



2020

FINANCIAL AND CSR REPORT



Statement by the parties assuming responsibility for the annual financial report

We declare that, to our knowledge, the accounts are maintained in accordance with applicable accounting standards and give a true picture of the assets, financial situation, and income of the company and of all the companies covered by the consolidation scope. We also declare that the enclosed management report contains a table faithfully reflecting the growth, income, and financial situation of the company and of all the companies covered by the consolidation scope, as well as a description of the main risks and uncertainties that they face.

Paris, 12 March 2021

Chairwoman and Chief Executive Officer
Catherine Guillaud

Chief Financial Officer
Jean-Yves Leclercq

This is a free English translation of the 2020 RATP Group Financial and CSR Report. The report is originally issued in French and is solely provided for the convenience of English speaking readers.

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Catherine Guillouard

RATP Group Chairwoman
and Chief Executive Officer

“During the crisis, RATP Group has continued to fulfil its public service mission, to invest and to innovate through its employees’ efforts.”

For RATP Group and indeed all public transport operators, 2020 was marked by the Covid-19 health crisis. The crisis led to a drastic drop in passenger traffic on our networks in the Île-de-France region, other regions in France and the 13 countries where our Group operates. This severely impacted our results in 2020, in the amount of –€414 million for the RATP Group’s turnover and –€356 million for the Group share of net income.

However, government support has considerably mitigated the impact of the crisis, with €3.4 billion invested in public transport, of which €2.3 billion was invested in the Île-de-France region. A budget of €1.6 billion was set aside by the government in September 2020 for Île-de-France Mobilités, to compensate for estimated losses related to mobility allowance and passenger revenue and allow the company to meet its obligations in 2020. This support was complemented by an additional sum of almost €700 million to quicken the pace of investment in Île-de-France public transport upgrades as part of the France Relance (France recovery) plan. For its part, RATP Group has continued to fulfil its public service mission in spite

of the crisis. Thanks to the mobilisation of its team, RATP Group is perceived as a reliable partner by all its contacts, local authorities, transport authorities, passengers, among others. This reliability is demonstrated in the recognised quality of our brand in the field, which has enabled us to mobilise substantial financing on very satisfactory terms at the peak of the pandemic: between March and December 2020, we issued €174 million in five-year bonds, €480 million in thirty-year bonds and €200 million in sixty-year bonds, as well as nearly €3 billion in one-to-twelve-month treasury notes.

Our Group has remained mobilised from the start of the crisis, to ensure the continuity of public service and maintain an efficient service, notably for the people who need it most, and to regain the trust of our passengers. With this in mind, we almost doubled the budget allocated to the cleaning and disinfection of rolling stock and stations, which increased from €100 million to €185 million in 2020, while undertaking a complete review of all our industrial processes. This trust is the foundation of all nine commitments in our Passenger Commitment Charter, prepared over the course of 2020 and unveiled at the start of 2021.



Furthermore, RATP Group continued to invest and innovate in 2020. Despite the difficulties brought about by the 2020 spring lockdown and with the support of Île-de-France Mobilités, we invested €1.8 billion in the Île-de-France region in 2020 and just under €400 million on behalf of the Société du Grand Paris (SGP), amounting to a total investment of €2.2 billion, up 3.4% compared to 2019. These investments have allowed the Group to pursue structural projects in line with its commitments, such as the extension of metro line 14 to the north, inaugurated in December. We also pursued the massive conversion of our buses and bus depots to clean energies, the extension of metro lines 4, 11, 12 and 14 to the south, the automation of line 4, the upgrading of metro and regional express trains (RER) rolling stock, investments in station renovation and passenger information improvement, etc. We also worked to prepare RATP Group's long-term future by investing in the mobility of tomorrow, including autonomous vehicles and urban air mobility solutions, by launching our mobility as a service (MaaS) programme in partnership with our new subsidiary Mappy, and developing our activity to promote smart and sustainable cities, with the creation of RATP Solutions Ville.

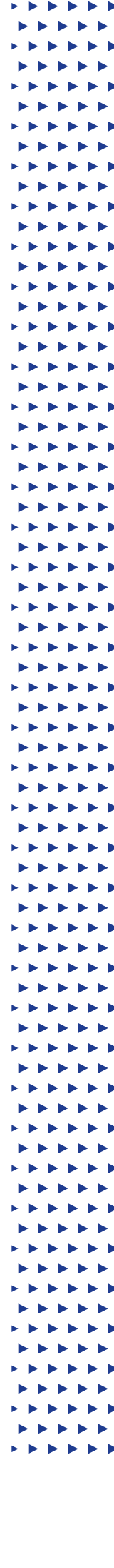
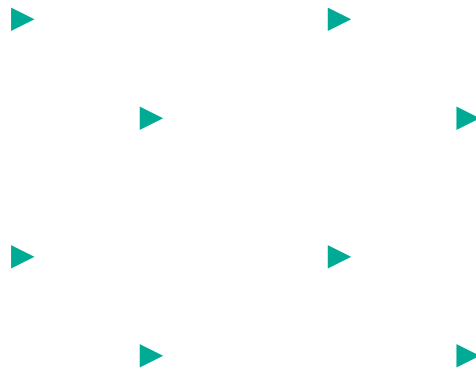
Our mission to deliver the mobility solutions and cities of the future is also at the heart of our driving purpose: We dedicate every day to better city living. RATP is a unique company and our Group is at a turning point in its history, for this reason it was essential that we establish what unites our team, together. These priorities guided the entire driving purpose identification process, with RATP's employees playing a major role. This driving purpose will now be broken down into principles of action.



RATP Group's driving purpose

As the social role of companies, above and beyond their economic performance, is coming under greater scrutiny and as the French Pacte law encourages companies to better account for their contribution to the common good, RATP Group launched a major approach to identify its driving purpose. As a key operator in cities with a public service role, the Group believed this was the logical and natural initiative to take.

The Group's driving purpose is the result of a collaborative approach and over a year of brainstorming and discussions in consultation with employees and external stakeholders. Acting as our strategy compass, our driving purpose is a natural extension of what has made our company so special since its inception, reaffirming the company's DNA by examining the role that the Group intends to play in society and what makes it unique.





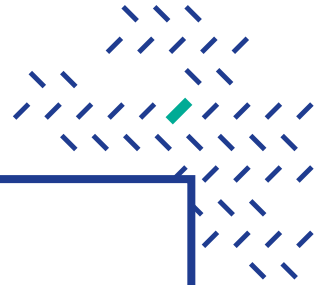
We dedicate every day to better city living

With over a century of experience and a unique know-how, RATP Group dedicates every day to better city living. As a trusted partner of tomorrow's cities, both in France and abroad, we provide them with our highly efficient, innovative mobility and urban planning services, making them more sustainable, more inclusive and more pleasant to live in. This is our role in serving the common interest.

This is our driving purpose.

RATP Group today

RATP Group is a **historic leader** in passenger transport and a recognised pioneer in automated systems. Today, it is leading the way in new forms of mobility, harnessing its wide-ranging expertise to deliver flexible urban mobility solutions meeting exacting standards. We work with territories to design made-to-measure solutions for passengers and residents, adopting an integrated approach all along the mobility chain and delivering innovative services and infrastructure to shape sustainable cities.



A strategy for profitable growth

OUR AMBITION

TO BE A WORLD LEADER
IN URBAN, SUSTAINABLE
AND CONNECTED
MOBILITY AND BECOME
THE PRIVILEGED PARTNER
OF SMART CITIES



GROUP
GEARING <1
Net debt/
shareholder equity
ratio

4 priorities

1. OPERATIONAL EXCELLENCE
2. COMPETITION AND DEVELOPMENT IN FRANCE
3. SMART AND SUSTAINABLE CITIES
4. GLOBAL DEVELOPMENT

4 levers

1. INNOVATION AND DIGITAL TECHNOLOGY
2. HR POLICY AND SOCIAL DIALOGUE
3. FINANCIAL PERFORMANCE
4. GOVERNANCE



The macro trends at the heart of the Group's transformation

URBANISATION AND THE RISE OF MEGACITIES

Urban share of the global population
50%
in 2015, **70%** in 2050

The **500 biggest cities in the world** will contribute, between now and 2025, to
more than 75%
of growth in global GDP

Megacities
More than 100
cities with over **5 million** residents (**15%** of the world's population), in 2030

NEW CUSTOMER EXPECTATIONS AND NEW USES

Emergence of the sharing economy
35%
of journeys will take place in a shared vehicle in 2030

Smart cities
€2,200 billion
Global smart city market in 2025

ENVIRONMENTAL AWARENESS

Cost of pollution
1.5%
of French GDP

Cost of congestion
2% to 4%
of an urban area's GDP (source: McKinsey, 2017)

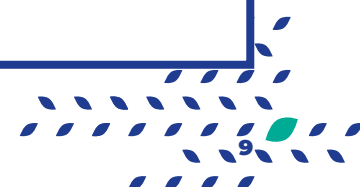
Commitment
COP21
France set to be carbon neutral in 2050

INCREASED AND NEWLY-FORMED COMPETITION

Opening up RATP's historic monopoly to competition
New
€2.5 billion
market in Île-de-France in 2025

Borders are being erased with manufacturers and major tech firms⁽¹⁾
15%
of transport bookings are done via an aggregator (Maps, etc.)

(1) Google, Apple, Facebook, Amazon and Microsoft.



Our five areas of expertise

RATP Group has developed unique time-honoured expertise as a multimodal operator and is one of the world's top four leaders in urban mobility. RATP Group relies on five areas of expertise to build the city of tomorrow.

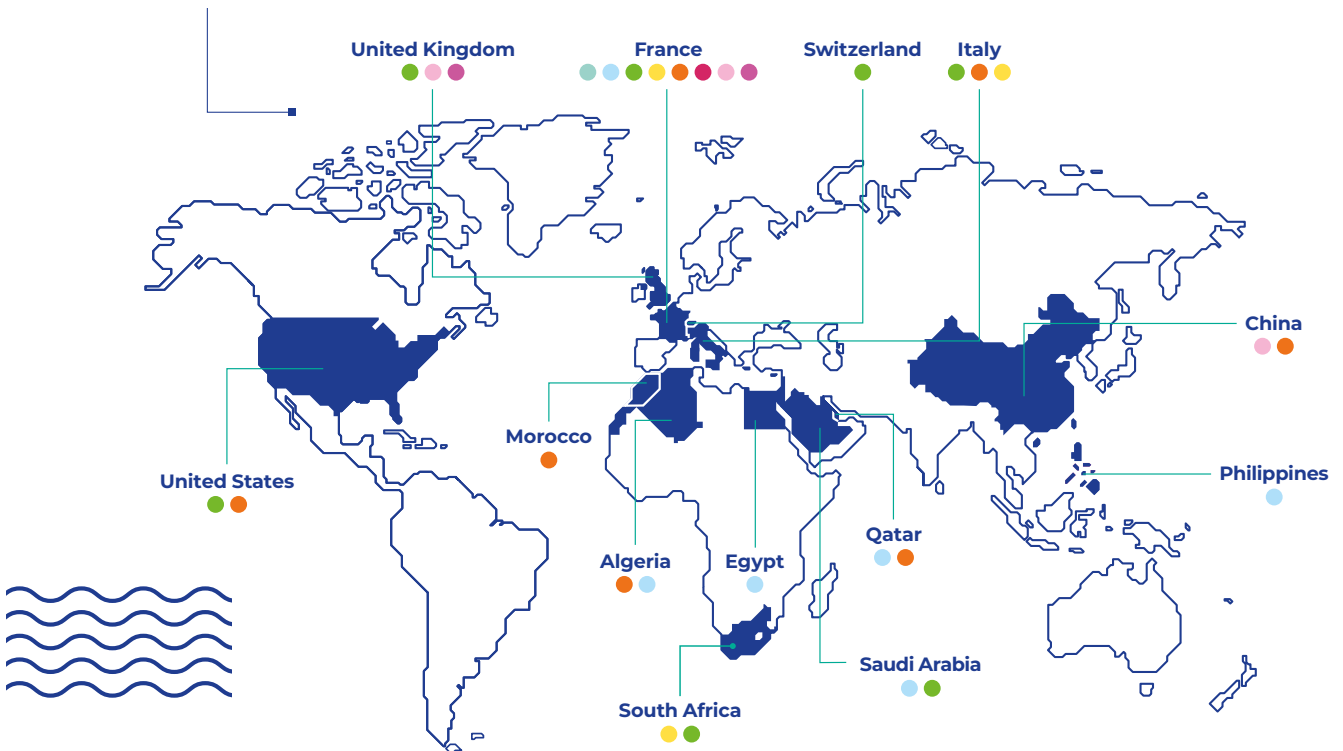
8 transport modes operated



5 partnerships in new forms of mobility



13 countries on 4 continents



Urban mobility

An economic model integrating a vast ecosystem of stakeholders



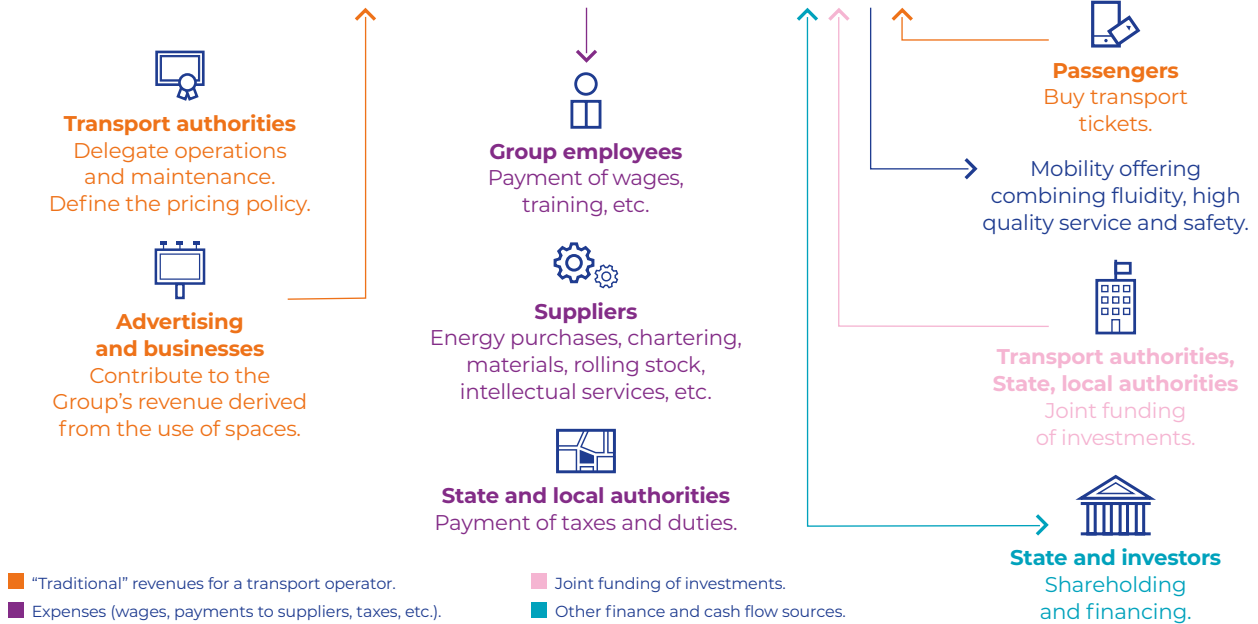
RATP is a major player in urban public transport in the Île-de-France region and currently operates a multimodal network on which the company has the monopoly.



RATP CAP Île-de-France is the subsidiary that develops and operates new urban and suburban transport markets in Île-de-France.



RATP Dev is the subsidiary that develops and manages contracts for operating transport networks outside of RATP's traditional area, in France and internationally, via a hundred subsidiaries.



Urban services

RATP Solutions Ville extends and completes RATP Group's core expertise by associating services dedicated to cities, which are overseen by four subsidiaries and exploring new activities (energy, urban logistics, etc.).

■ **RATP Real Estate:** real estate management and engineering for RATP Group.

■ **RATP Connect:** specialising in the roll-out of fibre optic.

■ **RATP Habitat:** management and construction of social housing in Île-de-France.

■ **RATP Capital Innovation:** acquisition of shareholding interests in targeted companies or investment funds in line with key innovation and development areas: new forms of mobility and smart cities.

RATP Smart Systems: design, integration, operation, and maintenance of ticketing, multimodal information, and operational support systems.

RATP Travel Retail: marketing and management of commercial spaces in transport networks.

RATP Maintenance Services: maintenance of lifts and escalators and installation of security systems (airports, hospitals, large developments, etc.).

Infrastructure management

RATP manages the infrastructure of the metro and RER lines it operates. It is responsible for the maintenance and upgrading of existing infrastructure and for the technical management of the future Grand Paris Express network.

Engineering

The Group's expertise in engineering allows it to deliver safe solutions for all transport modes in a timely and cost-effective manner.

Systra: RATP participation with a 43.4% stake through RATP Coopération.

Sponsorship

For over twenty years, the RATP Group Foundation has embodied the human values of RATP Group. It supports general interest projects in the heart of the locations where we operate, in France and abroad.

Our model for creating value

Our driving purpose:

we dedicate every day to better city living.

Our resources

HUMAN

Over **63,000** employees⁽¹⁾,
81% in France
and 19% abroad

264 trades

FINANCIAL

€5,523 million
in consolidated turnover

€858 million
in consolidated cash flow

A **€30 million** fund
(RATP Capital Innovation)
for investing in start-ups
developing new services
and new forms of mobility

INDUSTRIAL

● **14** metro lines,
8 tram lines, **2** RER lines, and
341 bus routes in Île-de-France

● **32%** hybrid, electric,
or NGV-powered buses in
the Île-de-France region fleet

KNOWLEDGE AND SKILLS

● **1.55 million** hours
of training provided per year

● **5.0%** of the total payroll
is dedicated to employee
training

ENERGY

● **3,078 GWh** of energy
consumed

(1) Based on the average number of employees in companies owned by the Group.

