of these new standards on the financial statements.

NEW STANDARDS NOT ADOPTED BY THE EUROPEAN UNION		EFFECTIVE DATE SET BY IASB
IFRS 9	Financial Instruments	January 1, 2018
IFRS 15	Revenue from contracts with Customers	January 1, 2017

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.

The main items in the consolidated financial statements that are sensitive to estimates and judgments at December 31, 2014 are the following:

- 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);
- the recoverable value of leased vehicles classified as property, plant and equipment or in inventories (notes 2-G, 10-B and 14);
- investments in associates, notably Nissan and AVTOVAZ (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);
- the value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-C) 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.

Non-consolidated companies are recorded as other non-current assets even when they fulfil the above criteria.

None of these companies' individual contributions to consolidated figures exceeds the following:

- revenues: €20 million;
- inventories: €20 million.

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, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

Put options on non-controlling interests are carried at fair value and classified in liabilities in the consolidated financial position, 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 cover:

- restructuring costs and costs relating to workforce adjustment;
- gains or losses on partial or total disposal of businesses or operating entities, other gains and losses relating to changes in the scope of consolidation, and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, *i.e.* income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

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" column is reserved for transactions between the two segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division'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 segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive 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 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 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 segment, 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.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. None of the countries where Renault has significant business activity was on this list in 2014.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing exchange rate;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill generated by a business combination with a foreign company is treated as an asset or liability of the entity acquired, as appropriate. It is therefore expressed in the relevant entity's functional currency, and translated into Euros at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

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 segment 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.

Sales of goods and services and margin recognition

SALES AND MARGIN RECOGNITION

Sales of automotive goods are recognized when the goods are made available to the distribution network in the case of non-Group dealers, or upon delivery to the end-user in the case of direct sales. The margin on sales is recognized immediately for normal sales by the Automotive segment, including sales with associated financing contracts that can be considered as finance leases (long-term or with a purchase option). However, no sale is recognized when an automotive item (vehicle or electric car battery) is covered by an operating lease from a Group finance company or the Group has made a buy-back commitment with a high probability of application, if the term of the contract covers an insufficient portion of the item's useful life.

In such cases, the transactions are recorded as operating leases and included in sales of services. 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 sale of the automotive item as second-hand at the end of the lease gives rise to recognition of sales revenue and the related margin. 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. When the overall position of the lease contract (rental income and income on resale) shows a loss, an additional provision is also recorded immediately to cover the future loss.

SALES INCENTIVE PROGRAMMES

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.

The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

WARRANTY

The estimated or incurred costs relating to manufacturer's product or part warranties not covered by insurance 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 extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

Sales financing revenues and 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 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 other than those relating to refinancing of receivables.

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.

RECEIVABLES SHOWING EVIDENCE OF IMPAIRMENT

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc.) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach as appropriate). Otherwise, a collectively based provision may be recorded (for example in the event of unfavourable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous decline in the economic and general environment of the countries included in the base.

H – Financial income (expenses)

Except for derivatives, interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Other interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from shareholders' equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares, the net interest expense on provisions for pensions, and dividends from companies that are neither controlled nor under significant influence, which are recognized in the year they are distributed.

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 fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

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 is included in the "investments in associates" asset 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.

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 part (*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

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 part from the market.

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 segment**, impairment tests are carried out at two levels:

- at the level of vehicle-specific and component-specific assets.

Vehicle-specific and component-specific assets are 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 or component;

- 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 segment. Fixed assets related to cash-generating units comprise goodwill, specific assets and capacity assets.

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 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. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit group, consisting of legal entities or groups of legal entities in a given 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.

Impairment of investments in associates

Impairment tests of the value of investments in associates 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 with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

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 impairment or 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 realisable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, and a share of manufacturing overheads based on a normal level of activity. 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 are valued under the FIFO (First In First Out) method.

When the net realisable 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 and Sales Financing segments.

Q – Treasury shares

Treasury shares are shares held for the purposes of stock option plans and free share plans awarded to Group managers and executives. They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

R – Stock option plans/Performance share attribution plans

The Group awards stock option plans (purchase and subscription options) and performance share attribution plans, 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 defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

T – Restructuring measures/Termination benefits

The estimated cost of restructuring measures, which for accounting purposes are 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 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 "available-for-sale" assets. 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.

Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement. A decrease is considered significant if it exceeds 40% of the amount and prolonged if it is observed in more than four successive published financial reports.

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 instruments are classified as "available-for-sale" assets and carried at fair value.

Loans

Loans essentially include interbank loans for investment of cash surpluses and loans to associates.

They are initially recognized at fair value, plus directly attributable transaction costs.

Loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event arising after the initial recognition of the asset.

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.

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 readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. Fixed or variable-income instruments that are not listed on an active market are stated at amortized cost. Other instruments are carried at fair value.

W – Financial liabilities of the Automotive segment and sales financing debts

The Group recognizes a financial liability (for the Automotive segment) 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

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group states all its redeemable shares at fair value, which is equal to market value.

Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially stated at fair value, less any directly attributable transaction costs.

At each reporting date, apart from specific hedge accounting methods (note 2-X), these financial liabilities are generally restated 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 is based on market conditions. The fair value of 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 any unrealized gains or losses based on interest rates 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 segment's 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 in view of the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently 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	SALES FINANCING	TOTAL
Number of companies consolidated at December 31, 2013	**123**	**36**	**159**
Newly consolidated companies (acquisitions, formations, etc..)	3	1	4
Deconsolidated companies (disposals, mergers, liquidations, etc)	8	1	9
Number of companies consolidated at December 31, 2014	**118**	**36**	**154**

The following companies set up by the Group were first included in to the scope of consolidation in 2014, under the equity method:

- Dongfeng Renault Automotive Company was formed to develop business in China in partnership with the Dongfeng group. This legal entity is qualified as a joint venture and therefore accounted for by the equity method. Dongfeng Renault Automotive Company is expected to produce its first vehicles in 2016. A factory was under construction in 2014;
- Renault Algérie Production is a legal entity formed in partnership with public bodies in Algeria to set up a production plant to make passenger and commercial vehicles for the local market. It is qualified as a joint venture and therefore accounted for by the equity method. Vehicle production started in late 2014;
- RN Bank is a sales financing company providing customer and dealer financing in Russia. It was formed by the Alliance and an external partner (Unicrédit). The Group exercises significant influence over this entity, which is accounted for by the equity method. RN Bank is held through a joint venture RN SF BV, the holding company jointly-controlled by RCI Banque and Nissan, which with the external partner holds the associate BARN BV, shareholder of RN Bank. The Group exercises significant influence in BARN BV. These two holding companies are also accounted for by the equity method in 2014.

Société des Automobiles Alpine Caterham, which makes vehicles in France, was fully consolidated in 2014 following the repurchase of the 50% stake sold to a partner in June 2013. During the second half of 2013, when control was still shared with a partner, this joint venture was consolidated based on the specific percentage interest in each balance sheet and income statement item.

4.2.6.3 INCOME STATEMENT AND COMPREHENSIVE INCOME

NOTE 4

REVENUES

A – 2013 revenues applying 2014 Group structure and methods

(€ million)	AUTOMOTIVE	SALES FINANCING	TOTAL
2013 revenues as published	**38,775**	**2,157**	**40,932**
Changes in scope of consolidation	(115)	11	(104)
2013 revenues applying 2014 Group structure and methods	**38,660**	**2,168**	**40,828**
2014 REVENUES	**38,874**	**2,181**	**41,055**

B – Breakdown of revenues

(€ million)	2014	2013
Sales of goods – Automotive segment	**37,176**	**36,964**
Rental income on leased assets(1)	361	372
Sales of other services	1,337	1,439
Sales of services – Automotive segment	**1,698**	**1,811**
Sales of goods – Sales Financing segment	**31**	**33**
Rental income on leased assets(1)	25	20
Interest income on sales financing receivables	1,480	1,496
Sales of other services(2)	645	608
Sales of services – Sales Financing segment	**2,150**	**2,124**
TOTAL REVENUES	**41,055**	**40,932**

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.
(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

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NOTE 5
OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Personnel expenses

	2014	2013
Personnel expenses (€ million)	5,248	5,494
Workforce at December 31	117,395	121,807

Details of pensions and other long-term employee benefit expenses are presented in note 19.

The income recorded in 2014 in respect of the French "CICE" Tax Credit for Competitivity and Employment amounted to €51 million (€36 million in 2013).

Share-based payments concern stock options and performance shares granted to personnel, and amounted to a personnel expense of €32 million for 2014 (€33 million in 2013).

The plan valuation method is presented in note 18-H.

B – Rental expenses

Rents amount to €232 million in 2014 (€234 million in 2013).

C – Foreign exchange gains/losses

In 2014, the operating margin includes a net foreign exchange loss of €144 million, partly related to movements in the Argentinian peso and Russian rouble against the Euro (compared to a net foreign exchange loss of €120 million in 2013, also partly related to movements in the Argentinian peso and the Russian rouble against the Euro).

NOTE 6
OTHER OPERATING INCOME AND EXPENSES

(€ million)	2014	2013
Restructuring and workforce adjustment costs	(305)	(423)
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	-	13
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	7	140
Impairment of fixed assets	(153)	(488)
Provisions related to operations in Iran	14	(514)
Other unusual items	(67)	(4)
TOTAL	**(504)**	**(1,276)**

A – Restructuring and workforce adjustment costs

Restructuring costs and workforce adjustment measures mainly relate to Europe in 2014 and 2013.

The costs for 2014 particularly include €223 million for the "Contract for Renault's new growth and labour development in France" agreement signed in March 2013 (€327 million in 2013). This agreement is designed to roll out a set of balanced measures which generate competitivity gains. One of the measures adopted broadens the career-end work exemption arrangements. Under IAS 19 (revised), this is considered as an employee benefit and the cost must be covered by a provision established over the residual forecast working life of the employees concerned. The provision in the balance sheet liabilities at December 31, 2014 therefore covers the outstanding amounts due to employees who have already stopped working at December 31, 2014 and a share of the discounted cost for the population likely to sign up to this arrangement between January 1, 2015 and December 31, 2016.

B – Impairment of fixed assets

Following impairment tests, impairment was booked in 2014 on intangible assets (€44 million) and tangible assets (€92 million) (€153 million and €197 million respectively in 2013), mainly following impairment tests on vehicles and powertrain subsystems (notes 10 and 11).

A provision of €15 million was also recorded in respect of the electric vehicle range in 2014, in addition to the €119 million provision established in 2013, to cover the estimated indemnities payable for failure to meet stipulated minimum purchase volumes. This additional amount reflects the effect of unwinding the discount on future cash flows.

C – Provisions related to operations in Iran

Operations with Iran were limited during 2014 due to the economic sanctions applicable. The reduction in impairment in 2014 essentially relates to payments received during the period.

There was little change over the year in the Group's exposure to risks in Iran, materialized by all its assets held in account (securities, shareholder loan and sales receivables). The gross exposure at December 31, 2014 was €828 million, including €724 million of receivables (€833 million including €729 million of receivables at December 31, 2013).

The Group's exposure was fully written off in 2013, leading to recognition of an expense of €514 million recorded in other operating income and expenses.

D – Other unusual items

Other unusual items in 2014 include an amount of €45 million to cover risks in Germany, essentially resulting from a change in the regulations on administrative fees for the financing activity.

NOTE 7
OTHER FINANCIAL INCOME AND EXPENSES

(€ million)	2014	2013
Change in fair value of redeemable shares (note 23-A)	(37)	(65)
Foreign exchange gains and losses on financial operations	28	30
Net interest expense on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations	(45)	(42)
Other	3	62
OTHER FINANCIAL INCOME AND EXPENSES	**(51)**	**(15)**

Other items of financial income and expenses in 2014 include dividends received from Daimler at their gross value of €37 million (€37 million in 2013). They also include income of €3 million corresponding to a reversal of impairment on the shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* – FMEA), following recognition of impairment of €11 million in 2013 (note 22-A1).

NOTE 8
CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Renault group also applies other optional tax consolidation systems in Germany, Italy, Spain, and the UK.

A – Current and deferred tax charge

Breakdown of the tax charge

(€ million)	2014	2013
Current tax charge	(396)	(443)
Deferred tax income (charge)	260	10
CURRENT AND DEFERRED TAXES	**(136)**	**(433)**

€343 million of the current tax charge comes from foreign entities in 2014 (€365 million in 2013).

Current income taxes paid by the Group during 2014 amount to €268 million (€356 million in 2013).

B – Breakdown of the tax charge

(€ million)	2014	2013
Income before taxes and share in net income of associates and joint ventures	**772**	**(316)**
Statutory income tax rate in France, including the additional contribution(1)	38.0%	38.0%
Theoretical tax income (charge)	**(293)**	**120**
Effect of differences between local rates and the French rate(2)	180	222
Tax credits	28	53
Distribution taxes	(84)	(209)
Change in unrecognized deferred tax assets	(51)	(486)
Other impacts(3)	84	(133)
Current and deferred tax income (charge)	**(136)**	**(433)**

(1) In France, the Group is liable for an exceptional 10.7% contribution applicable until the end of the 2015 financial year. The theoretical tax rate including this exceptional contribution stands at 38.0%.

(2) The main countries contributing to the tax rate differential in 2014 are Korea, Morocco, Romania, Russia, Switzerland and Turkey.

(3) Other impacts are primarily permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments. They also include the effect of the differential between the income tax rate including the exceptional contribution applicable in France (38.0%) used for the tax breakdown between theoretical and actual taxes, and the 34.43% tax rate used to calculate deferred taxes for the French tax consolidation group (unfavourable effect of €25 million for 2014 and €76 million for 2013).

Until December 31, 2013, as there was no prospect of reporting taxable income in the foreseeable future, the Group wrote off all net deferred tax assets of the French tax consolidation group.

In 2014, the outlook for financial results resulting from the 2015/2017 plan led the Group to recognize some of these net deferred tax assets. The corresponding reversals were partly transferred to income (€210 million) and partly to consolidated reserves (€52 million), due to the origins of the taxes concerned (4.2.2 and note 8 C-1). The amount transferred to income explains the lower expense resulting from the change in unrecognized deferred tax assets (negative effect of €51 million in 2014; negative effect of €486 million in 2013).

The effective tax rate across all foreign entities is 26% at December 31, 2014 (24% at December 31, 2013). The rise in this rate results from the Group's lower net income in Russia in 2014 (Russian tax rates range from 15.5% to 20%).

C – Breakdown of net deferred taxes

C1 Change in deferred tax assets and liabilities

(€ million)	2014	2013
Deferred tax assets	396	416
Deferred tax liabilities	(121)	(123)
Net deferred tax assets (liabilities) at January 1	**275**	**293**
Deferred tax income (charge) for the period	260	10
Deferred tax income (charge) included in shareholders' equity	56	(10)
Translation adjustments	(16)	(25)
Change in scope of consolidation and other	-	7
Net deferred tax assets (liabilities) at December 31	**575**	**275**
Deferred tax assets	*716*	*396*
Deferred tax liabilities	*(141)*	*(121)*

C2 Breakdown of net deferred tax assets by nature

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Deferred taxes on:		
Investments in associates and joint ventures(1)	(157)	(136)
Fixed assets	(1,623)	(1,577)
Provisions and other expenses or valuation allowances deductible upon utilization	937	847
Loss carryforwards(2)	4,457	4,190
Other	413	387
NET DEFERRED TAX ASSETS (LIABILITIES)	**4,027**	**3,711**
Unrecognized deferred tax assets related to tax losses (note 8-C3)	(3,452)	(3,436)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**(575)**	**275**

(1) Including tax on future dividend distributions.

(2) Including €3,836 million for the French tax consolidation entities and €621 million for other entities at December 31, 2014 (respectively €3,656 million and €534 million December 31, 2013).

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation group amounted to €2,816 million at December 31, 2014 (€2,839 million at December 31, 2013). €547 million of these unrecognized assets arose on items booked through shareholders' equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €2,269 million arose on items affecting the income statement (respectively €589 million and €2,250 million at December 31, 2013).

Excluding the French tax consolidation group, unrecognized deferred tax assets totalled €636 million (€597 million in 2013), and essentially related to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in India.

C3 Breakdown of unrecognized net deferred tax assets, by expiry date

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Net deferred tax assets that can be carried forward indefinitely(1)	3,262	3,286
Other net deferred tax assets expiring in more than 5 years	58	85
Other net deferred tax assets expiring between 1 and 5 years	103	43
Other net deferred tax assets expiring within 1 year	29	22
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**3,452**	**3,436**

(1) Including €2,816 million at December 31, 2014 (€2,839 million at December 31, 2013) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation group (note 8-C2), mainly corresponding to tax loss carryforwards.

NOTE 9

BASIC AND DILUTED EARNINGS PER SHARE

(in thousands of shares)	2014	2013
Shares in circulation	295,722	295,722
Treasury shares	(3,289)	(4,048)
Shares held by Nissan x Renault's share in Nissan	(19,384)	(19,384)
Number of shares used to calculate basic earnings per share	**273,049**	**272,290**

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 the average number of treasury shares and Renault shares held by Nissan.

(in thousands of shares)	2014	2013
Number of shares used to calculate basic earnings per share	273,049	272,290
Dilutive effect of stock options and performance share attribution rights	1,052	1,806
Number of shares used to calculate diluted earnings per share	**274,101**	**274,096**

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 share attribution that have a dilutive effect and fulfil the performance conditions at the year-end when issuance is conditional.

4.2.6.4 OPERATING ASSETS AND LIABILITIES, SHAREHOLDERS' EQUITY

NOTE 10

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A – Intangible assets

A1 Changes in intangible assets

Changes during 2014 in intangible assets were as follows:

(€ million)	December 31, 2013	Acquisitions/ (amortization and impairment)	(Disposals)/ reversals	Translation adjustment	Change in scope of translation and other	December 31, 2014
Capitalized development expenses	8,657	845	(419)	13	-	9,096
Goodwill	222	3	-	(9)	-	216
Other intangible assets	596	119	(29)	1	3	690
Intangible assets, gross	**9,475**	**967**	**(448)**	**5**	**3**	**10,002**
Capitalized development expenses	(5,781)	(705)	419	(13)	-	(6,080)
Other intangible assets	(412)	(92)	25	-	-	(479)
Amortization and impairment	**(6,193)**	**(797)**	**444**	**(13)**	**-**	**(6,559)**
Capitalized development expenses	2,876	140	-	-	-	3,016
Goodwill	222	3	-	(9)	-	216
Other intangible assets	184	27	(4)	1	3	211
INTANGIBLE ASSETS, NET	**3,282**	**170**	**(4)**	**(8)**	**3**	**3,443**

Most goodwill is in Europe.

Acquisitions of intangible assets in 2014 comprise €845 million of self-produced assets and €122 million of purchased assets (respectively €745 million and €88 million in 2013).

In 2014, amortization and impairment of intangible assets include €44 million of impairment relating to vehicles and powertrain subsystems (note 6-B), compared to €153 million of impairment in 2013.

Changes during 2013 in intangible assets were as follows:

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2012	**9,162**	**(5,680)**	**3,482**
Acquisitions (note 26-C)/(amortization)	833	(1,005)	(172)
(Disposals)/reversals	(467)	466	(1)
Translation adjustment	(25)	11	(14)
Change in scope of consolidation and other	(28)	15	(13)
Value at December 31, 2013	**9,475**	**(6,193)**	**3,282**

A2 Research and development expenses included in income

(€ million)	2014	2013
Research and development expenses	(1,890)	(1,793)
Capitalized development expenses	842	732
Amortization of capitalized development expenses	(673)	(751)
TOTAL REPORTED INCLUDED IN INCOME	**(1,721)**	**(1,812)**

4

B – Property, plant and equipment

Changes during 2014 in property, plant and equipment were as follows:

(€ million)	DECEMBER 31, 2013	ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER	DECEMBER 31, 2014
Land	565	7	(7)	3	-	568
Buildings	6,053	135	(50)	(84)	10	6,064
Specific tools	13,479	1,039	(361)	(17)	6	14,146
Machinery and other tools	10,046	583	(171)	(66)	2	10,394
Fixed assets leased to customers	2,090	660	(689)	3	(32)	2,032
Other tangibles	772	56	(48)	(3)	-	777
Construction in progress(1)	1,625	(84)	3	(35)	5	1,514
Gross values	**34,630**	**2,396**	**(1,323)**	**(199)**	**(9)**	**35,495**
Land	-	-	-	-	-	-
Buildings	(3,320)	(235)	36	13	(3)	(3,509)
Specific tools	(11,433)	(824)	365	(22)	(6)	(11,920)
Machinery and other tools	(7,492)	(577)	147	8	-	(7,914)
Fixed assets leased to customers(2)	(718)	(245)	325	(1)	(25)	(664)
Other tangibles	(694)	(37)	41	3	-	(687)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment(3)	**(23,657)**	**(1,918)**	**914**	**1**	**(34)**	**(24,694)**
Land	565	7	(7)	3	-	568
Buildings	2,733	(100)	(14)	(71)	7	2,555
Specific tools	2,046	215	4	(39)	-	2,226
Machinery and other tools	2,554	6	(24)	(58)	2	2,480
Fixed assets leased to customers	1,372	415	(364)	2	(57)	1,368
Other tangibles	78	19	(7)	-	-	90
Construction in progress(1)	1,625	(84)	3	(35)	5	1,514
Net values	**10,973**	**478**	**(409)**	**(198)**	**(43)**	**10,801**

(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions/depreciation and impairment" column.
(2) Impairment of assets leased to customers amounts to €221 million at December 31, 2014 (€227 million at December 31, 2013).
(3) Depreciation and impairment in 2014 include impairment of €92 million on vehicles and powertrain subsystems (note 6-B), compared to €197 million of impairment in 2013.

Changes during 2013 in property, plant and equipment were as follows:

(€ million)	GROSS VALUE	DEPRECIATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2012	**34,617**	**(23,083)**	**11,534**
Acquisitions/(depreciation and impairment)	2,301	(2,172)	129
(Disposals)/reversals	(1,372)	994	(378)
Translation adjustments	(497)	282	(215)
Change in scope of consolidation and other	(419)	322	(97)
Value at December 31, 2013	**34,630**	**(23,657)**	**10,973**

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-L).

A – Impairment tests on vehicle-specific and component-specific assets

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €138 million was booked during 2014 (€350 million at December 31, 2013). This impairment concerns vehicles and powertrain subsystems and was primarily recorded against capitalized development expenses. A provision of €15 million was also recorded in respect of the electric vehicle range in 2014, in addition to the €119 million provision established in 2013, to cover the estimated indemnities payable for failure to meet stipulated minimum purchase volumes. This additional amount reflects the effect of unwinding the discount on future cash flows.

Apart from vehicles for which impairment has been recorded, other vehicles tested in previous half-years no longer display any evidence of impairment.

B – Impairment tests on other cash-generating units of the Automotive segment

In 2014, no cash-generating unit representing an economic entity (plant or subsidiary) was subjected to an impairment test, as there were no indications of impairment in the various combined economic units that make up the Group.

An impairment test was carried out on the Automotive segment, as is the case every year.

The recoverable value used for the purposes of the impairment tests for the Automotive segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	2014	2013
Business plan duration	3 years	6 years
Forecast sales volumes over the projected horizon (units)	3,520,000	3,344,000
Growth rate to infinity	1.8%	1.8%
After-tax discount rate	8.8%	8.8%

In 2014 as in 2013, no impairment was recognized on assets included in the Automotive segment as a result of the impairment test.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- the volume reduction over the projected horizon must not exceed 325,000 units (275,000 units in 2013);
- the after-tax discount rate must not exceed 16.4% (14% in 2013).

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

NOTE 12

INVESTMENT IN NISSAN

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, 2014, Renault occupied two of the nine seats on Nissan's Board of Directors (compared to two at December 31, 2013);
- Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. 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. The Group's early application of the new standard IFRS 10, "Consolidated financial statements", as of January 1, 2013, has not affected the conclusion that Renault has significant influence over Nissan.

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 to December are consolidated in Renault's annual financial statements).

Nissan held 0.68% of treasury shares at December 31, 2014 (0.68% at December 31, 2013). Consequently, Renault's percentage interest in Nissan is 43.7% at December 31, 2014 (43.7% at December 31, 2013). Renault holds 43.4% of voting rights in Nissan at December 31, 2014 (43.4% at December 31, 2013).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

(€ million)	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
	BEFORE NEUTRALIZATION	NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT[1]	Net		
At December 31, 2013	**14,403**	**(975)**	**13,428**	**640**	**14,068**
2014 net income	1,559	-	1,559	-	1,559
Dividend distributed	(432)	-	(432)	-	(432)
Translation adjustment	621	-	621	(3)	618
Other changes[2]	19	1	20	-	20
At December 31, 2014	**16,170**	**(974)**	**15,196**	**637**	**15,833**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's treasury share repurchases.

(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.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	DECEMBER 31, 2013	2014 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	OTHER CHANGES[1]	DECEMBER 31, 2014
Shareholders' equity – Nissan share under Japanese GAAP	**4,221**	**454**	**(132)**	**238**	**(71)**	**4,710**
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations[2]	(96)	(1)	-	5	94	2
Capitalization of development expenses	554	45	-	4	-	603
Deferred taxes and other restatements	(114)	4	-	8	(37)	(139)
Net assets restated for compliance with IFRS	**4,565**	**502**	**(132)**	**255**	**(14)**	**5,176**
Restatements for Renault group requirements[3]	205	(1)	(10)	(15)	19	198
Net assets restated for Renault group requirements	**4,770**	**501**	**(142)**	**240**	**5**	**5,374**
(€ million)						
Net assets restated for Renault group requirements	**32,960**	**1,806**	**(486)**	**2,760**	**(38)**	**37,002**
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	14,403	1,559	(432)	621	19	16,170
Neutralization of Nissan's investment in Renault[4]	(975)	-	-	-	1	(974)
RENAULT'S SHARE IN THE NET ASSETS OF NISSAN	**13,428**	**1,559**	**(432)**	**621**	**20**	**15,196**

(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.

(2) Including actuarial gains and losses recognized in equity.

(3) Restatements for Renault group 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 by the equity method.

(4) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of 15%.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2014 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2013 financial year and the first three quarters of its 2014 financial year.

	JANUARY TO MARCH 2014		APRIL TO JUNE 2014		JULY TO SEPTEMBER 2014		OCTOBER TO DECEMBER 2014		JANUARY TO DECEMBER 2014	
	FOURTH QUARTER OF NISSAN'S 2013 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2014 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2014 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2014 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2014 CONSOLIDATED FINANCIAL STATEMENTS	
	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(1)
Net income – parent company shareholders' share	115	817	112	800	125	908	102	713	454	3,238

(1) Converted at the average exchange rate for each quarter of 2014.

F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31 of 2014 and 2013. 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 by the equity method.

	2014		2013	
	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(2)
Revenues	11,189	79,705	9,841	75,899
Net income				
Parent company shareholders' share	502	3,569	416	3,209
Non-controlling interests' share	22	164	29	223
Other components of comprehensive income				
Parent company shareholders' share	238	1,703	538	4,149
Non-controlling interests' share	22	149	18	139
Comprehensive income				
Parent company shareholders' share	740	5,272	954	7,358
Non-controlling interests' share	44	313	47	362
Dividends received from Nissan	62	432	54	406

	DECEMBER 31, 2014		DECEMBER 31, 2013	
	(in billions of yen)	(€ million)(1)	(in billions of yen)	(€ million)(2)
Non-current assets	7,481	51,511	6,684	46,186
Current assets	9,863	67,913	8,284	57,241
TOTAL ASSETS	**17,344**	**119,424**	**14,968**	**103,427**
Shareholders' equity				
Parent company shareholders' share	5,176	35,626	4,565	31,544
Non-controlling interests' share	395	2,734	318	2,197
Non-current liabilities	5,783	39,819	5,123	35,399
Current liabilities	5,990	41,245	4,962	34,287
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**17,344**	**119,424**	**14,968**	**103,427**

(1) Converted at the average exchange rate for 2014 i.e. 140.4 JPY = 1 EUR for income statement items, and at the December 31, 2014 rate i.e. 145.2 JPY = 1 EUR for financial position items.
(2) Converted at the average exchange rate for 2013, i.e. 129.7 JPY = 1 EUR for income statement items, and at the December 31, 2013 rate i.e. 144.7 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, 2014, the corresponding hedging operations totalled 129 billion yen (€890 million), comprising 24 billion yen (€165 million) of private placements on the EMTN market and 105 billion yen (€725 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2014, these operations generated favourable foreign exchange differences of €8 million (favourable difference of €209 million in 2013). The net favourable effect of €63 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, 2014 of JPY 1,057 per share, Renault's investment in Nissan is valued at €14,280 million (€11,985 million at December 31, 2013 based on the price of JPY 884 per share).