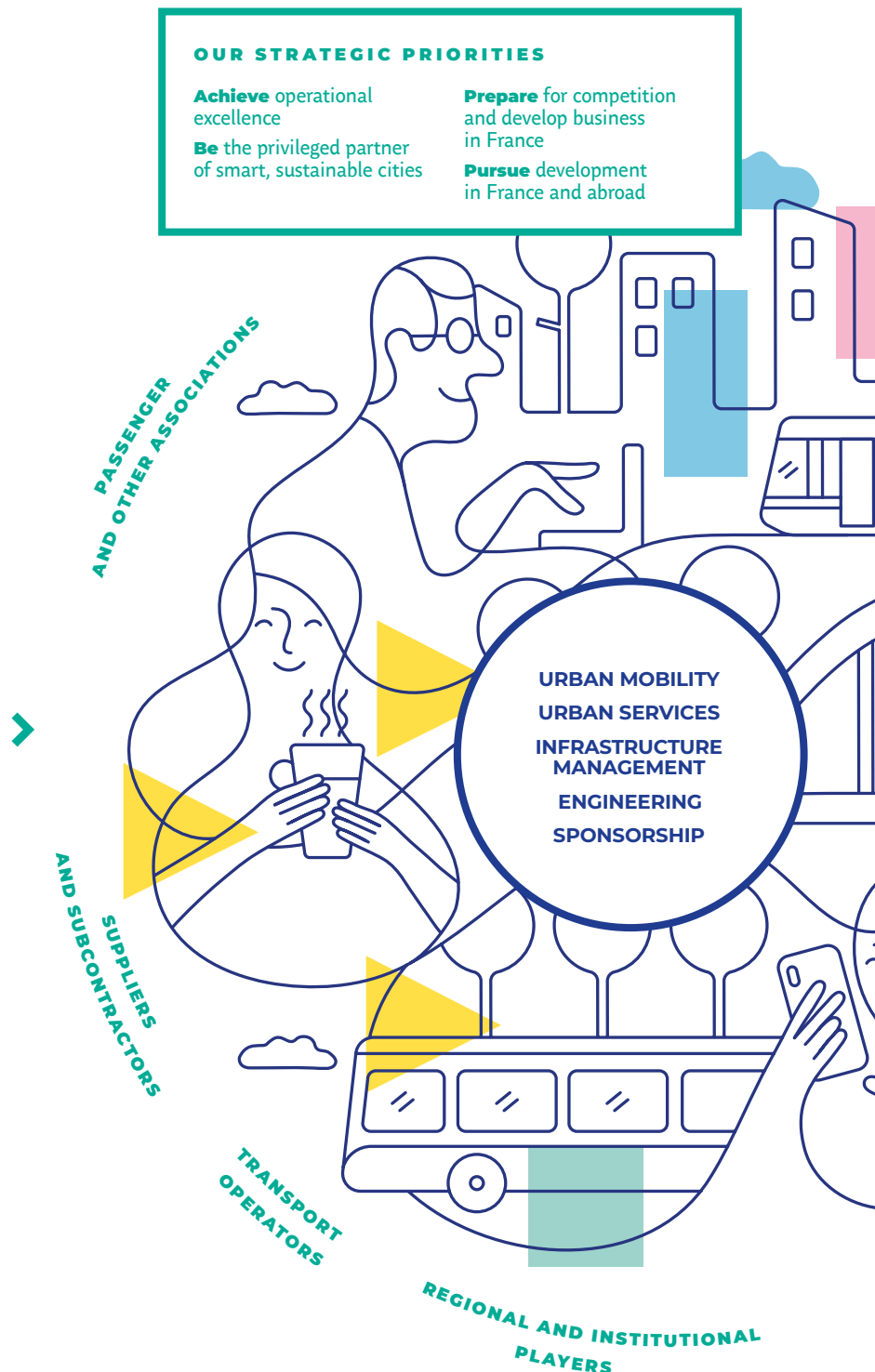
OUR STRATEGIC PRIORITIES

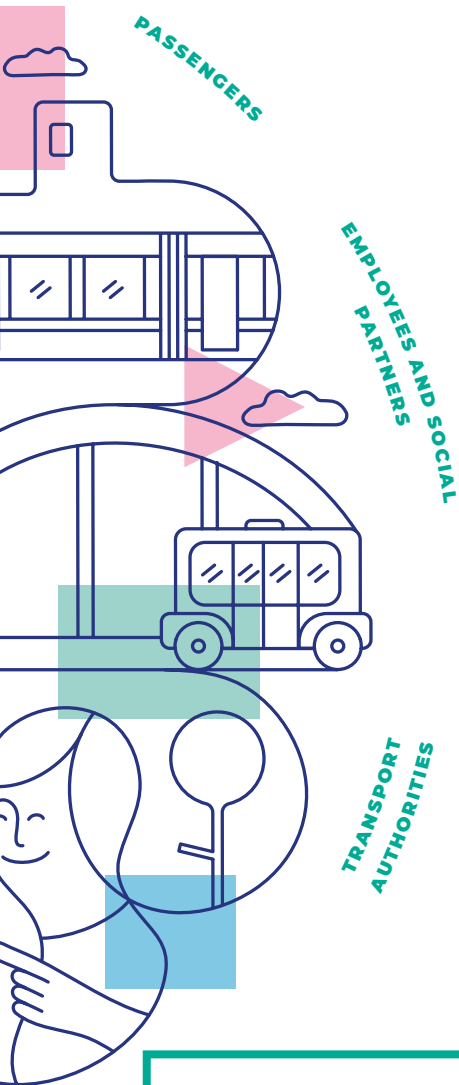
Achieve operational
excellence

Be the privileged partner
of smart, sustainable cities

Prepare for competition
and develop business
in France

Pursue development
in France and abroad





Our value creation for sustainable cities

ENSURING OUR ACTIVITIES ARE PEOPLE-ORIENTED

- **415** metro and RER contact points
- **100%** of the Paris bus network accessible to people with reduced mobility
- **98.5%** of RER stations accessible to people with reduced mobility
- **259,270** beneficiaries of RATP Group Foundation projects

LIMITING THE ECOLOGICAL IMPACTS OF URBAN LIFE

- **60** times less CO₂ emitted by metro/RER/tram than by car
- **100%** of RATP activities ISO 50001 certified (energy management)
- **4.5 million** journeys through new forms of mobility
- **99%** of waste recycled in Île-de-France
- **2.4 ha** of greenery planted on RATP's real estate

CREATING JOBS AND VALUE IN REGIONS

- **4,772** employees hired by the Group in 2020
- **128,000** jobs supported or induced by RATP businesses
- **€1.8 billion** invested in Île-de-France to upgrade and maintain infrastructure, extend lines, and upgrade stations and passenger information
- **500** businesses in the network's underground stations in France
- **170,000 km** of fibre optic rolled out by RATP Connect in Île-de-France

CONTRIBUTING TO TRANSPORT SAFETY

- **27,000** staff members in contact with passengers, including **1,000** dedicated to security

OUR ASSETS

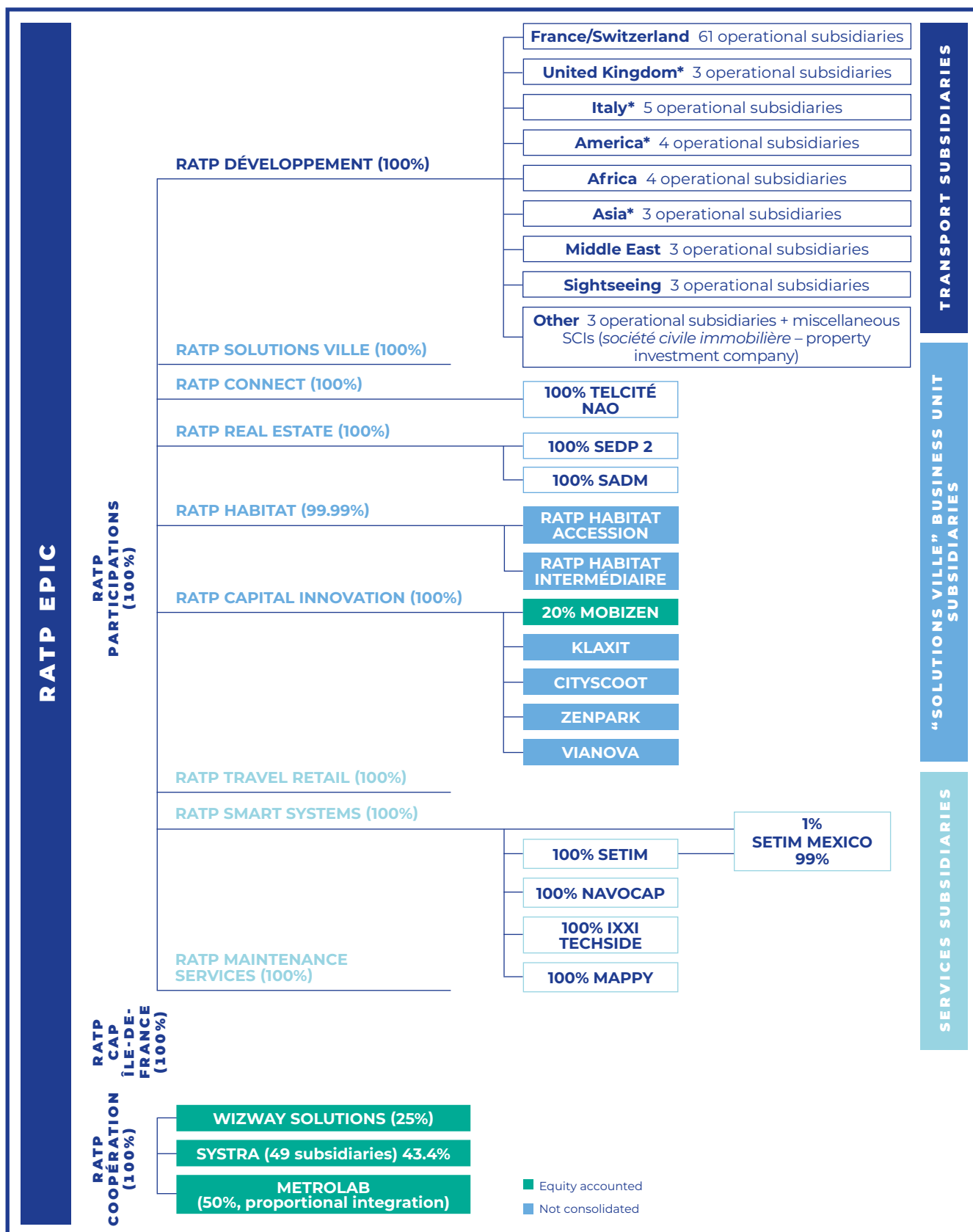
- A unique strategic **position**
- Unique **expertise**
- A trusted **third party**
- A responsible **company**
- A stable business **model**
- Strong **values**

Scope:

- RATP
- Non-financial reporting
- RATP, RATP Real Estate
- RATP Connect
- RATP Travel Retail

RATP Group organisation chart

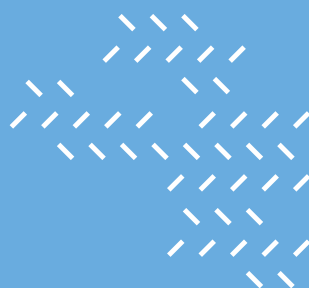
31 December 2020



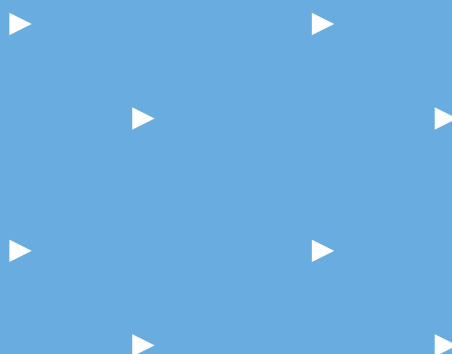
* Subsidiaries held through a wholly-owned holding company.

NB: The list of subsidiaries in the consolidated scope is provided in point 39 of the Notes to the consolidated financial statements.

01



MANAGEMENT REPORT





MANAGEMENT REPORT

Financial results

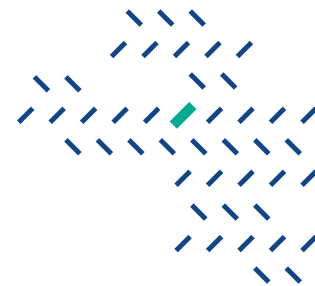
“More than ever, RATP Group intends to be a trusted partner of the cities of tomorrow, which are more sustainable, inclusive and pleasant to live in.”

Catherine Guillaud
Chairwoman and CEO of RATP Group

RATP Group is a major urban public transport stakeholder in France and notably in the Île-de-France region.

As a recognised sustainable mobility provider both in France and abroad, RATP Group daily uses innovative solutions regarding urban, engineering and infrastructure management solutions to contribute its expert knowledge to benefit the Île-de-France region and its inhabitants. In 2020, throughout a year marked by the health crisis and its consequences, the Group made a strong commitment and took action to ensure business continuity,

with a high level of safety for its employees and passengers, and to preserve its business model. Resilient in this context, the Group has at the same time reinforced its development strategy in the growth markets of sustainable mobility and smart cities, in France and abroad, while preparing for the competitive tendering of buses in its historic region of Paris and its inner suburbs.



Parent company and its contractual environment

The parent company, Régie autonome des transports parisiens (RATP), is a State-owned industrial and commercial public utility (*établissement public à caractère industriel et commercial* – EPIC) created by the law of 21 March 1948. It is a legal entity under public law. Its head office is located at 54, quai de la Rapée, 75012 Paris, and it is registered with the Paris Trade and Companies Register.

RATP was set up to run public transport services in Île-de-France. Its mission, as laid down in French law No. 2009-1503 of 8 December 2009 on public passenger services by rail (*loi relative à l'organisation et à la régulation des transports ferroviaires* – ORTF law), is to act as infrastructure manager for urban public transport services in Île-de-France, subject to the powers granted to SNCF Réseau.

The same law specified that transport lines created before 3 December 2009 should continue to be operated under the terms of the agreements effective as at that date and the agreements to be negotiated under the defined legal framework, until 31 December 2024 for bus services, 31 December 2029 for tram services and 31 December 2039 for other transport services (metro and RER). The operating rights granted to RATP are thus limited in duration, with their renewal being subject to calls for tender.

Lastly, the ORTF law defines the framework for RATP's compensation in its role as infrastructure manager and line operator.

The transport offer and pricing in Île-de-France is defined by Île-de-France Mobilités (formerly STIF). RATP's activity as an operator is governed by multi-year agreements with Île-de-France Mobilités. Under these agreements, RATP undertakes to provide a transport service defined in terms of quantity and quality and receives compensation based on the direct revenues and flat-rate contributions paid by Île-de-France Mobilités.

If RATP were compensated for the contractual service through direct revenues alone, it would be unable to balance its business model. This is because the fares and the price of season tickets set by the transport authorities do not cover the actual cost of the service. The flat-rate contributions paid by Île-de-France Mobilités thus enable RATP to restore the financial equilibrium needed to provide the service, make investments and achieve the associated contractual targets. Thus, the level of public tenders equates to around 42% of RATP's revenue. At the national level, on less dense networks, the average subsidy is 70% (Centre d'études et d'expertise sur les risques, l'environnement, la mobilité et l'aménagement – Cerema, 2016, for French networks with more than 200,000 inhabitants outside Paris).

Since the adoption of French law No. 2000-1208 on solidarity and urban renewal, RATP has been authorised to design and operate public transport networks via its subsidiaries throughout France and abroad.

Under the RATP-Île-de-France Mobilités 2016-2020 operating contract, RATP is compensated by Île-de-France Mobilités via four contributions, the first two of which are flat-rate and non-revisable, except by discounting and amendments (mainly under the terms of new offers and price reforms):

- the contribution towards the operation of the service and public service obligations, which enables operating expenses not met through direct passenger revenues to be covered;
- the contribution towards the financing of investments is contractually intended to cover amortisation and depreciation and financial expenses;
- the contribution relating to certain taxes and duties passed on to Île-de-France Mobilités in euros (mainly the regional economic contribution and property tax);
- the specific lease contribution to finance the purchase of rolling stock for the T3, T5, T6, T7 and T8 tram lines.

The index used to revise contributions is linked to the performance of indices tracked by Insee, less 0.5% per annum for productivity returned to Île-de-France Mobilités.

Despite a significant downward adjustment from the previous contract, Île-de-France Mobilités contributions are calculated to achieve sufficient cash flow (€4,263 million) to finance cumulative investments from own funds (€4,221 million) over the term of the current contract (2016-2020).

The 2016-2020 Île-de-France Mobilités-RATP operating contract provides secure funding for significant investments by RATP, while maintaining near-stable levels of debt after five years. This financing is in the form of investment grants and cash flow from operations.

The total investment thus reflects an overall, record effort of €8.5 billion over five years, of which €4.2 billion is from RATP's own funds, with an annual clause to monitor differences in the investment plan that could lead to a penalty directly impacting compensation.

At the same time, RATP has undertaken to deliver a contractual transport service defined in terms of volume and quality. The passenger is at the focus of the contract, with demanding specifications in terms of service delivery, regularity and quality, a system based on indicators to measure the achievement of objectives, and a bonus budget of a maximum amount of €25 million.

Commercial risk (traffic revenues) is shared between RATP and Île-de-France Mobilités. The contract provides for a 1% annual increase in the volume of passenger revenues. If this target is not achieved, or if it is exceeded, Île-de-France Mobilités and RATP share the gap according to a 50%/50% split. A specific amendment was planned in 2016 and 2017 to mitigate the impact of the introduction of a flat-rate fare for all zones.



The price risk is borne by Île-de-France Mobilités: changes in the selling price of transport tickets therefore give rise to an equivalent adjustment of Île-de-France Mobilités contributions through an amendment.

The risk on operating expenses is borne by RATP.

The 2016-2020 contract takes into account:

- a budget for additional services included in the compensation to fulfil Île-de-France Mobilités’s objectives and meet passengers’ expectations (€100 million over five years for improvements to cleanliness, safety and bus journey times and assistance on the Noctilien night bus network);
- the standardisation of RATP’s tax policy, in accordance with common law on EPIC’s tax policy, particularly regarding corporate income tax.

Subsidiaries’ areas of expertise

In 2020, the year was marked by three structuring events for the subsidiaries:

- 1/ **The unwinding of the Group’s reconfiguration operations at the level of the leading holding companies:** after the creation of **RATP Participations** and **RATP Paris Région** (renamed “**RATP Cap Île-de-France**” in February 2021), the leading holding companies wholly owned by RATP EPIC, the Group’s reconfiguration was finalised, and the organisational structure simplified by linking all existing subsidiaries to RATP Participations (see organisational chart). The minority equity investments (Systra, Metrolab and Wizway) continue to be held by RATP Coopération (formerly RATP International). **RATP Cap Île-de-France** is responsible for responding to future calls for tender within RATP’s historical scope in the Paris region, and for supporting future subsidiaries resulting from these calls for tender.
- 2/ **The creation of the “Solutions Ville” (city solutions) business unit (BU)** around a parent subsidiary, **RATP Solutions Ville**. The business unit brings together several existing subsidiaries (RATP Connect, RATP Real Estate, RATP Habitat and RATP Capital Innovation), and is structured around five products: telecommunications, real estate, urban mobility, energy and logistics, with the aim of developing an offer that meets the needs of cities and local authorities. Its aim is to unify all urban services expertise in order to offer an attractive commercial offer and to develop the Group’s business in new markets.
- 3/ **The structuring of a Services division** around RATP Smart Systems, which acquired Mappy in 2020, RATP Travel Retail and RATP Maintenance Services (previously owned by RATP Dev).

RATP Participations and its subsidiaries

Subsidiaries of **RATP Participations** are therefore structured around three divisions:

- Transport (**RATP Dev**);
- City (**RATP Solutions Ville, RATP Connect, RATP Real Estate, RATP Capital Innovation**);
- Services (**RATP Smart Systems, RATP Travel Retail, RATP Maintenance Services**).

Transport division

RATP Développement (RATP Dev) is the subsidiary responsible for developing and managing operating agreements for public transport networks outside RATP’s traditional monopoly, in France and internationally. RATP Dev and its subsidiaries now account for most of the Group’s activity outside the parent company RATP.

The sector generally relies on public subsidies, both for operations and investment. For corporate governance reasons, the customer (the network transport authority) typically requires specific subsidiaries to be set up for the agreement. RATP Dev, which houses the agreement portfolio and management activities, thus has 125 subsidiaries⁽¹⁾ operating in 13 countries, the most important of which in terms of revenue contribution at the end of December 2020 were France, the United Kingdom, Algeria, the United States, South Africa and Saudi Arabia.

RATP Dev’s activities span the entire mobility chain and encompass all modes of transport (metro, tram, bus and coach, train, sightseeing, demand-responsive transport, transport of people with reduced mobility and cable transport) and business lines (operation, maintenance and services).

City division

RATP Solutions Ville was created to meet the challenges of the smart, sustainable city of tomorrow. The subsidiary is responsible for developing a commercial offer of urban services for cities/local authorities, around five areas: real estate, urban mobility, telecommunications, logistics and energy. It will be able to draw on the existing subsidiaries, which already cover some of this essential expertise to respond to the necessary changes in the urban model.

For real estate, RATP Group’s real estate management and engineering subsidiary is **RATP Real Estate**. It provides support to its customers (notably RATP EPIC) for all their real estate projects:

- development of the real estate portfolio through studies, the construction of facilities and the renovation of buildings and sites, taking into account regulatory developments and economic prospects (master plans or multi-annual plans);
- cost control via energy and asset audits;
- project management assignments (heating, ventilation and air-conditioning, fire safety system);
- project management support, particularly with complex real estate projects combining industrial sites and housing in densely populated areas;
- fitting out office premises and providing workstations for RATP Group entities;
- facility management and project management support for major maintenance works;
- management of tertiary sites and event venues.

As an extension of the site management activities of RATP Real Estate, the wholly owned subsidiary SEDP 2 leads projects aimed at modernising and reducing the tertiary footprint on behalf of RATP.

The real estate business is also driven by **RATP Habitat**, the Group’s social real estate subsidiary (not consolidated in the financial statements).

(1) Entities which are fully consolidated or accounted for using the equity method, net of permanent institutions and companies no longer in operation: completed contracts or entities held for sale (Moulins Mobilité, Open Loop NY, Metrolink, Dunois Voyages).

RATP Habitat, created in 1959, builds, rehabilitates and manages a portfolio of housing, shops and residences in Île-de-France. The portfolio accommodates RATP employees as well as housing for local authorities, the French State and other reservists such as Action Logement.

RATP Habitat offers a complete and diversified range of housing:

- family, collective or individual social rentals;
- residences for students, young workers, or dedicated to specific audiences;
- intermediate rental, via its subsidiary RATP Habitat Intermédiaire;
- property acquisition at controlled prices, through its RATP Habitat Accession subsidiary.

With regard to telecommunications, the business unit relies on **RATP Connect**, a subsidiary specialising in the deployment of dark fibre. Fibre is deployed in metro and RER tunnels with a view to leasing it to telecom operators, insurance companies, major public accounts and SMEs. The network features some 170,000 kilometers of fibre. Telcité NAO is the subsidiary of RATP Connect carrying the contract for the deployment of 3G/4G whose deployment was finalised on 24 May 2020. All metro and RER stations are now covered by 3G/4G.

In the field of urban mobility, in 2017 RATP created **RATP Capital Innovation (RATP CI)**, now wholly owned by RATP Participations. With capital of €30 million, this entity invests both directly in innovative companies and indirectly through carefully chosen investment funds whose themes match the Group's core focus areas of innovation and development (new mobility, smart city). RATP CI has been a shareholder of Communauto, Klaxit, Cityscoot, Zenpark and Vianova since the end of 2020.

Services division

The division is structured around three subsidiaries.

RATP Smart Systems, specialised in the development of mobility assistance services, was created to promote its know-how in the field of intelligent transportation systems (ITS) and MaaS and support RATP Group in these areas, both in France and internationally.

It designs, integrates, operates and maintains ticketing, multimodal information and operating support systems. The company also manages the ticketing system for Paris and its suburbs, which is the world's largest multimodal network with 12 million trips taken each day on its metros, buses, trams and RER. Via its subsidiaries Ixxi Techside, Navocap and Setim, RATP Smart Systems also operates in Bordeaux, Toulouse, Saint-Étienne and Mexico City.

At the end of 2020, the subsidiary Mappy joined the scope of RATP Smart Systems, as part of the Group's development of MaaS. RATP Group is thus broadening its field of expertise by becoming the third-largest player in everyday mobility in France after Google Maps and Waze. RATP Group and Mappy digital services propose door-to-door journeys for users, combining several modes of transport. It is now a question of combining services in the same application and including the ability to book and pay for journeys directly from a mobile phone.

The package must therefore offer new products for customers:

- in Île-de-France: a complete map of the region, a pedestrian and bicycle GPS, and addresses of professionals "around me";
- across the country: integration of new partners into the Mappy multimodal comparator and roll-out of combined car, park-and-ride and public transport facilities offer to better meet regional environmental and accessibility challenges;
- for public transport authorities and local authorities: a turnkey RATP Smart Systems MaaS application. The mobility solutions that will appear will be tailored to each region's characteristics.

RATP Travel Retail is the subsidiary in charge of marketing and managing urban spaces. It is mainly involved in the design, planning, letting and management of retail space within the RATP EPIC's metro and rail network.

RATP Maintenance Services, previously held by RATP Dev, was the subject of an intra-group disposal at 31 December 2020. RATP Maintenance Services is a player in multi-technical maintenance, both in the historical segment of elevators and escalators, as well as in building and personal safety installation and maintenance contracts for airports, public customers (local authorities, hospitals) and private customers (large housing developments).

RATP Paris Région/RATP Cap Île-de-France

RATP Paris Région was formed in response to the need for a new organisational structure to take part in calls for tender in RATP's home region (Paris and the inner suburbs).

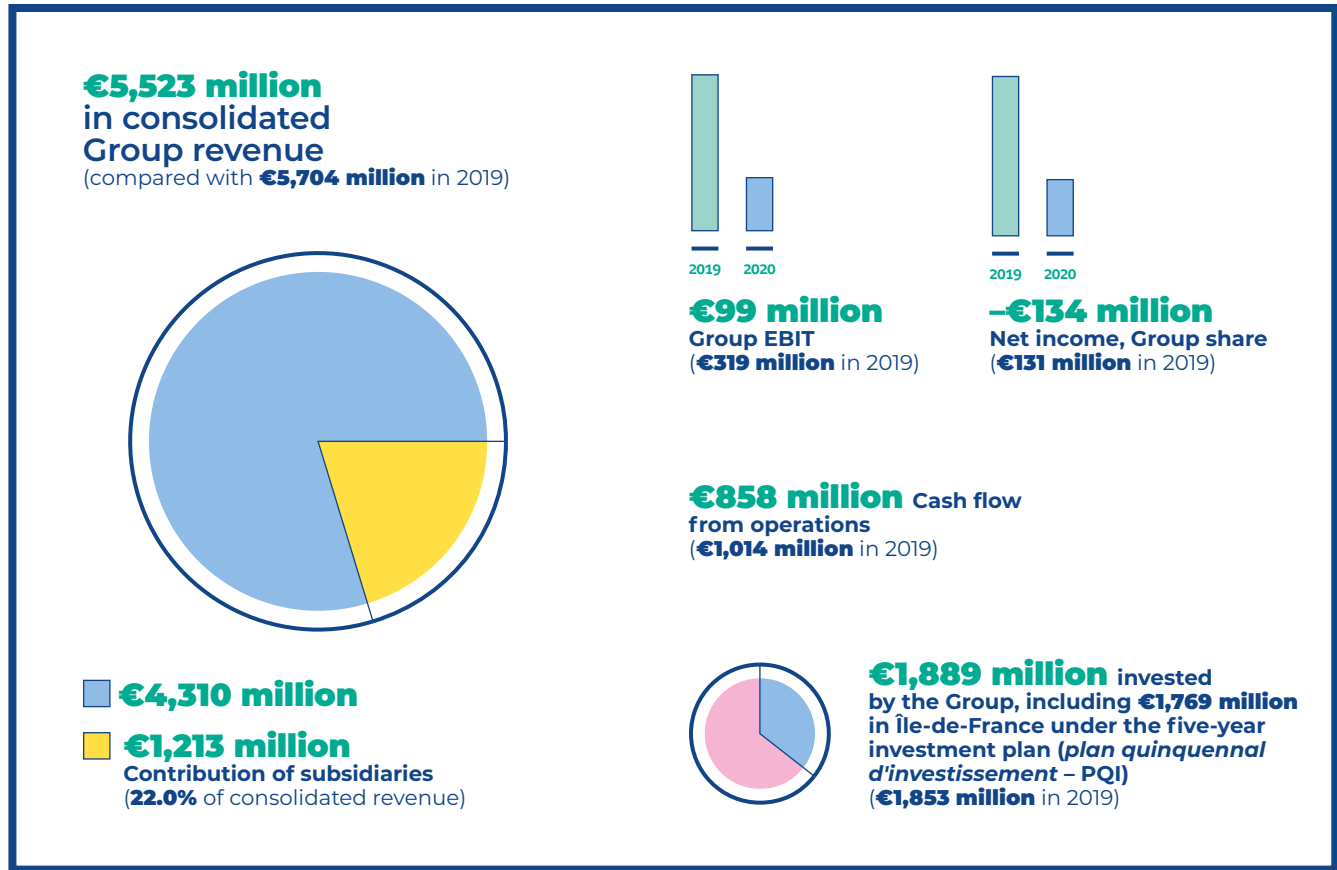
If it wins a call for tender, a specific subsidiary is set up, at the request of the organising authority, Île-de-France Mobilités, to operate the transport network. RATP Paris Région may hold RATP Group's shares in these specific subsidiaries.

RATP Paris Région becomes "**RATP Cap Île-de-France**" in February 2021 with the arrival of the management team that will be in charge of preparing the first calls for tender conducted by Île-de-France Mobilités.

RATP Coopération and its equity investments

RATP Coopération is the holding company for the Group's above-mentioned minority equity investments (Systra, Wizway and Metrolab). It also provides technical support for public authorities managing public transport networks in countries where RATP Group does not have a permanent establishment, particularly in Africa.

Systra is an equity investment of RATP, 43.4% held via RATP Coopération. Systra is a consulting and engineering group and a world leader in transport infrastructure design. Active in more than 80 countries through subsidiaries, branches or contracts, Systra is involved in the various phases of transport projects: from preliminary studies and conceptual design through to construction, testing and commissioning, operation and maintenance.



1 — Main trends in 2020

The Covid-19 health crisis represents a major impact for RATP Group. Its impact on the Group's net income was -€356 million (-€254 million for the EPIC and -€101 million for the subsidiaries).

RATP EPIC

All of the EPIC's activities were affected by the health crisis. Traffic decreased by -43% compared to 2019 and related revenues suffered a shortfall of -25%. From the start of the crisis, RATP worked hard to ensure the continuity of the public service, to guarantee passengers safe transport conditions and to prepare a rapid return to the nominal transport offer as soon as the lockdown ended, in early June.

In this context, RATP made exceptional efforts to protect staff and customers, comply with health standards and social distancing, and boost passenger confidence in public transport facilities by equipping employees with masks and visors, cleaning contact points on vehicles and in other spaces regularly and thoroughly, misting vehicles to disinfect them, installing hand sanitizer dispensers, putting up social distancing reminders, wearing the obligatory mask, verifying employer travel certificates, respecting safety distances, and using flow channelling systems.

In order to take into account the decrease in supply and authorised travel during the lockdown period, the company, jointly with SNCF, and at the request of Île-de-France Mobilités, reimbursed Navigo annual and senior travel passes for the period from 1 April to 11 May. The resulting loss of revenue (€59 million) was included in the contractual revenue risk-sharing mechanism with Île-de-France Mobilités. Imagin'R passholders and holders of Navigo monthly passes who provide essential services for the country also received refunds over this period, fully covered by Île-de-France Mobilités (€28 million).

Several infrastructure projects were halted during the lockdown, but gradually resumed from the end of April (extensions of lines 11, 12 and 14, automation of line 4, energy transition of bus depots). Despite the unprecedented context of the health crisis, the EPIC's investments in 2020 amounted to €2.2 billion (including investments made on behalf of SGP for the extension of line 14 south, in the amount of €399 million). They were up by €76 million compared to 2019, driven by projects to renew the MF19 rolling stock for lines 10, 3 bis and 7 bis and MP14 for line 14, and to purchase electric buses.

From a financial point of view, the -€254 million loss of net income from the health crisis includes a -€259 million loss of revenue, of which -€150 million stems from the loss of passenger revenue, net of the sharing of commercial risks with Île-de-France Mobilités, and the remainder from related revenue losses. In terms of expenses,

+€5 million in savings were generated in social insurer's results, profit-sharing and financial expenses, net of additional healthcare costs.

The impact of the health crisis on the EPIC's debt was +€285 million, of which +€254 million related to the decrease in cash flow, and +€31 million related to the deterioration in operational working capital requirements (WCR).

Subsidiaries

All Group subsidiaries were affected by the Covid-19 health crisis, but in different ways depending on their business. In addition to the direct effects generated by the lockdown period (mid-March/mid-May) on the transport supply, the following sectors were more specifically affected: tourism, on-demand services, advertising, retail and on-site activities.

RATP Dev, a public and tourist transport operator, was hit hard by the crisis, first in Asia on the Hong Kong tram network, then all over the world, particularly in France, notably with regard to occasional services, school transport and tourist bus activities (particularly in Paris and London). In the second half of the year, the sightseeing business continued to be heavily impacted by the sustained decline in international tourism.

Systra suffered more moderately from the effects of the crisis since, like the rest of the engineering sector, it had organised itself to deliver projects through widespread teleworking. The crisis affected on-site activities more intensely, due to construction delays.

Sales activity remained dynamic, with customers having little or no change in their appointment schedule.

For other subsidiaries:

- RATP Travel Retail's business was shut down during the first lockdown (March-May) due to the closure of shops in stations. A gradual recovery in activity was noted from September but the sector remains impacted by decreased travel in Île-de-France;
- in the first half, RATP Real Estate dealt with suspended urban transformation projects (Vaugirard site, energy conversion of bus depots, etc.) and tertiary real estate projects (Lyby+ project); with organising the resumption of work; and as site manager, with preparing the lockdown exit plan for tertiary sites in May;
- after a start of the year marked by an increase in activity following the strikes, RATP Capital Innovation's shareholdings were largely affected, with massive declines in activity during the peaks of the health crisis. However, the second half was less impacted than the second quarter of 2020.

At the end of December, activity gradually resumed on almost all networks/projects/operations, outside the tourism sector.

From a financial standpoint, the direct impact of the crisis at the end of December is estimated at:

- –€155 million in revenue, broken down as follows:
 - –€153 million on RATP Dev (–€64 million in France, –€41 million on sightseeing and –€48 million internationally),
 - –€2 million on other subsidiaries (on RATP Real Estate and RATP Smart Systems);
- –€51 million in EBIT:
 - –€42 million on RATP Dev,
 - –€5 million on Systra,
 - –€4 million on other subsidiaries.

In addition to these impacts, there are non-recurring indirect effects, mainly the impairment of sightseeing goodwill in the amount of –€45 million, already recorded at the end of June, and restructuring expenses amounting to nearly –€6 million. In total, the impact on the subsidiaries' net income was –€101 million.

1.1 For transport

1.1.1 EPIC

Changes to the Île-de-France Mobilités-RATP contract: amendments in 2020

The results at the end of 2020 include amendments 1 to 24 of the Île-de-France Mobilités-RATP 2016-2020 operating contract. They impacted RATP's compensation to the tune of +€22 million compared to 2019, i.e. +0.7%, including **changes to the reference offer (+€17 million)**: commissioning of the extension of line 14 to Mairie de Saint-Ouen in December 2020 (restructuring of the bus offer, adaptation of existing stations, extension of the line), full-year effect of the Paris Bus restructuring programme, various changes to the reference service: additional bus services, travel time adjustments, line extensions, route modifications, change to UIM (multiple units making for longer trains) on RER line B on Friday evenings, Saturdays, Sundays and holidays, track and ballast replacement works on line A, Castor operation.

Other contractual compensation adjustments (+€4 million) were added, mainly to reinforce safety in the stations and to experiment with SMS Ticketing.

Growth in passenger traffic

In 2020, RATP traffic within the scope of the EPIC, strongly impacted by the January strike and especially by the Covid-19 health crisis, amounted to 1,901 MP, a decrease of –1,423 MP (–42.7%) compared to 2019.

This significant drop in traffic has two major causes:

- **a decrease mainly due to the Covid-19 epidemic and the associated health measures, amounting to –1,348 million passengers (–40.6%)**. The first lockdown had the strongest impact with a 73% reduction in traffic compared to the second quarter (–92% in April, a full month of lockdown). In the third quarter 2020, thanks to the end of the lockdown and the return to work, traffic improved but remained negative (–31%). Fourth quarter results, impacted by curfews, a new lockdown and incentives to work from home, fell again (–35%). The decrease in traffic results from the direct and indirect impacts of the health measures taken to contain the epidemic: economic slowdown, sharp decline in tourism, change in working habits (with the rise of teleworking), accelerated development of individual mobility, and in particular soft mobility (bicycles, scooters, etc.) stimulated by additional and temporary cycling facilities;
- **the impact of the strikes at the beginning of the year**. France's pension reform strikes impacted traffic in January and February (estimated traffic loss of 75 million passengers, or –2.3% of traffic).

The metro's annual traffic fell by **-50%** (-744 million passengers), partly attributable to the strikes at the beginning of the year but above all to the negative impact of the epidemic on travel. Metro traffic was almost non-existent during the first lockdown (-96% in April and -85.5% in May). This situation gradually improved over the following months thanks to the end of the lockdown, the arrival of summer and the start of the school year, but traffic plummeted again from the fourth quarter (-42%) despite the catch-up period following the strikes of December 2019.

The change in annual RER traffic was negative compared to 2019 (-47%; -233 million passengers). As was the case for the metro, the fall in traffic underwent four major changes over the period, with losses due to strikes, losses due to the first lockdown from March (a level of traffic equivalent to 4% of 2019 traffic in April), a gradual recovery due to the end of lockdown, throughout the summer until the start of the school year in September. Subsequently, RER traffic suffered further losses from October due to the curfew and new lockdown restrictions. December was exceptionally up (+17.4%) due to the catch-up following the strikes in 2019.

The overland network (EPIC) saw a smaller decrease in its traffic (-33%; -440 million passengers) than that of the rail networks, due to a less stressful perception of the overland network in the face of the epidemic. In addition, the strike of January 2020 had less impact on overland traffic (only -4% on Paris buses, +5% on the tramway and +16% on the Noctilien night bus). However, the bus networks are experiencing similar traffic decreases and increases due to government decisions (-33% in traffic in 2020). Curfews have had a particular impact on Noctiliens since October (-37%; -59%; -51%). Over the year, Parisian buses and suburban buses saw the same losses (-32% and -33% respectively). The tramway network saw a decrease in its traffic (-35%), with a strong disparity from one line to another (-40% for T3a compared to -20% for T5). From March onwards, the first lockdown caused a loss of the same order as that of the other modes of transport, with a -84% reduction of traffic in April (strict lockdown). A recovery gradually began in May, but results have plunged again since October.

1.1.2 Other developments in France

For RATP Dev, the level of activity was massively impacted by the health crisis. B2C activities (open tour buses, school transport) were brought to an abrupt halt in mid-March.

On the networks operated by RATP Dev, activity slowed sharply, but did not completely stop in the first half of the year. Growth in France was thus driven by the contracts in the portfolio and by the start-up of contracts in the second half of 2019 (Brest, Angers, Creil, Saint-Malo).

In 2020, RATP Dev also won:

- the call for tender for the operation of the Quimperlé bus network, thus continuing its strategy of setting up operations in Brittany and the French West. Commissioning took place on 4 July;
- the Optile contract in the Mantois region (TVM/CTVMI), which is being renewed. The scope of the new eight-year contract from next August is greater than the network currently managed because of the subdivisions selected by Île-de-France Mobilités. Conversely, the contract for Vexin was not renewed (Céobus/Timbus).

Finally, RATP Dev is continuing its development efforts, with:

- the preparation of other Optile calls for tender in Île-de-France;
- a positioning on the rail market following the competitive bidding of the regional express trains (TER) markets with the creation of the Régionéo subsidiary in partnership with Getlink. Régionéo has thus positioned itself on the three units opened to competition by the Hauts-de-France region and is also aiming to open up markets in the Grand Est region;
- an alliance concluded with Alstom and the Singaporean company ComfortDelGro Transit in view of the call for tender for the operation of lines 16 and 17 of the Greater Paris Express metro network.

1.1.3 Other international developments

- In the United States, RATP Dev USA Inc. was not re-appointed to the contract for the management of a segment of the Austin bus network, as from 1 January 2020, but resumed its development in the second half of the year by winning "The Bus" contract in Prince George county (Maryland) and a contract for the operation and maintenance of "The Comet" network in Columbia (South Carolina), in addition to renewing the bus contract in Camarillo (California).
- In the United Kingdom, RATP Dev sold the company Selwyns to its managers on 31 March (intercity bus and private hire near Manchester).
- In Belgium, RATP Dev won the call for tender for the operation of tourist buses in Brussels, whose takeover is postponed to spring 2021 due to the health crisis.
- In Italy, despite the health crisis, the contract to operate buses in the Tuscany region was signed in August 2020 for a period of eleven years. The teams of RATP Dev actively continue their work to prepare for the resumption of operations, but the effective start of the contract remains subject to a new decision by the Italian Council of State expected in the first half of 2021.
- In Qatar, RATP Dev continued its mobilisation with a view to the opening of the Lusail tramway in the first quarter of 2021 (slight delay caused by the health crisis).
- In Algeria, the client decided to take over the operation of the Algiers metro directly at the end of the contract with RATP El Djazair in October 2020.
- In Egypt, RATP Dev signed a contract to resume the operation of line 3 of the Cairo metro.
- In Saudi Arabia, RATP Dev continues the period of mobilisation on the Riyadh metro following the client's decision to postpone the opening of lines 1 and 2 by 2022 (in connection with the health crisis).

In 2020, RATP Dev celebrated ten years of operating the Florence tramway in Italy and the Gautrain (suburban train) in South Africa and eight years of operating the Casablanca tramway in Morocco.

Finally, RATP Dev has signed an agreement with ComfortDelGro to create a new entity whose mission will be to demonstrate the value and benefits it can contribute by exploring new commercial prospects in the railway sector in Singapore. This entity must also offer centres of excellence in order to reduce dependence on equipment manufacturers.

1.2 For the city

The foreshadowing of the “Solutions Ville” business unit took place against the backdrop of a health crisis that had a strong impact on the business of RATP Real Estate and that of RATP Capital Innovation’s investments.

Real estate

RATP Real Estate, in its role as manager of the Group’s sites, put in place a business continuity plan for the sites under management as part of the preparation for the lockdown and supported the lockdown exit of tertiary sites (communication plan and user guide).

RATP Real Estate also managed the closure of construction sites at the start of the spring lockdown and then of the resumption of work on ongoing projects, notably:

- the industrial site of Vaugirard (creation of a neighbourhood organised around a new street in 2026 with two maintenance workshops, housing certified “*Habitat et environnement*” and a multi-reception structure dedicated to early childhood);
- building work for the energy transition programme for the bus depots operated by the EPIC;
- office buildings whose work is carried out by the subsidiary **SEDP 2** (in 2020: Shamrock and the RATP head office at Gare de Lyon).

The **SEDP 2** subsidiary contributes to the modernisation of the Group’s workspaces, both at the head office and other administrative sites. At 1 January 2020, SEDP 2 delivered the VAL Bienvenüe building, which is the first dynamic workspace demonstrator aimed at supporting RATP Group in improving the performance of its tertiary spaces. Users have been welcomed at the site since the beginning of the year (a total of 2,200 workstations). Despite the context, **RATP Real Estate** successfully commissioned the Shamrock building (6,000 m²) in the last quarter, thus continuing its contribution to the Group’s programme to reduce its tertiary footprint.