I – Impairment test of the investment in Nissan

At December 31, 2014, the stock market value of the investment was 9.8% lower than its book value in the assets of Renault's statement of financial position. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (note 2-L).

As this investment is strategic, in compliance with IAS 36 the recoverable value was determined based on the higher of stock market value, representing "fair value", and value in use, estimated on the basis of discounted cash flows defined in the business plan drawn up by Nissan management. An after-tax discount rate of 7.5% and a growth rate to infinity of 3.1% 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 in 2014.

A 200 base point increase in the discount rate associated with a 40 base point decrease in the growth rate to infinity or a 100 base point decrease in the operating margin would have no impact on the book value of the investment in Nissan.

J – Operations between the Renault group and the Nissan group

Renault and Nissan follow joint strategies for vehicle and part development, purchasing and production and distribution resources.

The cooperation between the two groups in 2014 principally takes the following forms:

Joint investments

Renault and Nissan share development costs and investments for gearbox and engine production.

The two groups have made joint investments since 2007 for production of Logan vehicles. This type of cooperation now exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.

Since 2011, the Alliance's Chennai plant in India has produced the first cross-badged vehicle Renault Pulse, an adaptation of the Nissan Micra with a 1.5 dCi diesel engine made at the Cleon plant in France. From 2014, cross-badged Nissan Terrano vehicles adapted from the Renault Duster have also been made at the Chennia plant for sale in India.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 13,490 vehicles were assembled during 2014.

The Chennai plant has provided assembly services since 2011 for the Fluence and Koleos, which are sold on the Indian market by Renault dealers. These services were extended in 2012 to the Duster, Pulse and Scala. In 2014, the volume of assembled vehicles totalled 74,560 units.

In the light commercial vehicles segment, Nissan produced 56,180 Trafic vans over the year at its Barcelona plant in Spain in 2014. 9.6% of these are sold through the Nissan network. Production of these Trafic vans in Barcelona was discontinued in July 2014. Renault, meanwhile, produced 5,560 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network.

In 2014 Renault's Moscow plant began to produce cross-badged Nissan Terranos, adapted from the Renault Duster. 12,055 vehicles were sold to Nissan for the Russian market in 2014.

Starting from 2014, the Busan plant in South Korea supplies assembly services for the Nissan Rogue, intended for the United States. In 2014, 26,470 vehicles were produced in the Renault Samsung Motors plant.

Part sales

In Europe, the Renault group produces engines common to the Alliance at its Cléon plant in France, for use by Nissan's Japanese and UK plants in the Nissan Qashqai and X-Trail vehicles.

Renault also supplies gearboxes, engines and components manufactured at the plants in Cacia in Portugal, Valladolid and Seville in Spain, Cléon in France and Pitesti in Romania to Nissan's plants in Sunderland in the UK, Barcelona in Spain, Saint Petersburg in Russia, Chennai in India and Thailand.

In South America, Renault supplies gearboxes made by its subsidiary Cormecanica to Nissan's Resende plant in Brazil.

In total Renault supplied 662,000 gearboxes and 346,000 engines during 2014.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the SM7 and the Koleos.

Renault also uses Nissan's pinions for the Mégane range, and automatic gearboxes, with continuous variable transmissions for the Mégane and the Espace. Renault also uses a 2.0 litre engine developed jointly with Nissan for the Laguna. Nissan supplies rear axles for the Dacia Duster.

Sales

In Europe, Renault markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia.

Conversely, Nissan markets Renault vehicles in Japan, Australia and the Gulf states.

Finance

From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2014, Renault Finance undertook foreign exchange transactions totalling approximately €20.4 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions, undertaken for Nissan, are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing segment

The Sales Financing segment helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2014, the consolidated RCI Banque subgroup recorded €156 million of income in the form of commission and interest received from Nissan.

Total figures for 2014

Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,500 million and €1,900 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in the Renault and Nissan financial statements, and therefore generate no financial exchanges between the two groups. The same applies to sales of powertrain parts by the Alliance to partners such as Daimler and AVTOVAZ.

NOTE 13

INVESTMENTS IN OTHER ASSOCIATES AND JOINT VENTURES

Details of investments in other associates and joint ventures are as follows:

- value in the Group's statement of consolidated financial position was €887 million at December 31, 2014 (€806 million at December 31, 2013);
- Renault's share in the net income of other associates and joint ventures was a loss of €197 million for 2014, including a loss of €182 million for AVTOVAZ's contribution in 2014 (€54 million of losses for 2013, including €34 million of losses from AVTOVAZ).

A – AVTOVAZ

The Russian automaker AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ are consolidated with a 3-month time-lag. Consequently, the AVTOVAZ net income included in Renault's 2014 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2013 financial year and the first three quarters of its 2014 financial year.

A1 Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

Renault's percentage interest in AVTOVAZ, through the entity Alliance Rostec Auto B.V., was 37.25% at December 31, 2014 compared to 35.91% at December 31, 2013. The increase results from the ongoing application of the partnership agreement signed in December 2012.

This agreement created a joint venture named Alliance Rostec Auto B.V. which groups all the interests in AVTOVAZ owned by Renault, Nissan and Russian Technologies. Alliance Rostec Auto B.V. has held 74.51% of the capital and voting rights at the Shareholders' Meetings of AVTOVAZ since March 2013.

In June 2014, application of this partnership agreement had the following consequences for the Group:

- subscription to an €88 million capital increase by Alliance Rostec Auto B.V: €50 million by Renault and €38 million by Nissan;
- acquisition by Renault of shares in Alliance Rostec Auto B.V. from Russian Technologies for €19 million.

Following these operations, Renault now holds 50%, less one share, of the capital and the voting rights at Shareholders' Meetings and Board of Directors' Meetings of Alliance Rostec Auto B.V. (48.2% at December 2013).

AVTOVAZ's Board of Directors consists of 15 members nominated for appointment by Alliance Rostec Auto B.V. comprising 8 members nominated for appointment by Renault and Nissan (4 members nominated by Renault, 2 nominated by Nissan and 2 nominated jointly by Renault and Nissan) and 7 members nominated by Russian Technologies. On June 27, 2013, the Chairman and CEO of Renault and President of Nissan was elected Chairman of the Board of AVTOVAZ. As of December 31, 2014, Renault occupies 4 seats on the Board (3 seats at December 31, 2013).

The Renault group does not control Alliance Rostec Auto B.V. or AVTOVAZ, because it does not hold the majority of voting rights in the governing bodies of Alliance Rostec Auto B.V. or the Board of Directors of AVTOVAZ. All major strategic and operating decisions must be approved by a majority shareholder vote. Therefore Alliance Rostec Auto B.V. and AVTOVAZ are accounted for by the equity method in the Group's financial statements.

In 2014, the Russian economy had to deal with several hurdles. Following the conflict in Ukraine, the economy has been hit by international sanctions, declining oil prices, material collapsing of currency in the last quarter and rising interest rates. This situation impacted negatively car demand which saw a continuous decline until the implementation of governmental incentives in the fourth quarter of 2014.

Consequently, adjustments have been made to take into account significant transactions and accounting entries that occurred between the end of September 2014 and December 31, 2014 and the adjusted statement of financial position as of September 30, 2014 was converted in euros based on the exchange rate Russian Roubles/euro as of December 31, 2014.

The table below reports consolidated figures for Alliance Rostec Auto B.V. and the AVTOVAZ group.

(€ million)	SHARE IN NET ASSETS: BEFORE NEUTRALIZATION	SHARE IN NET ASSETS: NEUTRALIZATION OF RENAULT'S SHARE IN THE DEBT OF ALLIANCE ROSTEC AUTO B.V.(1)	SHARE IN NET ASSETS: NET	NET *GOODWILLS*	TOTAL
At September 30, 2013	**531**	**(45)**	**486**	**63**	**549**
Net income for the period October 1, 2013 to September 30, 2014 and last 2014 quarter adjustments(2)	(182)	-	(182)	-	(182)
Effects of the investment in Alliance Rostec Auto B.V.(3)	18	42	60	9	69
Translation adjustment, actuarial gains and losses and revaluation of financial instruments(4)	(162)	3	(159)	(28)	(187)
At September 30, 2014(4)	**205**	**-**	**205**	**44**	**249**

(1) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which agreed to defer payment by the joint venture to June 2014. Debt was redeemed on June 2014.

(2) The share in net income of AVTOVAZ has been calculated by applying a 35.91% interest to the net income for the first three quarters of the period and the rate of 37.25% for the final quarter of the period. Adjustments have been made to take into account significant transactions and accounting entries that occurred between the end of September 2014 and December 31, 2014.

(3) Renault invested €69 million during the first half of 2014 in equity securities of Alliance Rostec Auto B.V, and raised its percentage interest in AVTOVAZ. This operation generated goodwill of 450 million roubles (€9 million).

(4) Closing balance in Russian Roubles as of September 30, 2014 were converted in € based on the exchange rate as of December 31, 2014, i.e. 72,337 roubles for €1 due to the material change of the Russian Roubles exchange rate between end of September 2014 and December 31, 2014. Accumulated translation adjustments as of December 31, 2014 amount to € (295) million.

A2 Changes in AVTOVAZ and Alliance Rostec Auto B.V. shareholders' equity restated for the purposes of the Renault consolidation

(€ million)	OCTOBER 1, 2013	NET INCOME FOR THE PERIOD OCTOBER 1, 2013 – SEPTEMBER 30, 2014 AND 2014 LAST QUARTER ADJUSTMENTS	EFFECTS OF THE INVESTMENT IN ALLIANCE ROSTEC AUTO B.V.(1)	TRANSLATION ADJUSTMENT AND OTHER CHANGES	SEPTEMBER 30, 2014(2)
Shareholders' equity – parent company shareholders' share	1,433	(493)	-	(418)	522
Restatements for Renault group requirements(3)	46	(3)	-	(17)	26
Net assets restated for Renault group requirements	**1,479**	**(496)**	**-**	**(435)**	**548**
Share in AVTOVAZ held by Alliance Auto Rostec B.V. (74.51%)	1,102	(369)	-	(324)	409
Net debt of Alliance Rostec Auto B.V.(4)	(94)	-	88	6	-
Restated net assets of Alliance Rostec Auto B.V.	1,008	(369)	88	(318)	409
Renault's percentage interest in Alliance Rostec Auto B.V.	48.2%		1.8%		50% less one share
Share in Alliance Rostec Auto B.V. held by Renault (A)	**486**	**(182)**	**60**	**(159)**	**205**
***Goodwill* on acquisitions of shares in AVTOVAZ and Alliance Rostec Auto B.V. (B)**	**63**	**-**	**9**	**(28)**	**44**
RENAULT'S SHARE IN THE NET ASSETS OF AVTOVAZ (A) + (B)	**549**	**(182)**	**69**	**(187)**	**249**

(1) Renault invested €69 million during the first half of 2014 in equity securities of Alliance Rostec Auto B.V. (via a capital increase in cash subscribed with Nissan, and a purchase of shares from Russian Technologies), raising its percentage interest in AVTOVAZ.

(2) Closing balance in Russian Roubles as of September 30, 2014 converted in € based on the exchange rate €/Russian rouble as of December 31, 2014, i.e. 72.337 roubles for €1 due to the material change of the Russian Roubles exchange rate between end of September 2014 and December 31, 2014.

(3) Restatements for Renault group requirements correspond to valuation of intangible assets (the Lada brand).

(4) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which payment deferred until June 2014.

A3 AVTOVAZ financial information under IFRS

AVTOVAZ's published financial information under IFRS for 2013 (year ended December 31) and the first three quarters of the year 2014, is summarized below:

	FROM JANUARY TO SEPTEMBER 2014		2013	
	(in millions of roubles)	(€ million)[(1)]	(in millions of roubles)	(€ million)[(2)]
Revenues	134,566	2,801	177,049	4,184
Operating income (loss)	(7,910)	(165)	(6,741)	(159)
Net income				
Parent company shareholders' share	(13,931)	(290)	(7,690)	(182)
Non-controlling interests' share	19	-	(207)	(5)
Other components of comprehensive income				
Parent company shareholders' share	64	1	151	2
Non-controlling interests' share	-	-	-	-
Comprehensive income				
Parent company shareholders' share	(13,867)	(289)	(7,539)	(178)
Non-controlling interests' share	19	-	(207)	(5)
Dividends received from AVTOVAZ	-	-	-	-

	SEPTEMBER 30, 2014		DECEMBER 31, 2013	
	(in millions of roubles)	(€ million)[(1)]	(in millions of roubles)	(€ million)[(2)]
Non-current assets	105,807	1,463	99,287	2,191
Cash & cash equivalents	4,630	64	3,384	75
Other current assets (including assets held for sale)	47,196	652	39,583	873
TOTAL ASSETS	**157,633**	**2,179**	**142,254**	**3,139**
Shareholders' equity				
Parent company shareholders' share	45,585	630	59,452	1,312
Non-controlling interests' share	327	5	308	7
Non-current financial liabilities	28,739	397	23,404	516
Other non-current liabilities	11,173	154	10,166	225
Current financial liabilities	29,930	414	23,247	513
Other current liabilities (including liabilities related to assets held for sale)	41,879	579	25,677	566
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**157,633**	**2,179**	**142,254**	**3,139**

(1) Converted at the average exchange rate for January to September 2014, i.e. 48.04 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2014, i.e. 72.34 RUB = 1 EUR for balance sheet items.

(2) Converted at the average exchange rate for 2013 i.e.42.32 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2013 i.e. 45.32 RUB = 1 EUR for balance sheet items.

A4 Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price, Renault's 37.25% investment in AVTOVAZ is valued at €90 million at December 31, 2014, (€179 million for 35.91% of the capital at December 31, 2013).

A5 Impairment test of the investment in AVTOVAZ

At December 31, 2014, the stock market value of the investment was 64% lower than the value of AVTOVAZ in Renault's statement of financial position (67% lower at December 31, 2013).

In application of the approach presented in the note on accounting policies (note 2-L), an impairment test was carried out. An after-tax discount rate of 14.8% and a growth rate to infinity of 3.0% were used to calculate value in use. The terminal value was calculated under reasonable profitability and medium-term prospects assumptions. If one of these assumptions is varied while the other remains stable, with a growth rate to infinity of 1% or an after-tax rate discount rate of 16%, the recoverable value will still be higher than the book value. The test results at December 31, 2014 did not indicate any loss of value in the investment in AVTOVAZ, and no impairment was recognized.

The price paid for transactions during 2013 and 2014 between the various parties in the partnership agreement, who are all independent, is approximately 40 roubles per share. This is higher than the average value of the shares in the portfolio which are valued at 21 roubles per share at December 31, 2014. The price calculation was based on prospects for change in production volumes and profitability that are coherent with the most recent updates to the company's business plan.

A6 Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for several vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ, and for assembly of the B0 platform shared by AVTOVAZ, Renault and Nissan. Consulting services are also provided by Renault group in areas such as purchasing, quality and IT. During 2014, Renault invoiced €56 million to AVTOVAZ for this technical assistance (€54 million in 2013).

Following the start of vehicle production on the B0 platform, Renault supplied AVTOVAZ with parts required for assembly for a total amount of €529 million in 2014 (€356 million in 2013).

Production of Renault vehicles began on this platform in March 2014, and AVTOVAZ delivered vehicles worth a total €360 million to Renault during 2014.

Renault's investment in the B0 platform is recorded in property, plant and equipment at the amount of €161 million at December 31, 2014 (11,616 million roubles) of which €33 million with regards to a new developed engine (€174 million or 7,902 million roubles at December 31, 2013).

The total amount of loans by the Group to AVTOVAZ is €111 million at December 31, 2014 (€123 million at December 31, 2013).

B – Associates and joint ventures accounted for under the equity method, other than Nissan and AVTOVAZ

B1 Information on 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, 2014	DECEMBER 31, 2013
Entities under significant influence				
Automotive				
Boone Comenor	France	Metal trading	33	33
Maïs	Turkey	Automotive sales	49	49
Renault Nissan Automotive India Private Limited (RNAIPL)	India	Vehicle manufacturing	30	30
Renault South Africa	South Africa	Automotive import	40	40[1]
Sales financing				
RN Bank	Russia	Automotive sales financing	30[2]	-
BARN B.V.	Netherlands	Holding company	30[2]	
Joint ventures				
Automotive				
Renault Algérie Production	Algeria	Vehicle manufacturing	49[2]	-
Dongfeng Renault Automotive Company	China	Automaker	50[2]	-
Indra Investissements	France	Dismantling of end-of-life vehicles	50	50
Sales financing				
Renault Credit Car	Belgium	Automotive sales financing	50	50
RN SF B.V.	Netherlands	Holding company	50[2]	-
Orfin Finansman Anonim Sirketi	Turkey	Automotive sales financing	50	50

(1) Renault South Africa was fully consolidated until November 30, 2013, at which date the Group transferred control to its partner.
(2) First consolidated in 2014.

B2 Cumulative financial information on associates accounted for under the equity method

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Investments in associates	339	243
Share in income (loss) of associates	(25)	(21)
Share of associates in other components of comprehensive income	(14)	(11)
Share of associates in comprehensive income	(39)	(31)

B3 Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Investments in joint ventures	298	15
Share in income (loss) of joint ventures	10	1
Share of joint ventures in other components of comprehensive income	23	(6)
Share of joint ventures in comprehensive income	33	(5)

NOTE 14
INVENTORIES

(€ million)	DECEMBER 31, 2014			DECEMBER 31, 2013		
	GROSS VALUE	IMPAIRMENT	NET VALUE	GROSS VALUE	IMPAIRMENT	NET VALUE
Raw materials and supplies	1,028	(207)	821	989	(214)	775
Work in progress	171	(1)	170	146	(1)	145
Used vehicles	912	(79)	833	926	(95)	831
Finished products and spare parts	1,696	(129)	1,567	1,540	(129)	1,411
TOTAL	**3,807**	**(416)**	**3,391**	**3,601**	**(439)**	**3,162**

NOTE 15
SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Dealership receivables	7,489	7,277
Financing for end-customers	14,478	12,536
Leasing and similar operations	4,458	4,569
Gross value	**26,425**	**24,382**
Impairment	(692)	(732)
NET VALUE	**25,733**	**23,650**
FAIR VALUE	**25,864**	**23,745**

The fair value 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.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve

B1 Assignments of sales financing assets

(€ million)	DECEMBER 31, 2014		DECEMBER 31, 2013	
	Balance sheet value	Fair value	Balance sheet value	Fair value
Assigned receivables carried in the balance sheet	7,724	7,901	7,680	7,792
Associated liabilities	3,635	3,670	3,602	3,643

The Sales Financing segment has undertaken several public securitization operations through special purpose vehicles and conduit financing operations (in Germany, France, Italy and the United Kingdom) involving loans to final customers and receivables on the dealership network. 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 though such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, 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, Sales Financing had provided guarantees to the Banque de France amounting to €2,850 million at December 31, 2014 (€3,394 million at December 31, 2013): €2,452 million in the form of shares in securitization vehicles and €398 million in sales financing receivables (€2,479 million of shares in securitization vehicles, €565 million in sales financing receivables and €350 million in short-term loans from the Banque de France at December 31, 2013). The funding provided by the European Central Bank against receivables pledged as collateral amounts to €550 million at December 31, 2014, and is recorded in borrowings from credit institutions in the sales financing debts (there was no such funding at December 31, 2013).

At December 31, 2013 RCI Banque had transferred €380 million of receivables to the *Société de Financement de l'Économie Française* (SFEF) as collateral for refinancing of €210 million. The borrowing was repaid in 2014 and RCI Banque is now formally released from this guarantee.

C – Sales financing receivables by maturity

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
-1 year	15,058	13,884
1 to 5 years	10,546	9,665
+5 years	129	101
TOTAL SALES FINANCING RECEIVABLES, NET	**25,733**	**23,650**

D – Breakdown of overdue sales financing receivables (gross values)

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Receivables for which impairment has been recognized[(1)]: overdue by	**424**	**503**
0 to 90 days	*39*	*67*
90 to 180 days	*44*	*61*
More than 180 days	*341*	*375*
Receivables for which no impairment has been recognized: overdue by	**169**	**14**
-0 to 90 days	*169*	*14*
More than 90 days	*-*	*-*

(1) This only includes sales financing receivables partly or totally written off through impairment on an individual basis.

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 financing commitments for customers reported under irrevocable 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 €469 million at December 31, 2014 (€655 million at December 31, 2013).

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.

E – Changes in impairment of sales financing receivables

(€ million)	
Impairment at December 31, 2013	**(732)**
Impairment recorded during the year	(336)
Reversals for use of impairment	248
Reversals of unused residual amounts	132
Translation adjustment and other	(4)
Impairment at December 31, 2014	**(692)**

Net credit losses amounted to €40 million in 2014 (€65 million in 2013).

NOTE 16
AUTOMOTIVE RECEIVABLES

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Gross value	2,007	1,736
Impairment	(765)[(1)]	(766)[(1)]
AUTOMOTIVE RECEIVABLES, NET	**1,242**	**970**

(1) Including (€724) million related to Iran at December 31, 2014 and (€729) million at December 31, 2013 (note 6-C).

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 Automotive receivables that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2014.

There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group's total sales revenues.

The fair value of Automotive receivables is equal to their net book value due to their short-term maturities. This is a level 3 fair value, as it involves assessment of the credit risk associated with the portfolio of receivables that is not based on observable market data.

NOTE 17

OTHER CURRENT AND NON-CURRENT ASSETS

(€ million)	DECEMBER 31, 2014 NON-CURRENT	CURRENT	TOTAL	DECEMBER 31, 2013 NON-CURRENT	CURRENT	TOTAL
Prepaid expenses	134	266	400	120	224	344
Tax receivables (excluding current taxes due)	410	1,008	1,418	412	906	1,318
Taxes due[1]	-	38	38	-	64	64
Other receivables	538	1,031	1,569	473	925	1,398
Investments in controlled unconsolidated entities	70	-	70	71	-	71
Derivatives on operating transactions of the Automotive segment	-	4	4	-	-	-
Derivatives on financing transactions of the Sales Financing segment	-	298	298	-	201	201
TOTAL	**1,152**	**2,645**	**3,797**	**1,076**	**2,320**	**3,396**
Gross value	*1,247*	*2,761*	*4,008*	*1,183*	*2,385*	*3,568*
Impairment	*(95)*	*(116)*	*(211)*	*(107)*	*(65)*	*(172)*

(1) Current taxes due are reported separately in the consolidated financial position (4.2.3).

NOTE 18

SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2014 is 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2013).

Treasury shares do not bear dividends. They account for 0.86% of Renault's share capital at December 31, 2014 (1.28% at December 31, 2013).

The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd (the voting rights attached to these shares cannot be exercised).

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 actively manages its capital structure, making adjustments in view of developments in economic conditions. 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 Group manages the Automotive segment's capital by reference to a ratio equal to the segment's net indebtedness divided by the amount of shareholders' equity (net 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. The Group has a net liquidity position at December 31, 2014 (net liquidity position at December 31, 2013).

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 (excluding the Basel I floor effect) is 14.7% at December 31, 2014 (14.2% at December 31, 2013).

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 awarded to Group managers and executives.

	DECEMBER 31, 2014	DECEMBER 31, 2013
Total value of treasury shares (€ million)	134	187
Total number of treasury shares	2,555,993	3,784,305

D – Distributions

At the General and Extraordinary Shareholders' Meeting of April 30, 2014, it was decided to distribute a dividend of €1.72 per share representing a total amount of €503 million (€1.72 per share or a total of €502 million in 2013). This dividend was paid during May.

E – Translation adjustment

The change in translation adjustment over the year is analysed as follows:

(€ million)	2014	2013
Change in translation adjustment on the value of the investment in Nissan	619	(2,060)
Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G)	63	209
Total change in translation adjustment related to Nissan	**682**	**(1,851)**
Other changes in translation adjustment	(271)	(435)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**411**	**(2,286)**

In 2014, other changes in the translation adjustment mostly resulted from movements in the Russian rouble and the Korean won. In 2013, they mostly resulted from movements in the Argentinian peso, the Brazilian real, the Russian rouble and the Korean won against the Euro.

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	AVAILABLE-FOR-SALE FINANCIAL ASSETS	TOTAL
At December 31, 2013[1]	**(79)**	**650**	**571**
Changes in fair value recorded in shareholders' equity	9	112	121
Transfer from shareholders' equity to the income statement[2]	11	-	11
At December 31, 2014[1]	**(59)**	**762[3]**	**703**

(1) For the schedule of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.
(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.
(3) The revaluation reserve partly relates to Daimler shares (note 22-A).

F2 Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2014	2013
Operating margin	3	24
Other operating income and expenses	-	3
Net financial income (expense)	-	1
Share in net income of associates and joint ventures	8	-
Current and deferred taxes	-	-
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**11**	**28**

F3 Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Within one year	(1)	3
After one year	(32)	(34)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	***(33)***	***(31)***
Revaluation reserve for cash flow hedges – associates and joint ventures	(26)	(48)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(59)**	**(79)**

This schedule is based on the contractual maturities of hedged cash flows.

G – Stock option and free share attribution plans

The Board of Directors periodically grants stock options to Group executives and managers, with prices and exercise periods specific to each plan. Performance share plans are also awarded, each with its own vesting and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination, and a decision is made for each individual case when an employee leaves at the Company's instigation.

In 2014, a new performance share plan was introduced, concerning 1,291,000 shares with initial total value of €51 million. 1,081,000 performance shares were awarded at the end of the vesting period to the beneficiaries of plan 18 bis and 511,000 to the beneficiaries of plan 20 bis. These shares were included in the treasury share portfolio at December 31, 2013.

G1 Stock option plans

Changes in the number of stock options held by personnel are as follows:

	2014			2013		
	QUANTITY	WEIGHTED AVERAGE EXERCISE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)	QUANTITY	WEIGHTED AVERAGE EXERCISE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)
Outstanding at January 1	**3,843,771**	**76**	**-**	**5,156,196**	**76**	**-**
Granted				297,800	37	40
Exercised				-	-	-
Expired[(1)]	(2,818,941)	90	N/A	(1,610,225)	69	N/A
Outstanding at December 31	**1,024,830**	**37**	**-**	**3,843,771**	**76**	**-**

(1) Most of the stock options that expired in 2014 were granted in 2006 under plans 12 and 14.

For plans current in 2014, options attributed vest after a period of 4 years, and the exercise period then covers the 4 following years:

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING AT DECEMBER 31, 2014	EXERCISE PERIOD
Plan 12	Stock subscription options	May 4, 2006	87.98	-	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	-	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	478,612	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	150,000	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase options	December 13, 2012	37.43	396,218	December 13, 2016 – December 12, 2020
TOTAL				**1,024,830**	

G2 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 performance shares awarded to French tax residents is 2 to 4 years depending on the plan, followed by a minimum holding period of 2 to 4 years.

For non-French tax residents, the vesting period is 4 years and there is no minimum holding period.

PLAN	TYPE OF PLAN	GRANT DATE	SHARE RIGHTS AWARDED AT DECEMBER 31, 2014	VESTING DATE	HOLDING PERIOD
Plan 18 bis	Performance shares	April 29, 2011	-[(1)] 91,395	April 30, 2014 April 30, 2015	April 30, 2014 – April 30, 2016 None
Plan 19 bis	Performance shares	December 8, 2011	25,500	December 8, 2015	None
Plan 20 bis	Performance shares	December 13, 2012	-[(1)] 75,143	December 13, 2014 December 13, 2016	December 13, 2014 – December 12, 2016 None
Plan 21 bis	Performance shares	February 12, 2014	1,091,475 199,577	February 12, 2017 February 12, 2018	February 12, 2017-February 12, 2019 None
TOTAL			**1,483,090**		

(1) The performance shares concerned by these plans were issued to beneficiaries in 2014.

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H – Share-based payments

Share-based payments exclusively concern stock options and performance shares awarded to personnel.

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 2014 (€ million)	EXPENSE FOR 2013 (€ million)	SHARE PRICE AT GRANT DATE (€)	VOLATILITY	INTEREST RATE	EXERCISE PRICE (€)	DURATION OF OPTION	DIVIDEND PER SHARE (€)
Plan 12[(1)]	17,324	16.20	-	-	87.05	28.1%	3.90%	87.98	4 – 8 years	2.40 – 4.50
Plan 14[(1)]	26,066	15.00	-	-	92.65	26.7%	3.88%	93.86	4 – 8 years	2.40 – 4.50
Plan 18	3,422	9.31	(1)	(2)	36.70	37.28%	2.28%	38.80	4 – 8 years	0.30 – 1.16
Plan 18 bis	28,711	31.04	(6)	(17)	36.70	N/A	2.28%	N/A	3 – 5 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 19 bis	15,966	26.18	(1)	(4)	34.18	N/A	1.68%	N/A	2 – 4 years	1.17 – 1.73
Plan 20	2,708	6.87	(1)	(1)	40.39	35%	0.71%	37.43	4 – 8 years	1.57 – 2.19
Plan 20 bis	21,767	36.38	(10)	(9)	43.15	N/A	0.87%	N/A	2 – 4 years	1.57 – 1.97
Plan 21 bis	51,479	54.00	(13)	-	47.77	N/A	0.20%	N/A	3 – 5 years	1.72 – 1.97
TOTAL	**151,727**		**(32)**	**(33)**						

(1) For these plans, options have been awarded at different dates within the stated period. 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, 2014	DECEMBER 31, 2013	**2014**	2013	**DECEMBER 31, 2014**	DECEMBER 31, 2013	**2014**	2013
Automotive									
Renault Samsung Motors	Korea	20%	20%	35	4	149	102	-	-
Oyak Renault Otomobil Fabrikalari	Turkey	49%	49%	32	54	229	230	(32)	(39)
Other	N/A	N/A	N/A	5	14	30	29	(3)	(5)
TOTAL – AUTOMOTIVE				**72**	**72**	**408**	**361**	**(35)**	**(44)**
Sales Financing									
Companhia de Arrendamento Mercantil RCI do Brasil[(1)]	Brazil	40%	40%	11	11	-	-	-	-
Companhia de Credito, Financiamento e Investimento RCI do Brasil[(1)]	Brazil	40%	40%	15	17	-	-	(13)	(12)
Rombo Compania Financiera[(1)]	Argentina	40%	40%	8	8	-	-	-	-
Other	N/A	N/A	N/A	2	1	14	16	(4)	-
TOTAL – SALES FINANCING				**36**	**37**	**14**	**16**	**(17)**	**(12)**
TOTAL				**108**	**109**	**422**	**377**	**(52)**	**(56)**

(1) The Group has granted 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 €175 million for the two Brazilian subsidiaries and €28 million for the Argentinean subsidiary at December 31, 2014 (€182 million and €22 million respectively at December 31, 2013). 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.

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, 2014	DECEMBER 31, 2013
Automotive				
Société des Automobiles Alpine Caterham[(1)]	France	Automaker	100	50
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)[(2)]	India	Shared service centre	67	67

(1) Société des Automobiles Alpine Caterham is fully consolidated in 2014 following the repurchase of the 50% stake sold to a partner in June 2013. The percentage of voting rights is identical to the percentage of ownership.

(2) The Group holds 50% of voting rights in Renault Nissan Technology and Business Center India Private Limited.

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 €566 million in 2014 (€579 million in 2013).

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, Korea and Turkey;
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (*e.g.* United Kingdom, Germany, France, Netherlands, Switzerland);
- other long-term benefits, chiefly long-service awards, flexible holiday entitlements, and additional career-end leave in France.

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, the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns approximately 1,900 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, etc.).

The fund compartment dedicated to the Automotive segment is underfunded and the Group has made a commitment to cover the shortfall by 2022 through payments amounting to £3 million maximum per year. The deficit is valued at £18 million at September 30, 2014 (£15 million at September 30, 2013).

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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, 2014	DECEMBER 31, 2013
Retirement age	60 to 65	60 to 65
Discount rate(1)	1% – 3%	2.8% – 3.2%
Salary increase rate	1% – 3%	2.2% – 3%
Duration of plan	9 to 20 years	12 to 20 years
Gross obligation	€1,263 million	€1,137 million

(1) The rate most frequently used to value the Group's obligations in France is 1.6% in 2014 (2.9% in 2013) However, the rate varies 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, 2014	DECEMBER 31, 2013
Financial discount rate(1)	3.7% – 3.8%	4.7% – 4.8%
Salary increase rate	2% – 3%	2% – 3.3%
Duration of plan	20 – 27 years	20 – 27 years
Actual return on fund assets	12.1%	6.8% – 7.6%
Gross obligation	€326 million	€258 million
Fair value of assets invested via pension funds	€285 million	€238 million

(1) The discount rate was determined on the basis of the Mercer Yield Curve.

C – Net expense for the year

(€ million)	2014	2013
Current service cost	100	109
Past service cost and (gain)/loss on settlement	8	-
Net interest on the net liability (asset)	45	42
Effects of workforce adjustment measures	-	(1)
Net expense (income) for the year recorded in the income statement	**153**	**150**

D – Breakdown of the balance sheet provision

			DECEMBER 31, 2014
(€ million)	PRESENT VALUE OF THE OBLIGATION	FAIR VALUE OF FUND ASSETS	NET DEFINED-BENEFIT LIABILITY (ASSET)
Retirement and termination indemnities			
France	1,263	-	1,263
Europe (excluding France)	18	(2)	16
Americas	2	-	2
Eurasia[1]	58		58
Asia-Pacific[2]	92	(18)	74
Africa – Middle East – India	1	-	1
TOTAL RETIREMENT AND TERMINATION INDEMNITIES	**1,434**	**(20)**	**1,414**
Supplementary pensions			
France	84	(45)	39
United Kingdom	326	(285)	41
Europe (excluding France and the UK)[3]	241	(168)	73
Americas	5	-	5
TOTAL SUPPLEMENTARY PENSIONS	**656**	**(498)**	**158**
Other long-term benefits			
France[4]	176	-	176
Europe (excluding France)	2	-	2
TOTAL OTHER LONG-TERM BENEFITS	**178**	**-**	**178**
TOTAL[5]	**2,268**	**(518)**	**1,750**

(1) Essentially Romania and Turkey.
(2) Korea.
(3) Essentially Germany, the Netherlands and Switzerland.
(4) Flexible holiday entitlements, additional career-end leave and long-service awards.
(5) Total net liability due within one year: €67 million; total net liability due after one year: €1,683 million.

E – Changes in obligations, fund assets and the provision

(€ million)	PRESENT VALUE OF THE OBLIGATION (A)	FAIR VALUE OF FUND ASSETS (B)	NET DEFINED-BENEFIT LIABILITY (ASSET) (A) + (B)
Balance at December 31, 2013	**2,011**	**(453)**	**1,558**
Current service cost	100	-	100
Past service cost and gain/loss on settlement	8	-	8
Net interest on the net liability (asset)	62	(17)	45
Effects of workforce adjustment measures	-	-	-
Net expense (income) for 2014 recorded in the income statement (note 19-C)	**170**	**(17)**	**153**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	18	-	18
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	239	-	239
Actuarial gains and losses on the obligation resulting from experience effects	(62)	-	(62)
Net return on fund assets (not included in net interest above)	-	(34)	(34)
Change in asset ceiling (not included in net interest above)	-	-	-
Net expense (income) for 2014 recorded in other components of comprehensive income	**195**	**(34)**	**161**
Employer's contributions to funds	-	(7)	(7)
Employees' contributions to funds	-	(4)	(4)
Benefits paid under the plan	(137)	17	(120)
Effect of changes in exchange rates	28	(20)	8
Effect of changes in scope of consolidation	1	-	1
Balance at December 31, 2014	**2,268**	**(518)**	**1,750**

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €624 million at December 31, 2014 (an expense of €481 million at December 31, 2013).

A 50 base point decrease in discount rates used for each plan would result in a €155 million increase in the amount of obligations at December 31, 2014 (€115 million increase at December 31, 2013).

The weighted average duration of plans is 13 years at December 31, 2014 (14 years at December 31, 2013).

F – Fair value of fund assets

Details of the assets invested *via* pension funds and insurance companies are as follows:

	DECEMBER 31, 2014		
(€ million)	LISTED ON ACTIVE MARKETS	UNLISTED	TOTAL
Pension funds			
Cash and cash equivalents	1	-	1
Shares	79	-	79
Bonds	187	-	187
Real estate property	-	-	-
Shares in mutual funds and other	22	3	25
TOTAL – PENSION FUNDS	**289**	**3**	**292**
Insurance companies			
Cash and cash equivalents	19	-	19
Shares	9	-	9
Bonds	152	19	171
Real estate property	14	2	16
Shares in mutual funds and other	9	2	11
TOTAL – INSURANCE COMPANIES	**203**	**23**	**226**
TOTAL	**492**	**26**	**518**

Pension fund assets mainly relate to plans located in the United Kingdom (55.2%). Insurance contracts principally concern Germany (4.9%), Korea (3.3%), France (8.9%), the Netherlands (18.2%) and Switzerland (8.5%). The actual returns on plan assets in the United Kingdom are shown in note 19-B.

The weighted average actual rate of return on the Group's main funds was 7.82% in 2014 (6.4% in 2013).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2015 is approximately €12 million.

The Group's pension fund assets do not include Renault group financial instruments. Real estate investments do not include real estate properties occupied by the Group.

NOTE 20
OTHER PROVISIONS

(€ million)	RESTRUCTURING PROVISIONS	WARRANTY PROVISIONS	TAX RISKS AND LITIGATION PROVISIONS	INSURANCE ACTIVITIES(1)	OTHER PROVISIONS	TOTAL
At December 31, 2013	**443**	**702**	**366**	**191**	**379**	**2,081**
Increases	278	563	100	60	121	1,122
Reversals of provisions for application	(209)	(403)	(27)	(18)	(58)	(715)
Reversals of unused balance of provisions	(16)	(23)	(15)	-	(47)	(101)
Changes in scope of consolidation	(1)	-	-	-	(3)	(4)
Translation adjustments and other changes	(4)	(32)	1	-	(20)	(55)
At December 31, 2014(2)	**491**	**807**	**425**	**233**	**372**	**2,328**

(1) Mainly technical reserves established by the sales financing activity's insurance companies.
(2) Short-term portion of provisions: €1,088 million; long-term portion provisions: €1,240 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.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A). Increases to other provisions include the additional allocation to cover the estimated indemnities payable for failure to meet expected minimum purchase volumes for certain electric vehicles (note 6-B).

At December 31, 2014, the "other provisions" item includes €15 million of provisions established in application of environmental regulations (€18 million at December 31, 2013). They include provisions to cover recycling obligations for end-of-life vehicles and used batteries (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site). They also include €4 million for depollution of commercial land belonging to Renault Retail Group (€4 million at December 31, 2013).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2014.

NOTE 21

OTHER CURRENT AND NON-CURRENT LIABILITIES

	DECEMBER 31, 2014			DECEMBER 31, 2013		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Tax liabilities (excluding current taxes due)	109	1,015	1,124	140	923	1,063
Current taxes due	-	162	162	-	126	126
Social liabilities	19	1,358	1,377	19	1,470	1,489
Other liabilities	257	4,264	4,521	268	3,837	4,105
Deferred income	819	754	1,573	692	594	1,286
Derivatives on operating transactions of the Automotive segment	-	2	2	-	-	-
TOTAL	**1,204**	**7,555**	**8,759**	**1,119**	**6,950**	**8,069**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€512 million at December 31, 2014 and €531 million at December 31, 2013).

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, 2014			DECEMBER 31, 2013		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Investments in non-controlled entities	1,233	-	1,233	1,196	-	1,196
Marketable securities and negotiable debt instruments	-	785	785	-	135	135
Loans	139	280	419	190	707	897
Derivatives on financing operations by the Automotive segment	309	465	774	144	256	400
TOTAL FINANCIAL ASSETS	**1,681**	**1,530**	**3,211**	**1,530**	**1,098**	**2,628**
Gross value	*1,682*	*1,535*	*3,217*	*1,531*	*1,102*	*2,633*
Impairment	*(1)*	*(5)*	*(6)*	*(1)*	*(4)*	*(5)*
Cash equivalents	-	4,385	4,385	-	3,732	3,732
Cash on hand and bank deposits	-	8,112	8,112	-	7,929	7,929
TOTAL CASH AND CASH EQUIVALENTS	**-**	**12,497**	**12,497**	**-**	**11,661**	**11,661**

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

A1 Investments in non-controlled entities

Investments in non-controlled entities include €1,134 million (€1,035 million at December 31, 2013) for the Daimler shares purchased under the strategic partnership agreement.

These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price. At December 31, 2014, the stock market price (€68.97 per share) was higher than the acquisition price (€35.52 per share). The corresponding increase in value over the year, amounting to €99 million, is recorded in other components of comprehensive income for 2014 (€355 million in 2013).

Investments in non-controlled entities also include €57 million at December 31, 2014 (€59 million at December 31, 2013) for the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* – FMEA), 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, 2014 is €74 million.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FMEA's management company, after adjustment for any relevant information that becomes known afterwards. Changes in this fair value during 2014 led to recognition of financial income of €3 million (compared to a financial expense of €11 million in 2013).

A2 Cash not available to the Group's parent company

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.

Limited access to the US Dollar restricts the level of international payments by Group subsidiaries located in Argentina. The cash held by these entities amounts to €292 million at December 31, 2014.

Current bank accounts held by the Sales Financing Securitization Fund partly contributed to the rise in the Fund's credit (note 15-B1). They amount to €479 million at December 31, 2014.

B – Breakdown by category of financial instruments and fair value

(€ million)	INSTRUMENTS HELD FOR TRADING[1]	HEDGING DERIVATIVES	AVAILABLE-FOR-SALE INSTRUMENTS	TOTAL INSTRUMENTS CARRIED AT FAIR VALUE	LOANS AND RECEIVABLES	TOTAL
Investments in non-controlled entities	-	-	1,233	1,233	-	1,233
Marketable securities and negotiable debt instruments	-	-	785	785	-	785
Loans	-	-	-,	-	419	419
Derivatives on financing operations by the Automotive segment	701	73	-	774	-	774
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2014	**701**	**73**	**2,018**	**2,792**	**419**	**3,211**
Cash equivalents	-	-	129	129	4,256	4,385
Cash	-	-	-	-	8,112	8,112
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2014	**-**	**-**	**129**	**129**	**12,368**	**12,497**
Investments in non-controlled entities	-	-	1,196	1,196	-	1,196
Marketable securities and negotiable debt instruments	-	-	135	135	-	135
Loans	-	-	-	-	897	897
Derivatives on financing operations by the Automotive segment	305	95	-	400	-	400
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2013	**305**	**95**	**1,331**	**1,731**	**897**	**2,628**
Cash equivalents	-	-	84	84	3,648	3,732
Cash	-	-	-	-	7,929	7,929
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2013	**-**	**-**	**84**	**84**	**11,577**	**11,661**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified between categories in 2014 or 2013.

NOTE 23
FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	DECEMBER 31, 2014			DECEMBER 31, 2013		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	350	-	350	313	-	313
Bonds	4,870	1,417	6,287	4,506	1,538	6,044
Other debts represented by a certificate	-	223	223	-	63	63
Borrowings from credit institutions (at amortized cost)	1,344	1,052	2,396	1,524	670	2,194
Borrowings from credit institutions (at fair value)	-	-	-	-	218	218
Other interest-bearing borrowings	426	70	496	458	174	632
Financial liabilities of the Automotive segment (excluding derivatives)	**6,990**	**2,762**	**9,752**	**6,801**	**2,663**	**9,464**
Derivatives on financing operations of the Automotive segment	282	454	736	39	258	297
Total financial liabilities of the Automotive segment	**7,272**	**3,216**	**10,488**	**6,840**	**2,921**	**9,761**
Diac redeemable shares	11	-	11	10	-	10
Bonds	-	11,935	11,935	-	11,643	11,643
Other debts represented by a certificate	254	4,490	4,744	250	4,315	4,565
Borrowings from credit institutions	-	2,660	2,660	-	3,227	3,227
Other interest-bearing borrowings	-	6,654	6,654	-	4,442	4,442
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**265**	**25,739**	**26,004**	**260**	**23,627**	**23,887**
Derivatives on financing operations of the Sales Financing segment	-	89	89	-	130	130
Financial liabilities and debts of the Sales Financing segment	**265**	**25,828**	**26,093**	**260**	**23,757**	**24,017**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**7,537**	**29,044**	**36,581**	**7,100**	**26,678**	**33,778**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. 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 €17 million for 2014 (€17 million for 2013), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €392 at December 31, 2013 and €439 at December 31, 2014 for par value of €153, leading to a corresponding €37 million adjustment (€65 million in 2013) to the fair value of redeemable shares recorded in other financial expenses (note 7).

The return on Diac redeemable shares issued in 1985 comprises a fixed portion equal to the Annual Monetary Rate, and a variable portion calculated by multiplying an amount equal to 40% of the Annual Monetary Rate by the rate of increase in net consolidated profit of the Diac sub-group compared to the prior year.

Changes in bonds of the Automotive segment

In 2014, Renault SA redeemed bonds for a total amount of €1,513 million, and issued new bonds on the European, Japanese and Chinese markets totalling €1,680 million and maturing between 2016 and 2021.

Changes in debts of the Sales Financing segment

In 2014, the RCI Banque group redeemed bonds for a total of €3,396 million and issued new bonds totalling €3,469 million and maturing between 2015 and 2021.

New savings collected rose by €2,201 million during 2014 (including €648 million in term deposits) to €6,534 million, and are classified as other interest-bearing borrowings. After France and Germany, in 2014 RCI Banque launched savings products in Austria.

Credit lines

At December 31, 2014, Renault SA had confirmed credit lines opened with banks worth €3,210 million (€3,435 million at December 31, 2013). The short-term portion amounted to €280 million at December 31, 2014 (€555 million at December 31, 2013). These credit lines were unused at December 31, 2014 (and December 31, 2013).

Sales Financing's confirmed credit lines opened in several currencies with banks amounted to €4,803 million at December 31, 2014 (€4,661 million at December 31, 2013). The short-term portion amounted to €1,005 million at December 31, 2014 (€874 million at December 31, 2013). These credit lines were unused at December 31, 2014 (and December 31, 2013).

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.

B – Breakdown by category of financial instrument and fair value

DECEMBER 31, 2014 (€ MILLION)	INSTRUMENTS MEASURED AT FAIR VALUE				INSTRUMENTS MEASURED AT AMORTIZED COST[2]		
	INSTRUMENTS HELD FOR TRADING[1]	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE FROM INITIAL RECOGNITION	TOTAL INSTRUMENTS MEASURED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	350	350	-	-	350
Bonds	-	-	-	-	6,287	6,680	6,287
Other debts represented by a certificate	-	-	-	-	223	223	223
Borrowings from credit institutions	-	-	-	-	2,396	2,420	2,396
Other interest-bearing borrowings	-	-	-	-	496	515	496
Derivatives on financing operations of the Automotive segment	732	4	-	736	-	-	736
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**732**	**4**	**350**	**1,086**	**9,402**	**9,838**	**10,488**
Diac redeemable shares	-	-	11	11	-	-	11
Bonds	-	-	-	-	11,935	12,197	11,935
Other debts represented by a certificate	-	-	-	-	4,744	4,778	4,744
Borrowings from credit institutions	-	-	-	-	2,660	2,688	2,660
Other interest-bearing borrowings	-	-	-	-	6,654	6,654	6,654
Derivatives on financing operations of the Sales Financing segment	39	50	-	89	-	-	89
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**39**	**50**	**11**	**100**	**25,993**	**26,317**	**26,093**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31, 2013 (€ MILLION)	INSTRUMENTS MEASURED AT FAIR VALUE				INSTRUMENTS MEASURED AT AMORTIZED COST[2]		
	INSTRUMENTS HELD FOR TRADING[1]	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE FROM INITIAL RECOGNITION	TOTAL INSTRUMENTS MEASURED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	313	313	-	-	313
Bonds	-	-	-	-	6,044	6,406	6,044
Other debts represented by a certificate	-	-	-	-	63	63	63
Borrowings from credit institutions	-	-	218	218	2,194	2,147	2,412
Other interest-bearing borrowings	-	-	-	-	632	646	632
Derivatives on financing operations of the Automotive segment	293	4	-	297	-	-	297
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**293**	**4**	**531**	**828**	**8,933**	**9,262**	**9,761**
Diac redeemable shares	-	-	10	10	-	-	10
Bonds	-	-	-	-	11,643	11,924	11,643
Other debts represented by a certificate	-	-	-	-	4,565	4,607	4,565
Borrowings from credit institutions	-	-	-	-	3,227	3,268	3,227
Other interest-bearing borrowings	-	-	-	-	4,442	4,442	4,442
Derivatives on financing operations of the Sales Financing segment	37	93	-	130	-	-	130
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**37**	**93**	**10**	**140**	**23,877**	**24,241**	**24,017**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

The fair value of financial liabilities and debts of the Sales Financing segment measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2014 and 2013 for loans with similar conditions and maturities. The rates proposed 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.

C – 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, 2014.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

C1 Financial liabilities of the Automotive segment

	DECEMBER 31, 2014							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 – 2 YRS	2 – 3 YRS	3 – 4 YRS	4 – 5 YRS	+5 YRS
Bonds issued by Renault SA (by issue date)								
2007	10	10	-	-	10	-	-	-
2010	1,152	1,154	654	-	500	-	-	-
2011	519	519	-	519	-	-	-	-
2012	1,172	1,175	69	256	850	-	-	-
2013	1,669	1,673	603	170	-	900	-	-
2014	1,667	1,674	-	543	631	-	-	500
Accrued interest, expenses and premiums	98	68	68	-	-	-	-	-
TOTAL BONDS	**6,287**	**6,273**	**1,394**	**1,488**	**1,991**	**900**	**-**	**500**
Other debts represented by a certificate	223	223	223	-	-	-	-	-
Borrowings from credit institutions	2,396	2,383	1,045	491	208	188	321	130
Other interest-bearing borrowings	496	621	76	40	26	26	46	407
TOTAL OTHER FINANCIAL LIABILITIES	**3,115**	**3,227**	**1,344**	**531**	**234**	**214**	**367**	**537**
Future interest on bonds and other financial liabilities	**-**	**758**	**166**	**263**	**69**	**132**	**96**	**32**
Redeemable shares	**350**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives on financing operations	**736**	**736**	**454**	**232**	**20**	**17**	**9**	**4**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**10,488**	**10,994**	**3,358**	**2,514**	**2,314**	**1,263**	**472**	**1,073**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

	DECEMBER 31, 2014			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR
Bonds	1,394	3	15	1,376
Other financial liabilities	1,344	235	588	521
Future interest on bonds and other financial liabilities	166	-	40	126
Derivatives on financing operations	454	163	104	187
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,358**	**401**	**747**	**2,210**

C2 Financial liabilities and debts of the Sales Financing segment

(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 – 2 YRS	2 – 3 YRS	3 – 4 YRS	4 – 5 YRS	+5 YRS
	DECEMBER 31, 2014							
Bonds issued by RCI Banque (year of issue)								
2005	10	10	10	-	-	-	-	-
2006	11	11	11	-	-	-	-	-
2010	1,289	1,288	577	711	-	-	-	-
2011	1,816	1,813	604	1,209	-	-	-	-
2012	2,119	2,116	1,174	209	733	-	-	-
2013	2,946	2,942	163	1,160	114	1,505	-	-
2014	3,527	3,513	72	232	1,749	14	927	519
Accrued interest, expenses and premiums	217	220	220	-	-	-	-	-
TOTAL BONDS	**11,935**	**11,913**	**2,831**	**3,521**	**2,596**	**1,519**	**927**	**519**
Other debts represented by a certificate	4,744	4,746	1,784	1,056	577	1,308	21	-
Borrowings from credit institutions	2,660	2,661	1,583	952	117	6	3	-
Other interest-bearing borrowings	6,654	6,654	5,640	391	293	156	174	-
TOTAL OTHER FINANCIAL LIABILITIES	**14,058**	**14,061**	**9,007**	**2,399**	**987**	**1,470**	**198**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,209**	**500**	**380**	**166**	**87**	**47**	**29**
Redeemable shares	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**89**	**57**	**29**	**24**	**4**	**-**	**-**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**26,093**	**27,240**	**12,367**	**6,324**	**3,753**	**3,076**	**1,172**	**548**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1 – 3 MONTHS	3 MONTHS – 1 YEAR
	DECEMBER 31, 2014			
Bonds	2,831	753	840	1,238
Other financial liabilities	9,007	6,162	724	2,121
Future interest on bonds and other financial liabilities	500	31	42	427
Derivative liabilities on financing operations	29	1	-	28
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**12,367**	**6,947**	**1,606**	**3,814**

NOTE 24

FAIR VALUE OF FINANCIAL INSTRUMENTS AND IMPACT ON NET INCOME

A – Fair value of financial instruments by level

The following breakdown by level 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;
- 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.

(€ million)	FAIR VALUE IN BALANCE SHEET	LEVEL 1	LEVEL 2	LEVEL 3
				DECEMBER 31, 2014
Investments in non-controlled entities	1,233	1,134	-	99
Marketable securities and negotiable debt instruments	785	785	-	-
Derivative assets on financing operations by the Automotive segment	774	-	774	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	4	-	4	-
Derivative assets on financing operations by the Sales Financing segment	298	-	298	-
Cash equivalents	129	129	-	-
Financial instruments stated at fair value in the balance sheet assets	**3,223**	**2,048**	**1,076**	**99**
Renault SA redeemable shares	350	350	-	-
Borrowings from credit institutions by the Automotive segment	-	-	-	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	736	-	736	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	2	-	2	-
Diac redeemable shares	11	11	-	-
Derivative liabilities on financing operations of the Sales Financing segment	89	-	89	-
Financial instruments stated at fair value in the balance sheet liabilities	**1,188**	**361**	**827**	**-**

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical, and judgment plays a major role in interpreting market data.

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 general, the valuation methods for each level are as follows:

- level 1: fair value is identical to the most recent quoted price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data, such as zero-coupon interest rate curves and secondary market listed prices for securities issued by the Group;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2014, no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

The Group's financial statements carry no assets or liabilities measured at fair value on a non-recurring basis in the balance sheet.

B – Changes in Level 3 financial instruments

Level 3 financial instruments amounted to €99 million at December 31, 2014 (€161 million at December 31, 2013). They decreased by €62 million over the year, essentially due to inclusion in the consolidation by the equity method of RN SF BV, the holding company for the bank that will handle sales financing for the Alliance in Russia.

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C – Impact of financial instruments on net income

2014 (€ MILLION)	FINANCIAL ASSETS OTHER THAN DERIVATIVES			FINANCIAL LIABILITIES OTHER THAN DERIVATIVES		DERIVATIVES	TOTAL IMPACT ON NET INCOME
	INSTRUMENTS HELD FOR TRADING	AVAILABLE-FOR-SALE INSTRUMENTS	LOANS AND RECEIVABLES	INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	INSTRUMENTS MEASURED AT AMORTIZED COST(1)		
Interest income	2	-	140	-	-	74	216
Interest expenses	-	-	-	(17)	(458)	(23)	(498)
Change in fair value	-	12	-	(45)	10	(11)	(34)
Impairment	-	-	(28)	-	-	-	(28)
Dividends	-	39	-	-	-	-	39
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	23	9	(60)	-	(86)	-	(114)
TOTAL IMPACT ON NET INCOME – AUTOMOTIVE SEGMENT	**25**	**60**	**52**	**(62)**	**(534)**	**40**	**(419)**
Including:							
operating margin	-	-	*(92)*	-	*(86)*	-	*(178)*
other operating income and expenses	-	-	*8*	-	-	-	*8*
net financial income (expenses)	*25*	*60*	*136*	*(62)*	*(448)*	*40*	*(249)*
Interest income	-	-	1,556	-	-	96	1,652
Interest expenses	-	-	-	-	(1,182)	(16)	(1,198)
Change in fair value	-	-	-	-	(148)	146	(2)
Impairment	-	-	(40)	-	-	-	(40)
Dividends	-	-	-	-	-	-	-
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	-	-	-
Total impact on net income – Sales Financing segment	-	-	1,516	-	(1,330)	226	412
IN OPERATING MARGIN							
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**25**	**60**	**1,568**	**(62)**	**(1,864)**	**266**	**(7)**

(1) Including financial liabilities subject to fair value hedges.