Urban mobility

In the **RATP Capital Innovation** portfolio:

- **Klaxit**, strongly impacted by the number of journeys in the second quarter due to the health crisis, nevertheless begun to deliver its short-distance 100% carpooling offer in Nantes, as a complement to the public transport network (contract won last year), and has also received funding from energy saving certificates for manufacturers/producers of CO₂ allowing the introduction of carpooling experiments in local authorities and companies;
- **Cityscoot**, the sole operator in Paris since the withdrawal of Coop, officially launched a commercial partnership with Uber in March 2020, with the aim of having a new customer acquisition channel via the app. The first effects of referencing on the app were noted as soon as business resumed in May. Activity was halted in Rome for a roll-out of the fleet in Milan;
- Zenpark was also heavily impacted by the health crisis, both in the spring and during the second lockdown in November.

RATP Capital Innovation took part in the first fundraising campaign for the start-up Vianova to accelerate the development of its product: a software as a service platform for cities to regulate/monitor mobility and logistics operators.

Telecommunications

With regard to **RATP Connect**, **Telcité NAO** finalised the 3G/4G roll-out in the metro and RER stations in the first half of 2020. At the end of May, all 361 stations were covered. Work is continuing to improve and strengthen bandwidth and quality of coverage.

Another programme for passengers in the Île-de-France region was launched in 2019 in partnership with the RATP EPIC for the installation of Wi-Fi terminals in stations, with 86 stations equipped to date.

Lastly, RATP Connect is taking part in the consultation process with a view to the award of the operating and maintenance concession for the future fibre network of the Greater Paris Express.

Logistics

In 2020 the Group also designed an innovative offer for functional diversity within the industrial sites and in particular the RATP bus depots. Unoccupied during the day when buses run, some of these depots will become ideal areas to facilitate the transfer of goods from heavy vehicles to light vehicles and thus facilitate “last mile” delivery.

Following the Île-de-France Mobilités agreement and the publication of calls for applications, the first sites should be in operation in 2021.

Energy

RATP Group is working alongside the Engie group for the award of the public service concession for the production, transport, storage and distribution of cooling energy for the city of Paris.

1.3 For services

- **RATP Smart Systems** continued its development trajectory in 2020, despite the health crisis, around three axes:
 - **MaaS development** with the acquisition of **Mappy** in early November 2020 with a view to combining the digital services of the Group and this subsidiary to offer door-to-door itineraries that can combine several modes of transport;
 - **services for RATP Group** notably with the ticketing project on the design of a securities loading solution for custodians and key accounts (“TCT” project) and digital factory projects;
 - **development in France and abroad:**
 - **Navocap contract** for the development of the SAE IV system in Blois,
 - **launch of the ticketing contract on line 3 of the Hanoi metro,**
 - **continuation of current contracts in Mexico** (Guayaquil, Guadalajara), Chile (Santiago) and Senegal (Dakar).
- Developments on the various contracts were carried out remotely during the lockdown period, thus limiting the delay of projects during the health crisis.



- **RATP Travel Retail** was and continues to be strongly impacted by the health crisis, given the closure of stores during the first lockdown in spring 2020 and due to travel restrictions in Île-de-France.
- **RATP Maintenance Services**, previously owned by **RATP Dev**, was sold to **RATP Participations** at the end of 2020 and joined the Services division.

1.4 For engineering

The health crisis impacted Systra's activity from April onwards, since consulting activities slowed down and construction stopped, particularly in France and the United Kingdom. However, teleworking has become widespread and contracts have continued to be executed. In particular, strong activity was maintained on large contracts in progress, without any significant slowdown: Greater Paris, the Toulouse metro, the HS2 high-speed line project in the United Kingdom, development of infrastructure in Quebec (including tramway), Etihad rail freight network in the Middle East. Dedicated teams have been set up to prepare for activities to resume on sites and in offices. Systra has been able to be responsive in limiting the effects of the crisis, by benefiting from a State-guaranteed loan, thus securing its cash position during this unprecedented period.

Commercial activity remained dynamic over the period; the total order intake amounted to €726 million, including:

- additional services for phase 1 of the HS2 high-speed rail project in the United Kingdom;
- fruition of the new Riyadh metro contract;
- gains on the East line of the Montreal metro;
- confirmation of the award of the high-speed rail contract connecting three airports in Thailand.

At the end of December, the order book remained above the threshold of €1 billion, crossed in 2019, i.e. around 17 months of revenue.

2 — 2020 consolidated net income

Consolidated net income was strongly impacted by the January strike and especially the Covid-19 health crisis.

- Revenue was down –3.2% on 2019 to €5,523 million (–2.7% excluding currency translation effects). This decrease is mainly due to the activity of the subsidiaries most severely affected by the health crisis (–10.2%, –€138 million). The decline in the EPIC's revenue was more limited (–1%, –€43 million), due to the positive discount effect of the impact of the 2019 strike and the risk-sharing mechanism on revenues, which played its protective role for the EPIC.
- Operating income stood at €99 million, down –€220 million on 2019.
- Net income, Group share, at –€134 million, was down –€265 million compared to 2019. This change between 2020 and 2019 is mainly due to the Covid-19 health crisis, which impacted net income to the tune of –€356 million.
- Equity was down €209 million on 2019 at €4,627 million, in line with income for the period, less actuarial gains and losses and less currency translation effects.
- Consolidated net debt was up +€362 million on 2019 to €5,544 million.

Group capital expenditure (before grants) amounted to €1,889 million and remained at a high level. Of the €1,769 million invested in Île-de-France by the RATP EPIC under the PQI, almost 65% of the budget was allocated to the network and rolling stock maintenance and modernisation programme. The remainder was used to increase transport capacity.



2.1 Consolidated revenue

In millions of euros	31/12/2019 ⁽¹⁾	31/12/2020	Change
Transport	5,646	5,469	(177)
RATP (A)	4,354	4,310	(43)
Subsidiaries	1,292	1,159	(133)
City	30	30	0
Services	28	24	(4)
RATP (A): RATP Travel Retail management mandate	20	11	(9)
Service subsidiaries	8	14	5
Engineering (Systra group⁽²⁾)	0	0	0
RATP GROUP (B)	5,704	5,523	(181)
Contributions from subsidiaries (B – A)	1,350	1,213	(138)
Contribution from subsidiaries as a %	24%	22%	

(1) Proforma.

(2) Equity accounted.

Group revenue fell by –€181 million (–3.2%), of which –€43 million from the EPIC and –€138 million from the subsidiaries.

The Covid-19 health crisis had an impact on the Group's revenue, to the tune of –€414 million, of which –€259 million for the EPIC and –€155 million for subsidiaries, mainly RATP Dev.

a) Revenue from the “Transport” activity fell –€177 million, of which –€43 million at the EPIC and –€133 million at the subsidiaries.

RATP EPIC's contribution stood at €4,310 million in 2020.

Direct revenues amounted to €1,654 million, down –€855 million (or –34.0%) from 2019. This decrease is mainly explained by the impact of the health crisis (–€900 million) offset by a positive trend excluding strikes and Covid-19 (+€68 million).

The increase in the compensation paid by Île-de-France Mobilités (+€789 million) is mainly due to the impact of the health crisis on risk sharing (+€726 million) and the contractual indexation of compensation. The RATP compensation discount index (Île-de-France Mobilités contract index) increased by 0.6% (for a general inflation rate of 0.2%), representing a positive impact of +€28 million on revenue. The increase in the offer resulting from the amendments to the Île-de-France Mobilités contract represented additional revenue of +€22 million, or +1.1%.

Ancillary revenues are up +€4.2 million (+2.7%). The significant negative impact of the Covid-19 health crisis (–€103 million), notably on advertising and retail fees, was offset by the postponement of passenger reimbursement following the strike in December 2019 (+€103 million), which had a negative impact on the total ancillary revenues.

The contribution of subsidiaries amounted to €1,159 million, down –€133 million compared to 2019, of which –€27 million from the currency effect.

This decrease is mainly due to the impact of Covid-19 (–€155 million), most of which impacted RATP Dev (–€153 million).

Excluding the conversion effect and the Covid-19 effect, the revenue of the subsidiaries would have increased by +€44 million mainly due to the full-year effect of the contracts started in 2019 in France and the United States and the ramping-up of contracts in the Middle East (Riyadh, Cairo).

b) Revenue from the “City” activity remained stable at €30 million.

c) Revenue from the “Services” activity was down –€4 million. This decrease is mainly due to the impact of the health crisis on commercial activity in RATP spaces, managed by RATP Travel Retail on behalf of the EPIC. It was partly offset by the ramp-up of international ticketing projects (start of the Hanoi metro contract) and the business contributed by the new Mappy subsidiary at the end of the year.

d) Consolidated revenue for the “Engineering” activity was zero across the Group due to Systra's consolidation method, which is accounted for using the equity method in RATP Group's financial statements.

2.2 Operating income (EBIT)

In millions of euros	31/12/2019 ⁽¹⁾	31/12/2020	Change
Transport	306	89	(217)
RATP (A)	289	181	(108)
Subsidiaries	17	(92)	(110)
City	11	11	
Services	3	(1)	(4)
Engineering (Systra group ⁽²⁾)	(0.3)	0.2	0.5
RATP GROUP (B)	319	99	(220)
Contributions from subsidiaries (B – A)	31	(82)	(113)
Contribution from subsidiaries as a %	10%	–83%	

(1) Proforma.

(2) Equity accounted.

Operating income was down –€220 million, of which RATP EPIC accounted for –€107 million and the subsidiaries –€113 million.

a) Operating income from the “Transport” activity was down –€217 million, of which –€108 million for the EPIC and –€110 million for the subsidiaries.

The RATP EPIC’s contribution stood at €181 million in 2020.

For the RATP EPIC, EBIT decreased by –€108 million, mainly due to the health crisis (–€250 million) and the impact of strikes (+€99 million of net effect of which +€150 million for the postponement effect of 2019 and –€51 million for the impact of the January strike in 2020). The losses were partially offset by the implementation of a savings plan which made it possible to contain the increase in expenses by +€52 million compared to the initial budget forecasts.

Payroll costs accounted for 69% of operating expenses. These amounted to €2,594 million in 2020, and were down –€77 million, or –3%. Changes thereto include the increase in average annual headcount (+159 full-time equivalents), mainly driven by the new offer financed by contractual amendments (+€16 million) and the increase in payroll per employee (+0.7%, or +€19 million). This growth was partly offset by productivity gains (–€23 million), by the net impact over two

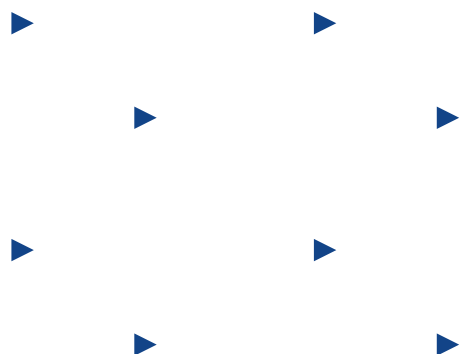
financial years of the December 2019-January 2020 pension strike (+€19 million) and by the effects of the health crisis (–€110 million).

Energy expenditure was down compared to 2019 (–€31 million) mainly due to reductions in supply following the health crisis and the drop in fuel prices.

The contribution of subsidiaries amounted to –€92 million in 2020.

RATP Dev’s EBIT decreased by –€110 million. In addition to the –€93 million impact of Covid-19 (including –€45 million in impairment of sightseeing goodwill already recorded at the end of June), RATP Dev was also impacted by a partial impairment of the goodwill of London operations, due to the tightening of market conditions.

- b) EBIT for the “City” activity stabilised at €11 million, in line with the stabilisation of business.**
- c) EBIT for the “Services” activity fell by –€4 million to stand at –€1 million, mainly due to the health crisis.**
- d) EBIT for the “Engineering” activity increased by +€1 million, thanks to the efforts made by Systra to limit the effects of the Covid-19 crisis.**



2.3 Consolidated net income, Group share

In millions of euros	31/12/2019 ⁽¹⁾	31/12/2020	Change
Transport	122	(142)	(264)
RATP (A)	141	(21)	(162)
Subsidiaries	(19)	(121)	(101)
City	7	8	1
Services	2	(1)	(3)
Engineering (Systra group⁽²⁾)	(0.3)	0.2	0.5
RATP GROUP (B)	131	(134)	(265)
Contributions from subsidiaries (B - A)	(10)	(113)	(103)
Contribution from subsidiaries as a %	-8%	84%	

(1) Proforma.

(2) Equity accounted.

Consolidated net income, Group share amounted to –€134 million at the end of 2020, compared with +€131 million in 2019, down –€265 million, of which –€162 million for the RATP EPIC and –€103 million for the subsidiaries. The negative net income was mainly due to the health crisis (–€356 million), the impact of the strike of January 2020 (–€51 million), which had a combined impact of –€407 million, and the change in deferred tax receivable for –€56 million.

- a) **Net income from the “Transport” activity was –€142 million, down –€264 million.**
The EPIC’s contribution stood at –€21 million, down –€162 million. In addition to the change in EBIT (–€108 million), affected by the impact of strikes and Covid-19, net

income was impacted by the decrease in the deferred tax receivable for –€56 million. The combined effects of the health crisis and the strike of January 2020 weighed on 2020 net income to the tune of –€305 million.

The subsidiaries’ contribution to consolidated net income, Group share stood at –€121 million at the end of 2020, down –€101 million. The trend follows the EBIT trend.

- b) **Net income from the “City” activity was up +€1 million.**
c) **Net income from the “Services” activity was down –€3 million.**
d) **Net income from the “Engineering” activity increased by +€1 million.**

2.4 Consolidated equity

The change in consolidated equity, Group share between year-end 2019 and year-end 2020 breaks down as follows:

In millions of euros	31/12/2019 ⁽¹⁾	31/12/2020	Change
Transport	4,799	4,593	(206)
RATP (A)	4,777	4,708	(68)
Subsidiaries	22	(116)	(138)
City	29	33	4
Services	6	5	(1)
Engineering (Systra group⁽²⁾)	1	(4)	(5)
RATP GROUP (B)	4,835	4,627	(209)
Contributions from subsidiaries (B - A)	59	(82)	(140)
Contribution from subsidiaries as a %	1%	-2%	

(1) Proforma.

(2) Equity accounted.

Total consolidated equity decreased –€209 million from €4,835 million to €4,627 million, which included:

- a decrease of –€68 million for the EPIC;
- a decrease of –€146 million for the subsidiaries.

The EPIC’s equity mainly includes:

- annual income;
- actuarial gains and losses on post-employment benefits;
- the change in value of financial instruments recorded in equity.

The subsidiaries' equity mainly includes:

- annual income;
- currency conversion impacts of entities outside the euro zone;
- transactions with minority subsidiaries without loss of control.

2.5 Capital expenditure

RATP Group's capital expenditure amounted to €1,889 million.

The share carried by the RATP EPIC as part of the PQI for 2016-2020 contracted with Île-de-France Mobilités amounted to €1,769 million including:

- €984 million to modernise the network and maintain infrastructure;
- €618 million to extend metro and tram lines;
- €167 million to modernise spaces and passenger information.

In terms of network modernisation and infrastructure maintenance (€984 million), the following should be noted:

- significant investment in transport systems (€237 million, including €64 million dedicated to the automation of line 4 – the OPAL4 project) and transport infrastructure (€178 million). These two budgets include operations related, for example, to the modernisation of lines (€47 million dedicated to lines 6-9-13) and civil engineering works and track equipment (€38 million);

- an increase in spending dedicated to the building policy (€195 million, i.e. a 25% increase compared to 2019, mainly devoted to the adaptation of workshops and bus depots) and information systems (€132 million);
- an increase in expenses related to rolling stock (€241 million). These expenses include €131 million dedicated to bus rolling stock and €110 million dedicated to railway rolling stock (mainly the MF19 programme and MI2N/MI84 renovations).

As regards the extension of the metro and tram lines (€618 million), the following should be noted:

- investments of €518 million for infrastructure projects under the State-Region planning contract, slightly lower than last year (–€40 million) with in particular the extension of line 11 to Rosny-Bois-Perrier (€208 million) and the continuation of work to extend line 14 to Mairie de Saint-Ouen (€180 million), which alone account for 75% of expenses (€388 million for €518 million);
- €100 million of investments in rolling stock related to the increase in transport capacity, mainly driven by the MP14 line 14 acquisition programmes (€74 million), as well as T3 Porte Dauphine (€13 million).

In terms of the modernisation of spaces and passenger information, spending was stable compared to 2019. It was driven in particular by strong momentum in passenger space development projects, such as the Auber, Vincennes or Charles de Gaulle – Étoile stations (€35 million for these projects at the end of 2020).

2.6 Consolidated net debt

Changes in consolidated net debt between 2019 and 2020 were as follows:

	31/12/2019 ⁽¹⁾	31/12/2020	Change
Transport	5,227	5,582	355
<i>Net corporate debt</i>	5,135	5,451	316
<i>Effect of IAS 39</i>	(39)	(43)	(4)
RATP EPIC (A)	5,095	5,408	313
Subsidiaries	132	174	42
City	(33)	(30)	3
Services	(12)	(9)	3
Engineering (Systra group⁽²⁾)			
RATP Group (B)	5,182	5,544	362
Contributions from subsidiaries (B – A)	87	136	49
Contribution from subsidiaries as a %	1.7%	2.5%	

(1) Proforma.

(2) Equity accounted.

Consolidated net debt increased by +€362 million between 31 December 2019 and 31 December 2020. The Group's €858 million in cash flow from operations, which was hurt by the health crisis and the strike, meant it was not possible to self-finance investments, which remained at a high level in 2020, reaching €1,889 million, of

which €1,804 million in Île-de-France (or €1,130 million net of subsidiaries in Île-de-France).

Debt for the "Transport" activity increased by +€355 million, of which +€313 million at the EPIC and +€42 million at the subsidiaries.

The increase in the RATP EPIC's net debt (+€313 million) is mainly due to the losses related to the health crisis (–€285 million) and strikes (–€120 million) which weighed on cash flow, as well as to the increase in operating and investment WCR.

The increase in the subsidiaries' net debt (+€42 million) is mainly due to the mechanical effect – an effect which is neutral at Group level (counter-balanced on the EPIC side) – of the unwinding of the Group's restructuring operations carried out in 2020 for +€27 million (inclusion of existing subsidiaries under RATP Participations).

RATP Dev was able to limit the impact of the crisis on net debt, thanks to actions on WCR and investments.

It should be recalled that Systra's debt is not consolidated.

With regard to **financing**, RATP's financial strategy is to mobilise sufficient financial resources to finance its day-to-day operations, its investments and its loan repayments. RATP uses exchanges or over-the-counter debt markets for most of its financing. RATP has several financing programmes covering both long-term and shorter-term maturities, including:

- Euro medium term note (EMTN) programme for a maximum amount of €6 billion (increased to €7 billion in 2021);
- NEU CPs programme (formerly commercial paper) for a maximum amount of €3 billion.

In order to cope with the closure of the NEU CP market following the Covid-19 crisis, RATP also set up a revolving credit facility (RCF) of €500 million at the beginning of May and a term loan of €300 million over a twelve-month period.

The ratings assigned by Moody's and Fitch Ratings reflect RATP's credit quality and provide visibility to the financial markets. The short- and long-term ratings assigned by the financial rating agencies are as follows at 31 December 2020:

- Fitch Ratings: AA, F1+ with negative outlook;
- Moody's: Aa2, P1 with negative outlook.

RATP is pursuing a financing strategy which seeks to diversify its investor base and internationalise the placement of its bonds. Green bond issues make a significant contribution to achieving this objective.

Thus, in the first half of 2019, RATP successfully launched a second green bond issue for a total of €500 million with a ten-year maturity. This operation, which was a remarkable success, with a high subscription rate (more than 5 times), is fully in line with RATP Group's CSR approach and illustrates its determination to meet the challenges of the ecological transition and climate change. This transaction amplifies the diversification of RATP's investor base, with nearly 60% of the investment made abroad.

Between March and August 2020, RATP took advantage of market opportunities to make €854 million of private placements, including €174 million at five years with an average IRR of –0.33%, €480 million at thirty years with an average IRR of 0.97% and €200 million at sixty years with an average IRR of 0.88%, at very favourable financial conditions. This is the first time in its history that RATP has issued such long maturities. This enables it to secure the financing of its long-term assets and improve its asset-liability management.

2.7 Non-capitalised research and development initiatives

In 2020, €3.7 million were allocated to these initiatives.

3 — Parent company financial statements

2020 was the last year of the Île-de-France Mobilités-RATP 2016-2020 contract.

The EPIC's financial results were down compared to 2019, with EBITDA and net income down –€68 million and –€115 million respectively.

The positive discount effect of the December 2019 strike was +€150 million on EBITDA and on net income, including +€186 million in revenue.