For the Automotive segment, the impact of financial instruments on net income mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	2014	2013
Change in fair value of the hedging instrument	(109)	307
Change in fair value of the hedged item	100	(236)
Net impact on net income of fair value hedges	**(9)**	**71**

This net impact of fair value hedges on net income corresponds to the ineffective portion of hedges. 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.

	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
DECEMBER 31, 2014 (€ MILLION)	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	93	-	34	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	6	367	36	-	483	-
TOTAL FOREIGN EXCHANGE RISK	**6**	**367**	**129**	**-**	**517**	**-**
Cash flow hedges	1	-	74	4	15	-
Fair value hedges	57	15	96	-	1	-
Derivatives not classified as hedges and derivatives held for trading	245	83	-	278	10	-
TOTAL INTEREST RATE RISK	**303**	**98**	**170**	**282**	**26**	**-**
Cash flow hedges	-	-	3	-	-	2
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**3**	**-**	**-**	**2**
TOTAL	**309**	**465**	**302**	**282**	**543**	**2**

	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
DECEMBER 31, 2013 (€ MILLION)	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	24	-	74	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	6	252	3	-	263	-
TOTAL FOREIGN EXCHANGE RISK	**6**	**252**	**27**	**-**	**337**	**-**
Cash flow hedges	2	-	77	-	13	-
Fair value hedges	92	-	94	2	8	-
Derivatives not classified as hedges and derivatives held for trading	44	4	-	37	30	-
TOTAL INTEREST RATE RISK	**138**	**4**	**171**	**39**	**51**	**-**
Cash flow hedges	-	-	3	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**3**	**-**	**-**	**-**
TOTAL	**144**	**256**	**201**	**39**	**388**	**-**

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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, 2014 (€ MILLION)	AMOUNTS IN THE STATEMENT OF FINANCIAL POSITION	AMOUNTS NOT NETTED IN THE STATEMENT OF FINANCIAL POSITION		NET AMOUNTS
		FINANCIAL INSTRUMENTS ASSETS/LIABILITIES	GUARANTEES INCLUDED IN LIABILITIES	
Assets				
Derivatives on financing operations of the Automotive segment	373	(286)	-	87
Derivatives on financing operations of the Sales Financing segment	298	(66)	-	232
Sales financing receivables on dealers[1]	600	-	(205)	395
TOTAL ASSETS	**1,271**	**(352)**	**(205)**	**714**
Liabilities				
Derivatives on financing operations of the Automotive segment	698	(286)	-	412
Derivatives on financing operations of the Sales Financing segment	89	(66)	-	23
TOTAL LIABILITIES	**787**	**(352)**	**-**	**435**

(1) *Sales financing receivables held by Companhia de Credito, Financiamento e Investimento RCI Brasil, whose exposure is covered by "letras de cambio" (bills of exchange) issued by the dealers and reported under other debts represented by a certificate.*

B – Management of financial risks

The Group is exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty risks;
- credit risks.

B1 Liquidity risk

The Group is financed *via* the capital markets, through:

- long-term resources (bond issues, private placements, project financing, etc.);
- short-term bank loans or commercial paper issues;
- securitization of receivables by Sales Financing.

The **Automotive** 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 segment, and this exposes it to liquidity risk 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 segment through long-term resources *via* the capital markets (bond issues and private placements), short-term financing such as treasury notes, or project financing *via* the banking sector or public or semi-public bodies.

Medium-term refinancing for the Automotive segment in 2014 was mostly provided by bond issues totalling €615 million as part of Renault SA's EMTN programme (including a 7-year Euro bond issue of €500 million and a 3-year CNY 500 million "Dim Sum" bond), and an issue on the Japanese market as part of Renault SA's "Shelf registration" programme, amounting to 150 billion yen (in two tranches of 75 billion yen, one with 2-year maturity and the other with 3-year maturity).

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 segment also has confirmed credit lines opened with banks worth €3,210 million, maturing at various times up to 2019. None of these credit lines was used in 2014. These confirmed credit facilities form a liquidity reserve for the Automotive segment.

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 (€11.6 billion) and confirmed credit lines unused at year-end (€3.2 billion), the Automotive segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines open but unused are described in note 23-A.

The **Sales Financing** segment must have sufficient financial resources at all times to ensure long-term continuity for its business and development. 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 uses several indicators or analyses which are updated monthly based on the latest forecasts of credit outstanding (concerning both customers and the dealership network) and refinancing operations undertaken. Prudent assumptions have been applied regarding the laws on deposit outflows.

In 2014 the Sales Financing segment extended the maturity of its debt by its first 7-year bond issue (€500 million). It took advantage of the reopening of the floating-rate bond market to issue €1,100 million floating-rate notes with maturity of 3 years. On the sterling market, two £250 million bond issues were undertaken with maturities of 5 and 3 years respectively.

On the structured financing segment, Sales Financing undertook a public placement of securitization backed by customer credit in France, in the amount of €644 million, and renewed a private securitization operation concerning dealer receivables in Germany.

Outside Europe, the Sales Financing entities in Argentina, Brazil, South Korea and Morocco made borrowings through their domestic bond markets.

After France and Germany, in 2014 RCI Banque launched a savings business in Austria. Savings collected increased by more than 50% over 12 months to reach €6.5 billion (€5.1 billion of demand deposits and €1.4 billion of term deposits).

In addition to these resources, the Sales Financing segment has €4.8 billion in undrawn confirmed credit lines (€4 billion for RCI Banque) and €1.9 billion of available liquid receivables that can be redeemed at the European Central Bank (this amount is after application of discounts and excludes receivables already redeemed at the year-end). RCI Banque is thus able to fund ongoing commercial business for nearly 12 months assuming a total lack of external resources.

B2 Foreign exchange risks

MANAGEMENT OF FOREIGN EXCHANGE RISKS

The **Automotive** segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault's Cash and Financing 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. Any hedges of such risks require formal authorization from the Finance department and the result of these hedges are then reported to the General Management.

In contrast, the Automotive segment's general policy is to minimize the foreign exchange risk affecting financing and investment flows in foreign currencies, to avoid any exchange – related distortion of the financial result. All the Group's exposures to foreign exchange risk 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 are not hedged, apart from the investment in Nissan, totalling 129 billion yen at December 31, 2014 (note 12-G).

Renault Finance undertakes operations unrelated to operating cash flows on its own behalf. These operations are controlled daily and strict risk limits apply. They have no 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. 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, 2014, RCI Banque's consolidated foreign exchange position reached €6.5 million.

The Group made no major changes to its foreign exchange risk management policy in 2014.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO FOREIGN EXCHANGE RISKS

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 items covered by fair value hedges (hedged assets or liabilities and derivatives), for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 12-G).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.

For the Automotive segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an favourable effect of €9 million at December 31, 2014, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact should be offset by a symmetrical, opposite variation in the translation adjustment on the value of the investment in Nissan (note 18-E). The estimated impact on net income at December 31, 2014 is expected to be favourable and amount to €44 million.

CURRENCY DERIVATIVES

	DECEMBER 31, 2014				DECEMBER 31, 2013			
(€ million)	NOMINAL	-1 YR	1 – 5 YRS	+5 YRS	NOMINAL	-1 YR	1 – 5 YRS	+5 YRS
Currency swaps – purchases	6,389	1,437	4,952	-	2,116	866	1,250	-
Currency swaps – sales	5,913	862	5,051	-	2,002	727	1,275	-
Forward purchases	20,087	20,084	3	-	17,970	17,970	-	-
Forward sales	20,196	20,193	3	-	17,979	17,979	-	-

B3 Interest rate risk

INTEREST RATE RISK MANAGEMENT

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of Sales Financing 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 this risk 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 risk 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 result 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 of one to seventy-two months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swaps.
- The main activity of the Sales Financing segment's Central Refinancing department is refinancing the Group's commercial subsidiaries. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the defined limit.

The **Automotive** 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 are swapped to variable rates to maintain a balance between floating-rate liabilities and floating-rate assets when the yield curve is not close enough to zero. The financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

The Automotive segment's available cash is managed centrally by Renault SA as far as possible, and invested in short-term bank deposits by Renault Finance.

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.

The Group made no major changes to its interest rate risk management policy in 2014.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS

The Group is 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 of available-for-sale fixed-rate financial assets 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 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 €82 million and €5 million respectively at December 31, 2014.

For the Sales Financing 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 negative €55 million and a positive €45 million respectively at December 31, 2014. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS (EXCLUDING DERIVATIVES), AFTER THE EFFECT OF DERIVATIVES

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Fixed rate	17,515	16,895
Floating rate	18,241	16,456
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**35,756**	**33,351**

INTEREST RATE DERIVATIVES

	DECEMBER 31, 2014				DECEMBER 31, 2013			
(€ million)	NOMINAL	-1 YR	1 – 5 YRS	+5 YRS	NOMINAL	-1 YR	1 – 5 YRS	+5 YRS
Interest rate swaps	16,880	6,624	9,775	481	15,626	3,484	11,797	345
Other interest rate hedging instruments	-	-	-	-	-	-	-	-

B4 Equity risks

MANAGEMENT OF EQUITY RISKS

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2014.

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 €114 million on shareholders' equity. The impact on net income is not significant at December 31, 2014.

B5 Commodity risks

MANAGEMENT OF COMMODITY RISKS

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as purchases of swaps, purchase options and tunnel contracts. These hedges are subject to volume, duration and price limits.

Commodity hedging transactions in progress at December 31, 2014 include forward purchases of aluminium, palladium, platinum and lead. These transactions are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in shareholders' equity. At December 31, 2013 commodity hedges in progress concerned forward purchases of aluminium, copper, palladium, platinum and lead.

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 that risk.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €9 million on shareholders' equity at December 31, 2014.

COMMODITY DERIVATIVES

	DECEMBER 31, 2014				DECEMBER 31, 2013			
(€ million)	NOMINAL	-1 YR	1 TO 5 YRS	+5 YRS	NOMINAL	-1 YR	1 TO 5 YRS	+5 YRS
Purchases of *swaps*	99	91	8	-	62	57	5	-

B6 Counterparty risk

All Group entities 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 Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The counterparties for deposits are subject to special monitoring, unless this is impossible. Most deposits are with large network banks, as this allows a good spread of the risk and lowers the systemic risk. They are almost all overnight deposits, such that assets can be reallocated rapidly if there is stress on any counterparty.

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 2014.

4.2.6.6 CASH FLOWS AND OTHER INFORMATION

NOTE 26

CASH FLOWS

A – Other income and expenses with no impact on cash

(€ million)	2014	2013
Net allocation to provisions	355	964
Net effects of sales financing credit losses	(43)	(57)
Net (gain) loss on asset disposals	(22)	(153)
Change in fair value of redeemable shares	38	65
Change in fair value of other financial instruments	(5)	(61)
Deferred taxes	(260)	(10)
Other	29	67
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**92**	**815**

B – Change in working capital

(€ million)	2014	2013
Decrease (increase) in net inventories	(272)	477
Decrease (increase) in Automotive net receivables	(275)	(92)
Decrease (increase) in other assets	(318)	(727)
Increase (decrease) in trade payables	886	18
Increase (decrease) in other liabilities	750	852
INCREASE (DECREASE) IN WORKING CAPITAL	**771**	**528**

C – Capital expenditure

(€ million)	2014	2013
Purchases of intangible assets	(967)	(829)
Purchases of property, plant and equipment (other than assets leased to customers)	(1,736)	(1,681)
TOTAL PURCHASES FOR THE PERIOD	**(2,703)**	**(2,510)**
Deferred payments	192	(239)
TOTAL CAPITAL EXPENDITURE	**(2,511)**	**(2,749)**

D – Interest received and paid by the Automotive segment

(€ million)	2014	2013
Interest received	283	213
Interest paid	(542)	(550)
INTEREST RECEIVED AND PAID	**(259)**	**(337)**

NOTE 27

RELATED PARTIES

A – Remuneration of directors and executives and Executive Committee members

A1 Remuneration of directors and executives

The Board of Directors has combined the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and CEO receives no remuneration for his duties as Chairman of the Board.

The table below reports the remuneration paid, *pro rata* to the periods in which the functions were occupied:

(€ million)	2014	2013
Basic salary	1.2	1.2
Performance-related salary	2.2	1.4
Employer's social security charges	2.1	0.7
Complementary pension	1.0	1.0
Other components of remuneration	0.2	0.2
TOTAL REMUNERATION EXCLUDING STOCK OPTIONS(1)	**6.7**	**4.5**
Stock option plans	1.6	0.5
Stock option plans – effect of cancellations	-	-
TOTAL STOCK OPTION PLANS	**1.6**	**0.5**
CHAIRMAN AND CHIEF EXECUTIVE OFFICER	**8.3**	**5.0**

(1) The remuneration awarded comprises the portion paid in cash and the accounting value of the deferred salary to be paid in shares.

Directors' fees amounted to €1,074,699 in 2014 (€1,034,027 paid in 2013), of which €48,000 were paid for the Chairman and CEO's functions (€48,000 in 2013).

A2 Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The remuneration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	2014	2013
Basic salary	3.8	4.3
Retirement indemnities	0.0	0.0
Performance-related salary	4.3	4.0
Employer's social security charges	3.9	3.6
Complementary pension	2.3	3.8
Other	0.7	1.0
TOTAL REMUNERATION EXCLUDING STOCK OPTIONS	**15.0**	**16.7**
Stock option plans	3.2	2.6
Stock option plans – effect of cancellations	-	-
TOTAL STOCK OPTION PLANS	**3.2**	**2.6**
EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CEO)	**18.2**	**19.3**

B – Renault's investments in associates

Details of Renault's investments in Nissan and AVTOVAZ are provided in notes 12 and 13-A respectively.

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 competition authority investigations (two are currently in process in Korea and Spain). Any liabilities resulting from these situations (*e.g.* pension 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, 2014	DECEMBER 31, 2013
Sureties, endorsements and guarantees given	214	318
Financing commitments in favour of customers[1]	1,675	1,493
Firm investment orders	518	483
Lease commitments	310	369
Assets pledged, provided as guarantees or mortgaged, and other commitments[2]	127	110

(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 €1,597 million at December 31, 2014.

(2) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancellable leases. The breakdown is as follows:

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Less than 1 year	33	35
Between 1 and 5 years	172	199
More than 5 years	105	135
TOTAL	**310**	**369**

A2 Specific operations

END-OF-LIFE VEHICLES

The Group establishes provisions for its recycling obligations on a country-by-country basis, in accordance with regulatory requirements, as and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.

For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

OTHER COMMITMENTS

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2014, Renault 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.

B – Off-balance sheet commitments received and contingent assets

(€ million)	DECEMBER 31, 2014	DECEMBER 31, 2013
Sureties, endorsements and guarantees received	2,102	2,088
Assets pledged or mortgaged[1]	2,631	2,636
Buy-back commitments[2]	1,371	1,482
Other commitments	5	16

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,505 million at December 31, 2014 (€2,609 million at December 31, 2013).

(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-A.

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NOTE 29

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The fees paid to the Group's statutory auditors and their networks were as follows:

				E&Y NETWORK		KPMG NETWORK		DELOITTE NETWORK
		AMOUNT		%	AMOUNT	%	AMOUNT	%
(€ million)	2014	**2013**	2014	**2013**		**2014**		**2013**
Audit								
Statutory audit, certification, review of individual and consolidated accounts	**5.93**	**6.79**	**91.7%**	**93.5%**	**5.99**	**84.9%**	**6.70**	**91.7%**
• Renault SA and Renault s.a.s.	3.01	3.74	46.5%	51.5%	2.15	30.4%	2.55	34.9%
• Fully consolidated subsidiaries	2.92	3.05	45.2%	42.0%	3.84	54.5%	4.15	56.8%
Other work and services directly linked to the statutory auditor's mission	**0.20**	**0.41**	**3.0%**	**5.6%**	**0.01**	**0.2%**	**0.38**	**5.1%**
• Renault SA and Renault s.a.s.	0.05	0.10	0.7%	1.3%	0.00	0.0%	0.05	0.6%
• Fully consolidated subsidiaries	0.15	0.31	2.3%	4.3%	0.01	0.2%	0.33	4.5%
SUBTOTAL	**6.13**	**7.20**	**94.7%**	**99.1%**	**6.00**	**85.1%**	**7.08**	**96.8%**
Other services								
• Legal, tax, labour-related	0.29	0.06	4.5%	0.9%	0.89	12.6%	0.21	2.9%
• Other	0.05	-	0.8%	-	0.17	2.3%	0.02	0.3%
SUBTOTAL	**0.34**	**0.06**	**5.3%**	**0.9%**	**1.06**	**14.9%**	**0.23**	**3.2%**
TOTAL	**6.47**	**7.26**	**100%**	**100%**	**7.06**	**100%**	**7.31**	**10%**

KPMG was appointed as statutory auditor to the Group at the General Shareholders' Meeting of April 30, 2014, and EY's appointment was renewed.

NOTE 30

SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

NOTE 31

CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

RENAULT GROUP'S INTEREST (%)	COUNTRY	**DECEMBER 31, 2014**	DECEMBER 31, 2013
Renault SA	France	Consolidating company	Consolidating company
AUTOMOTIVE			
France			
Renault s.a.s.	France	100	100
Arkanéo	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	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 Développement Industriel et Commercial (RDIC)	France	100	100
Renault Retail Group SA and subsidiaries	France	100	100
Renault Samara	France	100	100
RDREAM	France	100	100
SCI Parc industriel du Mans	France	100	100
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2014	DECEMBER 31, 2013
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des Automobiles Alpine Caterham(1)	France	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) and subsidiaries	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 Österreich and subsidiaries	Austria	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100
Renault Deutsche AG and subsidiaries	Germany	100	100
Renault Hungaria and subsidiaries	Hungary	100	100
Renault Irlande	Ireland	100	100
Renault Italia and subsidiaries	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 subsidiaries	Portugal	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group UK Ltd.	United Kingdom	100	100
Renault U.K.	United Kingdom	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	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
Americas			
Groupe Renault Argentina	Argentina	100	100
Renault do Brasil LTDA	Brazil	100	100
Renault do Brasil SA	Brazil	100	100
Sociedad de Fabricacion de Automotores (Sofasa) and subsidiaries	Colombia	100	100
Renault Corporativo SA de CV	Mexico	100	100
Renault Mexico	Mexico	100	100

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RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2014	DECEMBER 31, 2013
Asia – Pacific			
Renault Beijing Automotive Company	China	100	100
Renault Samsung Motors	South Korea	80	80
Eurasia			
Renault Nissan Bulgaria	Bulgaria	100	100
Dacia and subsidiaries	Romania	99	99
Renault Mécanique Romania	Romania	100	100
Renault Commercial Romania	Romania	100	100
Renault Technologie Romania	Romania	100	100
AFM Industrie	Russia	100	100
Avtoframos	Russia	100	100
Remosprom	Russia	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
France			
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Sogesma[2]	France	-	100
Europe			
RCI Financial Services SA	Belgium	100	100
Renault AutoFin SA	Belgium	100	100
RCI Finance CZ s.r.o.	Czech Republic	100	100
RCI Financial Services s.r.o.	Czech Republic	50	50
RCI Versicherungs Service GmbH	Germany	100	100
RCI zrt Hongrie	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 Credit Polska Sp. Z.o.o.	Poland	100	100
RCI Gest Instituiçao Financiora de Credito SA.	Portugal	100	100
RCI Gest Seguros – Mediadores de Seguros	Portugal	100	100
RCI Financial Services Ltd	United Kingdom	100	100
Overlease	Spain	100	100
RCI Finance SA.	Switzerland	100	100
Africa – Middle East – India			
RCI Finance Maroc	Morocco	100	100
RDFM	Morocco	100	100
Americas			
Courtage SA	Argentina	100	100
Rombo Compania Financiera	Argentina	60	60
Companhia de Arrendamento Mercantil RCI do Brasil	Brazil	60	60
Companhia de Crédito, Financiamento e Investimento RCI do Brasil	Brazil	60	60
Administradora de Consorcio Renault do Brasil	Brazil	100	100
Corretora de Seguros RCI do Brasil	Brazil	100	100
Asia-Pacific			
RCI Financial Services Korea	South Korea	100	100
Eurasie			
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

B – Companies consolidated based on the percentage interest in each balance sheet and income statement item (joint operations)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2014	DECEMBER 31, 2013
AUTOMOTIVE			
Société des Automobiles Alpine Caterham(1)	France	-	50
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)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2014	DECEMBER 31, 2013
AUTOMOTIVE			
Boone Comenor	France	33	33
Indra Investissements	France	50	50
Renault South Africa	South Africa	40	40
Renault Algérie Production	Algeria	49	-
Dongfeng Renault Automotive Company	China	50	-
Renault Nissan Automotive India Private Limited	India	30	30
Nissan group	Japan	43.7	43.7
Alliance Rostec Auto B.V.	Russia	50	48.2
AVTOVAZ group	Russia	37.3	35.9
MAIS	Turkey	49	49
SALES FINANCING			
Renault Credit Car	Belgium	50	50
RN SF B.V.	Netherlands	50	-
BARN B.V.	Netherlands	30	-
RN Bank	Russia	30	-
Orfin Finansman Anonim Sirketi	Turkey	50	50

(1) Société des Automobiles Alpine Caterham is fully consolidated in 2014 following the repurchase of the 50% stake sold to a partner in June 2013.
(2) The subsidiary Sogesma was absorbed in 2014 by a fully-consolidated company.

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4.3 STATUTORY AUDITORS' REPORT

4.3.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken of outside of the financial statements.

This report also includes information relating to the specific verification of information given in the Group's management report and in the documents addressed to the 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, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the 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, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French company law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter.

As disclosed in note 1.A to the financial statements and in accordance with the recommendation n°34 of the French national accounting body (*Conseil National de la Comptabilité*), your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the financial statements of the Group. Our assessment of this equity value is based on the result of the procedures performed to audit the consolidated financial statements of the Renault group for the 2014 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

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 documents addressed to the Shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French company law (*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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the crossholdings and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense, February 16, 2015

The statutory auditors
French original signed by

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A department of KPMG SA

ERNST & YOUNG Audit

4.3.2 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby 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. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

AGREEMENTS AND COMMITMENTS AUTHORIZED SINCE THE CLOSING DATE

We have been advised of the following agreements and commitments, authorized since the closing date, which received prior authorization from your Board of Directors.

With Mr Carlos Ghosn

Person concerned

Mr Carlos Ghosn, Chairman and CEO of your company.

Nature and purpose

During its session held on February 11, 2015, your Board of Directors authorized the signature of a non-competition agreement by and between your company and Mr Carlos Ghosn by which he commits, at the term of his social mandate of CEO, not to engage, directly or indirectly, in a competing activity to the Group, be it for its own benefit or for the benefit of another company. A competing activity to the Group refers to any activity of automotive conception, construction, marketing (mainly for private vehicles and commercial vehicles) engaged into in the same geographies and sectors as the Group at the time of the cease of the mandate.

The Board of Directors considered notably (i) the particularly competitive nature of the market on which the Group operates, (ii) the significant functions and admitted competencies of Mr Carlos Ghosn, (iii) the resources at his disposal, (iv) the sensitive information to which Mr Carlos Ghosn has or could have access, and (v) the relationships developed by him in the course of his mandate, and concluded on the necessity to protect the legitimate interests of the Group by the introduction of this non-competition agreement.

Conditions

In return for its non-competition obligation, Mr Carlos Ghosn will perceive from your company, during the period of application of the agreement and provided there are no breaches to the agreement, a gross financial compensation equal to two years of salary (including both basic and variable salary) payable in twenty-four monthly installments.

The Board of Directors will decide, upon departure of Mr Carlos Ghosn, whether to execute this non-competition agreement.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS WHOSE IMPLEMENTATION CONTINUED DURING THE YEAR

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

With Mr Carlos Ghosn

Person concerned

Mr Carlos Ghosn, Chairman and CEO of your company.

Nature and purpose

During its sessions held on October 28, 2004 and October 31, 2006, your Board of Directors authorized the engagement relative to the implementation of an additional collective pension scheme in favour of the senior executives, including Mr Carlos Ghosn.

Conditions

On February 12, 2014, your Board of Directors confirmed the benefit of this pension scheme in favour of Mr Carlos Ghosn, in the same previous conditions.

With Nissan Motor Co

Persons concerned

Mr Carlos Ghosn, Chairman and CEO of your company, of Nissan Motor Co and Chairman of Renault-Nissan b.v.; Mr Hiroto Saikawa, Director of your company and Executive Vice-President of Nissan Motor Co; Ms Yuriko Koike, Director of your company and representing Nissan.

Nature and purpose

Master Cooperation Agreement.

On April 6, 2010, your company, Nissan Motor Co, Daimler AG and Renault-Nissan b.v. have entered into the Master Cooperation Agreement which details the terms and conditions of cooperation by and between these companies.

At its December 13, 2013 meeting, your Board of Directors authorized the signature, on December 19, 2013, of an amendment to the Master Cooperation Agreement, in order to extend the scope of these cooperations.

Nature and purpose

Restated Alliance Master Agreement.

Persons concerned

Mr. Carlos Ghosn, Chairman-CEO of Renault SA and of Nissan Motor Co., Ltd; Mr. Hiroto Saikawa, Director of Renault SA and Executive Vice-President of Nissan Motor Co., Ltd; Ms Yuriko Koike, Director of Renault SA and representing Nissan.

On March 28, 2002, your company and Nissan Motor Co., Ltd ("Nissan") concluded the Restated Alliance Master Agreement, which governs the capital relationship between Renault and Nissan and the Alliance's current method of governance. The agreement specifies the operational terms and conditions of Renault-Nissan b.v. ("RNBV") as the Alliance's strategic management entity. A first amendment to the Restated Alliance Master Agreement was signed on April 29, 2005 and submitted for approval to the General Meeting of Shareholders of May 4, 2006.

At its October 3, 2012 meeting, your Board of Directors authorized the signature on November 7, 2012, of amendment no. 2 to the Restated Alliance Master Agreement, that modified the composition of the RNBV Management Board and as a result, the voting arrangements within the Management Board.

This agreement does not generate any financial flows.

With RCI Banque, 100% indirectly-held subsidiary

Nature and purpose

During its meeting of September 28, 2010, your Board of Directors has authorized the signature of a credit facility agreement, in the framework of the regulation relating to the control of the "Large Risks" ratio as defined in Article 1.1 of French Banking and Financial Regulation Committee (*Comité de la Réglementation Bancaire et Financière*) regulation n° 93-05, with which RCI Banque activity must comply as a credit institution, with RCI Banque for an amount of € 550,000,000, with a view to reducing its credit exposure on Renault Retail Group, the Group's business distribution network.

This agreement replaces the € 450,000,000 credit facility agreement with Cogera.

In the 2014 fiscal year, the amount of interest income relating to this credit facility agreement reached € 2,914,511.

With Renault s.a.s., 100% directly-held subsidiary

Common directors

Mr Carlos Ghosn, Chairman and CEO of your company and Chairman of Renault s.a.s., as all of the members of the Board of Directors of your company who also sit on the Board of Renault s.a.s.

Nature, purpose and conditions

Contracting-out agreements.

Contracting-out agreements were entered into between your company and Renault s.a.s. within the scope of an operation to refinance loans granted under the "*1% construction*" scheme (French social construction tax), in particular, for the purpose of reinforcing the liquidity of these non-interest bearing loans and to freeze the cost of refinancing at current, exceptionally low interest rates up to the maturity date in 2020. In the 2014 fiscal year, the amount of finance interest income concerning this agreement totaled € 255,387.

Nature, purpose and conditions

Agreement for the provision of services.

As of October 23, 2002, and with retroactive effect to April 1, 2002, your company entered into a contract with Renault s.a.s. under which the latter is to provide a certain number of legal, accounting, tax, customs and financial services to enable your company to meet its legal obligations in these matters. In the 2014 fiscal year, the amount, excluding taxes, invoiced by Renault s.a.s. to your company concerning these services totaled € 3,268,000.