The 2020 strike had an impact of –€58 million on EBITDA and –€51 million on net income. This impact mainly breaks down into losses of –€38 million on securities receipts, of –€25 million on penalties and of –€8 million on lost revenue on ancillary revenues, partly offset by savings in cash expenses amounting to +€13 million.

The impact of the health crisis is estimated at –€215 million on EBITDA and –€254 million on net income. Passenger revenue losses amounted to –€900 million, but were largely offset by Île-de-France Mobilités, which took on +€751 million in respect of contractual risk-sharing. In addition, there was a shortfall of –€103 million on ancillary revenues, additional expenses of –€147 million, including –€87 million in additional expenses for cleaning and health protection, partially offset by savings of +€152 million (mainly on payroll costs).

Excluding the impact of strikes and Covid-19, EBITDA would have increased by €56 million in 2020, taking into account an initially projected growth in passenger revenue of +€27 million, or +1.1% excluding strikes and Covid-19, and the savings plan implemented to mitigate the effects of the health crisis.

The ongoing productivity effort (–0.9%, or –€34 million) made it possible to finance the continuation of the company's transformation projects.

EBIT was down –€141 million, to €147 million. It was impacted by the health crisis to the tune of –€250 million and by the January strike to the tune of –€51 million. Excluding the impact of the strike and Covid-19, EBIT would be up by €160 million, mainly due to the counter-effect of the strike of December 2019 and the implementation of the savings plan.

Beyond EBIT and the effects of the strike and Covid-19, net income was impacted by the drop in dividends received from subsidiaries (–€14 million), offset by the decline in financial expenses (+€11 million) and the increase in extraordinary income and expense (+€36 million in real estate disposals). The combined effects of the health crisis and the strike of January 2020 weighed on 2020 net income to the tune of –€305 million.

Investments (excluding equity investments) amounted to €1,805 million in 2020, including €1,769 million under the PQI. This represented an increase of +€51 million on 2019, when it stood at €1,718 million.

Net debt totalled €5,451 million. Debt was up by +€316 million compared to the end of December 2019 (€5,135 million): the Covid-19 health crisis and the strike on pensions had a negative impact on free cash flow to the tune of –€285 million and –€120 million respectively.

4 — Outlook

All the Group’s teams were mobilised in 2020 to manage the crisis and also prepare for the future.

In this difficult context, **RATP Group continued to advance its strategic projects**: commissioning the extension of line 14 to the north and continuing major projects to develop and modernise the networks; renewing rolling stock; improving the customer experience and passenger information; transforming the overland network and launching RATP Cap Île-de-France; transforming infrastructure management and safety activities and complying with the Autorité de régulation des transports (ART) regulation; signing contracts for the metro in Cairo and Tuscany; preparing bids for Optile, Greater Paris Express and regional rail calls for tender; creating the Solutions Ville BU; launching the Group MaaS programme; and accelerating digital transformation.

The Group anticipates a lingering effect of the health crisis in 2021, with negative impacts on public transport traffic and resources (passenger revenue, mobility payment) as well as on the tourist bus and OrlyVal activities due to the limited upturn in air traffic and the persistent decline in international tourism. The sightseeing activity was put on hold at the beginning of 2021 in Paris and London. As regards the other sectors significantly affected by the Covid-19 crisis (shared mobility, retail, etc.), the pace of recovery will be closely monitored throughout 2021.

2021 will be the first year of the new RATP Île-de-France Mobilités agreement currently under negotiation, a contract that should lead to significant changes in the relationship between RATP and its organising authority and to a marked acceleration of the investment programme.

2021 will also be the year in which RATP Cap Île-de-France will be structured and ramped up in Île-de-France, excluding monopoly. This subsidiary is dedicated to preparing bids within RATP’s historical scope and for operating mobility markets.

Lastly, in 2021 the Group will continue to pursue its development efforts, notably in the fields of metro automation, urban services and MaaS, and its innovation programme, particularly in artificial intelligence, driverless vehicles and hydrogen.

5 — Other financial information

5.1 Subsequent events

No significant events occurred between the end of the financial year and the date of this report.

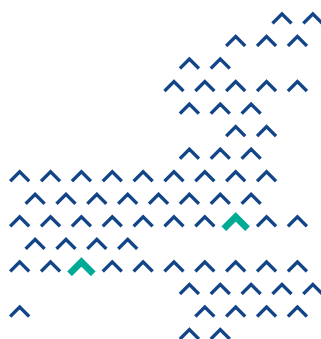
5.2 Table of consolidated financials since 2012

Year	Net income, Group share In millions of euros
2012	284.8
2013	292.8
2014	298.2
2015	437.3
2016	171.0
2017	338.9
2018	199.9
2019	130.9
2020	(134.1)

In accordance with article 243 *bis* of the French general tax code, we would like to remind you that profit distributed over the last six financial years was as follows:

- 2020: €0;
- 2019: €0;
- 2018: €0;
- 2017: €0;
- 2016: €0;
- 2015: €0.

The RATP EPIC does not pay dividends, in accordance with the terms of the public service delegation agreement with Île-de-France Mobilités, which stipulates that the projected cash flow generated by the contract is allocated to investments and the modernisation of the transport operator (TO) and infrastructure management (IM) facilities.



5.3 Maturity schedule of trade payables

In accordance with article L. 441-6-1 of the French commercial code, the breakdown by maturity date of outstanding trade payables at financial year-end was as follows:

In millions of euros	Total	Not due (for information purposes)	Past due < 30 days	Past due from 30 to 60 days	Past due > 60 days
Number of invoices	38,235				
Trade payables including tax	420	406	2	1	11
Total purchases including tax	3,676				
Trade payables/total purchases as a %	11.4%	11.0%	0.1%	0.0%	0.3%

5.4 Maturity schedule of trade receivables

In accordance with article L. 441-6-1 of the French commercial code, the breakdown by maturity date of outstanding trade receivables at financial year-end was as follows:

In thousands of euros	Total	Not due	Past due < 30 days	Past due from 30 to 60 days	Past due > 60 days
Number of invoices	4,871				
Trade receivables including tax	148,601	104,821	33,918	2,063	7,799
Revenue including tax	4,977,247				
Trade receivables/revenue as a %	3%	2%	1%	0%	0%





Internal control and risk management

1 — Overall reference framework

To safeguard its decisions and strengthen its ability to create value, RATP Group strives, as much as possible, to prevent the risks to which it is exposed. It therefore has systems in place that facilitate the control of its businesses, the effectiveness of its operations and the efficient use of its resources.

Risk management and internal control play complementary roles in controlling activities⁽¹⁾:

- the risk management system aims to identify and analyse the company's main risks. Risks that exceed acceptable levels set by the company are dealt with and, as the case may be subject to plans of action. These plans may call for the implementation of controls, a transfer of the financial consequences (through insurance or an equivalent mechanism) or an adaptation of the organisational structure. The controls to be implemented are part of the internal control system in this way the internal control system contributes to the management of the risks incurred in the company's activities;
- the internal control system relies on the risk management system to identify the main risks that need to be controlled;
- in addition, the risk management system needs to include controls that are part of the internal control system and aimed at ensuring the proper functioning of the risk management system."

Moreover, the risk management and internal control systems are continuously monitored to assess the quality of their performance. Oversight is implemented by the internal audit function, one of whose roles, as set forth in Standard IIA⁽²⁾ 2120, is "to evaluate the effectiveness and contribute to the improvement of risk management processes".

1.1 The three lines of defence

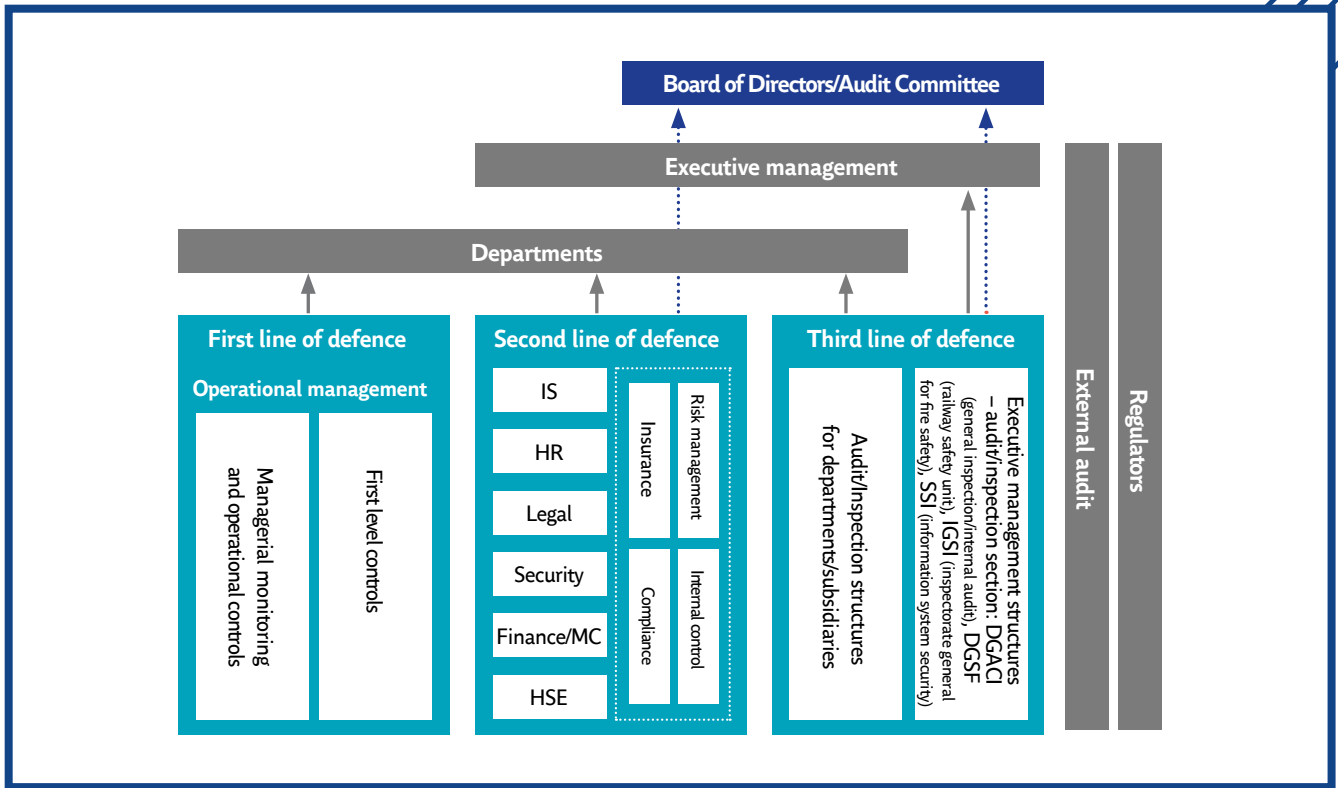
With this in mind, RATP Group's approach is based on the principle of three lines of defence, as defined by COSO⁽³⁾ 2013 and clarified by the French audit and internal control institute (Institut français de l'audit et du contrôle interne (Ifaci) and the French association for corporate risk management and insurance (Association pour le management des risques et des assurances de l'entreprise (Amrae)):

- the first line is represented by operational management, which ensures the achievement of results and the control of the work processes by monitoring day-to-day activities; it thus constitutes a first line of defence against failure to achieve goals;
- the second line is represented by cross-company functions, which continuously monitor operating activities; the functions dedicated to risk management, internal control, compliance and insurance management contribute to this second line of defence;
- the third line of defence is borne by the internal audit function at department and executive management levels. It provides independent governance bodies with reasonable assurance on the effectiveness of risk management and internal control.

(1) AMF reference framework, updated in July 2010.

(2) Institute of Internal Auditors.

(3) Committee of Sponsoring Organizations of the Treadway Commission (not-for-profit commission whose mission is to draw up leading standards and guidelines on internal control, risk management and the fight against fraud).



In addition to this approach, RATP Group organises its internal control system on the basis of the five components developed by the COSO: control environment, risk assessment, control activities, information and communication, and monitoring. Each of these components is implemented at department, unit, support function and subsidiary levels.

1.2 Control environment

Against a backdrop of transformation, RATP Group pays particular attention to the legibility of the standards and procedures that form the basis for the implementation of internal control in any organisation.

To this end, a programme aimed at modernising the principles of corporate governance has been launched. It is designed to align the company’s reference documents with the Group’s strategic guidelines and to support greater openness to competition, the increasing internationalisation of its activities and the strengthening of regulatory requirements in terms of risk management. The “organisation and management” corporate governance principle thus establishes a new reference framework, in a context of business activity control and clear allocation of roles and responsibilities. As they are adopted, the governance principles are integrated into a book of governance widely disseminated within the company since the autumn of 2020.

This approach is accompanied by a designation of powers and responsibilities, which is designed as a key step in implementing the operating processes established within RATP Group. For example, the system of delegations is developed around the various legal instruments necessary to cover risks and promote smoother decision-making for senior executives and managers.

2 – Organisation chosen

2.1 A general organisation focused on the triangulation of the risk management, internal control and audit functions

2.1.1 An integrated logic of the functions involved in the assessment of risk

A committed reorganisation to better meet the Group’s challenges

Today, RATP Group is faced with multiple challenges: the growing internationalisation of its operations, the gradual increase in competition between the networks operated by the EPIC, the tightening of regulatory requirements, the faster and more exhaustive availability of data, as well as the growing expectations of its customers. These underlying trends have a strong impact on the actions of senior executives, who must have a rapid and comprehensive view of risk exposure and how it is hedged.

To this end, RATP Group is deploying a dual approach:

- global and prioritised risk management by developing a risk culture and reasoned control according to the challenges: the objective is to develop controlled risk-taking in managerial decisions by aiming at control of the major risks affecting strategy;
- an integrated approach by the various functions contributing to the assessment of risks through the implementation of streamlined and optimised processes between the various players: the objective is to better coordinate the coverage of risks based on a shared reference framework and methods, as well as strong business competencies.

Thus, since mid-2020, the general delegation for Audit and Internal Control (*délégation générale à l'audit et au contrôle interne* – DGACI), reporting to the Chairwoman, has become the general delegation for Audit, Risks and Internal Control (*délégation générale à l'audit, aux risques et au contrôle interne* – DGARC) by bringing together under the same management risks, insurance, internal control and internal audit.

Governance supported by internal management bodies

Within RATP Group, activity management is based on specific governance with clearly identified bodies that oversee the control of risks. This governance involves:

- the company's supervisory bodies, which must ensure the implementation of internal policies and procedures and regularly examine the risk management and control system;
- the internal management bodies, some of which are dedicated to the supervision of risk management and control:
 - regular reviews are carried out by the executive bodies on a rotating basis to update the risk map on an annual basis and draw up the control and internal audit plans at the same time, then review the progress of the action plans and the areas of weakness,
 - periodic reviews are organised within the Executive Committees of the subsidiaries and departments to analyse the results and areas of weakness/risks as well as the procedures for bringing them under control.

An audit and internal control function that is evolving to integrate the risk dimension

The coordination of the risk, audit and internal control functions is essential to facilitate the control of activities by the operational departments and ensure overall consistency with the needs identified by executive management. It is structured by a business line whose main challenge is to implement a cross-functional approach to standards, processes and methods and to maintain the skills required to manage risks and improve performance.

The business line has therefore become an audit, risks and internal control (ARC) function whose roadmap, previously focused on the audit and internal control function, has been broadened to embody this triangulation of functions and integrate the new projects to be conducted. This roadmap and the governance rules for this sector were approved by the Executive Committee at the end of 2020.

2.1.2 The risk management function

Within the DGARC, the Risks, Internal Control and Insurance (*risques, contrôle interne et assurances* – RCA) division oversees and coordinates the overall company approach to ensure the control of risks as decided by the Executive Committee.

The general instruction describing the organisation of risk management and specifying the requirements of RATP Group in terms of commitment, methods and risk management is currently being updated. An enterprise risk management book will supplement this general instruction in order notably to set out more precisely the risk management processes and the risk assessment methods to be implemented by all managers.

Company risk management is based on three processes:

- risk map: formalisation of the risk scope, assessments in order to map the risks considered as major; internal risks are broken down into six categories: strategy, governance, operation, human/social resources, environment/health, financial/purchasing;
- monitoring: identification of areas for improving risk management based in particular on the assessment of the effectiveness of existing prevention and protection barriers;
- reporting: monitoring of current action plans as defined in response to risks, but also of internal control, audit and incident results.

This method is applied at all levels of the company, Group, EPIC departments and subsidiaries. It allows a shared vision of the Group's different entities, and ultimately highlights best practices to apply across the board.

In addition, certain risk areas which require a specific approach, such as cross-organisational or regulatory issues, are the subject of thematic mapping managed by the cross-functional risk manager with the methodological support of the RCA division.

Deployed since 2010, the risk management approach has enabled a comprehensive analysis and inventory of the risks facing RATP Group along with the associated prevention and protection strategies. This inventory is now updated annually.

To ensure the relevance of its analysis and in response to the growing maturity of the approach, the company has undertaken to optimise its risk management processes in several areas:

- objective rating of risk management through the assessment of 18 types of internal barriers;
- prioritisation of vulnerable areas to be brought under control;
- streamlining of action plans, in line with the corporate strategic plan and audit recommendations.

Changes in the methods used to evaluate the criticality of risks on the basis of external benchmarks are currently being examined.

Finally, in addition to these measures, since 1 November 2016, the insurance and risk functions have been merged so as to take into account all mitigation measures, including the transfer to the insurance market for major risks.

2.1.3 Internal control function

Within RATP Group, internal control is designed to contribute to excellence and overall performance by promoting:

- improved operational management through the sharing of results between managers and their teams, throughout the management chain;
- the implementation of control tools to provide reasonable assurance on the control of major risks and the achievement of the objectives expressed in the company's strategy.

At local level, RATP internal control is under the direct responsibility of local managers who exercise first-level controls closest to operations. This first-level control ensures the regular assessment of the effectiveness of the implemented work processes.

Support and control groups are on hand to assist managers (for example in the management control, human resource and procurement functions) in achieving their goals by providing expertise and measuring performance. The internal control function helps operational management conduct first-level controls.

The internal control approach is governed by several successive mission letters from the Chairwoman, testifying to the importance of this approach for executive management.

On the basis of this roadmap, internal control procedures were deployed for the major risks of both the EPIC and the subsidiaries, first in the area of operations and then in the support functions. By way of example, internal control has been significantly revamped in the Finance department on the basis of the Autorité des marchés financiers (AMF) guidelines.

Similarly, in response to the obligations of the Sapin II law and in line with the approach initiated by the company for the construction and implementation of an anti-corruption control system, four support missions were carried out in 2019 and 2020 within the EPIC, but also at the subsidiaries, in particular for the implementation of controls on risky accounts.

With regard to operational processes, a consultancy mission was conducted within the EPIC in 2020 to harmonise practices between the different units carrying out site inspections.

In addition, the roll-out of a self-assessment programme on the Group's major risks was initiated at the end of 2020. This approach, which is complementary to the first-level control systems, aims to give visibility to the level of maturity of the organisations in relation to the Group's control requirements.

In addition to the ARC business line network, some departmental internal control correspondents have begun to set up their own network of unit internal control coordinators, in order to support the implementation and deployment of the system among the management teams of the operational units.

2.1.4 Audit function

2.1.4.1 General internal audit structures

Audit activities are carried out by the General Internal Audit (*audit interne général* – AIG) division of the DGARC in conjunction with the audit/inspection teams of the departments and subsidiaries. The coordination of these activities within the ARC division is part of the Group's strategy, which is to act primarily on the risks identified as major. The aim is to give managers a comprehensive and rapid view of how the company is managing the most critical issues, while capitalising on the resources allocated to the sector. In this closer collaboration of the business lines, internal audit retains its third-line independence:

- the AIG division is managed by a dedicated manager under the supervision of RATP Group's Chief Audit, Risks and Internal Control Officer, who reports directly to the Chairwoman and Chief Executive Officer;
- the audit/inspection structures of the departments and subsidiaries are attached to the highest level of the organisation to which they report and therefore operate independently of the managerial line.

The complementary nature of the missions carried out within the Group is therefore sought by:

- decentralised audit/inspection structures mainly covering all processes and units of their organisation;
- AIG on the company's major risks (financial and regulatory) and on strategic priorities, in particular economic performance, process efficiency and management quality. As part of the transformation of the engineering departments, the DGARC auditors were transferred to the general delegation for Railway Safety (*délégation générale à la sécurité ferroviaire* – DGSF), with the latter assuming the position of audit sponsor from 1 January 2020.

The Group's various audit and inspection entities are increasingly required to carry out assignments together, in composite teams, in order to be able to make an overall assessment of the application of certain systems in the various operational units.