Paris La Défense, February 16, 2015

The statutory auditors
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4.4 RENAULT SA ANNUAL FINANCIAL STATEMENTS

4.4.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(€ million)	2 014	2 013
Operating expenses	(27)	(35)
Increases to provisions	(9)	(3)
NET OPERATING EXPENSE	**(36)**	**(38)**
Investment income	690	1,741
Increases to provisions related to investments	36	19
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**726**	**1,760**
Foreign exchange gains	182	40
Foreign exchange losses	(29)	(29)
Reversals from provisions for exchange risks	3	24
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**156**	**35**
Interest and equivalent income	47	8
Interest and equivalent expenses	(311)	(303)
Reversals of provisions and transfers of charges	73	21
Expenses on sales of marketable securities	(61)	(9)
Depreciation and provisions	(5)	(8)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(257)**	**(291)**
NET FINANCIAL INCOME	**625**	**1,504**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**589**	**1,466**
Exceptional income on capital transactions	0	9
Exceptional expenses on capital transactions		
NET EXCEPTIONAL ITEMS	**0**	**9**
INCOME TAX (NOTE 5)	**95**	**189**
NET INCOME	**684**	**1 664**

BALANCE SHEET

ASSETS (€ million)	GROSS	DEPRECIATION, AMORTISATION & PROVISIONS	2014 NET	2013 NET
Investments stated at equity	6,715		6,715	6,880
Other investments (Note 6)	7,500	2	7,498	7,217
Advances to subsidiaries and affiliates (Note 7)	11,482	4	11,478	11,285
FINANCIAL ASSETS	**25,697**	**6**	**25,691**	**25,382**
TOTAL FIXED ASSETS	**25,697**	**6**	**25,691**	**25,382**
RECEIVABLES (NOTE 9)	**426**	**5**	**421**	**376**
MARKETABLE SECURITIES (NOTE 8)	**110**	**1**	**109**	**145**
CASH AND CASH EQUIVALENTS	**38**		**38**	**41**
OTHER ASSETS (NOTE 9)	**67**		**67**	**37**
TOTAL ASSETS	**26,338**	**12**	**26,326**	**25,981**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	2014	2013
Share capital	1,127	1,127
Share premium	4,783	4,783
Equity valuation difference	899	1,064
Legal and tax basis reserves	112	112
Retained earnings	7,599	6,439
Net income	684	1,664
SHAREHOLDERS' EQUITY (NOTE 10)	**15,204**	**15,189**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**80**	**92**
Bonds	6,259	6,082
Borrowings from credit institutions	1,109	1,276
Other loans and financial debts	2,678	2,424
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**10,046**	**9,782**
OTHER LIABILITIES (NOTE 14)	**703**	**487**
DEFERRED INCOME (NOTE 15)	**164**	**302**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**26,326**	**25,981**

STATEMENT OF CHANGES IN CASH

(€ million)	2014	2013
Cash flow (note 19)	642	1,652
Change in working capital requirements	165	74
CASH FLOW FROM OPERATING ACTIVITIES	**807**	**1,726**
Net decrease/(increase) in other investments	(245)	(33)
Net decrease/(increase) in loans	(195)	(1,227)
Net decrease/(increase) in marketable securities	36	9
CASH FLOW FROM INVESTING ACTIVITIES	**(404)**	**(1,251)**
Bond issues	1,689	1,756
Bond redemptions	(1,676)	(1,183)
Net increase/(decrease) in other interest-bearing borrowings	123	(547)
Dividends paid to shareholders	(504)	(502)
Bond issuance expenses and redemption premiums	(7)	(5)
CASH FLOW FROM FINANCING ACTIVITIES	**(375)**	**(481)**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**5**	**11**
Increase/(decrease) in cash and cash equivalents	28	(6)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**33**	**5**

4.4.2 NOTES TO THE FINANCIAL STATEMENTS

4.4.2.1 ACCOUNTING POLICIES

Renault SA draws up its annual financial statements in accordance with French law and the regulations defined by the new French chart of accounts, as amended by regulation ANC 2014-03 of the ANC (*Autorité des Normes Comptables*) and approved by ministerial decision of September 08, 2014.

The following methods were applied in valuing balance sheet and income statement items:

A – INVESTMENTS

As allowed by CNC (*Conseil National de la Comptabilité*) *avis* 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, profitability prospects and commercial outlets. Provisions are established when the book value of the investments is lower than the gross value.

B – ADVANCES TO SUBSIDIARIES AND AFFILIATES

Loans to related companies and advances to subsidiaries and affiliates are recorded at historical cost. Impairment is recognised when there is a risk that these loans will not be recovered.

C – 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 subject to a provision for expenses, corresponding to the difference between the value of shares (acquisition or net worth on the date of reassignment price) and the exercice price of the options for beneficiaries, therefore the exercice price of the option is less 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.

D – LOAN COSTS AND ISSUANCE EXPENSES

Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other Assets, are amortised on a straight-line basis over the corresponding duration.

E – 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 unrealised exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives).

F – 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.

G – DERIVATIVES

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Any resulting unrealised loss is recognised in the income statement, while unrealised gains are not recognised in income.

The fair value of forward exchange contracts is based on market conditions. The fair value of 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 year-end market conditions into consideration. The market value of derivatives is not recognised in the balance sheet.

H – NET EXCEPTIONAL ITEMS

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the Company's normal business operations, and are not expected to recur on a frequent or regular basis.

4.4.2.2 INVESTMENT INCOME AND EXPENSES

Details are as follows:

(€ million)	2014	2013
Dividends received from Renault s.a.s.	0	1,095
Dividends received from Nissan Motor Co Ltd	432	405
Other dividends received	117	102
Interest on loans	141	139
Increases to provisions related to subsidiaries and affiliates	36	19
TOTAL	**726**	**1,760**

All interest on loans concerns Group subsidiaries.

4.4.2.3 FOREIGN EXCHANGE GAINS AND LOSSES

The net foreign exchange loss is chiefly attributable to operations in yen undertaken by Renault SA. Since these operations are not classified as part of the hedge of the net assets of Nissan in Renault SA's individual financial statements, they are included in financial income and expenses in the income statement.

Foreign exchange gains and losses in 2014 mainly comprise the following:

- a foreign exchange gains of €91 million on redemption of the bond issued on June 15, 2012 (nominal value 32.3 billion yen);
- a foreign exchange gains of €8 million on redemption of the bond issued on October 10, 2012 (nominal value 1,250 billion Renminbi Yuan);
- a foreign exchange loss of €3 million on redemption of swap related to the bond issued in Renminbi Yuan;
- a foreign exchange gains of €6 million when subscribing of the bond issued on June 6, 2014 (nominal value 75 billion yen);
- a foreign exchange gains of €52 million on redemption of the bond issued on December 18, 2012 (nominal value 30.1 billion yen);

Foreign exchange gains and losses in 2013 included a net gain of €11 million.

4.4.2.4 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses generated a net loss of €257 million in 2014 (compared to a loss of €291 million in 2013) and mainly comprise net interest payments of €311 million on Renault borrowings after swaps and €47 million reversed from impairment recorded in respect of treasury shares.

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Details of interest paid and other similar expenses are as follows:

(€ million)	2014	2013
Net accrued interest after swaps on bonds(1)	(236)	(217)
Net accrued interest after swaps on borrowings from credit institutions	(24)	(27)
Accrued interest on termination of borrowings from subsidiaries	(2)	(2)
Accrued interest on redeemable shares	(17)	(17)
Other financial expenses	(2)	(6)
Other (treasury notes and brokers commissions)	(30)	(34)
TOTAL	**(311)**	**(303)**

(1) The net interest on bonds comprises accrued and paid interest amounting to €368 million (€331 million in 2013), and accrued and received interest on swaps amounting to €132 million (€114 million in 2013).

In 2014, the €236 million of interest received and paid mainly comprise:

- €35 million on the bond issued on October 13, 2009;
- €28 million on the bond issued on March 22, 2010;
- €24 million on the bond issued on September 18, 2012;
- €25 million on the bond issued on May 25, 2011;
- €24 million on the bond issued on September 19, 2013;
- €17 million on the bond issued on June 30, 2010;
- €14 million on the bond issued on September 20, 2010;
- €13 million on the bond issued on March 5, 2014;
- €12 million on the bond issued on December 05, 2012.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €32 million: €152 million on the paying leg and €120 million on the receiving leg.

4.4.2.5 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 parent company is not obliged to reimburse the subsidiaries for the tax savings resulting from utilisation of their tax losses when the subsidiaries return to profit or leave the tax consolidated group.

Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 50% of the taxable income above that amount.

This rule is 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.

The new rules on tax loss carryforwards apply to all losses existing, whatever their origin.

In practice, although the new rules will have an impact on determination of certain subsidiaries' taxable income, they will have no immediate impact on the taxable income of the Group as a whole, which continues to report a tax loss, amounting to €488 million (€276 million decrease than in 2013).

Article 15 of the rectified French Finance Law for 2014 postponed the cancellation of the 10.7% exceptional contribution on the corporate income tax payable. This measure is applicable for financial years ending until December 30, 2016. This contribution is due:

- on income tax at the normal rate or reduced rate payable by the tax consolidation group;
- by convention, on income tax at the normal rate or reduced rate payable by the companies included in the tax consolidation group to Renault SA.

The income generated by income taxes for 2014 was €95 million corresponding to the income tax proceeds paid by the subsidiaries of Renault SA as if they were imposed separately.

So, the income tax can be analyzed as follows:

(€ million)	PRE-TAX INCOME	TAXES						NET INCOME
		THEORETICAL	NETTING	CREDIT GENERATED	TAX CREDIT	NET TAX DUE	THEORETICAL	AS BOOKED
Current income subject to normal rate	589						589	589
Tax consolidation						95		95
Impairment						1		1
Other						(1)		(1)
TOTAL	**589**					**95**	**589**	**684**

The deferred taxes Renault SA are as follows:

(€ million)	2014		2013		VARIATIONS	
	ASSETS(1)	LIABILITIES(2)	ASSETS(1)	LIABILITIES(2)	ASSETS	LIABILITIES
Temporarily non-deductible expenses						
Provisions for risks and liabilities	50		32		18	
Expenses deducted (or taxed income)		43		28		15
not yet recognised for accounting purposes	51	18	95	9	(44)	9
TOTAL	**101**	**61**	**127**	**37**	**(26)**	**24**

(1) i.e. future tax credit.
(2) i.e. future tax charge.

4.4.2.6 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.	6,622		6,622
Investment in RNBV	11		11
Investment in Daimler	584		584
Other investments(1)	38	245	283
TOTAL BEFORE PROVISIONS	**7,255**	**245**	**7,500**
Impairment	(38)	36	(2)
TOTAL NET	**7,217**		**7,498**

(1) Participation in the capital increase of the company DRAC (Dongfeng Renault Automotive Company) to €245 million.

4.4.2.7 ADVANCES TO SUBSIDIARIES AND AFFILIATES

Changes during the year were as follows:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
Dividends receivable	1	1		2
Loans	11,286	2,427	(2,233)	11,480
TOTAL BEFORE PROVISIONS (1)	**11,287**	**2,428**	**(2,233)**	**11,482**
Impairment	(2)	(2)	0	(4)
TOTAL NET	**11,285**	**2,426**	**(2,233)**	**11,478**
(1) Current portion less than one year	11,231			11,438
Long-term portion over 1 year	56			44

Loans include:

- €6,732 million in short-term investments with Renault Finance (€6,128 million in 2013);
- €25 million in long-term loans to Renault s.a.s. (identical to 2013);
- €4,725 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€5,133 million in 2013).

All loans relate to Group subsidiaries.

4.4.2.8 MARKETABLE SECURITIES

Marketable securities primarily include €109 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	IMPAIRMENT (REVERSALS)	AT YEAR-END
Number of shares	3,784,305	1,592,575	364,253			2,555,983
Shares allocated	113	(62)	26	31		108
Shares not allocated	32			(31)		1
GROSS VALUE (€ million)	**145**	**(62)**	**26**	**0**		**109**
IMPAIRMENT (€ million)						
TOTAL	**145**	**(62)**	**26**			**109**

4.4.2.9 RECEIVABLES AND OTHER ASSETS

Receivables mainly comprise:

- an unbilled receivable of €55 million for stock options (€63 million in 2013), under the reinvoicing agreement between Renault SA and Renault SAS introduced in 2012;
- tax receivables:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
RECEIVABLES TAX				
CIR: Research tax credit	263	153	(120)	296
CICE: Competitive employment tax credit	36	50	(36)	50
Other receivables tax	25	9	(9)	25
TOTAL BEFORE PROVISIONS	**324**	**212**	**(165)**	**371**
IMPAIRMENT				
CIR: Research tax credit	(9)	(3)	8	(4)
CICE: Competitive employment tax credit	(2)	(1)	2	(1)
	(11)	**(4)**	**10**	**(5)**
TOTAL NET	**313**	**208**	**(155)**	**366**

The increases are principally receivables Research Tax Credit for the year of €153 million and the Competitive Employment Tax Credit of €50 million.

The decreases consist of redemption of the CIR 2010 for €30 million, of the partial assignment of the debt CIR (Research Tax Credit) for the years 2011 and 2012 to a value of €90 million and the assignment of the debt CICE for the year 2013 of €36 million.

The major components of Other Assets are:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
OTHER ASSETS				
Deferred charges	23	6	(7)	22
Redemption premiums amounting	5	3	(3)	5
Unrealized losses	9	40	(9)	40
TOTAL	**37**	**49**	**(19)**	**67**

- deferred charges consist of final payments and issuance expenses on various loans;
- redemption premiums, mainly on several long-term bonds (5 to 7 years);
- translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds swapped to yen.

4.4.2.10 SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2013 NET INCOME	DIVIDENDS	2014 NET INCOME	OTHER	BALANCE AT YEAR-END
Share capital	1,127					1,127
Share premium	4,783					4,783
Equity valuation difference	1,064				(165)	899
Legal and tax basis reserves	112					112
Retained earnings	6,439	1,664	(504)			7,599
Net income	1,664	(1,664)		684		684
TOTAL	**15,189**		**(504)**	**684**	**(165)**	**15,204**

Non-distributable reserves amounted to €1,176 million at December 31, 2014.

Renault SA's shareholding structure was as follows at December 31, 2014:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15.01 %	44,387,915	17.84 %
Employees	7,384,900	2.50 %	7,384,900	2.97 %
Treasury shares	2,555,993	0.86 %		
Nissan	44,358,343	15.00 %		
Daimler	9,167,391	3.10 %	9,167,391	3.68 %
Other	187,867,742	63.53 %	187,867,742	75.51 %
TOTAL	**295,722,284**	**100 %**	**248,807,948**	**100 %**

The par value of the Renault SA share is €3.81.

STOCK OPTION AND FREE SHARE ATTRIBUTION PLANS

Since October 1996, the Board of Directors has periodically granted stock options to Group executives and managers, with prices and exercise periods specific to each plan.

During 2014, a new plan or attribution of free share has been established. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

A – Changes in the number of stock options held by personnel

	2014			2013		
	QUANTITY	WEIGHTED AVERAGE EXERCICE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)	QUANTITY	WEIGHTED AVERAGE EXERCICE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)
Outstanding at January 1	**3,843,771**	**76**	**-**	**5,156,196**	**76**	**-**
Granted				297,800	37	40
Exercised				-	-	-
Expired	(2,818,941)	90	-	(1,610,225)	69	-
Outstanding at December 31	**1,024,830**	**37**		**3,843,771**	**76**	**-**

B – Stock subcription options and stock purchase options during 2014

N° OF PLAN	TYPE OF PLAN	GRANT DATE	EXERCICE PRICE (€)	OUTSTANDING	EXERCICE PERIOD
Plan 12	Stock subscription options	May 4, 2006	87.98	-	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	-	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	478,612	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	150,000	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase options	December 13, 2012	37.43	396,218	December 13, 2016 – December 12, 2020
TOTAL				**1,024,830**	

C – Performance shares plans in progress in 2014

N° OF PLAN	TYPE OF PLAN	GRANT DATE	RIGHTS AT DECEMBER 31, 2014	VESTING DATE	RETENTION PERIOD
Plan 18 bis	Attribution of free shares	April 29, 2011	- 91,395	April 30, 2014(1) April 30, 2015(2)	April 30, 2014 – April 30, 2016 Néant
Plan 19 bis	Attribution of free shares	December 8, 2011	25,500	December 8, 2015(2)	Néant
Plan 20 bis	Attribution of free shares	December 13, 2012	- 75,143	December 13, 2014(1) December 13, 2016(2)	December 13, 2014 – December 12, 2016 Néant
Plan 21 bis	Attribution of free shares	February 12, 2014	1,091,475 199,577	February 12, 2017(1) February 12, 2018(2)	February 12, 2017 – February 12, 2019 Néant
TOTAL			**1,483,090**		

(1) French tax residents.
(2) Tax residents.

4.4.2.11 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, 2014, for a total of €129 million including accrued interest. These shares are listed on the Paris Bourse. The market price for redeemable shares with par value of €153 was €438.90 at December 31, 2014 (€392.00 at December 31, 2013).

The 2014 return on redeemable shares, amounting to €17 million (€17 million in 2013) is included in interest and equivalent expenses.

4.4.2.12 PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

(€ million)	2013	INCREASES	REVERSALS	2014
Foreign exchange losses	3	0	(3)	0
Provisions for expenses (1)	75	63	(66)	72
Other provisions for risks (2)	14		(6)	8
TOTAL	**92**	**63**	**(75)**	**80**
Current (less than 1 year)	*8*			*0*
Long-term (over 1 year)	*84*			*80*

(1) A provision of €72 million was booked at December 31, 2014 (€75 at December 31, 2013) after it was decided to allocate free shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s., a €55 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s. (€63 million in 2013).
(2) Other provisions mainly consist of provisions for risks related to investments.

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.

4.4.2.13 FINANCIAL LOANS AND BORROWINGS

A – BONDS

Bonds amounted to €6,259 million at December 31, 2014 (€6,082 million at December 31, 2013).

The principal changes in bonds over 2014 were as follows:

- issuance on March 05, 2014 of a 7-year bond with total nominal value of €500 million, at the fixed rate of 3.125%;
- issuance on April 15, 2014 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 1.19% (swapped to Euros at the floating rate of 2-month Euribor +142.9 bp);
- issuance on June 06, 2014 of a 2-year bond with total nominal value of 75 billion yen, at the fixed rate of 1.09% (swapped to Euros at the fixed rate of 1.4635%);
- issuance on June 06, 2014 of a 3-year bond with total nominal value of 75 billion yen, at the fixed rate of 1.27%;
- issuance on December 11, 2014 of a 3-year bond with total nominal value of 500 billion Renminbi Yuan, at the fixed rate of 4.375% (swapped to a floating rate of 3-month Hibor +124 bp);
- redemption of the June 03, 2011 3-year bond totalling 7 billion yen at the fixed rate of 1.90%;
- redemption of the June 05, 2007 7-year bond totalling 1 billion yen at the fixed rate of 1.89%;
- redemption of the June 15, 2012 2-year bond totalling 32.3 billion yen at the fixed rate of 3.20%;
- redemption of the June 26, 2007 7-year bond totalling 7 billion yen at the fixed rate of 2.065%;
- redemption of the November 04, 2003 10-year and 9-month bond totalling €41 million at the floating rate indexed on the CMS 10 year, swapped at a fixed rate of 5.4025%;
- redemption of the December 15, 2006 7-year and 8-month bond totalling €27.8 million at the floating rate indexed on the CMS 10 year, swapped at a floating rate of 3-month Euribor +0.62%;
- redemption of the January 15, 2007 7-year and 7-month bond totalling €29 million at the floating rate indexed on the CMS 10 year, swapped at a floating rate of 3-month Euribor +0.62%;
- redemption of the October 10, 2012 2-year bond totalling 750 billion Renminbi Yuan at the fixed rate of 5.625% (swapped to euros at the fixed rate of 2.375%);
- redemption of the November 19, 2012 2-year bond totalling 500 billion Renminbi Yuan at the fixed rate of 5.625% (swapped to euros at the fixed rate of 1.42%);
- redemption of the October 13, 2009 5-year bond totalling €750 million at the fixed rate of 6.00%;
- redemption of the December 18, 2012 2-year bond totalling 30.1 billion yen at the fixed rate of 2.77%.

BREAKDOWN BY MATURITY

							DECEMBER 31, 2014
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	6,191	1,310	1,489	1,992	900	500	
Accrued interest	68	68					
TOTAL	**6,259**	**1,378**	**1,489**	**1,992**	**900**	**500**	

							DECEMBER 31, 2013
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	6,025	1,504	1,324	937	1,360	900	
Accrued interest	57	57					
TOTAL	**6,082**	**1,561**	**1,324**	**937**	**1,360**	**900**	

BREAKDOWN BY CURRENCY

		DECEMBER 31, 2014		DECEMBER 31, 2013
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	4,225	4,907	4,561	4,809
Yen	1,879	1,286	1,273	1,273
Cny	155	66	248	
TOTAL	**6,259**	**6,259**	**6,082**	**6,082**

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BREAKDOWN BY INTEREST RATE TYPE

	31 DÉCEMBRE 2014	31 DÉCEMBRE 2013
(€ million)	APRÈS DÉRIVÉS	APRÈS DÉRIVÉS
Fixed rate	4 662	3 656
Floating rate	1 597	2 426
TOTAL	**6 259**	**6 082**

B – BORROWINGS FROM CREDIT INSTITUTIONS

Borrowings from credit institutions stood at €1,109 million at December 31, 2014 (€1,276 million at December 31, 2013) and are mainly contracted on the market.

The principal changes in bonds over 2014 were as follows:

- subscription on April 24, 2014 of a 6-year bond with total nominal value of €95 million at the floating rate of 3-month Max Euribor within +1.3% and +2.3%, swapped to the fixed rate of 2.489%;
- redemption on March 14, 2014 of a 6-year bond with total nominal value of €78 million, at the floating rate of 3-month Euribor +1.2%, swapped at the floating rate 3-month Euribor +0.66%;
- redemption on March 14, 2014 of a 6-year bond with total nominal value of €147 million, at the fixed rate of 4.80%, swapped at the floating rate 3-month Euribor +0.66%;

BREAKDOWN BY MATURITY

							DECEMBER 31, 2014
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,098	127	292	137	141	306	95
Accrued interest	11	11					
TOTAL	**1,109**	**138**	**292**	**137**	**141**	**306**	**95**

							DECEMBER 31, 2014
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,265	266	122	293	137	141	306
Accrued interest	11	11					
TOTAL	**1,276**	**277**	**122**	**293**	**137**	**141**	**306**

BREAKDOWN BY CURRENCY

	DECEMBER 31, 2014		DECEMBER 31, 2013	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1,109	1,109	1,276	1,276
Other currencies				
TOTAL	**1,109**	**1,109**	**1,276**	**1,276**

BREAKDOWN BY INTEREST RATE TYPE

	DECEMBER 31, 2014	DECEMBER 31, 2013
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	99	41
Floating rate	1,010	1,235
TOTAL	**1,109**	**1,276**

Borrowings from credit institutions maturing within one year include €38 million in bank credit balances.

C – OTHER LOANS AND FINANCIAL DEBTS

Other loans and financial debts amounted to €2,678 million at December 31, 2014 (€2,424 million in 2013), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €223 million.

No loans or financial debts are secured.

D – LIQUIDITY RISK

The 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 automotive operating segment through long-term resources *via* the capital markets (bond issues, private placements), bank financing, or short-term financing such as treasury notes.

Renault SA also has confirmed credit agreements with banking establishments (see note 18).

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.

4.4.2.14 OTHER LIABILITIES

Changes in other liabilities were as follows:

(€ million)	2014	2013	VARIATION 2014-2013
Tax liabilities	696	480	216
Liabilities related to other assets	5	5	
Other liabilities	2	2	
TOTAL	**703**	**487**	**216**

The variation of €216 million in tax liabilities was mainly due to an increase in tax debt to subsidiaries: €47 million due under the CICE; €32 million under the CIR and €137 million under the tax French domestic tax consolidation system.

4.4.2.15 DEFERRED INCOME

Deferred income mainly comprises unrealised foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €149 million.

4.4.2.16 INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities consolidated in the Group's financial statements, whatever is the consolidation method. Transactions with related companies are conclude in normal conditions of market.

INCOME STATEMENT

	2014		2013	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Interest on loans	141	139	139	126
Interest and equivalent expenses	(311)	29	(303)	45
Reversals of provisions and transfers of charges	116		91	

BALANCE SHEET

	2014		2013	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Loans	11,480	11,401	11,286	11,196
Receivables	426	55	387	63
Cash and cash equivalents	38		41	
Borrowings from credit institutions	1,109		1,276	
Loans and financial debts	2,678	2,429	2,424	2,336
Other liabilities	703	700	487	479

4.4.2.17 FINANCIAL INSTRUMENTS

A – MANAGEMENT OF EXCHANGE AND INTEREST RATE RISK

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

AT DECEMBER 31 (€ million)	2014	2013
FOREIGN EXCHANGE RISKS		
***Currency* swaps**		
Purchases	681	246
with Renault Finance	*681*	*246*
Sales	664	240
with Renault Finance	*664*	*240*
Other forward exchange contracts and options		
Purchases	504	515
with Renault Finance	*504*	*515*
Sales	516	541
with Renault Finance	*516*	*541*
INTEREST RATE RISKS		
***Interest* rate swaps**	**2,013**	**3,679**
with Renault Finance	*2,013*	*3,099*

Currency risk

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward currency operations to hedge financing contracted in foreign currencies, apart from financing in yen. Renault SA also carries out forward currency sales to hedge loans to subsidiaries denominated in foreign currencies.

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. Most of its operations on the financial instrument markets are undertaken *via* Renault Finance, a wholly-owned Group subsidiary.

B – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts in the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

AT DECEMBER 31 (€ million)	2014		2013	
	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE
ASSETS				
Marketable securities, gross(1)	110	155	146	221
Loans	11,480	11,503	11,286	11,307
Cash and cash equivalents	38	38	41	41
LIABILITIES				
Redeemable shares	129	350	129	313
Bonds	6,259	6,583	6,082	6,359
Other interest-bearing borrowings(2)	3,787	3,882	3,700	3,604

(1) Including treasury shares.
(2) Excluding redeemable shares.

C – ESTIMATED FAIR VALUE OF OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

AT DECEMBER 31 (€ million)	2014		2013	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Forward exchange contracts	18	(6)	25	0
with Renault Finance	*18*	*(6)*	*25*	*0*
Currency swaps	11	(35)	0	(5)
with Renault Finance	*11*	*(35)*	*0*	*(5)*
Interest rate swaps	63	(6)	76	(4)
with Renault Finance	*63*	*(6)*	*76*	*(4)*

Assumptions and methods adopted

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

When the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognised valuation models that refer to observable market parameters. If Renault SA has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **financial assets:**
  - **marketable securities:** the fair value of securities is determined mainly by reference to market prices,
  - **loans and advances to subsidiaries and affiliates:** for loans with original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded in the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the risk-free rates offered to Renault SA at December 31, 2014 and December 31, 2013 for loans with similar conditions and maturities;
- **liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at risk-free rates plus the credit spread of the borrower at December 31, 2014 and December 31, 2013 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value;
- **off-balance sheet foreign exchange instruments:** the fair value of forward contracts and of currency swaps is determined by discounting future cash flows, using market curves (exchange and interest risk free rate) respectively on December 31, 2014 and December 31, 2013 for the contracts' residual terms;
- **off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault SA would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates to each contract, are taken into account at December 31, 2014 and December 31, 2013.

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4.4.2.18 OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

(€ million)	2014 TOTAL	2014 CONCERNING RELATED COMPANIES	2013 TOTAL	2013 CONCERNING RELATED COMPANIES
COMMITMENTS RECEIVED				
Unused credit lines	3,185		3,435	
TOTAL	**3,185**		**3,435**	
COMMITMENTS GIVEN				
Guarantees and deposits	727	712	786	712
TOTAL	**727**	**712**	**786**	**712**

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 €550 million by Renault SA with RCI Banque.

In 2011, Renault SA acted as guarantor, with joint and several liability, against default by Renault Tanger Exploitation (the debtor) and undertook a commitment to pay Renault Tanger Méditerranée (the beneficiary) all the amounts due under the sublease, *i.e.* rents and charges for one year (€81 million) and any penalties due for late delivery of the production unit (€81 million).

There are no restrictive clauses on credit lines opened but unused.

The forward sales and swaps undertaken by Renault SA are described above (note 17.A – Management of exchange and interest rate risk).

4.4.2.19 CASH FLOW

Cash flow is determined as follows:

(€ million)	2014	2013
Net income	684	1,664
Increases to provisions and deferred charges	10	9
Net increase to provisions for risks and liabilities	49	(30)
Net increases to impairment	(101)	9
TOTAL	**642**	**1,652**

4.4.2.20 WORKFORCE

Renault SA has no employees.