In addition, as part of the roadmap established by the Group's Chairwoman, and in line with the work undertaken in 2019, internal audit working methods are evolving to systematise risk analysis during the mission preparation phase and establish a rating of the risks for reporting purposes in order to provide more direct feedback along with the company's risk map.

On the basis of this work, the preparation of the audit plan and the monitoring of its implementation, presented to the Executive Committee and to the Audit Committee of the Board of Directors, will therefore be more firmly established than in the past as part of a value chain approach, including the contribution of the Group's various audit structures to hedging corporate risks.

The assignments give rise to the preparation of a report, which is sent to the Chairwoman and Chief Executive Officer and to the other members of the Executive Committee as regards the Group's internal audit, as well as to the departmental directors and unit managers directly concerned.

An action plan is systematically drawn up by the audited managers, and implementation is monitored by each audit entity. The action plans drawn up for audits with significant challenges give rise to regular progress reports to the Executive Committee, which are preceded by managerial reviews with the relevant managers. This rigorous monitoring of post-audit action plans thus allows the percentage of audits that resulted in action plans, as well as their progress, to be measured.

Lastly, the head of Audit, Risk and Internal Control also acts as Inspector General⁽¹⁾, which is separate from Internal Audit, intended to inform the Chairwoman about sensitive topics or issues likely to impact the Group's economic interests.

2.1.4.2 Specialised audit structures

The Fire Safety Audit (*audit sécurité incendie* – ASI) division

An Inspectorate general for fire safety (*inspection générale de sécurité incendie* – IGSI), made up of employees specialising in protection against fire and panic risks, was established at RATP pursuant to the decree of 20 February 1983.

As part of the transformation of the engineering departments, the IGSI reports to the DGARC since 1 January 2020, a positioning that confirms its independence from any department, service or other entity responsible for studies, works or management of facilities covered by IG 544 A.

(1) Instruction 541 of November 2011.

IGSI representatives are ex officio members of the Departmental Advisory Commission on Safety and Accessibility (*commission consultative départementale de sécurité et d'accessibilité*) for matters concerning them. They draft formal opinions for each of them.

As such, they participate in the work of this commission, in particular during the review of construction or development projects and during visits prior to the opening to the public of train and metro stations and transport systems.

In 2020, the IGSI issued opinions on:

- compliance with the general provisions of the safety rules governing fire safety and the panic risk in public establishments (*établissements recevant du public – ERP*):
 - each work file affecting spaces open to the public such as administrative applications for building permits, construction authorisations and applications to build, convert or change areas open to or used by the public, such as the train and metro stations operated by RATP,
 - following building work, when visiting station areas prior to their opening to the public,
 - for regular inspections to ensure the continued operation of train and metro stations;
- compliance of guided transport infrastructure with basic safety requirements to avoid fire and panic risk and deal with the consequences of accidents.

The following were the main initiatives of the IGSI in 2020:

- centralised monitoring of the Châtelet metro ERP by the PCSI of the RER division;
- continued receptions at line 3 stations of the Symphonie project;
- continued delivery of adaptation of existing stations (*adaptation des stations existantes – ASE*) line 14 works;
- technical visits and receptions for each of the three new stations of the northern extension of line 14;
- inspection visits to mechanisation projects;
- examination and drafting of notices of 25 applications for authorisation to build, develop or modify an ERP;
- examination and drafting of three opinions on the safety file for the northern extension of line 14;
- review of additional technical files after favourable feedback from the prefectures on major projects such as the Symphonie SSI, OPAL4, and the line 14 ASE;
- issuance of 139 favourable opinions on regular inspections to ensure the continued operation of train and metro stations.

The above opinions from the GSI are part of the management of fire risks both in the project phase and during train and metro station operation.

The Group information systems security audit function

The information systems security (ISS) audit function is led by the Information Systems Security Officer. The ISS audit is applied on the basis of standards that vary according to the targeted area: industrial system, information system (IS), electronic payment system, system covered by the French defence code, or system supporting the processing of personal data. They are most often conducted by external service providers who may be accredited by an institutional body depending on the field.

The ISS audit makes it possible to verify the correct implementation of protective measures resulting from a risk analysis or to deepen the knowledge of a system in a particular context. It may involve the configuration of application bricks, network architecture, system organisation and management, software source code or physical protection devices. In the project phase, some audits may be conducted at the system supplier's premises.

To complement the existing system, an approach was initiated in November 2019 to build a framework agreement for subsequent contracts to facilitate the acquisition of cybersecurity audit services for the benefit of the entire Group.

2.2 Organisations dedicated to managing specific risks

2.2.1 The general delegation for Ethics and Compliance (*délégation générale à l'éthique et à la conformité – DGEC*)

A reorganisation completed at the end of 2020 to bring together issues related to ethics and adherence to the company's values

Reporting to the Chairwoman, the general delegation for Ethics, created at the end of 2015, became in March 2021 the delegation for Ethics and Compliance (DGEC). Its scope now covers:

- the defence of secularism (a subject already present in the current scope of the general delegation for Ethics);
- the fight against all forms of discrimination, situations of moral harassment, sexist acts and sexual harassment;
- the management of diversity and inclusion;
- the promotion of the RATP women programme;
- the compliance programme;
- a "facilitation" system aimed at preventing, identifying and managing difficult relationship situations in order to foster more peaceful professional relationships.

Within this new scope, the missions of the DGEC cover various areas:

- promoting the Group's ethical values but also diversity and inclusion as part of prevention and awareness-raising programmes;
- welcoming, listening to and hearing from alleged victims and/or witnesses of sexist acts and sexual violence;
- raising awareness, supporting and advising supervisors in dealing with discriminatory situations;
- receiving and analysing reports and alerts;
- requesting the investigations and probes necessary for the proper handling of alerts and/or warnings;
- compliance;
- prevention and treatment of difficult or conflictual situations.

The various programmes run by the DGEC are presented to the Ethics, CSR and Compliance Committee (*comité éthique, RSE et conformité – Cersec*), which includes independent examination by a qualified external person.

Compliance function

The RATP Group compliance function, previously attached to the Executive Committee member in charge of crisis preparation, security issues, compliance and institutional affairs, joined the DGEC in early 2021. It is part of a division that reports to a head of compliance.

Its role consists of in:

- defining the processes to be followed to cover risks, provide support to line staff in rolling them out, and sounding the alert if difficulties arise;
- ensuring the proper implementation of:
 - specific mandatory controls, performed by managers, using the appropriate guidelines,
 - the compliance programme defined by the Group's Chairwoman, which engages different players in the company such as the ethics, human resources, procurement and corporate accounts functions.

For this, the compliance function is supported by the internal control function, which draws up the control guidelines to be used by the departments and subsidiaries in charge of compliance risk control. Furthermore, audits conducted by the internal audit function provide recommendations that enable it to improve the management of the risks to be covered.

The head of compliance coordinates a network of compliance correspondents in departments and subsidiaries.

2.2.2 The general delegation for Railway Safety (DGSF)

Reporting to the Chairwoman, the general delegation for Railway Safety (DGSF) oversees railway safety in all areas of the company. It enforces the railway safety policy, structures and general management guidelines through a systemic approach, as defined by the Chairwoman.

The Chairwoman and Chief Executive Officer delegates the management and implementation of RATP's railway safety policies to the general delegate for Railway Safety. Railway safety policies concern infrastructure, technical installations, vehicles and operating, maintenance and control policies. The delegate thereby sets out the framework to be followed by all of the company's railway safety managers. Responsibility for enforcing the railway safety guidelines issued by the DGSF is delegated to the directors of the departments and operating units.

The annual railway safety audit programme is drawn up by the DGSF as a sponsor, in consultation with the entities concerned. It is submitted, after the Executive Committee has issued an opinion, to the Chairwoman and Chief Executive Officer for a decision, and is then included in the DGARC work plan for implementation.

The DGSF may request professional advice, as appropriate, from the various departments (e.g. railway engineers, inspectors). All surveys, studies and reports conducted on railway safety incidents are sent to the delegation.

As part of its various activities, the DGSF organises appraisals that aim to elucidate the company on the level of control of systems contributing to railway safety. In addition, the delegate has the capacity to investigate all the structures in charge of railway safety within the Group.

The delegation is responsible for RATP and its subsidiaries. Its investigative power applies to all of the Group's entities. As a result, it may be asked to perform assignments as part of an RATP Dev project or concession.

3 — Risk factors: identification and management

3.1 Strategic risks

3.1.1 Development

Description

As development initiatives within RATP Group intensify, especially in recent years through the development of its subsidiaries, the risks associated with development are gradually increasing.

Indeed, the Group is already present in 13 countries (such as France, the United Kingdom, Saudi Arabia, the United States, Algeria, Italy, etc.) on 4 continents and aims to consolidate its positions. In addition, RATP Group aims to assert itself as a partner of cities by offering related and complementary services to the historical public transport sector, notably through the development of partnerships.

This strategic positioning exposes the Group to more competition than in the past and underlines the need to build a vision and strong partnerships to secure its revenues.

In this context, a group of experts met to produce a map and analysis of these risks to identify and quantify the most sensitive ones for RATP Group. These experts come from various Group entities, including the subsidiaries RATP Dev and RATP Smart Systems, whose development experience was used to illustrate specific cases of risk exposure, both in the pre-contractual phase, as well as during the preparation of the contract and then in the execution of the contract. These experts examined, among other scenarios, the impact of the loss of revenue on the bus network in anticipation of the opening up to competition on the basis of various assumptions.

Two subjects are the subject of particular attention: the risk of loss of market share and the failure of a partnership or joint venture.

Risk management

For each of these risk factors, a management plan has been prepared, based on the maturity of each of them.

As regards the risk of losing market share, it is obviously a major risk in the very specific context of the exit from the historical monopoly as enacted by the 2009 ORTF law, which provides for the gradual introduction of competition between RATP's Île-de-France networks. In 2016, a dedicated programme was thus launched across the Group to prepare RATP for competition. The dedicated, multidisciplinary team of more than 15 specialists aims to identify the major transformation issues arising from the future competitive bidding process. This team regularly reports to the executive management (the Chairwoman and Chief Executive Officer and the Executive Committee) to propose roadmaps for arbitration ahead of the 2024, 2029 and 2039 deadlines.

The risk of failure of a partnership or a joint venture increases in line with the alliances and joint ventures required for the Group's development, whether in France or internationally. Ability to control it is based on a meticulous upstream analysis of potential partners and a thorough legal review of partnership agreements.

3.2 Governance risks

3.2.1 Cybersecurity

Description

Cybersecurity is listed among the top ten concerns of the top management of European companies for 2020 and 2021 (according to the *Risk in Focus* analysis) and among the top five concerns of companies from a global perspective. RATP Group, like most European companies, is exposed to cybercrime risk.

Given RATP Group's services, there are threats not only to its social and economic activity but also to its industrial operating systems, as with other players in the sector. The company is therefore particularly attentive to the emergence of attack vectors but also to potential information leaks.

The identification of cyberrisks is based on confidentiality, integrity and availability criteria where protection, defence and resilience mechanisms have been implemented.

Risk assessment is carried out in particular as part of the approval strategy applicable to any new critical project, the risk analysis being a preliminary step in order to ensure safety from the design stage and to set protective measures.

Risk management

In November 2019, a mission statement from the Group's Chairwoman reaffirmed the objectives to be achieved to control cyberrisks and support the Group's strategy. Various actions are taken to strengthen governance, raise employee awareness, plan ahead for threats and continuously improve the Group's resilience.

In addition, the cybersecurity governance principles were updated at the end of 2019. They define the roles and responsibilities of the functions involved in the operational management of cybersecurity.

Finally, since 2003, the company has had a security policy in place to increase the operational efficiency of ISS. This policy sets out the principles and rules relating to the confidentiality, integrity and continuity of IS. As part of this policy, an organisation facilitated by the Group-level ISS manager has been built through a structured functional network of contact persons in each RATP department and subsidiary, thus forming a functional security chain.

Operational management is based on a detection and defence system:

- the operational security centre is rolled out across the most exposed IS, in order to develop the Group's real-time analysis and control capacity and also to guarantee the speed and consistency of our actions in the event of security incidents (hacking, massive virus attack, etc.);
- the RATP security system is adjusted on an ongoing basis; this process is reflected in numerous technical projects:
 - segmentation and fragmentation of flows depending on the criticality and degree of confidentiality of the data exchanged as part of the renewal of the core of the transmission network,

- deployment of a data protection system (hard drive encryption) for workstations that store sensitive data,
- introduction of centralised access management systems and privilege accounts in data centres and industrial systems,
- managing obsolescence and system updates as part of a formalised industrial policy.

3.2.2 Conduct of business

Description

The integrity and development of the Group's activities are based on a zero-tolerance policy towards malpractice and a total rejection of corruption and influence peddling in all of its forms, the fight against fraud, and compliance with competition rules.

The main compliance risks addressed include situations where RATP Group is in the position of principal (buyer) or bidder in calls for tender. These risks underlie all aspects of our operations and can materialise in everyday business life in the form of gifts, invitations, conflicts of interest, sponsorships, patronage, lobbying and facilitation payments.

Irrespective of the fact that a breach of compliance rules would be contrary to the Group's values, the occurrence of this risk would have a significant impact on its image and would harm its development in current and future markets. This impact may involve financial penalties of up to 10% of consolidated revenue for competition rules, €5 million for corruption in France, or even several hundred million euros in the event of international corruption.

Risk management

To prevent and manage the risks identified in terms of compliance and, as such, align the Group with the best global standards, the compliance division continues to roll out the anti-corruption prevention programme, in accordance with the obligations of the Sapin II law, in the EPIC's departments and those of the first and second level subsidiaries. It also coordinates the roll-out of anti-competitive practices, prevention and duty of care programmes.

Established at corporate level, the systems take the form of the formalisation and dissemination of internal regulations that constitute the control environment:

- the code of business conduct and the prevention of corruption, as well as the internal procedures implementing this code;
- updating the internal regulations of EPIC departments and subsidiaries to ensure disciplinary consequences for breaches;
- the appointment of a compliance correspondent in all departments and subsidiaries;
- a face-to-face training system for exposed staff;
- the procedure for identifying and managing employees exposed to the risk of corruption;
- the strengthening of accounting control procedures for at-risk accounts and at-risk transactions;
- the whistle-blowing procedure.

Corruption risk maps have been completed and will be updated regularly. The corresponding action plans are monitored for all EPIC departments, as well as the Group's subsidiaries and the Group Foundation.

In 2021, the Group will continue to roll out:

- its third-party assessment system in order to simultaneously cover the fight against corruption and the duty of vigilance;
- its internal controls;
- its action plan in the area of anti-competitive practices.

Details of the policies and results for this risk can be consulted in the non-financial performance declaration (NFPD).

3.2.3 GDPR application

Description

The issue of personal data protection is addressed under the European general data protection regulation 2016/679 (GDPR), which entered directly into force in European Union member States on 25 May 2018.

The risk identified for RATP Group is the wilful or negligent violation of the GDPR in connection with the management of customer and employee data, giving rise to criminal and/or financial penalties. The risk of damage to the Group's corporate image is just as important, with the opening up to competition.

GDPR compliance is currently being rolled out across the organisation. In this transition phase, the Group is exposed to the risk of maintaining isolated non-compliant practices. In accordance with the GDPR, the maximum penalty is 4% of the Group's revenue, which represents more than €200 million.

Risk management

Following a consultant's advice, the company's structure was adapted and the Executive Committee drew up a specific compliance plan. These governance changes are implemented at Group level.

The identification of the data processing operations concerned is almost complete, with a quantitative average of similar groups.

To replace the CIL function created in 2008, a Data Protection Officer (DPO) was appointed to the executive management in June 2018 jointly for the RATP EPIC and its subsidiaries RATP Connect, RATP Habitat, RATP Travel Retail, RATP Real Estate and RATP Connect. Given their particularities (numerous smaller subsidiaries and/or specific areas of activity), an RATP Dev DPO and an RATP Smart Systems DPO have also been specially appointed.

Additionally, a DPO network has been set up, comprising not only the DPOs of the subsidiaries but also local agents in the EPIC departments.

Over the years 2019-2020, and following the data processing survey, the focus was on:

- upgrading IT project management throughout the company;
- impact studies on privacy (with more than a hundred studies undertaken);
- the roll-out of an awareness-raising e-learning programme for all Group management;
- the adoption and implementation of operational procedures, currently being rolled out in the departments of the EPIC and its subsidiaries, with a general guide for all: management of requests to exercise rights, management of violations, management of consent, etc.

In addition, campaigns are carried out within the operational units to identify any old storage of personal data with a view to their disposal. At the same time, an assessment of the level of maturity of each process with regard to the GDPR is under way.

In 2021, notably through the implementation of a Group GDPR compliance management tool, the numerous processes of the register will be streamlined, in order to secure the flow of personal data and monitor and manage impact studies and assess the compliance of its suppliers. This tool will also make it possible to document the compliance of processes and to monitor compliance actions.

Details of the results for this risk can be consulted in the NFPD.

3.2.4 Attack

Description

As a major player in the economic life of the Paris region and a French group with an international presence, RATP Group has to pay particular attention to the risk of an attack, particularly in a context of increased threat to French interests, both at home and abroad.

As such, RATP strives to identify and prevent, on an ongoing basis, the various scenarios under which terrorist acts could be committed within the Group's entities.

Risk management

Faced with terrorism in its spaces, particularly during the wave of terrorist attacks in 1995 (Saint-Michel) and 1996 (Port-Royal), RATP is particularly involved in the prevention and treatment of the risk of attack.

First of all, it implements, in conjunction with the relevant State services, all the provisions that are imposed on the Group, in particular those of the Vigipirate plan. These have the following dual objective:

- developing a culture of vigilance and safety throughout RATP Group;
- providing adequate protection for passengers, RATP employees and infrastructure against threats of terrorist action at all times.



RATP's operational investment is reflected in the sustained presence of security teams in the field, as well as the long-term presence of the explosives detection crews and their network coverage. It is also illustrated by the organisation and/or regular participation in exercises to raise awareness and train teams.

RATP also acts in the area of innovation, by being heavily involved in research projects, particularly in terms of detection and prevention. These projects can be carried out by internal teams but also through partnerships, both at national and European levels.

3.3 Operational risks

3.3.1 Rail accident

Description

Given its activities, this risk, which could lead to collective or individual accidents such as a train collision, derailment, fire, a passenger being dragged along by a train or a passenger falling on the tracks, has been identified as a major risk for RATP Group.

This risk is handled within the company, by each department, for the specific parts that concern it.

In a cross-functional manner, various risk factors are subject to permanent vigilance by the DGSF with supervision of their control:

- the ageing of infrastructure and equipment, which may result from late renewals or miscalibration of investment priorities;
- the lack of control of critical safety interfaces (between rolling stock and infrastructure: rail-wheel, traction current collection, gauges);
- the lack of safety in the development or renovation of lines, in particular the integration of new interface equipment into existing lines;
- the lack of oversight or management of railway safety.

Rail safety is a matter of great importance and a daily concern for the Group given the potential human and financial impacts of an accident.

Risk management

In terms of rail safety, the monitoring system is based on five main pillars:

- the expertise of the company risk management (*maîtrise des risques entreprise*) unit which, in addition to the missions described below, is responsible for carrying out studies, appraisals, risk analyses and feedback in the rail sector; but also for analysing the daily monitoring of the operating conditions of guided transport networks and for raising awareness of system risk management and human and organisational factors;
- the Interdepartmental Rail Safety Steering Committee, chaired by the delegate general for rail safety. The purpose of this committee is to deal with issues relating to all areas of rail safety for each metro, RER and tramway system. At each committee meeting, accidents, significant incidents or near misses are analysed to identify the detailed causes and define the action plans to be implemented to deal with them and prevent their recurrence. Lastly, this committee provides a second look at the work carried out by the departments and their impact on the achievement of objectives;

- monitoring the level of safety indicators defined by the STRMTG⁽¹⁾ and the warning signs for hazards developed on the basis of the analysis of potential accident chains, including transient and degraded situations. The analysis results of their changes are available to the departments concerned, to enable them to define and implement the corrective and preventive measures corresponding to the changes observed;
- periodic interdepartmental commissions to deal with interface issues related to changes or malfunctions relating to functional and technical standards, configuration, operation and maintenance, for each critical security interface;
- railway safety audits and appraisals. The following works may notably be cited:
 - an independent external appraisal conducted by the École polytechnique fédérale de Lausanne (EPFL) and the consulting firm IMDM to assess RATP's rail safety risk management policy in the light of major events that have occurred in recent years. This appraisal concluded that the technical expertise is equal to the challenges of rail safety,
 - assessment of the IM's asset maintenance programmes by the EPFL with a view to defining the right level of investment and projecting investment needs over the next ten years.

In addition, the DGSF coordinates the preparation of annual railway safety reports that periodically assess the level of safety of railway systems using the contributions provided by each operating, maintenance and engineering department.

Details of the policies and results for this risk can be consulted in the NFPD.

3.3.2 Road accident

Description

Road safety is an important marker for RATP Group, which operates networks in the Île-de-France region, the rest of France and abroad. In Île-de-France, for example, issues related to road safety are essential given the large number of drivers (16,000) and the fleet of more than 4,700 buses that criss-cross the dense urban network every day.

This passenger transport activity carries various risk factors regarding:

- compliance with regulatory requirements, as regards regulations relating to the transporting of passengers, in particular working conditions, the highway code and vehicle roadworthiness testing guidelines;
- traffic conditions, particularly in dense areas;
- steering and management of road safety.

(1) Escalator and guided transport technical department.



Risk management

In Île-de-France, as well as for the networks operated in France and internationally, a monitoring system has been rolled out which contributes to the improvement observed since 2017 in the trend of bus network accidents (details of the policies and results for this risk can be consulted in the NFPD).

It is based on various components:

- strengthening of operational management and its appropriation of the processes and results relating to road accidents;
- internal control guidelines focused on the processes of enforcing regulations, monitoring drivers and dealing with accidents;
- conducting human factor analyses based on prevention;
- dissemination and promotion of best practices;
- analysis of accident-prone areas;
- control of costs related to road accidents;
- search for improvement through innovation.

To strengthen the control of road risk, the approach adopted is to expand the implementation of a dedicated management system that should make it possible to improve all results related to road safety. This system led to AFNOR awarding RATP the ISO 39001 certification for the RDS – the Overland Network department (including activities related to operation and maintenance) for the transportation of people of the EPIC overland network. As part of this continuous improvement approach, RDS has planned the implementation of a dashboard to monitor the precursors of danger, human or material, in particular to monitor items related to employees' driving licences and their professional authorisations.

3.3.3 ERP accident

Description

As it welcomes several million passengers every day, RATP Group must guarantee their safety in its spaces, metro stations and train stations, as well as the safety of its staff and the various service providers present. This activity exposes the Group to the risk of accidents in public establishments (*établissements recevant du public* – ERP).

Under the term ERP accident, RATP Group targets several situations:

- accidents related to equipment in train and metro stations;
- accidents related to a deterioration of the ERP;
- accidents related to the use of spaces, whether in nominal or exceptional situations, which may or may not be foreseen;
- accidents related to people, such as falls, which are not specifically related to the quality of the ERP.

Risk management

In order to prevent the occurrence of risk, and to be as responsive as possible in the event of an occurrence, the Group relies first of all on the management of the preventive maintenance of its spaces and equipment and on the daily presence of its employees at the heart of the network, which, through their missions and training, ensure the safety of property and people on a daily basis. By way of illustration, on the Parisian rail network, 5,300 metro and train station agents take turns to ensure a daily presence catering to passengers throughout the service. The management of the premises, also carried out by these agents, ensures the proper functioning of the equipment, the nominal condition of the premises and the taking into account of any

problems observed, by sending dispatches to the departments concerned as well as any possible incidents in securing the equipment or premises. This presence is supplemented by the call points, which make it possible, among other things, to report any incident or accident so that they can be dealt with as quickly as possible by the teams.

To complete this organisation, the rail network also relies on its ability to quickly bring together different forces in order to deal with exceptional incidents requiring passenger care, information and guidance. In these specific situations, around 150 agents from different locations of the contributing lines can be deployed to a given place, within about an hour, from the Security department, the Control unit but also employees from the rest of the company, the "helpers".

In addition, the Group endeavours to prevent and anticipate any difficulties that may arise due to the nature of the establishment itself. Particular attention is paid to the coordination of the various organisations in order to prevent accidents, particularly those related to maintenance and works. This leads in particular to a clear and shared planning of maintenance and works and to the implementation of technical committees.

3.3.4 Infrastructure availability

Description

The availability of metro and RER rail network infrastructure (tunnels, bridges, railways, track equipment, signalling, overhead lines, electrical energy distribution, etc.) is essential for RATP Group to fulfil its daily passenger transport mission. This availability may be threatened on occasion or on a recurring basis by risks arising from:

- internal sources: lack of maintenance, work on the network, inconsistency in transport systems or damage to infrastructure by rolling stock, for example;
- external sources: climatic events, such as the risk of flooding and the risk of heat waves that could have an impact on the safety and availability of infrastructures (see climate impact risk) or degradation of infrastructure as part of work carried out by external third parties, outside of the RATP network.

The unavailability of infrastructure can have a significant impact on the company's ability to maintain the service expected by passengers and its supervisory authority, which would result in financial penalties and negative consequences for the Group's image and customer satisfaction.

Risk management

To manage the infrastructure of which it is currently in charge, the RATP Infrastructures department was created on 1 January 2020. This makes it possible to centralise responsibility for the development, maintenance and renewal of infrastructure, and guarantees over time the maintenance of conditions of safety, interoperability and continuity of the public service, thus ensuring the availability of the infrastructure at the heart of the challenges.

The establishment of this department has also led to the development of a process map common to operational asset management and project and engineering management activities. All processes are subject to *ad hoc* governance, guaranteeing managers a level of responsibility commensurate to challenges and necessary to control the risks associated with the process.

In addition, risk management is subject to a dedicated process aimed at ensuring a consistent methodology and monitoring of risk management.

The robustness of this approach is attested to by the certification of RATP Infrastructures, since September 2020, on the ISO 9001, ISO 14001, and ISO 45001 scopes.

In addition, risk management systems are regularly analysed through the monitoring of indicators and the quality of service management system. This system is based on:

- a body for monitoring incidents affecting availability;
- a monthly review of action plans for handling major incidents;
- a quarterly assessment of the effectiveness of action plans and of decision-making/arbitration/capitalisation of action plans.

All of these systems (definition of roles and responsibilities, bodies, documentation, etc.) allow for regular monitoring of risks, as well as the implementation of the barriers necessary for their control in order to guarantee the availability of infrastructures.

3.3.5 Fire

Description

Fire safety and the evacuation conditions of the general public and staff are a major concern for RATP, both for the operation and maintenance of transport systems, ERPs, open spaces, as well as industrial or tertiary sites, and transport sites and systems for which the RATP EPIC is the IM, builder or operator.

A fire can have serious human, material, economic and environmental consequences. These consequences can be even more dramatic in underground enclosures: loss of lives, destruction of infrastructure and transport systems.

The fire at the Couronnes metro station on 10 August 1903 caused the death of 84 people and prompted RATP to define, very early in its history, an ambitious and regularly updated policy to control the risk of fire, notably through ongoing actions at all levels of the Group.

Risk management

The fire risk management approach implemented by RATP is based on four fundamental areas:

- prevention, aimed at preventing the outbreak of fire via appropriate construction measures and awareness-raising and training actions;
- mitigation, aimed at limiting the spread of fire, particularly in establishments and buildings;
- the rapid and orderly evacuation of all occupants when necessary;
- the intervention of the emergency services by ensuring in particular the provision of emergency and fire-fighting resources.

To implement this policy, RATP relies on a few key principles:

- shared monitoring of key issues regarding fire safety and related to the improvement of operating, maintenance and engineering processes, in particular through a technical fire safety commission that regularly brings together the various departments of the company;
- the establishment of regular exchanges and close coordination with the competent local authorities and/or emergency services, for example the Paris fire department;
- the professionalisation of stakeholders notably through training and information initiatives to ensure the sustainability of fire safety skills and to develop a fire safety culture;
- compliance with regulatory and standard requirements throughout the design, construction and life cycle of the systems;
- the obligation for all projects involving guided public transport systems in existing infrastructures and establishments to be designed, built and, if necessary, modified in such a way that the overall level of safety is at least equivalent to the level of existing safety, in view of the evolution of best practices, or to that resulting from the implementation of systems or subsystems providing comparable services or functions, taking into account feedback regarding them;
- control and management guidelines for the activity implemented at the various levels of the company;
- a search for improvement through innovation adopting a proactive approach.

3.3.6 Passenger information

Description

RATP's customer satisfaction is at the heart of its concerns. The Group's ambition is to provide a smooth travel experience to its passenger customers. One of the major drivers of passenger satisfaction is that the passenger information made available to them is reliable and consistent, both before and during their journey.

In a nominal situation, and even more so, in a disrupted situation, whether the disruption is planned (e.g. works, early station closure) or unforeseen (e.g. operational incident, external event), RATP must quickly provide relevant and consistent information across all channels, enabling passengers to obtain information and possibly adapt their journey.

Bringing peace of mind to passengers through reliable and consistent passenger information is a crucial issue for the Group and a strategic objective for the company.

Risk management

The company's mobilisation for and commitment to passenger information are reflected in its modernised governance and numerous measures.

The company launched a strategic transformation programme across all activities contributing to passenger information. The appointment in 2018 of a director of the "passenger information" programme is a major focus for the cross-functional mobilisation of all of the company's skills, the aim of which is to bring RATP passenger information up to the highest market standards.

This programme is already implementing several transformation projects, which are technical, organisational or multi-component, and are rolled out across the company.

In addition, after an in-depth analysis of the customer experience in each mode, the strategic programme sets specific objectives with each mode of transport (RER, metro, tramway, bus) which report on concrete projects to improve passenger information designed to provide a rapid response to the main passenger annoyances.

In addition, to ensure the accuracy of the actions implemented to promote customer relations, RATP has developed a customer experience barometer on which it relies to measure the results obtained. The measures carried out aim to establish a general view of the customer perception and, also, to have more detailed diagnoses to adapt the corrective measures.

Finally, to capitalise on these results and provide efficient and sustainable passenger information, the passenger information processes are subject to an operational excellence approach in order to maintain continuous improvement.

Finally, mobilisation also translates into a financial commitment. In 2019, €1.73 billion were invested in Île-de-France to modernise the network and part of this budget was dedicated to passenger information.

3.3.7 Management of major projects

Description

RATP Group conducts a wide variety of projects: infrastructure and buildings, industrial equipment and systems, rolling stock, information systems, product developments, etc.

Given the amount of investments made each year, the success of these projects represents a strategic challenge for the company. Any non-compliance of the project, whether in terms of a functional shortcoming, late delivery, budget overruns or increased operating and maintenance costs, therefore places the investment in jeopardy and damages the company's image.

The management of major projects, which is a key activity for RATP Group, carries various risk factors, the exposure of which was exacerbated by the Covid-19 health crisis:

- identification and expression of needs;
- control of internal and external interfaces throughout the project;
- assessing the level of complexity of the project and the adequacy of resources.

For example, the recent extension of line 14 in the north to Mairie de Saint-Ouen and the project to extend the line in the south to Orly airport illustrate the most emblematic current projects. They raise high expectations on the part of Île-de-France Mobilités, of all the financial-backers and of the regions served as well as of the Île-de-France region, given the major importance of these new infrastructure projects. The extension to the north will unload line 13, which is one of the busiest lines of the Paris network. By extending it to the south with a view to the Olympic and Paralympic Games in 2024, the future line 14 will be the backbone of the new Greater Paris Express network. Despite the impact of the Covid-19 crisis on the works, RATP maintained its objective of commissioning the northern extension of line 14 in 2020: the line was successfully inaugurated on 14 December 2020.

The management of the risks of these projects, in view of their challenges, their size and their complexity, is an illustration of RATP Group's high standards in project management.

Risk management

RATP Group conducts its investment projects in full compliance with the provisions of the ISO 10006 "Guidelines for quality management in projects" while adapting the procedures to take into account its own specificities.

All investment projects follow the same method, known as the "RATP project management method", which applies to all stakeholders. This allows the use of the same vocabulary, the same documents and the same procedures. However, these rules are adapted and supplemented when the work produced – or some of its components – belongs to certain well-defined categories.

The regulatory standards available to project managers are well established and abundant. Training has been provided for several years as part of a consistent training cycle.

Recently, the governance of projects was clarified with the mobilisation of stakeholders at the right level depending on the challenges presented by the projects (thresholds and portfolio logic).

Milestones are monitored by the Executive Committee and the Chairwoman and Chief Executive Officer on a quarterly basis, with a particular focus on major projects.

Moreover, since 2016, an internal control framework has been structured for project processes.

3.4 HR/labour risks

3.4.1 Occupational risks

Description

An issue of performance and trust between RATP Group, its employees, and its social and external partners, the prevention of occupational risks and the health of employees are at the heart of the Group's daily concerns and actions.

Given the company's activities and the Group's major changes, the most significant risk factors are:

- assault on employees by a third party, due to a significant amount of customer contact and service to all areas of the country, including so-called "sensitive" areas;
- site safety during infrastructure and space modernisation work, as part of a significant increase in construction sites with the renewal and extension of the public transport facilities network in Île-de-France;
- employee support regarding change in the course of business line evolution and the Group's transformation.

The main impact feared by the Group is physical injury to an employee or subcontractor, with more than a third of workplace accidents being linked to the risk of assault.

Risk management

RATP Group has adopted a health and safety at work policy that is part of the Group's human resources policy and aims to contribute to the sustainable improvement of a stimulating and safe working environment for all its employees. Ambitious targets and an action programme were set in 2016 (see NFPD). A multi-year roadmap dedicated to the prevention and reduction of the risk of aggression is being rolled out with the operational departments most affected.

The management of the occupational health and safety approach, and therefore the control of occupational risks, is based on:

- an organisational structure that involves each level of responsibility within the company, with cross-functional coordination and deployment of prevention standards by the Occupational Health and Safety unit, which reports to the Group Human Resources department, supplemented by local coordination within the operating departments by the occupational risk prevention missions with regard to their performance results;
- multidisciplinary work with prevention professionals (occupational medicine, ergonomists, prevention specialists, social services, occupational psychologists, etc.) in support of the management line, which works daily to improve the working conditions of employees.

The reinforcement of a culture of safety (adapted job training, periodic reminders of safety rules, sharing of feedback, changes in job organisation, etc.) and the implementation of appropriate monitoring resources (internal control, managerial visits, site inspections, internal audits, etc.) form the basis of the actions.

In particular, internal control is deployed as soon as necessary to ensure the proper implementation of occupational risk prevention provisions and improve these provisions where necessary. Four systems are currently being strengthened: managerial support for employees following a workplace accident, analysis of co-activity risks in the context of external contractors, the proper conduct of construction sites via site inspections, as well as the implementation of measures to prevent and protect against Covid-19.

Details of the policies and results for this risk can be consulted in the NFPD.

3.5 Environmental/health risks

3.5.1 Pandemic

Description

As a public transport company contributing to the daily travel of people and therefore to the smooth running of the economy of the cities and regions in which it operates, RATP Group must strengthen its organisation, even in a health crisis, to ensure continuity of service while guaranteeing the required level of protection of its employees and passengers.

In the context of the health crisis in the country, the risk of a "pandemic" has been identified among the risk factors to which the company is particularly exposed. This exposure is mainly reflected in major financial challenges, related in particular to revenue losses, which put pressure on cash, but also in operational terms, related in particular to the application of government directives to limit the impacts of the pandemic (protection of employees and customers through the reinforced cleaning and disinfection of rolling stock and

spaces, the provision of masks and hydro-alcoholic gel, and measures aimed at maintaining physical distancing and compliance with barrier gestures).

Risk management

In line with the business continuity plan implemented in 2012, RATP Group is keen to strengthen its action strategy to ensure its ability to perform its essential missions in times of health crisis.

Several areas of control have been deployed:

- a **governance axis**, with the launch of interconnected crisis management and monitoring units at several levels of the company (Strategic Crisis unit and Operational Health Monitoring unit). These units monitor health, regulations and technology on a daily basis, consolidate alert incidents and points, analyse key indicators, and adjust the strategy to meet national public service requirements;
- an **operational control axis**, with the periodic reassessment of business risks in light of the new working conditions induced by the health crisis. Internal control systems are designed and rolled out to support the analysis of occupational risks and verify the proper implementation of health protection and risk prevention measures, both by employees and service providers;
- a **promotion axis**, through the roll-out of training, awareness-raising and communication systems for employees, management and service providers in order to acquire and apply the required protection and prevention reflexes;
- an **evaluation axis**, through internal and external audits and feedback to identify and address areas for improvement.

In view of the initial feedback on its management of the Covid-19 health crisis, RATP Group will continue in 2021 to update and communicate its pandemic continuity plan, to train the main players in crisis management and to organise exercises to prepare for the management of a pandemic crisis.

3.5.2 Climate impacts

Description

Given its activity, RATP Group is significantly exposed to natural disasters (major floods, storms, drought), the impacts of climate change (increased periods of torrential rains and heat waves) and extreme natural hazards outside the Île-de-France region (typhoons, earthquakes, etc.). The consequences of these events can go as far as a railway accident, the destruction or prolonged unavailability of infrastructure, or the loss of a strategic command post.

In Île-de-France, the derailment on Tuesday 12 June 2018 on line B of the RER, following a landslide after exceptionally intense rains, highlighted the fact that the impacts of climate change are already being felt in France and may significantly affect the availability of rail transport infrastructure.

In the most extreme case of a hundred-year flooding of the Seine (a major natural risk in Île-de-France), this would directly and indirectly impact nearly 5 million citizens and numerous businesses in Île-de-France, with major economic, human and social impacts.

Risk management

As a first step, the control of risks related to climate change is based on:

- systems for monitoring meteorological events and the condition of infrastructure;
- preventive, improvement and asset maintenance programmes;
- design rules ensuring the resilience of infrastructure and systems to changing climatic conditions.

In addition, to deal with climatic hazards (exceptional or not) and fulfil its public service mission, RATP has:

- an agreement with Météo France to anticipate weather events;
- a flood risk prevention plan combined with a business continuity plan in the event of a Seine or Marne major flood;
- winter measures to deal with possible snowfall in Île-de-France and to prevent accidents to people on and around sites under the responsibility of RATP (site instructions);
- measures during heat waves to improve passenger comfort but also to reinforce monitoring of the railway and certain sensitive infrastructure.

More specifically, with regard to the risk of flooding:

- a Flood Risk Prevention Plan unit exists within RATP Infrastructures to coordinate the flood protection plan. The feedback on recent major floods confirmed the appropriateness of the organisation put in place and the continued optimisation of the planned protection measures;
- continuous monitoring of the level of the Seine and the Marne is carried out via the Vigicrues tool and enables appropriate measures to be triggered in order to manage the risk;
- internal training programmes of the flood risk prevention plan and annual exercises are organised regularly;
- exchanges coordinated by the police prefecture and network operators, in France and internationally, are organised on a regular basis, making it possible to identify innovations that could potentially be rolled out on our networks.

In addition, RATP Group launched a climate change prevention plan in 2019 to strengthen the resilience of its transport networks.

3.6 Financial risks

3.6.1 Robustness of the business model

Description

The ORTF law of 2009 provides for a gradual opening up to competition of the networks in the Paris region operated by RATP. The first deadline is for the Paris bus network, in 2025, then the tramway network, in 2030, and finally the metro and RER networks, in 2040. This will therefore lead to major changes in the transport environment in Île-de-France and in the relations of RATP and the organising authority.

The opening up to competition in 2025 will affect 18,000 RATP employees out of 44,000 with the possibility of a transfer to new operators, both at operational level and in the support functions, with potential financial or labour impacts.

In addition, the law on mobility provides for the entry into regulation of the activities of IM and security operator exercised as a monopoly by RATP: these activities are now regulated by an independent authority, the ART, which controls the accounting separation of these activities and their pricing principles and procedures.

Lastly, the extension of the metro network scheduled for the years 2020 to 2025 and the high volume of investments in the modernisation of the transport system decided by Île-de-France Mobilités in recent years will lead to a significant increase in financing requirements, and strains on the finances of the organising authority. These tensions are heightened by the impacts (loss of revenue, additional operating costs) of the Covid-19 pandemic.

Risk management

With regard to the preparation for the opening up to competition, in 2016, a dedicated programme was launched across the Group. The dedicated and multidisciplinary team, which includes more than 15 specialists, aims to identify the major challenges arising from the future competitive bidding process and to steer the implementation of the internal transformation projects required to deal with them. This team regularly reports to the executive management (the Chairwoman and Chief Executive Officer and the Executive Committee) to propose roadmaps for arbitration ahead of the 2024, 2029 and 2039 deadlines.

All of these projects and action plans, which concern all components of the company and the Group (overland network, rail network, infrastructure manager, security, support functions, subsidiaries), are included in the Défis 2025 transformation plan, the implementation of which is closely monitored and managed by the Executive Committee.

In order to improve its competitiveness with a view to opening up the bus network to competition, RATP launched a plan in 2018 to optimise the support functions of RATP EPIC, the aim of which is to reduce their costs by at least 17% by 2024 and improve the quality of the service provided.

Chief Transformation Officers (CTO) have been appointed in several departments and divisions of the company to steer the transformation and change-management actions. This is the case in particular within IM and security operations, where the CTOs are notably working on the implementation of their new business models, in conjunction with the ART and Île-de-France Mobilités.