4.4.2.21 DIRECTORS' FEES

Directors' fees amounted to €1,074,699 in 2014 (€1,034,027 paid for 2013), of which €48,000 were for the function of Chairman (€48,000 in 2013).

4.4.2.22 SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

INFORMATION OF SUBSIDIARIES AND AFFILIATES (€ million)

COMPANIES	SHARE CAPITAL	RESERVES AND RETAINED EARNINGS	% OF CAPITAL HELD	BOOK VALUE OF SHARES OWNED
INVESTMENTS				
Renault s.a.s.	534	2,900	100%	5,910
Dacia[1]	567	173	99,43%	787
Dongfeng Renault Automotive Company[2]	625	(102)	50,00%	280
Nissan[3]	9,711	22,304	43,40%	6,622
Sofasa[4]	1	128	27,66%	18
TOTAL INVESTMENTS				**13,617**

(1) The exchange rate used for Dacia is 4.4828 Romanian lei = €1.
(2) The exchange rate used for DRAC is 7.5358 Renminbi Yuan = €1.
(3) The exchange rate used for Nissan is 145.23 Yen = €1.
(4) The exchange rate used for Sofasa is 2,898 Colombian pesos = €1.

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2014	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2014
INVESTMENTS				
Renault s.a.s.	1,640	34,578	(170)	
Dacia[5]		4,238	83	72
Dongfeng Renault Automotive Company[6]			38	
Nissan[7]		82,547	2,679	432
Sofasa[8]		799	22	7

(5) The exchange rate used for Dacia is 4.4443 Romanian lei = €1.
(6) The exchange rate used for DRAC is 7.89 Renminbi Yuan = €1.
(7) The exchange rate used for Nissan is 140.38 Yen = €1.
(8) The exchange rate used for Sofasa is 2,655.21 Colombian pesos = €1.

ACQUISITION OF INVESTMENTS

See note 6.

FIVE-YEAR FINANCIAL HIGHLIGHTS

(€ million)	2010	2011	2012	2013	2014
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					
Income before tax, amortisation, depreciation and provisions[1]	143	(51)	288	1,429	498
Income tax	163	164	135	189	95
Income after tax, amortisation, depreciation and provisions	168	277	574	1,664	684
Dividends paid	87	339	502	504	
EARNINGS PER SHARE IN EUROS					
Earnings before tax, amortisation, depreciation and provisions[1]	0,48	(0,17)	0,97	4,83	1,68
Earnings after tax, amortisation, depreciation and provisions	0,57	0,94	1,94	5,63	2,31
Net dividend per share	0,30	1,16	1,72	1,72	
EMPLOYEES[2]					

(1) Provisions are those recorded during the year, less reversals and applications.
(2) No employees.

+58%

FOR RENAULT SHARES

IN THE PAST FIVE YEARS

5 RENAULT AND ITS SHAREHOLDERS

The elements of the annual financial report are identified by RFA sign.

5.1 GENERAL INFORMATION

5.1.1 OVERVIEW

5.1.1.1 BUSINESS NAME AND REGISTERED OFFICE

Business name: Renault

Registered 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 AND TERM OF INCORPORATION

The Company was created on January 16, 1945 and will expire on December 31, 2088 except in the case of early termination or renewal.

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 all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the articles of incorporation).

Full details of the Company's corporate purpose are provided in Article 3 of the articles of incorporation, available at www.renault.com.

5.1.1.5 COMPANY'S REGISTRATION NUMBER

Renault is registered with the Registrar of Companies in Nanterre under No. 441,639,465 RCS Nanterre (APE code 6420 Z).

Siret code for the registered office: 441.639.465.00018.

5.1.1.6 ACCESS TO LEGAL DOCUMENTS

Legal documents such as the articles of incorporation, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law are available at the Company's head office.

5.1.1.7 FISCAL YEAR

The Company's fiscal year runs for 12 months from January 1 to December 31.

5.1.2 SPECIAL PROVISIONS OF THE ARTICLES OF INCORPORATION

5.1.2.1 APPROPRIATION OF NET INCOME

Net income is appropriated in compliance with existing 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 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 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 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 GENERAL MEETINGS

General Meetings are convened in accordance with legal and regulatory provisions. The meetings are open to all shareholders who have registered their shares under their own name at the latest on the second working day before the meeting. Starting from January 1, 2015, the right to attend General Meetings is evidenced by an entry in the share records in the name of the shareholder or the registered intermediary acting on his or her behalf, pursuant to Article L. 228-1 of the French Commercial Code. The entry must be made by midnight (zero hours) Paris time on the second working day before the General Meeting, either in the registered share account held by the Company or the bearer share accounts held by an authorized intermediary in accordance with Article L. 211-3 of the French Commercial Code. The entry of bearer shares in the share records held by the authorized intermediary is evidenced by an attendance certificate issued by 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.

Shares entitle the holder to vote, within the limits of French regulations.

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 that shareholders 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 greater than 2% of the share capital or voting rights, or a multiple of this percentage less than or equal to 5% of the share capital or voting rights, shall inform the Company of the total number of shares held. That 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 took 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 within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The disclosure requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 2% or 1% as applicable.

If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are stripped of voting rights for all Shareholders' Meetings for a period of two years after the required disclosures are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

5.2 GENERAL INFORMATION ABOUT RENAULT'S SHARE CAPITAL

5.2.1 CAPITAL AND VOTING RIGHTS

At December 31, 2014, the share capital amounted to €1,126,701,902.04 (one billion one hundred and twenty six million seven hundred and one thousand nine hundred and two euros and four cents) consisting of 295,722,284 shares with a par value of €3.81. The shares are fully subscribed and paid in. At that date, there were no double voting rights attached to these shares.

The theoretical number of voting rights is 295,722,284.

In view of the 2,555,983 shares of treasury stock and the 44,358,343 shares held by Nissan Finance Co., Ltd., all of which are without voting rights, the total number of exercisable voting rights at that date was 248,807,958.

5.2.2 CHANGE IN THE SHARE CAPITAL

The Extraordinary General Meeting may, as specified by law, increase or reduce the share capital and authorize the Board of Directors to carry out such transactions, with the possibility of delegating them in accordance with law.

5.2.3 CHANGES IN CAPITAL OWNERSHIP

		RESULTING CAPITAL	
DATE	TRANSACTIONS	In €	No. of shares*
01/2001	Conversion of share capital to euro	913,632,540.27	239,798,567
12/2001	Capital increase reserved for employees: issue of 2,397,983 shares at a par value of €3.81.	922,768,855.50	242,196,550
03/2002	Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at €50.39 (par: €3.81)	1,066,784,805.72	279,996,012
05/2002	Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at €52.91 (par: €3.81)	1,085,610,419.58	284,937,118
04/28/2010	Capital increase reserved for Nissan Finance Co., Ltd.: 1,617,775 shares issued at €37 (par: €3.81)	1,091,774,142.33	286,554,893
04/28/2010	Capital increase reserved for Daimler AG: 9,167,391 shares issued at €37 (par: €3.81)	1,126,701,902.04	295,722,284

N.B.: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2011, 2012, 2013 and 2014.

* *Shares at €3.81.*

5.2.4 UNISSUED AUTHORIZED CAPITAL

5.2.4.1 OVERALL AUTHORIZATIONS

The General Meeting of Shareholders of April 30, 2014, gave the Board of Directors authorizations to proceed with miscellaneous financial transactions to increase the Company's share capital, with or without subscription rights.

To date, these authorizations have not been used.

These authorizations are detailed hereafter.

5.2.4.2 TABLE OF CAPITAL INCREASE AUTHORIZATIONS

The following table summarizes the capital increase authorizations given by the General Meeting to the Board of Directors and that are currently in force:

	DESCRIPTION OF AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS	USE
18th resolution GM 2014	Issues of shares or financial securities giving access to capital with preferential subscription right. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €350 million (around 30% of the share capital).	N/A
19th resolution GM 2014	Issues of shares or financial securities giving access to capital excluding the preferential subscription right. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
20th resolution GM 2014	Issues of shares or financial securities giving access to capital through private placement. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €60 million (around 5% of the share capital).	N/A
21st resolution GM 2014	Issues of shares or financial securities giving access to capital through a public exchange offer. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
22nd resolution GM 2014	Capital increase through issuance of shares by contribution in kind. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
23rd resolution GM 2014	Capital increase through capitalization of reserves, bonuses, etc. Valid for 26 months until the GM called to approve the 2015 financial statements. Capital increase capped at €1 billion.	N/A
24th resolution GM 2014	Capital increase through issuance of shares reserved for employees. Valid 26 months until the GM called to approve the 2014 financial statements. Capital increase capped at 1% of the share capital.	N/A

The total nominal amount of any capital increases that may be carried out by virtue of the eighteenth, nineteenth, twentieth, twenty-first, twenty-second, twenty-third and twenty-fourth resolutions submitted to the General Meeting on April 30, 2014, may not exceed €350 million (three hundred and fifty million euros).

5.2.5 POTENTIAL CAPITAL

5.2.5.1 OPTIONS

The Company has decided not to grant any new stock option plans.

The latest delegation referring to has been 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 General Meeting. For details of current grants and options, see table 8 in chapter 3.3.2.2 of this Registration document.

5.2.5.2 BONUS SHARES

Pursuant to Article L. 225-197-1 of the French Commercial Code, the Combined General Meeting of April 30, 2013, authorized, for a period of 38 months, the Board of Directors to grant bonus shares, either existing or to be issued, to salaried 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 of grants and shares in circulation, refer to table 8, chapter 3.3.2.2 of this Registration document.

5.2.5.3 SHARE BUYBACKS(1)

1. TRADING BY RENAULT IN ITS OWN SHARES IN 2014 AND ALLOCATION OF TREASURY STOCK

At December 31, 2014, Renault SA held 2,555,983 shares with a par value of €3.81, and a net carrying amount of €109,032,174.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the 16th resolution of the Combined General Meeting of April 30, 2014, authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in its own shares. The authorization is valid until October 30, 2015, unless the General Meeting of April 30, 2015 authorizes a new program as described in paragraph 2 below.

In March 2014, Renault acquired 364,253 of its own shares as part of the share buyback program approved by the General Meeting of April 30, 2013. The Company did not acquire any more of its own shares as part of the buyback program approved by the General Meeting on April 30, 2014. The 2,555,983 shares held directly or indirectly by Renault SA at December 31, 2014, are allocated as follows:

- implementation of stock option plans or free performance share allocations to avoid any dilutive effect as a result of the exercising of the options or the allocation of these shares. The shares acquired by the beneficiaries of Long Term Incentives must not result in the share capital being changed. Therefore, it is planned that (i) shares acquired under free performance share allocations are from the share buyback program; (ii) the shares created following the exercise of share options are immediately compensated by the cancellation of the same number of treasury stock, previously acquired under the share buyback program. The aim is to leave the Company's share capital unchanged.

The number of shares allocated to this end is 2,555,983 shares;

- zero shares remitted for the exercise of rights attached to financial securities giving the right to an allotment of Company stock by conversion, exercise, redemption, exchange, or any other method, in accordance with securities regulations;
- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- zero shares retained and subsequently remitted in exchange or as consideration for possible acquisitions;
- zero shares canceled.

Percentage of treasury stock held directly or indirectly at December 31, 2014: 0.86%.

Number of shares canceled over the 24 months preceding December 31, 2014: zero shares.

Number of shares held in the portfolio at December 31, 2014: 2,555,983 shares.

Net carrying amount of the portfolio at December 31, 2014: €109,032,174.

Portfolio value at December 31, 2014*: €154,713,651.

** Based on a share price of €60.53 at December 31, 2014.*

TRADING BY RENAULT IN ITS OWN SHARES IN 2014 AS PART OF THE PROGRAMS AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF APRIL 30, 2013 AND APRIL 30, 2014.

	TOTAL GROSS FLOWS AT DECEMBER 31, 2014		OPEN INTEREST AT DECEMBER 31, 2014	
	BOUGHT	SOLD	LONG POSITIONS	SHORT POSITIONS
Number of shares	364,253	none	none	none
Average sell, buy or strike price	€70.77	none	none	none
Total	€25,779,969.65	none	none	none

2. DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED FOR AUTHORIZATION TO THE GENERAL MEETING OF APRIL 30, 2015:

Pursuant to Articles 241-1 to 242-7 of the AMF General Regulations and Article L. 451-3 of the French Monetary and Financial Code, this section describes the purpose and arrangements for the new treasury stock buyback program organized by Renault SA ("the Company"), which will be submitted for approval to the Combined General Meeting of Shareholders on April 30, 2015.

The objectives of the program are to:

- use some or all of the acquired shares to cover a stock option purchase plan or bonus share plan, or any other form of grant, allotment or disposal intended for employees or senior managers of the Company and its Group and to carry out any related hedging transactions in accordance with the conditions set by the law;
- cancel such shares, in particular to offset any dilution linked to the exercise of share options or the acquisition of bonus shares, subject to the adoption of the resolution by the Combined General Meeting of April 30, 2015;

(1) This paragraph contains the information required in the program description, pursuant to Article 241-2 of the AMF General Regulations, and the information required pursuant to the measures stipulated in Article L. 225-211 of the French Commercial Code.

- remit some or all of the shares acquired by exercising the rights attached to securities giving the right to an allotment of Company stock by conversion, exercise, redemption, exchange or any other method, in connection with securities regulations;
- enable an independent investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- retain and subsequently remit some or all of the acquired shares as consideration for possible acquisitions;
- in general, carry out any transactions that are authorized, now or in future, by law, prevailing regulations or the AMF.

These shares may be acquired, sold, transferred or exchanged by any means permitted by regulations, including over the counter and by blocks of shares, by the use of financial derivatives and options strategies by respecting applicable regulations, at a time chosen by the Board of Directors.

The maximum purchase price shall be €120 per share (ISIN code: FR0000131906) without transaction costs, and the number of shares eligible for acquisition shall be no more than 10% of the share capital, i.e. theoretically 29,572,228 shares. It should be noted that (A) this limit applies to a capital amount that, where necessary, will be adjusted to reflect any transactions carried out subsequent to the General Meeting; and that (B) when the shares are purchased to promote liquidity, in accordance with the AMF General Regulations, the number taken into account to calculate the aforementioned 10% limit shall be the number of shares purchased less the number resold during the authorized period. This limit of 10% of the share capital corresponded to 29,572,228 shares at December 31, 2014. The total amount the Company could spend on the buyback of its own shares could not exceed €3,548.7 million.

These operations may be carried out at any time, except during a public tender offer concerning the Company, during the share buyback program.

The number of shares acquired by the Company for retention or exchange as part of a merger, partial merger or demerger shall not exceed 5% of its capital.

If the share capital is increased by capitalization of reserves, the granting of bonus shares, an increase of the par value of the share; 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 General Meeting of April 30, 2015, this program shall be valid for a period that expires at the next Annual General Meeting called to approve the 2015 financial statements and shall be no longer than 18 months, i.e. until October 30, 2016.

5.2.6 RENAULT SHARE OWNERSHIP

5.2.6.1 RENAULT SHAREHOLDERS AT DECEMBER 31, 2014

OWNERSHIP OF SHARES AND VOTING RIGHTS FOR THE LAST THREE FISCAL YEARS

	12/31/2014			12/31/2013			12/31/2012		
	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	44,387,915	15.01%	17.84%[1]	44,387,915	15.01%	17.93%[1]	44,387,915	15.01%	17.95%
Nissan Finance. Co, Ltd	44,358,343	15.00%	-	44,358,343	15.00%	-	44,358,343	15.00%	-
Daimler AG	9,167,391	3.10%	3.68%[2]	9,167,391	3.10%	3.70%[1]	9,167,391	3.10%	3.71%
Employees[2]	7,384,900	2.5%	2.97%	7,720,720	2.61%	3.12%	8,770,185	2.97%	3.55%
Treasury stock	2,555,983	0.86%	-	3,784,305	1.28%	-	4,059,255	1.37%	-
Public	187,867,752	63.53%	75.51%	186,303,610	63.00%	75.25%	184,979,195	62.55%	74.79%
TOTAL	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**

(1) The number of shares and voting rights held by the French State and Daimler AG remains unchanged since the 2013 Registration document. The variation of their % of voting rights is only explained by the variation of the total number of exercisable voting rights (see chapter 5.2.1 of this Registration document).

(2) The employee-owned shares (present and former employees) counted in this category are those held in Company savings schemes.

To the knowledge of the Company no other party other than mentioned here above holds more than 5% of the capital or voting rights, directly or indirectly or in concert.

The share capital amounts to €1,126,701,902.04 broken down into 295,722,284 shares and divided as follows:

- the French State's holding is unchanged at 15.01%;
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., holds 15% of Renault's capital, (unchanged since December 31, 2013). Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan;
- the Daimler group holds 3.10% (9,167,391 shares);
- current and former Renault employees hold 2.5% of the capital in the form of shares managed through collective investment schemes;
- the percentage of treasury stock is 0.86%. These shares do not carry voting rights;
- in view of these changes, the free float is now 63.53% of the capital (compared with 63% at December 31, 2013).

A survey of the holders of Renault bearer shares was conducted on December 31, 2014 to obtain an estimated breakdown of the public ownership's interest by category of major shareholder. At that date, institutional shareholders owned approximately 54.3% of the capital, with French institutions holding 10.17% and foreign institutions 44.13%. The 10 largest French and foreign institutional investors held approximately 18.41% of the capital. The remaining capital – 9.23% – is held primarily by individual shareholders.

5.2.6.2 SHAREHOLDER AGREEMENTS ON SHARES MAKING UP THE AUTHORIZED CAPITAL

RESTRICTIONS ON THE TRANSFER OF SHARES AND THE EXERCISE OF VOTING RIGHTS

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. 225-100-3 of French Commercial Code:

- lock-up commitment: for a five-year period beginning on the date of the Master Cooperation Agreement signature, Daimler commits to not transfer its holding in Renault without the prior agreement of the other parties. However, providing the transfer concerns all Renault shares and that the beneficiary is not a competitor of Renault, the lock-up commitment does not apply to the following cases: (i) transfer to a subsidiary, (ii) a public offer for Renault shares recommended by Renault's Board of Directors, (iii) a change in control of Renault. The commitment will end prematurely if the Master Cooperation Agreement is terminated before the end of the five-year period;
- 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 providing it has transfer authorization), 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 sell them in the market;
- commitment in the event of a hostile takeover bid: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a takeover bid for Renault that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

ACTION IN CONCERT BETWEEN THE PARTIES

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 pacts governing relations between the Company's shareholders, and no actions in concert.

5.3 MARKET FOR RENAULT SHARES

5.3.1 RENAULT SHARES

5.3.1.1 LISTING EXCHANGE AND STOCK INDEXES

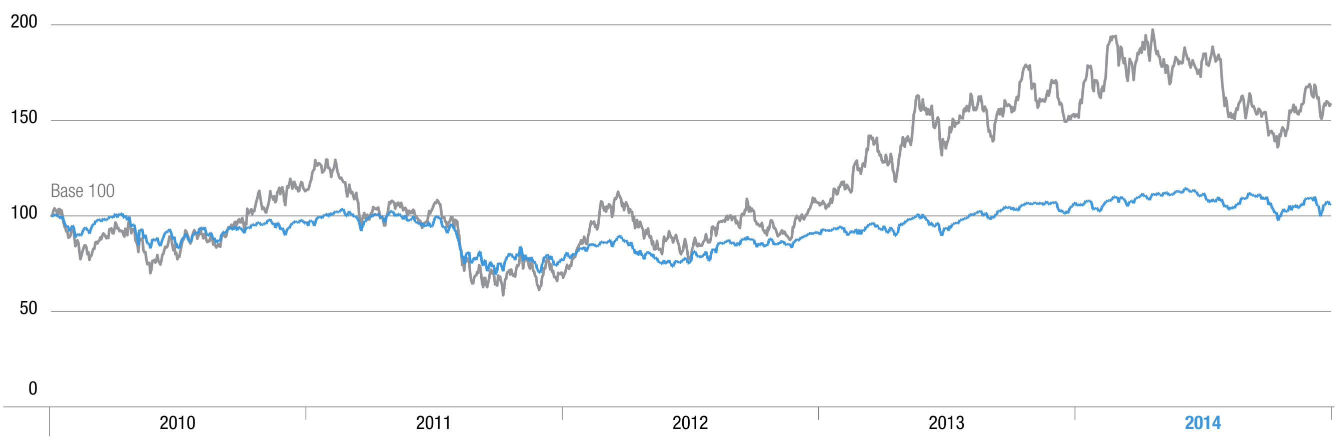
Renault has been listed on Euronext Paris (formerly the Paris Bourse) since November 17, 1994, when the Company was partially privatized. The issue price was FRF165 (€25.15). Renault was added to the CAC 40 index on February 9, 1995.

Renault shares (ISIN code FR0000131906, Symbol: RNO) are listed on Euronext – compartment A and qualify for the deferred-settlement account system (*Service de règlement différé*, SRD) and for inclusion in French equity savings plans.

The share is also a component of the SBF, Euronext and Euro Stoxx Auto indexes.

Furthermore, Renault receives annual ratings from sustainability agencies for its performance in spheres such as risk management, labor relations, environmental protection, and societal practices, and it is included in a number of indexes (see chapter 2.9.6.).

5.3.1.2 RENAULT SHARE PRICE PERFORMANCE OVER THE LAST FIVE YEARS



RENAULT SHARE PRICE AND MARKETS PERFORMANCE

	2014	2013	2012	2011	2010
Year high (€)	75.43	68.39	43.02	49.45	45.60
Year low (€)	51.95	39.67	26.60	22.34	26.765
Closing price (€)	60.53	58.45	40.685	26.80	43.50
Change during the year (%)	4.04	+44.09	+47.4	(39.4)	+13.87%
CAC change during the year (%)	1.08	+18.0	+15.2	(17.0)	(3.3)
DJES Auto change during the year (%)	+5.70	+34.09	+35.25	(26.88)	+49.19
Number of shares exchanged during the year	325,351,180	283,176,634	440,033,635	544,887,488	629,829,836
Market capitalization (€ million)	17,900	17,285	12,031	7,925	12,864

The average share price in the last 30 trading days of 2014 was €61.60 (source: *Reuters*).

5.3.2 RENAULT AND DIAC REDEEMABLE SHARES

5.3.2.1 RENAULT REDEEMABLE SHARES

CHARACTERISTICS OF THE MAIN RENAULT REDEEMABLE SHARES

Renault issued a total of 2,000,000 redeemable shares with a par value of FRF1,000/€152.45, in two fungible issues of 1,000,000 shares in October 1983 and October 1984.

Renault redeemable 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 obtained on request from the Investor Relations department (toll-free number +33 (0) 800 650 650).

Between March and April 2004 Renault made a public buyback offer for its redeemable shares at €450 per share. In all, 1,202,341 shares, or 60.12% of the total, were bought back and cancelled. The number of shares outstanding after the buyback was 797,659, unchanged at December 31, 2014.

REMUNERATION

The gross remuneration on redeemable shares paid on October 24, 2014 in respect of 2013 was €21.26 (€10.29 for the fixed portion and €10.97 for the variable portion).

The remuneration on redeemable shares for fiscal year 2014, payable on October 24, 2015, is €21.29, comprising €10.29 for the fixed portion and €11.003 for the variable portion (based on consolidated revenues of €41,055 million for 2014 and €40,932 million for 2013).

TRADING VOLUMES AND PRICES OF RENAULT REDEEMABLE SHARES OVER THE PAST THREE YEARS

	2014	2013	2012
Year high (€)	444.95	420	347.95
Year low (€)	400	306.55	291.05
Closing price (€)	438.90	392	312.05
Number of redeemable shares exchanged during the year	119,268	149,827	116,918

Source : Reuters.

5.3.2.2 DIAC REDEEMABLE SHARES

Diac, the French credit subsidiary of RCI Banque, issued 500,000 redeemable shares with a par value of FRF1,000/€152.45 in 1985.

Diac redeemable shares are listed on Euronext Paris under ISIN code FR0000047821.

At December 31, 2014, the number of redeemable shares still outstanding was 60,269. At the closing price of €175, Diac's redeemable shares represented a total of €10,547,075 (€9,188,009 at the issue par value of €152.45).

In the course of 2014, the share price fluctuated between €161 at its lowest and €177 at its highest.

5.3.3 DIVIDENDS

In the first phase of the Renault 2016 Drive the Change plan, the Company committed to pay out to shareholders the dividends received from shareholdings in listed companies, with a one-year time lag.

The purpose of that policy was to raise the profile of the dividend while achieving the debt reduction target.

That target has now been reached so, for the second phase of the plan, Renault is putting forward a pay-out policy independent of the dividends received on holdings in listed companies.

The aim of this new policy is to offer returns at least equivalent to the average of European automakers.

The dividend will be paid on May 15 (or the following working day).

Meeting on February 11, 2015 the Board of Directors proposed the payment of a dividend of €1.90 per share for FY2014. This proposal will be submitted to voting at the General Meeting on April 30, 2015. The dividend will be paid on May 15, 2015.

5.3.3.1 FIVE-YEAR DIVIDEND RECORD

Dividends are paid out at the times and places specified either by the Annual General Meeting or, failing this, by the Board of Directors.

FISCAL YEAR	NO. OF SHARES COMPRISING THE SHARE CAPITAL AT DECEMBER 31	DIVIDEND PER SHARE (in €)	PAYABLE DATE
2010	295,722,284	0.30	May 16, 2011
2011	295,722,284	1.16	May 15, 2012
2012	295,722,284	1.72	May 15, 2013
2013[(1)]	295,722,284	1.72	May 15, 2014
2014	295,722,284	1.90	May 15, 2015

(1) In accordance with the proposal of the Board of Directors and subject to the decision of the Combined General Meeting of April 30, 2015.

5.3.3.2 UNCLAIMED DIVIDENDS

Dividends remaining unclaimed after the five-year validity period shall lapse, as specified by law. Unclaimed dividends are paid over to the French Treasury.

5.4 INVESTOR RELATIONS POLICY

Since it was listed in November 1994, Renault has endeavored to provide its shareholders and investors with clear and transparent information on a regular basis.

5.4.1 INDIVIDUAL SHAREHOLDERS

See chapter: 2.1.6.

5.4.2 INSTITUTIONAL INVESTORS/SOCIALLY RESPONSIBLE INVESTORS

See chapter: 2.1.6.

5.4.3 2015 FINANCIAL CALENDAR

February 12 (before opening)	2014 annual results
April 23 (after opening)	2015 Q1 revenues
April 30 (afternoon)	Annual General Meeting 2015
July 30 (before opening)	2015 half-year results
October 29 (after close)	2015 9-month results

5.4.4 CONTACTS

INVESTOR RELATIONS DEPARTMENT

E-mail: communication.actionnaires@renault.com

Toll-free voicemail: 0 800 650 650

Shareholder 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.renault.com/Finance

Contact:

Thierry Huon

Renault Investor Relations Director

Telephone: +33 (0)1 76 84 53 09 – Fax: +33 (0)1 76 89 13 30

Renault shares can be registered with:
BNP Paribas Securities Service – Shareholder Relations
9 rue du Débarcadère
93761 Pantin Cedex – France
T: 892 23 00 00 in France
+33 (0)1 40 14 11 16 from other countries
F: +33 (0)1 55 77 34 17

5.4.5 PUBLIC DOCUMENTS

The following documents are available in the Finance section of the website www.renault.com:

- the Company's articles of incorporation;
- financial press releases;
- the regulatory information that is published in full by electronic means (including on the website of the Autorité des Marchés Financiers, 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 2013, 2012, 2011, 2010 and 2009, all filed with the AMF.

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6 GENERAL MEETING APRIL 30, 2015

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

PRESENTATION OF THE RESOLUTIONS

Ladies and Gentlemen,

We have called a General Meeting in order to submit eighteen resolutions to you:

- eleven of them are being submitted to the Ordinary General Meeting;
- seven of them, primarily relating to amendments of the Company's By-laws, are being submitted to the Extraordinary General Meeting.

In this report, we present you with the motives behind each of the resolutions submitted to your vote during the Shareholders Meeting.

The progress of business together with the Company's financial situation during the financial period ended on December 31, 2014 are described in the Company's Registration document.

ORDINARY RESOLUTIONS

Approval of Renault's financial statements and the consolidated financial statements and appropriation of the results

The **first two resolutions** deal with the approval of Renault's financial statements and the consolidated financial statements for the 2014 financial year.

The presented accounts have been drawn up in accordance with regulations in force, using IFRS (International Financial Reporting Standards) for the consolidated financial statements and in compliance with French statutory and regulatory provisions for the Company's own annual financial statements.

The financial statements show a net profit of EUR 684,037,835.64.

The consolidated financial statements show a net profit of EUR 1,997,665,018.49.

The **third resolution** deals with the appropriation of the Company's results for the 2014 financial year and the payment of dividends.

The Board of Directors proposes the payment of a dividend of a total of EUR 561,872,339.60 equal to EUR 1.90 per share.

The Company's shares would be traded ex-dividend as of May 13, 2015 and the dividends made payable as from May 15, 2015.

As a result of this payment, the retained earnings would amount to EUR 7,721,543,229.80.

Pursuant to Article 243 bis of the French General Tax Code, the table below details the amounts of dividend per share, distributions eligible to the 40% tax relief provided for in paragraph 3 2° of Article 158 of the French General Tax Code for individuals who are French tax residents, and distributions not eligible to the 40% tax relief, that were granted for the preceding three financial years.

FISCAL YEAR	DIVIDEND	AMOUNT OF INCOME DISTRIBUTED ELIGIBLE FOR THE 40% ALLOWANCE	AMOUNT OF INCOME DISTRIBUTED NOT ELIGIBLE FOR THE 40% ALLOWANCE
2011	€1.16	€0.16	None
2012	€1.72	€1.72	None
2013	€1.72	€1.72	None

Regulated agreements

The **fourth resolution** relates to the regulated agreements entered into and authorized during previous financial years and which remained in force during last financial year.

These agreements have been reexamined by the Board of Directors during the meeting of February 11, 2015, in accordance with Article L. 225-40-1 of the French Commercial Code and are mentioned in the special report drafted by the Statutory Auditors.

This special report is reproduced in Section 4 of the 2014 Registration document of the Company.

It is specified that, pursuant to applicable laws, the regulated commitments and agreements already approved by the General Meeting during the preceding financial years and which remain in force are not submitted again to the vote of the General Meeting.

Stating on the aforementioned report, it is proposed to the General Meeting to acknowledge the information related to these agreements.

Approval of a non-compete agreement entered into by Mr Carlos Ghosn

The **fifth resolution** proposes that the General Meeting, having considered the special report of the Statutory Auditors approves the non-compete agreement entered into by Mr Carlos Ghosn.

This agreement, falling within the scope of Article L. 225-42-1 of the French Commercial Code, is subject to the regulated agreements procedure.

During its meeting of February 11, 2015, the Board of Directors has authorized this agreement in order to protect the legitimate interests of the Group. The agreement entered into by Mr Ghosn is part a Group's general policy aiming at reducing the risks linked to the departure of top management members. Therefore, all the members of the Executive Committee entered into a non-compete agreement.

The Board of Directors will decide, upon departure of Mr Carlos Ghosn, whether to execute this non-competition agreement and may give up its implementation.

If the Board of Directors decides to execute the non-competition agreement, Mr Ghosn will perceive a gross financial compensation equal to two years of salary (including both basic and variable salary). Such financial compensation will be calculated upon the paid salary and not the theoretical salary.

It is specified that this agreement is in accordance with the recommendations of the Afep-Medef Code revised in June 2013 (recommendation 23-2-5).

The details of the non-competition agreement are included on the special report of the Statutory Auditors (reproduced in section 4 of the 2014 Registration document and section 5 of the Shareholders' General Meeting Notice).

Statutory Auditors' report on redeemable shares

The **sixth resolution** proposes that the General Meeting takes formal note of the Statutory Auditors' report on elements used to determine the remuneration of redeemable shares, including in particular its variable part tied to the development of Renault's consolidated turnover in 2014, as determined by constant methods with reference to a constant structure.

Renewal of Mr Philippe Lagayette's term of office

The **seventh resolution** proposes that the General Meeting approves the renewal of Philippe Lagayette's term of office, for a new period of four years, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2018.

Mr Philippe Lagayette was born on June 16, 1943 and he is French.

Mr Philippe Lagayette's biographic record (including details of offices and functions performed) is contained in the notice convening the General Meeting and in Section 3 of the Registration document 2014 of the Company (page 211).

It is recalled that Mr Philippe Lagayette meets the criteria of independent director as defined in the recommendation 9 of the Afep-Medef Code revised in June 2013.

Appointment of a new director – Ms Cherie Blair

Mr Charles de Croisset informed the Board of Directors of his resignation as of April 30, 2015. As a consequence, the Board of Directors decided to submit for shareholders' approval the appointment of a new director.

The **eighth resolution** proposes that the General Meeting appoints Ms Cherie Blair as a director, in order to ensure the progressive feminization of the Board.

Ms Cherie Blair would be appointed for a period of four years, *i.e.* until the end of the General Meeting approving the accounts for the financial year ended on December 31, 2018.

Ms Cherie Blair was born in September 23, 1954 and she is English.

Ms Cherie Blair's biographic record (including details of offices and functions performed) is contained in the notice convening the General Meeting and in Section 3 of the Registration document 2014 of the Company (page 216).

It is recalled that Ms Cherie Blair meets the criteria of independent director as defined in the recommendation 9 of the Afep-Medef Code revised in June 2013.

Advisory opinion on remuneration due or allocated to Mr Carlos Ghosn for the 2014 financial year

With the **ninth resolution**, in accordance with Article 24.3 of the Afep-Medef Code, which the Company refers to in accordance with Article L. 225-37 of the French Commercial Code, the following elements of Mr Carlos Ghosn's remuneration, due or allocated for the 2014 financial year, are submitted for shareholder's advisory opinion.

The relevant elements of remuneration relate to: (i) the fixed part, (ii) the annual variable part and, as the case may be, the multiannual variable part with the objectives contributing to the setting of this variable part, (iii) exceptional compensations, (iv) share options, performance-based shares and any other long-term element of compensation, (v) indemnities related to the appointment or to the termination of office, (vi) the supplementary pension plan, (vii) the benefits of any nature and (viii) the indemnity of non-competition.

ELEMENTS OF MR CARLOS GHOSN'S, CHAIRMAN AND CEO, REMUNERATION DUE OR ALLOCATED FOR THE 2014 FINANCIAL YEAR

ELEMENTS OF REMUNERATION DUE OR GRANTED IN RESPECT OF FINANCIAL YEAR 2013	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Fixed remuneration	**€ 1,230,000 (amount paid)**	This amount remains unchanged compared to the fixed remuneration granted in respect of financial year 2013. This amount has not been changed since 2011. This remuneration was set by the Board of Directors on December 13, 2013, upon proposal of the Remuneration Committee.
Annual variable compensation	**€ 1,814,250 (147.5% of the fixed part) including: € 453,563 paid in cash, and € 1,360,687 to be received as a deferred payment in shares, as described in the section "Deferred variable compensation" hereafter.**	The Board of Directors set the following performance criteria on December 13, 2013, in respect of financial year 2014: • return on equity rate (10% maximum); • operating margin (40% maximum); • free cash flow (40% maximum); • a qualitative criteria linked to managerial skills, which is based on the following items (60% maximum): – monitoring of the agreement about competitiveness in France: assignments of vehicle and mechanical projects (Renault and partners), assessment of the production volumes allocated to the 2016 horizon, – quality of environmental responsibility: positioning in Europe on electric vehicles, CO2 emissio$_{n}$ by vehicles in Europe, – development of a multi-year R&S strategy: level of investment in R&D and monitoring of the Capex, further standardization policy (CMF approach – Common big Modules Families, and development of modules development policy, products coverage by Region), – CSR: auditing of non-financial data, visibility, social impact in terms of diversity, and health/safety, – partnerships: evolution of the number of projects with partners, development of synergies and cost-cutting thanks to partnerships, – synergies of the Alliance: increase in the amount of synergies, evolution of the main synergies. Each of the six items set above accounts for 10% in achieving the qualitative criteria. The Board verified that the criteria chosen for the variable part of the executive officer ensured the alignment of his interests with the corporate interest of the Company and the interests of shareholders. For confidentiality reasons, Renault does not communicate on the quantified target for each of the above criteria. Renault, however, communicates on the level of achievement of these criteria. The Board of Directors during its meeting of February 11, 2015, upon proposal of the Remuneration Committee has considered that the level of achievement of the financial criteria amounted at 90% and the level of achievement of the qualitative criteria amounted at 57.5%. Consequently, the variable compensation for financial year 2014 amounts to 147.5% of the fixed part, *i.e.* €1,814,250 (compared to 112.6% of his fixed remuneration, i.e. €1,384,980 for 2013). The Board of Directors during its meeting of February 11, 2015, upon proposal of the Remuneration Committee, also approved the payment terms for this variable part, which are, like in 2013, as follows: • 25% paid in cash in 2015, *i.e.* €453,563; • the remaining part ("the Deferred Variable Compensation"), *i.e.* €1,360,687, paid in shares, on a deferred basis, under the conditions described hereafter.
Deferred variable compensation	**€ 1,360,687 (accounting valuation)**	The vesting of the shares received under the Deferred Variable Compensation for financial year 2014 may not occur before 2019, subject to the following conditions: i. a condition of presence within Renault in 2019, ii. performance conditions based on the financial criteria regarding the CEO's Variable Compensation and assessed for the years 2015, 2016 and 2017. The number of shares acquired by Mr Carlos Ghosn will be determined depending on the amount of the Deferred Variable Compensation, the risk of non-payment of this Deferred Variable Compensation and the Group's performance over the 2015-2017 period.
Multi-annual variable compensation	**NA**	No multi-annual variable compensation
Exceptional compensation	**NA**	No exceptional compensation
Long-term element of compensation	**Stock-options**	No allocation
	Performance shares	Under the authorization granted by the General Meeting of April 30, 2013 (15th resolution), the Board meeting of February 12, 2014, upon proposal of the Remuneration Committee, has decided to allocate to the Chief Executive Officer (CEO): 100,000 performance shares, subject to achievement of the following performance criteria, calculated on 2014, 2015, 2016: • the Free cash flow, for a third of the shares; • the operating margin variation in percentage points on a panel of car manufacturers with the same geographical and sectorial drivers (PSA auto, Fiat EMEA, VW Brand and Skoda Brand), for a third of the shares. • an external criterion based on the total shareholder return (TSR), in accordance with the CAC 40 practices, for a third of the shares. Figured targets for these criteria are not disclosed for confidentiality reasons. The authorization granted by the General Meeting of April 30, 2013 governs all allocation of performance shares as follows: • the total number of performance shares allocated may not exceed 1.5% of the share capital over three years, averaging 0.5% of the share capital per year; • the number of performance shares allocated to the CEO shall not exceed 15% of the total shares allocated. The aforementioned allocation will not cause any dilution for shareholders, shares eventually delivered being shares held by the Company itself. The CEO is subject to a conservation commitment of 25% of the performance shares definitively acquired after the acquisition period, until his term of office. The CEO has taken the formal undertaking no to use risk hedging transactions on performance shares, until the end of the retention period.
	Other element = NA	No allocation

ELEMENTS OF REMUNERATION DUE OR GRANTED IN RESPECT OF FINANCIAL YEAR 2013	AMOUNTS OR ACCOUNTING VALUATION SUBMITTED TO THE VOTE	COMMENTS
Attendance fees	**€ 48,000 (amount paid)**	This gross amount is paid in consideration of his duties as director of the Board of Directors. The new method of calculation applicable to fees paid under the Board is as follows: • a fixed part of €18,000 per year, tied to membership of the Board; • a variable part of €6,000 per meeting, related to the actual attendance at Board meetings. Fixed and variable parts are capped at a total of €48,000 per director per year. Mr Carlos Ghosn does not receive attendance fees for his participation in any committee of the Board. Mr Carlos Ghosn receives attendance fees in respect of his term of office as a Director of AVTOVAZ. In 2014, as the other directors, Mr Carlos Gohsn did not receive any fees for the financial year 2013.
Valuation of the benefits in kind	**€6,259 (accounting valuation)**	These benefits in kind represent the provision of a company car.
Compensation for termination of office	**NA**	No compensation clause for termination of office has been granted to the CEO.
Non-compete indemnity	**NA**	There is no "non-compete clause".
Supplementary pension plan	**No amount is due for the last financial year**	Mr Carlos Ghosn benefits from the collective supplementary pension scheme set up for members of the Group Executive Committee. This pension scheme is opened to new beneficiaries. This plan was approved by the Board meetings held on October 28, 2004 and October 31, 2006 and by the General Meeting of April 30, 2010 (10th resolution). This scheme has been confirmed by the Board meeting of February 12, 2014 and approved by the General Meeting of April 30, 2014 (7th resolution). The supplementary pension plan for the benefit of the Chairman and Chief Executive Officer includes: • a defined contribution scheme equivalent to 8% (5% paid by the Company, 3% by the beneficiary) of the annual remuneration comprised between eight and sixteen times the upper earnings limit for social security contributions; • a supplementary scheme with defined benefits; The benefit of this scheme is subject to a minimum length of service of 5 years and at least 2 years as GEC member. The annual amount is equal to 10% of the reference compensation, plus 1.40% per year of seniority as GEC member beyond 5 years and 0.40% per year outside GEC if the seniority within Renault exceeds 5 years. This amount is capped at 30% of the reference compensation. The reference compensation used for calculating the amount of the pension benefits under the defined benefit plans is equal to the average of the three highest compensations in the past ten years before retirement. Compensation reference activity is capped at 65 times the annual social security ceiling. In any event, the total amount of the CEO's pension is less than or equal to 45% of his reference compensation. The benefit of the supplementary pension plan is subject to Mr Carlos Ghosn being a corporate officer at the time he retires.

If the shareholders express a negative opinion, the Board of Directors will hold as soon as possible in order to deliberate on the measures likely to meet the expectations of the shareholders, and will publish on the Company's website the outcome of its deliberation.

Authorization for the Board of Directors to purchase the Company's own shares

Over 2014, the Company acquired 364,253 shares pursuant to the authorization granted by the General Meeting on April 30, 2013 but the Company acquired no shares pursuant to the authorization granted by the General Meeting on April 30, 2014. The Company used 1,293,852 own shares contained in its portfolio in order to cover a performance shares plan granted to the Company's executives or the CEO.

As at December 31, 2014, the portfolio of the Company contained 2,555,983 shares; this holding of treasury stock was equivalent 0.86% of the Company's share capital. Shares held as treasury stocks are not entitled to dividends or voting rights.

The **Tenth resolution** proposes to renew the authorization of the Board of Directors to trade on the Company's shares for a maximum period of eighteen months, which authorization would replace the authorization given at the last General Meeting.

This authorization would allow the implementation of a share buy-back program up to a limit of 10% of the share capital, corresponding to 29,572,228 shares as of December 31, 2014, as follows:

- maximum share purchase price: EUR 120 per share (excluding acquisition costs);
- maximum total amount: EUR 3,548.7 million, it being specified that, in the event of any transaction impacting the share capital of the Company, this amount will be adjusted in the same proportion;
- realization at any time and by any means within the limits set forth by the applicable laws or regulatory provisions in effect during the term of the shares repurchase program, it being specified that from the filing by a third party of a draft tender offer on the Company's shares until the end of the offer period, the Board of Directors may not implement this authorization, neither the Company to continue the execution of a buyback program, without prior authorization by the General Meeting.

The objectives of the share buyback program are described in the resolution submitted to the vote of the General Meeting.

An overview of the transactions carried out in accordance with the authorization granted would be presented to the General Meeting called to resolve upon the financial statements for financial year 2014.

EXTRAORDINARY RESOLUTIONS

Reduction of the share capital by cancelling shares

In the **eleventh resolution**, it is proposed that the General Meeting authorizes the Board, to cancel, by a capital reduction, the shares acquired within the framework of the Company's shares buyback program. The terms for these acquisitions are those defined in the Tenth resolution. Cancelling shares causes a change in the amount of the registered capital, and consequently a change in the terms of the By-laws, which can only be authorized by the Extraordinary General Meeting. The purpose of this resolution is therefore to delegate such powers to the Board.

This authorization would be granted for a period of 18 month and would replace the authorization granted by the Extraordinary General Meeting of April 30, 2014.

Furthermore, you are informed that the Board of Directors did not cancel any shares of the Company during the financial year ended on December 31, 2014.

Insertion in the By-laws of the Company of the "one share, one vote" principle, in accordance with the option provided for in Article L. 225-123 of the French Commercial Code and related amendment of Article 9 of the By-laws of the Company

Article L. 225-123 paragraph 3 of the French Commercial Code, as amended by the law n° 2014-384 of March 29, 2014 aiming at recapturing the real economy, provides that, regarding the companies whose shares are admitted on a regulated market, a double voting right is attributed to all fully paid-up shares and for which proof is provided of registration for two years in the name of the same shareholder. This potential attribution of double voting "ipso jure" for the benefit of holders of registered shares for a period of two years, took effect from April 1, 2014.

The same article provides that the By-laws may include clause which reverses this principle after the enactment of this law.

Under the **twelfth resolution**, it is proposed that the General Meeting makes use of the possibility provided for in Article L. 225-123 of the French Commercial Code and includes in the Company's By-laws, the "one share, one vote" principle, by adding a new paragraph between the third and fourth paragraphs of Article 9 of the Company's By-laws and by modifying the fourth paragraph of this article, which accordingly becomes the fifth.

Below is a table with a comparison between paragraphs 3 and 4 of Article 9 of the current By-laws against the new text submitted to the General Meeting for approval.

CURRENT ARTICLE 9, THIRD AND FOURTH PARAGRAPHS	NEW WORDING (WITH A MARK-UP)
"[…] A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions. Besides the right to vote, each share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus. […]"	"[…] A Shareholders' Meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions. ~~Besides the right to vote,~~ <u>By applying the option provided for in Article L. 225-123 of the French Commercial Code, each share fully paid-up entitles to one vote, whatever the form of registration of the shares and in case of shares in registered form, whatever the duration of this registration in the name of the same holder.</u> <u>Each</u> share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus. […]"

Lowering of the age limit applicable to the Directors of the Company and related amendment of Article 11.1 and Article 12 of the By-laws of the Company

Currently, under Article 11.1 A of the By-laws of the Company, the age limit for a director is set at eighty years, reaching this limit resulting in the expiration "ipso jure" of his current term of office at the end of the Annual General Meeting of Shareholders following the date on which that director attains 80 years of age.

In the **thirteenth resolution**, it is proposed the General Meeting amends Article 11.1 A of the By-laws of the Company in order to lower this age limit to seventy-two, being specified that if the age limit is reached during his term of office, the relevant director will continue to perform his current directorship until its term without being re-eligible on the expiry of his term of office.

It is also proposed to remove outdated provisions with regard to the duration of the directors' term of office.

It is recalled that, according to Article L. 225-19 of the French Commercial Code, in any event, the number of directors over the age of seventy years cannot be greater than one third of the number of directors.

Below is a table allowing to compare the text of Article 11.1 A of the By-laws of the Company against the proposed text to be replaced (this part of article becoming 11.A, Article 11.2 being removed – see below).

CURRENT ARTICLE 11.1 A OF THE BY-LAWS OF THE COMPANY	NEW WORDING (WITH A MARK-UP)
« Article 11 – Board of Directors - Composition - Terms of office	« Article 11 – Board of Directors - Composition - Terms of office
11.1 The Company shall be administered by a Board of Directors comprising:	~~11.1~~ The Company shall be administered by a Board of Directors comprising:
Directors appointed by the Shareholders' General Meeting	Directors appointed by the Shareholders' General Meeting
These shall number at least 3 and at most 15.	**These shall number at least 3 and at most 15.**
Directors may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a director in its own name, without prejudice to the joint liability of the legal person he represents.	Directors may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a director in its own name, without prejudice to the joint liability of the legal person he represents.
Subject to the requirements to be fulfilled on renewal of directors, the term of office of directors shall be four (4) years. This new length of term shall only apply to the terms of office of directors appointed as of 2002. The terms of office of directors appointed prior to 2002 shall end on completion of the period of six years for which they were appointed.	Subject to the requirements to be fulfilled on renewal of directors, the term of office of directors shall be four (4) years. ~~This new length of term shall only apply to the terms of office of directors appointed as of 2002. The terms of office of directors appointed prior to 2002 shall end on completion of the period of six years for which they were appointed.~~
However, where a director is appointed in the place of another director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor.	However, where a director is appointed in the place of another director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor.
The term of office of a director shall expire, ipso jure, at the end of the annual General Meeting of Shareholders which follows the date on which that director attains 80 years of age.	~~The term of office of a director shall expire, ipso jure, at the end of the Annual General Meeting of Shareholders which follows the date on which that director attains 80 years of age.~~ A director must be less than seventy-two (72) years, it being specified that in the event this age limit would be reached during his directorship, the relevant director will continue his current directorship until its term, without being re-eligible on the expiry of this term of office.
Moreover, the number of directors exceeding (70) seventy years of age cannot be greater than one third of the number of directors.	Moreover, the number of directors exceeding seventy (70) years of age cannot be greater than one third of the number of directors.
A director shall cease to hold office at the end of the Ordinary General Meeting, called to approve the accounts of the ended financial year, that is held during the year in which said director's term of office is to expire.	A director shall cease to hold office at the end of the Ordinary General Meeting, called to approve the accounts of the ended financial year, that is held during the year in which said director's term of office is to expire.
In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of directors remains at least equal to the minimum required by the by-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new directors to replace those who have died or resigned."	In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of directors remains at least equal to the minimum required by the by-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new directors to replace those who have died or resigned.

In the **fourteenth resolution**, it is proposed for the Chairman of the Board to set an age limit consistent with the principle governing the age limit for directors.

To that end, it is necessary to amend Article 12 of the By-laws.

The following replacement of text is subject to the approval of the General Meeting:

ACTUAL WORDING OF ARTICLE 12 OF THE BY-LAWS OF THE COMPANY	NEW WORDING (WITH A MARK-UP)
« Article 12 – Organization oh the Board of Directors	**« Article 12 – Organization oh the Board of Directors**
The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.	The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.
The term of office of the Chairman of the Board of Directors cannot exceed his term of office as director. In any event, the term of office of the Chairman of the Board of Directors shall fully and automatically come to an end at the end of the Ordinary General Meeting deciding on the accounts of the financial year during which he attained the age of seventy years old.	The term of office of the Chairman of the Board of Directors cannot exceed his term of office as director. ~~In any event,~~ The term of office of the Chairman of the Board of Directors shall fully and automatically come to an end ~~at the end of the Ordinary General Meeting deciding on the accounts of the financial year~~ at his term of office as a director ~~during which he attained the age of seventy years old~~.
Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.	The provision of the by-laws relating to the age limit of the directors is also applicable to the Chairman of the Board of Directors. The Chairman of the Board of Directors must be less than seventy-two (72) years, it being specified that in the event this age limit would be reached during his office as Chairman of the Board of Directors, he will continue to exercise his functions until his term, without being re-eligible on the expiry of this term of office. Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.
The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom need be a director.	The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom needs be a director.
On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks."	On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks.

Age limit applicable to the Chief Executive Officer and deputy general managers and related amendment of Article 17 of the By-laws

In the **fifteenth resolution**, in order to harmonize the age limit principles for directors and those prevailing for the CEO, it is proposed, while maintaining the sixty-five years limit, to make a distinction between CEO who is director and who is not a director.

If he is also director, it is proposed that the CEO reaching the age of sixty-five years continue to exercise his functions until the end of his term of office as director.

For CEO who is not director, his functions will expire at the close of the next Ordinary General Meeting deciding on the accounts of the financial year during which he attains the age of 65 years.

To that end, a new version of the third paragraph of Article 17. II of the Company's By-laws and at the end of Article 17. III of the Company's By-laws, the insertion of a new paragraph aiming at referring to uniformly CEOs and deputy general managers, are subject to your approval.

The table below allows a comparison between the current provisions and the proposed amendments.

ACTUAL WORDING OF ARTICLE 17. II, PARAGRAPH 3 OF THE BY-LAWS OF THE COMPANY	NEW WORDING (WITH AMARK-UP)
For the exercise of his position, the Chief Executive Officer must be less than 65 years old. Where this age limit is reached during office, the general manager shall be deemed to have resigned ex officio and a new Chief Executive Officer shall be appointed.	~~For the exercise of his position,~~ The Chief Executive Officer must be less than 65 years old, it being specified that, in the event this age limit would be reached ~~the general manager shall be deemed to have resigned ex officer and a new Chief Executive Officer shall be appointed~~ during his office, the Chief Executive Officer will continue to exercise his functions (i) either if he is not a director, until the close of the next Ordinary General Meeting deciding on the accounts of the financial year during which he attains the age of 65 years, (ii) or, if he is a director, until the end of his term of office as a director. **INSERTION OF A NEW PARAGRAPH AT THE END OF ARTICLE 17.III** The provisions of the by-laws relating to the age limit applicable to the Chief Executive Officer also apply to the deputy general managers.

Removal of the statutory requirement for the directors of the Company to hold shares of the Company – Related deletion of Article 11.2 of the By-laws of the Company

It is recalled that, since January 1, 2009, French law has no longer required that the directors hold a minimum number of shares.

Currently, the section 11.2 of the Company's By-laws provides that any director of the Company must hold one share.

For simplification purposes and in order to be consistent with French law, it is proposed in the **sixteenth resolution** that the General Meeting removes this requirement from the By-laws and deletes accordingly Article 11.2.

For your informations, the internal rules of the Board of Directors requires Directors to hold a significant number of shares.

Amendment of the French "record date" regime by decree n°2014-1466 of December 8, 2014 – Related amendments of Articles 21 and 28 of the By-laws of the Company

The decree n°2014-1466 of December 8, 2014 has now set the date on which the list of shareholders entitled to attend a General Meeting (registration deadline or accounting record deadline to be entitled to participate in the General Meeting or "record date") could be determined at the second business day preceding the General Meeting at midnight, Paris time.

Article 21 of the By-laws of the Company deals with the admission and representation of the shareholders.

It is proposed, in the **seventeenth resolution**, that the General Meeting amends this article in order to refer to the laws and regulations in force. Indeed, a reference to the applicable legislation is likely to eliminate the obsolescence risks of the By-laws.

Due to the modification of the "record date", it is also proposed to the General Meeting to replace in the fourth paragraph of Article 28 of the By-laws of the Company, the word "third" by the word "second".

The proposed amendments appear in the table below:

CURRENT ARTICLE 21 OF THE BY-LAWS	NEW WORDING (WITH A MARK-UP)
« Article 21 – Admission et représentation	
The General Meeting is comprised of all shareholders whose shares were registered in their name, at the latest three clear days before the date of the meeting under the following conditions.	~~The General Meeting is comprised of all shareholders whose shares were registered in their name, at the latest three clear days before the date of the meeting under the following conditions.~~
Proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L. 228-1 of the Commercial Code, on the third business day preceding the General Meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.	~~Proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L. 228-1 of the Commercial Code, on the third business day preceding the General Meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.~~
For bearer shares, the registration or the accounting records of shares held in accounts kept by the authorized intermediary shall be recorded in a shareholding certificate issued by said intermediary.	~~For bearer shares, the registration or the accounting records of shares held in accounts kept by the authorized intermediary shall be recorded in a shareholding certificate issued by said intermediary.~~
Any shareholder may give his proxy to his spouse or another shareholder to represent him a at Shareholders' Meeting. Shareholders who are legal persons attend the Shareholders' Meeting through their legal representatives or any person designated for that purpose by the latter.	Entitlement to attend General Meetings is subject to the registration or accounting record of the shares under the conditions set forth by the applicable laws and regulations. Any shareholder may give his proxy to ~~his spouse or another shareholder~~ be represented at a Shareholders' Meeting. ~~Shareholders who are legal persons attend the Shareholders' Meeting through their legal representatives or any person designated for that purpose by the latter~~ under the conditions set forth by the applicable laws or regulations.

ACTUAL WORDING OF ARTICLE 28 PARAGRAPH 4 OF THE BY-LAWS	NEW WORDING (WITH A MARK-UP)
The proxy power or the vote which is thereby expressed prior to the General Meeting via such electronic means, as well as the confirmation of receipt which is given, are deemed to be non-revocable writs which may be relied upon against all parties, it being specified that in the event of sales of shares prior to 0:00 hours (Paris time) on the third business day preceding the General Meeting, the Company will consequently invalidate or amend, as applicable, the proxy powers or votes expressed prior to that time and that date.	The proxy power or the vote which is thereby expressed prior to the General Meeting via such electronic means, as well as the confirmation of receipt which is given, are deemed to be non-revocable writs which may be relied upon against all parties, it being specified that in the event of sales of shares prior to 0:00 hours (Paris time) on the ~~third~~ second business day preceding the General Meeting, the Company will consequently invalidate or amend, as applicable, the proxy powers or votes expressed prior to that time and that date.

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Powers for formalities

The **eighteenth resolution** is a standard resolution granting powers necessary to proceed with publication and other formalities.

Table of delegation on capital increases

The below table, reproduced in Section 5 of the Registration document 2014, summarizes the delegations of powers currently in force granted by the General Meeting of the Shareholders of the Company to the Board of Directors in relation to share capital increases:

	DESCRIPTION OF THE DELEGATION GIVEN TO THE BOARD OF DIRECTORS	USE MADE
18th resolution GM 2014	Issuance of ordinary shares and/or securities giving access to the share capital and/or to debt securities, with preferential subscription rights of shareholders. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €350 million (*i.e.,* approximately 30% of the capital)[1].	None
19th resolution GM 2014	Issuance of ordinary shares and/or securities giving access to the share capital and/or to debt securities, without preferential subscription rights of shareholders, by way of public offerings. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €120 million (*i.e.,* approximately 10% of the capital)[1].	None
20th resolution GM 2014	Issuance of ordinary shares and/or securities giving access to the share capital and/or to debt securities, without preferential subscription rights of shareholders, by way of private placement. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €60 million (approximately 5% of the capital)[1][2].	None
21st resolution GM 2014	Issuance of ordinary shares and/or securities giving access to the share capital, without preferential subscription rights of shareholders, in the event of an exchange tender offer initiated by the Company. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €120 million (approximately 10% of the capital)[1][2].	None
22nd resolution GM 2014	Issuance of ordinary shares and/or securities giving access to the share capital, without preferential subscription rights of shareholders, for the remuneration of contributions in kind made to the Company, comprising shares or securities giving access to the capital of another company (except in the case of an exchange public offer initiated by the Company). Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €120 million (approximately 10% of the capital)[1][2].	None
23rd resolution GM 2014	Increase of the share capital by the capitalization of reserves, profits or premiums, etc. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to €1 billion.	None
24th resolution GM 2014	Capital increase reserved for employees or corporate officers of the Company and related companies, without preferential subscription rights. Period of 26 months, until the GM deciding on the accounts for FY 2015. Capital increase limited to 1% of the share capital of the Company[1].	None

(1) Being specified that the 18th, 19th 20th, 21st and 22nd resolutions are subject to a global limit of €350 million on which is subtracted the amount of the capital increases realised in accordance with the 24th resolution.

(2) These amounts being subtracted on the limit specified in the 19th resolution (€120 million) (and on the global limit of €350 million related to the 18th to 22nd resolutions and the 24th resolution. – see footnote no. 1).

The Board of Directors

RENAULT LANGUAGE EXPLAINED

7 ADDITIONAL INFORMATION

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

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7.1 CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE DOCUMENT

Contact:

Carlos Ghosn, Chairman and CEO.

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.

Signed in Paris, on March 18, 2015

The Chairman and CEO

Carlos Ghosn

7.2 HISTORICAL FINANCIAL INFORMATION FOR 2012 AND 2013

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004, the following information is included in this 2014 Registration document for reference purposes:

7.2.1 FOR 2012

The 2012 Registration document was filed with the French securities regulator, Autorité des marchés financiers (AMF) on March 13, 2013, under number D.13-0128.

The consolidated financial statements appear in chapter 4, on pages 196 to 254, and the statutory auditors' report on the consolidated financial statements appears in chapter 4, on page 194, of the same document.

The financial information appears in chapter 1.3.2, on pages 51 to 54, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration document.

7.2.2 FOR 2013

The 2013 Registration document was filed with the French securities regulator, Autorité des marchés financiers (AMF) on March 13, 2014, under number D.14-0140.

The consolidated financial statements appear in chapter 4, on pages 230 to 297, and the statutory auditors' report on the consolidated financial statements appears in chapter 4, on page 228, of the same document.

The financial information appears in chapter 1.3.2, on pages 52 to 55, of the same document.

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration document.

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7.3 STATUTORY AUDITORS

7.3.1 REGULAR STATUTORY AUDITORS

KPMG S.A.

represented by Messrs. Jean-Paul Vellutini and Laurent des Places
Immeuble Le Palatin
3, cours du Triangle
92939 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 General Meeting called to approve the 2019 financial statements.

EY Audit

represented by Messrs. Jean-François Belorgey and Bernard Heller
Tour First
1-2 Place des saisons
Courbevoie – Paris La Défense1

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 Meeting 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 General Meeting called to approve the 2019 financial statements.

7.3.2 ALTERNATE STATUTORY AUDITORS

KPMG Audit ID S.A.S.

Alternate for KPMG S.A.
Immeuble Le Palatin
3, cours du Triangle
92939 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 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 Meeting of April 26, 2002, April 29, 2008 and April 30, 2014 for a six-year period. Its mandate will expire after the General Meeting called to approve the 2019 financial statements.

7.3.3 STATUTORY AUDITORS' FEES

The fees charged by the Statutory Auditors and their network are shown in Note 29 to the consolidated financial statements.

7.4 CROSS-REFERENCE TABLES

7.4.1 HEADINGS REQUIRED BY ANNEX 1 OF EUROPEAN COMMISSION REGULATION (EC) NO. 809/2004

n/a: not applicable

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n/a: not applicable

7.4.2 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

The following cross-reference table facilitates the identification within this Registration document of the December 31, 2014 management report information required by the applicable legal and regulatory provisions.

TOPIC	REFERENCE TEXT	PAGE
I-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 and L. 225-100-2 of the French Commercial Code	56-65 ; 67-68 ; 70
Company and Group status during the previous fiscal year	L. 232-1 and L. 233-26 of the French Commercial Code	56-57
Foreseeable developments	L. 232-1 and L. 233-26 of the French Commercial Code	57
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	-
Research and development activities	L. 232-1 and L. 233-26 of the French Commercial Code	72-82
Non-financial key performance indicators	L. 225-100 of the French Commercial Code	182-198
Business activity of the Company and its subsidiaries during the previous fiscal year, the results of this activity, the progress achieved or difficulties encountered, and the outlook for the future	R. 225-102 of the French Commercial Code	56-57
Stakes acquired during the fiscal year in any company headquartered within France	L. 233-6 of the French Commercial Code	
Activity and results of the entire Company, Company subsidiaries and controlled companies by business sector	L. 233-6 of the French Commercial Code	279-286
II- Risk factors		
Description of the main risks and uncertainties faced by the Company and the Group	L. 225-100 and L. 225-100-2 of the French Commercial Code	83-100
Objectives and policies related to financial risk management, including the hedging policy	L. 225-100 and L. 225-100-2 of the French Commercial Code	83
Exposure to price, credit, liquidity and cash flow risks	L. 225-100 and L. 225-100-2 of the French Commercial Code	89 ; 91 ; 96 ; 97
III- Legal and share ownership information		
Name of the natural or legal persons holding, directly or indirectly, more than 5% of the share capital or voting rights	L. 233-13 of the French Commercial Code	31-32 ; 55 ; 343-344
Names of the controlled companies and share of the Company's capital they own (treasury shares)	L. 233-13 of the French Commercial Code	312-315
Detail of purchases and sales of Company treasury shares during the fiscal year	L. 225-211 of the French Commercial Code	342
Factors likely to have an effect in the event of a public offer	L. 225-100-3 of the French Commercial Code	339-344
Statement of employee shareholdings in share capital as of the last day of the fiscal year and portion of capital represented by the shares owned by Company employees and by the employees of companies associated to the Company under the employee share ownership plan, and by employees and former employees under employee mutual investment funds	L. 225-102 of the French Commercial Code	343-344
Shares acquired by the employees through an employee buyout transaction	L. 225-102 of the French Commercial Code	-
Table summarising 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. 225-100 of the French Commercial Code	341
Potential adjustments for share equivalents in the event of share buybacks or financial transactions	R. 228-90 and R. 228-91 of the French Commercial Code	341
Injunctions or monetary fines for anti-competitive practices	L. 464-2 of the French Commercial Code	

TOPIC	REFERENCE TEXT	PAGE
IV- Financial data		
Table showing the Company's results over the last five fiscal years	R. 225-102 of the French Commercial Code	335
Changes in the presentation of the financial statements or in the valuation methods used	L. 232-6 of the French Commercial Code	-
Data on supplier payment terms	L. 441-6-1 of the French Commercial Code	-
Total dividends distributed over the last three fiscal years	Article 243 bis of the French General Tax Code	347
V- Corporate governance and remuneration of senior executives		
Total remuneration and benefits of any kind paid to each corporate officer by the Company, the controlled companies or the controlling Company during the fiscal year	L. 225-102-1 of the French Commercial Code	310 ; 241-242
Commitments of any nature made by the Company for the benefit of its corporate officers, such as items of remuneration, 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. 225-102-1 of the French Commercial Code	239-243
List of all offices and positions held in any company by each of the corporate officers during the fiscal year	L. 225-102-1 of the French Commercial Code	206
Conditions for the exercise and retention of options awarded to the corporate officers	L. 225-185 of the French Commercial Code	242
Conditions for the retention of bonus shares awarded to the Chief Executive	L. 225-197-1 of the French Commercial Code	246
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 Regulations	246
VI- Corporate social data and environmental data		
Corporate social data	L. 225-102-1 of the French Commercial Code	124-144
Environmental data	L. 225-102-1 of the French Commercial Code	146-171
Information on societal commitments promoting sustainable development	L. 225-102-1 of the French Commercial Code	196
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	

7.4.3 CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT MENTIONED IN L. 451-1-2 OF THE FRENCH MONETARY AND FINANCIAL CODE AND IN ARTICLE 222-3 OF THE AMF GENERAL REGULATIONS

The following cross-reference table facilitates the identification within this Registration document of the December 31, 2014 annual financial report.

TOPIC	PAGE
Financial statements	320-335
Consolidated financial statements	252-315
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 7.4.2
Statement of the persons assuming responsibility for the annual financial report	364
Statutory Auditors' reports on the financial and consolidated statements	250-251 ; 316-317
Communiqué regarding the Statutory Auditors' fees	312
Report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code, regarding the content, the preparation and organization of the Board's work, and the internal control and risk management procedures implemented by the Company	204-226 ; 230-235
Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code	238

7.4.4 GRI INDICATORS AND GLOBAL COMPACT PRINCIPLES

	GRI-G4 INDICATORS	GLOBAL COMPACT PRINCIPLES	CHAP.
	GENERAL ITEMS		
	STRATEGY AND ANALYSIS		
1	Statement from the most senior decision-maker in the organization regarding the relevance of sustainable development to the organization and its strategy for addressing the issue		2.1 ; 2.1.2
2	Description of key impacts, risks and opportunities		1.5 ; 2.1.1 ; 2.1.2 ; 2.1.4
	ORGANISATION PROFILE		
3	Organization name		1.1
4	Primary brands, products and services		1.1.3.1 ; 1.1.5.1
5	Location of organization headquarters		5.1.1.1
6	Number of countries where the organization operates and names of countries with either major operations, or that are specifically relevant to the sustainability issues covered in the report.		1 ; 1.1.5.4 ; 2.8
7	Nature of ownership and legal form		5.1.1.2 ; 5.2.6
8	Markets served		1.1.3.2 ; 1.1.5.2 ; 1.3.1
9	Organization size (total number of employees and sites, net revenues or sales, total capital, quantity of products or services provided)		1.1.3 ; 1.3 ; 2.4.1
10	Total number of employees by type of employment contract and by gender; Total number of permanent employees by type of employment contract and by gender; Total workforce broken down by employees, temporary workers and by gender; Breakdown of the total workforce by region and by gender Portion of the organization's work performed by persons legally recognized as self-employed workers or by persons other than employees or temporary workers, including employees and temporary workers employed by suppliers; Significant change in the number of persons employed (such as the seasonal employment fluctuations in the tourism or agricultural industries).		2.4.1.1
11	Percentage of total employees covered by collective bargaining agreements		
12	Organization supply chain		2.3.2
13	Significant changes in the organization's size, structure, capital or supply chain having occurred during the reporting period		1.1.4
14	Process or precautionary principle taken into account by the organization		1.5
15	Externally developed economic, environmental and social charters, principles or other initiatives adhered to which the organization subscribes or endorses		2.1.5
16	Membership in associations (such as industry associations) or in national or international advocacy organizations		2.1.6
	MATERIAL ASPECTS AND BOUNDARIES IDENTIFIED		
17	Entities included in the organization's consolidated financial statements or equivalent documents, but that are not taken into account in the report		2.1.8 ; 2.9.1 ; 2.9.2 ; 2.9.3 ; 4.2
18	Process for defining the report content and the Aspect Boundaries; Manner in which the organization has applied the Reporting Principles for Defining Report Content		2.1 ; 2.4.6
19	Material Aspects identified in the process for defining report content		
20	For each of the Material Aspects, Aspect Boundary within the organization and boundary limitations		2.4 ; 2.9.1 ; 2.9.2 ; 2.9.3
21	For each of the Material Aspects, Aspect Boundary outside the organization and boundary limitations		2.4 ; 2.9.1 ; 2.9.2 ; 2.9.3
22	Reasons and effects of any re-statement of information provided in earlier reports		
23	Significant changes from the previous reporting periods in Scope and Aspect Boundaries		2.9.1 ; 2.9.2 ; 2.9.3
	STAKEHOLDER ENGAGEMENT		
24	List of stakeholder groups engaged by the organization		2.1.6
25	Criteria used for identifying and selecting stakeholders with whom to engage		2.1.6
26	The organization's approach to stakeholder engagement, including the frequency of contact by type and by stakeholder group; Specific engagement during the report preparation process		2.1.6
27	Key topics and concerns raised through stakeholder engagement and how the organization has responded to these, particularly through its reporting. List of stakeholder groups that have raised each of the key topics and questions		2.1.6
	REPORT PROFILE		
28	Reporting period for the information provided		5.1.1.7
29	Date of most recent previous report, if applicable		5.4.5 ; 7.2.1 ; 7.2.2
30	Reporting cycle		5.4.5
31	Point of contact for any questions regarding the report or its contents		
32	Report the "in accordance" option chosen by the organization; GRI content index for chosen option; Reference to the External Assurance Report, if the report was assured externally		2.9.5 ; 2.9.6 ; 2.9.8
33	The organization's policy and current practice for seeking external assurance for the report; Scope and basis of any external assurance provided; Relationship between the organization and the assurance providers		2.1.8.1
	GOVERNANCE		
34	Organization's governance structure, including the committees of the highest governance body; Committees responsible for decision-making relating to the economic, environmental and social impacts		2.1.4 ; 2.8.1.2 : 3.1.1 ; 3.1.2 ; 3.1.3
35	Process for delegating the authority for economic, environmental and social issues from the highest governance body to senior executives and other employees		3.1 ; 2.1.4

	GRI-G4 INDICATORS	GLOBAL COMPACT PRINCIPLES	CHAP.
36	Appointment of one or several executives responsible for economic, environmental and social issues, and whether these positions report to the highest governance body		3.1 ; 2.1.4
37	Consultation process between stakeholders and the highest governance body on economic, environmental and social issues		2.1.6
38	Composition of the highest governance body and its committees		3.1.1 ; 3.1.3 ; 2.1.4
39	Membership or lack thereof of the Chairman of the highest governance body in management		3.1 ; 2.1.4
40	Nomination and selection process for the highest governance body and its committees, with criteria used for the nomination and selection of members of the highest governance body (diversity, independence, expertise and experience in economic, environmental and social issues, participation of stakeholders)		2.1.4
41	Processes implemented so that the highest governance body can ensure that conflicts of interest are avoided and managed		
42	Roles of the highest governance body and senior executives in the development, approval and updating of the organization's purpose, values or mission statements, strategies, policies and objectives relating to the economic, environmental and social impacts		
43	Actions taken to develop and improve the collective knowledge of the highest governance body regarding economic, environmental and social issues		
44	Evaluation process for the performance of the highest governance body in relation to economic, environmental and social issues; Actions taken in response to the evaluation of the performance of the highest governance body in relation to economic, environmental and social issues, including, as a minimum, any changes in composition and organization		
45	Role of the highest governance body in the identification and management of economic, environmental and social impacts, risks and opportunities and in the implementation of due diligence processes		2.1.4
46	Role of the highest governance body in reviewing the efficiency of the organization's risk management processes for economic, environmental and social issues		2.1.4
47	Frequency of the review of the economic, environmental and social impacts, risks and opportunities by the highest governance body		
48	Highest level committee or position that formally reviews and approves the organization's sustainable development report and ensures that all Material Aspects are covered		
49	Process for informing the highest governance body of critical concerns		
50	Nature and total number of critical concerns communicated to the highest governance body and mechanism(s) used to address and resolve them.		
51	Remuneration policy in effect for the highest governance body and senior executives; Relationship between the performance criteria for the remuneration policy and the economic, environmental and social objectives of the highest governance body and senior executives		3.3
52	Process for determining remuneration; Participation of remuneration consultants in determining remuneration		3.3
53	Method for soliciting and taking into account stakeholders' opinions in terms of remuneration, including the results of votes on remuneration policies and proposals, if applicable		
54	Ratio of the annual total remuneration for the highest paid individual in the organization in each country hosting significant operations, in relation to the annual total median remuneration for all employees (excluding the highest paid individual) in the same country		
55	Ratio of the percentage increase in the annual total remuneration for the highest paid individual in the organization in each country hosting significant operations, in relation to the percentage increase in the annual total median remuneration for all employees (excluding the highest paid individual) in the same country		
56	Values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	1 & 2	2.1.5 ; 2.3 ; 3.1.4 ; 3.1.5
57	Internal and external mechanisms for obtaining advice on ethical and lawful behavior and questions of organizational integrity, such as helplines or advice lines	1 & 2	3.1.4 ; 3.1.5
58	Internal and external mechanisms used to report concerns regarding unethical or unlawful behavior and matters of organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	1 & 2	3.1.4 ; 3.1.5
	SPECIFIC ITEMS		
	ECONOMIC PERFORMANCE INDICATORS		
EC1	Direct economic value created and distributed		2.1.7
EC2	Financial implications and other risks and opportunities for the organization's operations due to climate change		1.5.1.2
EC3	Scope of the coverage of the defined-benefit pension plans		2.4.3.2
EC4	Financial assistance received from the government		
EC5	Ratio of standard entry-level salary by gender compared to local minimum wage for significant operational sites		
EC6	Proportion of senior management hired locally for significant operational sites		
EC7	Development and impact of investments in infrastructure and services provided		1.4.1.2
EC8	Significant indirect economic impacts, including the significance of these impacts		2.1.7 ; 2.8
EC9	Portion of spending on local suppliers for significant operational sites		
	ENVIRONMENTAL PERFORMANCE INDICATORS		
EN1	Consumption of materials by weight or volume	7, 8 & 9	2.6.3.2
EN2	Percentage of materials used sourced from recycled materials	7, 8 & 9	2.6.3.2
EN3	Energy consumption within the organization	7, 8 & 9	2.6.3.1
EN4	Energy consumption outside the organization		
EN5	Energy intensity	7, 8 & 9	2.6.3.1
EN6	Reduction in energy consumption	7, 8 & 9	2.6.2.4 ; 2.6.3.1
EN7	Reduction in the energy requirements of products and services	7, 8 & 9	2.6.2.2 ; 2.6.3.1
EN8	Total water volume withdrawn by source	7 & 8	2.6.3.4
EN9	Water supply sources significantly affected by the withdrawal	7 & 8	2.6.3.4

	GRI-G4 INDICATORS	GLOBAL COMPACT PRINCIPLES	CHAP.
EN10	Percentage and total volume of recycled and reused water	7 & 8	2.6.3.4
EN11	Operational sites owned, leased or managed in, or adjacent to, protected areas, as well as in areas of high biodiversity value outside these protected areas	7 & 8	2.6.3.8
EN12	Description of the significant impacts of activities, products and services on biodiversity in protected areas or areas of high biodiversity value outside these protected areas	7 & 8	2.6.3.8
EN13	Protected or restored habitats	7 & 8	
EN14	Total number of endangered species on the worldwide IUCN red list and the national equivalent conservation lists with habitats located in areas affected by operations, by level of extinction risk	7 & 8	
EN15	Direct greenhouse gas emissions (Scope 1)	7, 8 & 9	2.6.3.1
EN16	Indirect greenhouse gas emissions related to energy (Scope 2)	7, 8 & 9	2.6.3.1
EN17	Other indirect greenhouse gas emissions (Scope 3)	7, 8 & 9	2.6.3.1
EN18	Intensity of greenhouse gas emissions	7, 8 & 9	2.6.3.1
EN19	Reduction of greenhouse gas emissions	7, 8 & 9	2.6.3.1
EN20	Emissions of ozone-depleting substances (SDO)	7	2.6.3.5
EN21	NOx, SOx and other significant air emissions	7	2.6.3.5
EN22	Total water discharge by type and by destination	7	2.6.3.4
EN23	Total weight of waste, by type and by disposal method	7	2.6.3.3
EN24	Total number and volume of significant spills	7	
EN25	Weight of waste transported, imported, exported or treated and deemed hazardous under the terms of annexes I, II, III and VIII of the Basel Convention, and percentage of waste exported	7	2.6.3.3
EN26	Identification, size, protection status and biodiversity value of the bodies of water and their ecosystems significantly affected by the organization's water discharges and runoff	7	
EN27	Extent of mitigation of the environmental impacts of products and services	8 & 9	2.6.2.1 ; 2.6.2.2
EN28	Percentage of products sold and their recycled or reused packaging, by category	8 & 9	
EN29	Monetary amount of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		
EN30	Significant environmental impacts from transporting products and other goods and materials used for the organization's operations, and from travel by members of its workforce	7 & 8	2.6.3.1
EN31	Total expenses and investments allocated to environmental protection, by type	7, 8 & 9	2.6.2.3
EN32	Percentage of new suppliers screened according to environmental criteria	7 & 8	2.3.2
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	7 & 8	2.3.2
EN34	Number of grievances involving environmental impacts filed, addressed and resolved through formal grievance mechanisms		2.1.6
	WORKPLACE PRACTICES AND DECENT WORK INDICATORS		
LA1	Total number and percentage of new hires and employee turnover by age group, gender and geographical region		2.4.1.1
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operational sites		4.2.6.4
LA3	Return to work and retention rate following parental leave, by gender		
LA4	Minimum notice period regarding operational changes, including whether it is specified in collective bargaining agreements		
LA5	Percentage of total workforce represented in joint management-worker health and safety committees intended to monitor and advise on occupational health and safety programs		
LA6	Rate of workplace accidents, occupational illnesses, absenteeism, percentage of lost workdays and total number of work-related fatalities, by geographical region and by gender		2.4.3.1
LA7	Employees directly and frequently exposed to illnesses related to their occupations		
LA8	Health and safety issues covered by formal agreements with labor unions		2.4.4.2
LA9	Average number of training hours per year and per employee, by gender and by employee category		2.4.1.4 ; 2.4.2.1
LA10	Programs for skills management and lifelong learning intended to ensure the employability of employees and to help them manage career endings		2.4.1.4 ; 2.4.2.1
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		
LA12	Composition of governance bodies and breakdown of employees by employee category, according to gender, age group, minority group and other diversity indicators	6	2.4.1.1 ; 3.1.1 ; 3.1.3
LA13	Ratio of base salary and remuneration of women in relation to men, by employee category and significant operational sites	6	
LA14	Percentage of new suppliers screened according to labor practices criteria		2.3.2
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken		2.3.2
LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms		2.1.6
	PERFORMANCE INDICATORS ON HUMAN RIGHTS		
HR1	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	1 & 2	2.3.2
HR2	Total employee training hours on human rights policies or procedures concerning aspects that are relevant to operations, including the percentage of employees trained	1 & 2	
HR3	Total number of incidents of discrimination and corrective actions taken	6	
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	3	

	GRI-G4 INDICATORS	GLOBAL COMPACT PRINCIPLES	CHAP.
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	5	
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	4	
HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	1 & 2	
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	1 & 2	
HR9	Total number and percentage of sites that have been subject to human rights reviews or impact assessments	1 & 2	
HR10	Percentage of new suppliers screened using human rights criteria	1 & 2	2.3.2
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	1 & 2	2.3.2
HR12	Number of grievances about human rights filed, addressed and resolved through formal grievance mechanisms	1 & 2	2.1.6
	SOCIETAL PERFORMANCE INDICATORS		
S01	Percentage of sites with implemented local community engagement, impact assessments and development programs		2.1.6
S02	Operations with significant actual and potential harmful consequences for the local communities		2.1.6
S03	Total number and percentage of sites assessed for risks related to corruption and significant risks identified	10	
S04	Communication and training on anti-corruption policies and procedures	10	3.1.4.3
S05	Confirmed incidents of corruption and actions taken	10	3.1.4.3
S06	Total value of political contributions by country and by beneficiary		
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		
S08	Monetary amount of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		
S09	Percentage of new suppliers screened using criteria for impacts on society		2.3.2
S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	1	2.3.2
S011	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms		2.1.6
	KEY PERFORMANCE INDICATORS FOR CONSUMER HEALTH AND SAFETY		
PR1	Percentage of significant product and services categories for which health and safety impacts are assessed for improvement		2.7.2
PR2	Total number of incidents of non-compliance with regulations involving health and safety impacts of products		
PR3	Procedures for providing product and service information and percentage of products and services covered by such procedures		2.3.3
PR4	Incidents of non-compliance involving product and service information		
PR5	Procedures for achieving customer satisfaction		1.4.4.3 ; 2.3.3.2
PR6	Sale of banned or disputed products		
PR7	Incidents of non-compliance with marketing regulations		
PR8	Total number of complaints regarding the use of products and services		
PR9	Monetary amount of fines and sanctions for non-compliance with regulations		

GLOSSARY

A

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.

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.

C

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

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.

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.

E

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 Protect, 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: European Union emissions standards that set limits on emissions other than carbon dioxide (CO_2) for passenger cars and other vehicles. The Euro 5 emissions standard entered into force in September 2009 for new car certifications and applies to all new cars from January 2011. In 2014, Euro 5 will be superseded by Euro 6, which focuses on nitrogen oxide (NO_x).

F

FCF: Free Cash Flow. FCF 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;
- conduct external growth operations: acquire companies, or take stakes in associated companies.

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.

Functional Task Teams (FTTs): 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.

K

KPI: Key Performance Indicator 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.

N

NEDC: New European Driving Cycle. The NEDC 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

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.

T

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.

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). In 2012, the automotive TAM accounted for over 79 million new registrations and the Group's MS was 3.2% of this TAM.

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

APP: EU Agency for the Protection of Programs

ARC: EU Accounting Regulatory Committee

ASFE: Alliance for Synthetic Fuels in Europe

AVES: Alliance Vehicle Evaluation System

AvtoVAZ: Renault's subsidiary in Russia

B

BOT: Build Operate Transfer Agreements

BPU: Single Personnel Database

C

CAC: Statutory Auditors

CAE: Computer-Aided Engineering

CAFE: Corporate Average Fuel Economy (indicator)

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

EBIT: Earnings before Interest and Tax

EBS: Emergency Brake Assist

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 Program, also referred to as Electronic Stability Control (ESC)

EU: European Union

F

Fed: Federal Reserve System (United States central banking system)

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

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

J

JV: Joint Venture

L

LCA: Life-Cycle Assessment

LCV: Light Commercial Vehicle

Libor: London Interbank Offered Rate

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

OBSAR: Warrant bond *(Obligation à bons de souscription d'actions remboursables)*

OECD: Organisation for Economic Co-operation and Development

ONERA: French aerospace research agency *(Office national d'études et de recherches aérospatiales)*

OOIE: Other Operating Income and Expense

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

R&D: Research and Development

REACH: Registration, Evaluation and Authorization of Chemicals

RCS: French business register *(Registre du commerce et des societés)*

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

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

ZE: Zero Emission


ZOE

Conception & réalisation LABRADOR +33 (0)1 53 06 30 80

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Anthony BERNIER, Yannick BROSSARD, DINGO, Stéphane FOULON, Clément MARIN,
Sébastien MILLIER, Renault Design, Renault Marketing 3D commerce

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