At the end of 2019, RATP set up a project team to negotiate the next operating agreement (2021-2024) with Île-de-France Mobilités. Work with Île-de-France Mobilités was conducted through numerous thematic and bilateral working groups in order to cover all topics as effectively as possible. The progress of negotiations is the subject of regular monitoring by the Executive Committee and of monthly updates of the Group's executive management and that of Île-de-France Mobilités. Negotiations were still ongoing in the first quarter of 2021. Since 1 January 2021, RATP is paid according to the terms set by Île-de-France Mobilités, in the absence of a multi-year contract.

3.6.2 Liquidity

Description

Liquidity risk is the risk that the issuer will not have access to sufficient funds to finance its day-to-day business activities, the investments required for its expansion, or any exceptional event that may occur.

Financial markets can be subject to periods of volatility and lack of liquidity. If the issuer is unable to access capital markets or other sources of funding at competitive rates for an extended period of time, its funding cost may increase and its strategy may need to be reassessed. Any of these events could have a material adverse effect on the issuer's business, financial position and results.

In March 2020, RATP was faced with a temporary closure of the short-term financing market following the Covid-19 health crisis. While the company was able to anticipate these difficulties through major issues of NEU CP before the market closed (€778 million), to access the Banque de France's short-term refinancing window during the lockdown (Pandemic emergency purchase programme), and maintain access to the capital markets in the medium and long term on very satisfactory terms (**€174 million in five-year bonds, €480 million in thirty-year bonds and €200 million in sixty-year bonds**), it nevertheless had to set up more costly (an additional cost of around 60 bp on €800 million) short-term bank financing (RCF).

Risk management

Liquidity risk is addressed by maintaining a sufficient degree of diversification of funding sources. RATP diversifies its sources of financing by accessing various debt markets. Liquidity risk is constantly covered by the proactive management of liquidity needs and by access to diversified sources of funding, both long-term (EMTN programme of €7 billion) and short-term (NEU CP programme of €3 billion).

3.6.3 Credit/counterparty

Description

RATP is exposed to counterparty risk in the day-to-day management of its cash flows and the management of its medium- and long-term debt. The counterparty risk with credit institutions arises in the context of its cash investments and the subscription of derivative instruments with its financial partners from the moment the debtor refuses to honour all or part of its commitment or lacks the financial means to meet its obligations. The default of a counterparty can potentially result in losses of several million euros.

Risk management

RATP manages this risk by entering into investment and derivative instruments only with financial institutions with a credit rating and limits set by the issuer's financial management rules. To hedge counterparty risk, RATP may hedge its exposure through the use of margin calls with its financial counterparties whose rating is below the threshold defined by its financial management rules. In the event of high market volatility, RATP may be required to raise cash.

3.7 Post-Covid management

RATP Group is affected, like other companies, by the current health crisis, both financially (loss of revenue, cash flow pressures) and operationally (significant strengthening of cleaning and disinfection operations, application of social distancing rules and barrier gestures within the company and on the network, massive recourse to teleworking). This context creates new expectations on the part of our stakeholders and passengers, modifying the current configuration of our uses and favouring the use of alternative modes to public transport. In addition to the protection of employees and passengers, the pandemic has led the Group to reinvent itself to convince its passengers not to shift to other modes of transport.

An analysis of the impacts of the Covid-19 health crisis led to an adjustment in the company's risk assessment, whether in terms of impact or of occurrence with the emergence of and/or increase in certain risks:

- the risk related to the company's business model is of course the subject of particular attention, the economic fundamentals of public transport having been permanently impacted by the health crisis. The company has initiated an internal review in connection with the work launched on the subject, notably through a scenario-building exercise and modelling of potential trajectories of mobility demand and public transport revenues in Île-de-France, taking into account the cyclical and structural impacts of the pandemic;
- cleanliness is becoming a particularly significant dimension of the customer experience in the current healthcare context. As such, the company has made it a strategic priority with the establishment of a dedicated cross-functional programme under the guidance of the Executive Committee member in charge of the customer experience.

4 — Reliability of accounting and financial data

4.1 Preparation of financial information

4.1.1 Preparation of the accounting and financial statements

RATP Group issues its certified consolidated financial statements and parent company financial statements on a yearly basis. It also publishes half-yearly consolidated financial statements, which undergo a limited review by the Statutory Auditors.

RATP issues bonds linked to an EMTN programme. The update of this programme, made every year, is reviewed by the Statutory Auditors, who issue a comfort letter.

In general, the accounting information produced by RATP meets the requirements of the Group's various management entities.

4.1.2 Preparation of the parent company financial statements

A body of doctrines and rules

RATP ensures the segregation of duties of its accountants, treasurers and the departments authorising expenditure. This separation of functions is transcribed in the information systems.

The accountants draw on an array of regulatory, management and accounting texts relating to their function.

RATP's accounting system is designed to ensure that controls take place throughout the process of preparing the financial statements.

Regular controls

Units and support functions comprising the various company departments are involved in accounting operations insofar as they authorise and engage company expenditure and revenues and define their cost accounting systems in line with the company's common accounting rules. Their contribution may be either through direct access to accounting IS to enter data (such as external expenses – as part of the procurement flow – and income – as part of the invoicing flow), or through a local tool that is input into the IS (as is done for inventory management, for example).

In addition to regular monitoring by the accounting teams, periodic reviews are scheduled in order to control use of IT systems and compliance with applicable procedures.

Teams from accounting are responsible for controlling the entries made by the units in management systems on a monthly basis. They make the corrections necessary and record transactions not delegated to the units.

All the information that generates accounting flows is used by the Accounting department to prepare summary documents and to carry out all the centralised tasks: accounting for fixed assets, suppliers, customers, receipts, bank reconciliations and payroll costs, control of the accounting quality, closing transactions, production of financial statements (balance sheet, income statement, notes, etc.).

The process to formalise and strengthen internal control work has been continued. This approach is part of the internal control and risk management system rolled out in a cross-cutting manner in the Management and Finance Control department and in RATP Group as a whole by the DGARC.

Monthly reporting

The accounts are closed on a monthly basis (with the exception of January and July); the accounting offices prepare the financial statements after making the closing entries, ensuring the consistency of changes in expenses and income, and justifying all the financial statements. The results are also analysed by the management control teams.

Separate accounting activities

In accordance with the law on Greater Paris of 3 June 2010 (known as the Greater Paris law), the law on mobility of 24 December 2019, and the regulatory rules specified by the ART, balance sheets, income statements and the notes to the financial statements are prepared separately for each of the TO, IM and Greater Paris infrastructure manager (GIGP) activities, and as from 2021 for the transport security operator (*opérateur de sûreté* – SUR) and "Other" (holding company) activities. The EPIC's financial statements stem from a consolidation of these different activities, which are separate for accounting purposes.

To prepare the separate balance sheets and income statements, the appropriate amounts have been directly allocated to the corresponding line items or flows. When this is not possible, for instance if the line items or cash flows are managed by one or other of the activities and have initially been recognised as such, internal transfers between the two activities have been arranged to invoice the activities appropriately, in accordance with general practice. Such agreements govern the scope of the transfers, the valuation principles and the invoicing methods.

The accounting separation principles are the subject of an "Accounting separation framework", on which the ART will be asked to issue an opinion in 2021.

4.1.3 Preparation of the consolidated financial statements of RATP Group

The consolidation of the financial statements is performed using consolidation software comprising an application that implements the accounting policies and rules, which are regularly updated. The majority of the entities' consolidation packages are compiled by the subsidiaries' accountants. Much of the control work is carried out using the consolidation system configured to include numerous and occasionally restrictive controls.

The consolidated financial statements are produced by a specific entity of the accounting entity for the entire Group. In support of the management control of subsidiaries and the EPIC parent company, this entity ensures that the source information provided by the consolidated entities is consistent. It is responsible for preparing financial information in compliance with IFRS for the majority of the subsidiaries and making the consolidation adjustments (harmonisation of the financial statements, elimination of intercompany securities and transactions). Changes in shareholders' equity are reviewed for each subsidiary, and then justified globally at the Group level. Reviews of account balances are then made to verify their accuracy.

The data resulting from the accounting consolidation are analysed by the teams of the Finance and Management Control department. As a result, during the closing period, information from subsidiaries is subject to an in-depth analysis and cross-checked against information from previous months and from budgets and forecasts.



4.2 Internal financial and accounting control procedures

4.2.1 Compliance with accounting principles and legislation

French generally accepted accounting principles

RATP, a EPIC, is subject to the common-law rules governing commercial companies. It applies the accounting policies set out by the French national accounting board in CRC regulation No. 99-03 of 29 April 1999. However, it is also required to meet the requirements specific to public service providers.

RATP applies French generally accepted accounting principles to prepare the EPIC financial statements. RATP implements a customised chart of accounts as approved by the inter-ministerial order of 21 March 1985. The customised plan was prepared in accordance with the rules, principles and framework governing the French national chart of accounts.

FRS standards

RATP applies IFRS standards as adopted in the European Union to prepare RATP Group's consolidated financial statements.

The Statutory Auditors

RATP appoints Statutory Auditors pursuant to the provisions of article 30 of law No. 84-148 of 1 March 1984 on the financial information and audit of industrial and commercial public companies and the provisions of article 33 of French decree No. 85-295 of 1 March 1985⁽¹⁾. The current Statutory Auditors, Mazars and KPMG, were appointed as from the financial year beginning in 2015 for a six-year term ending with the certification of the 2020 financial statements.

The Audit Committee

The Audit Committee presents its opinion to the Board of Directors on accounting and financial matters, particularly the accounting and estimation methods used by RATP to prepare its financial statements, the internal audit programme and its risk management policy.

4.2.2 Reliability of financial information

Financial reporting system

RATP uses the Oracle software package to produce the parent company financial statements and Business financial consolidation for the production of the consolidated financial statements.

Project management support incorporated into the Finance and Management Control department enables the various software applications required for financial reporting to be managed, with the support of the IS and Telecommunications department.

Preparation of the parent company financial statements

Monthly financial data are available after eight working days, giving time for a preliminary review of the financial information during which various controls are performed. The monthly financial data

enable management controllers in the various departments to track their level of activity and ensure targets are met. At the level of the central management control, monthly financial reporting makes it possible to manage any risks of overruns and make the appropriate adjustments to meet targets. In order to ensure that reporting deadlines are met, pre-closing financial statements are prepared at the end of May and at the end of October, respectively. The pre-closing statements are verified by the Statutory Auditors.

Preparation of the consolidated financial statements

In addition to annual reporting, the consolidated financial statements are prepared on a half-yearly basis according to a timetable set at each reporting period by the Finance department.

The production of the consolidated financial statements is managed by an entity of the Accounting unit for the whole Group in order to ensure that the consolidated financial statements are prepared in accordance with current standards and regulations and that the information provides a fair presentation of the Group's business and financial position.

The annual and half-yearly financial reports are submitted to the AMF.

Internal communication on procedures and best practice

Financial information is made available to employees of the finance function on a dedicated intranet site. This new site provides information and news on the finance profession.

The documentation necessary for the performance of their duties is also made available to employees of the finance function (management controllers, accountants, treasurers, tax specialists, etc.) in an electronic document management system. These are reference documents: management principles, practical info-sheets and forms. All topics related to the company's economic performance are addressed on the basis of the processes identified by the AMF: purchasing/suppliers, consolidation, management of external financial information, property, plant and equipment and intangible assets, etc.

Internal accounting audits

Accounting audits on accounting issues are performed by the accounting audit teams. They are performed annually with the issuance of reports and follow-up action plans.

4.2.3 Management control of the RATP EPIC

The management control function is shared by the central management control (hereinafter the Finance and Management Control department) and the company departments represented by the network of management controllers, who report to the departmental managers.

Management control is implemented through an annual process known as the "management cycle," the purpose of which is to monitor operating and capital expenditure budgets and the structural phases of business management (such as the Ile-de-France Mobilités agreement and department contractual objectives).

(1) Implementing decree of law No. 84-148 of 1 March 1984 on the prevention and out-of-court settlement of corporate difficulties.

It is based on ongoing discussions between the Finance and Management Control department and all lines of business at various process stages (multi-annual forecasting, budgeting, reviewing forecasts for the current year and analysis of results).

These processes use technical tools shared by the Central Management Control department and departmental management control, which ensure homogeneity and traceability of practices.

The management cycle is used to steer the company's economic and financial performance.

The operating management cycle is divided into four major sub-processes:

- the four-year medium-term performance plan (starting this year and for the next three years): the objective is to control financial risks and to manage medium-term economic performance, by setting productivity targets for each department and planning ahead for changes in needs in the medium term, depending on the development of the offering, its projects and foreseeable changes to its environment. Consistency with the corporate strategic plan is a priority focus of analysis;
- the budget, which has a one-year framework: the key focus of analysis at this stage is ensuring consistency with each department's performance plan; verification is also performed to ensure that departments' aggregate budgets comply with company performance targets; analysis of variations from the previous year are performed on major causes, e.g. new services, productivity, management changes or new requirements, interdepartmental transfers (internal changes in scope), and price developments; changes in staffing levels are also discussed and analysed;
- the monthly reporting makes it possible to monitor the execution of the year's budget for each of the departments; each department analyses changes to the seasonal budget and alerts for risks that could impact year-end conditions; consolidation at company level makes it possible to monitor compliance with the trajectory; monthly reporting to the Executive Committee covers production objectives, service quality, financial indicators, human resources and project monitoring;
- lastly, a review of all budget items subject to specific reporting by each department and consolidation at the company level ensures that the defined trajectory is adhered to and managed.

The "capital expenditure" management cycle is also broken down into three major sub-processes:

- updating the capital expenditure master plans: this annual update is performed with a ten-year horizon with the objective of determining upcoming capital expenditure in line with company strategy. This process is reinforced by a framing and prioritisation approach addressing the initial years and consistent with the capacity to finance based on the contract signed with Île-de-France Mobilités; this approach also makes it possible to meet the contractual reporting requirements foreseen with Île-de-France Mobilités;

- the capital expenditure decision-making process: this ensures that each decision to invest is relevant and fully reasoned; it precedes the opening of accounts authorising the project launch; major projects are submitted to the Commitment Committees prior to investment decisions;
- projects and project portfolio review: updates and reviews are performed half yearly; they ensure that projects are executed properly and that deliverables are obtained within the expected deadlines and budgets; these reviews also enable forecasts and controls of annual expenditure and management of the associated impact on debt; consequently, the second half-yearly review is used to determine the budget for the following year.

4.2.4 Control of subsidiaries and equity investments

Subsidiaries are subject to specific controls by the EPIC, aimed at managing inherent development risks. In addition to RATP's control, the subsidiary RATP Dev exercises management control over its own subsidiaries and equity investments.

Upstream controls

They comprise:

- oversight of the activity and objectives of the subsidiaries through the preparation of medium-term strategic and performance plans;
- control of significant decision-making issues such as those concerning budgets, the preparation of financial statements, responses to calls for tender, major contracts, capital transactions, equity investments and the founding of subdivisions within subsidiaries.

This control is exercised by each entity's Commitment Committee. If the issues are significant, decision-making is also controlled by RATP's oversight bodies (the French State equity investment agency, economic and financial control board for transport and budget department and maritime transport board).

Commitment Committees for the subsidiaries convene prior to Board of Directors (or Supervisory Board) meetings, to prepare input and guidance for decision-making.

For RATP Dev and Systra, these controls are performed by the committees set up by Supervisory Boards in conjunction with the EPIC's Finance department:

- the Investment Committee (RATP Dev) and Commitment Committee (Systra) for bids on calls for tender, contracts and acquisitions;
- the Finance Committee (RATP Dev) and Audit Committee (Systra) for budgets, half-year and annual reporting and the strategic and performance plan; these Committees monitor general compliance with accounting policies, financial reporting to the Supervisory Boards and risk assessments.

For the other subsidiaries, control over corporate strategy is exercised by a Commitment Committee, which for each subsidiary comprises representatives of the subsidiary's management team, RATP's Finance department and the EPIC's executive management.

Downstream controls

They include:

- monthly financial reporting on the basis of the accounting information gathered in the consolidation software. The information is presented in the form of an operating report on the subsidiaries, which is sent to the parent company's Executive Committee. The software is used for both monthly reporting and consolidation purposes, to guarantee the consistency of the data;
- performance of audits: a complete audit of operations is performed on certain subsidiaries every year.

Upstream controls and monthly financial reporting are performed by the Finance and Management Control department unit responsible for subsidiaries, financial transactions and tax, while audits are performed by the DGARC staff.

Other controls

RATP's Board of Directors reviews the financial position of the subsidiaries twice a year:

- in March, it reviews the previous year's performance and consolidated financial statements;
- in June, for the strategic and performance plans.

A quarterly report on the RATP Dev subsidiary is sent to the Board of Directors, which gives its opinion on the budget and strategic plan, on acquisitions and investments exceeding certain thresholds and on certain responses to calls for tender.

The consolidated budget for RATP Group is presented to the Board of Directors at year-end.





Non-financial performance declaration

About the report

The non-financial performance declaration (NFPD) complies with regulatory requirements:

- decree No. 2017-1265 of 9 August 2017;
- order No. 2017-1180 of 19 July 2017 transposing directive No. 2014/95/EU amending directive No. 2013/34/EU.

A methodology note at the end of the declaration explains the scope and methodological limits. Cross-reference tables with international standards (UN Global Compact and Sustainable Development Goals, ISO 26000) and a table containing all corporate social responsibility (CSR) indicators are also included.

Non-financial reporting mechanism within the Group:

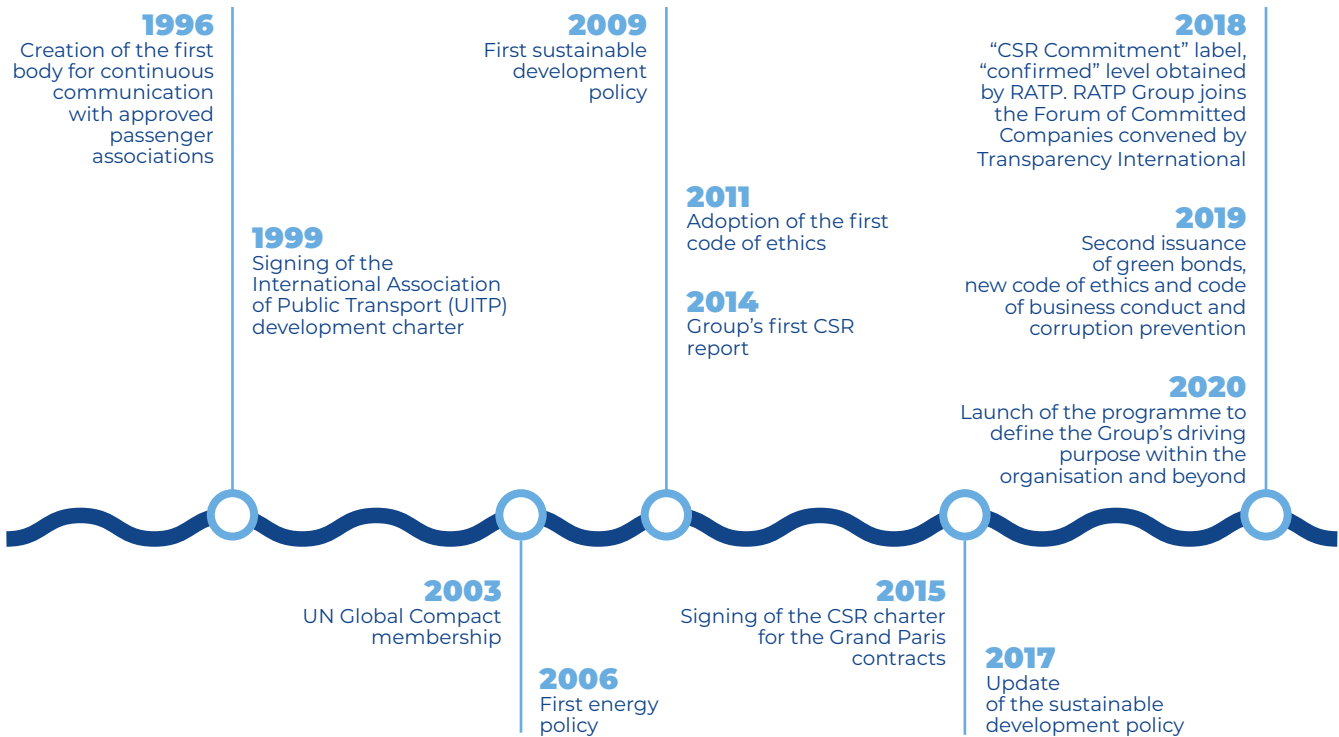
Supports	Targets
Financial and CSR report	SRI analysts and investors
Activity and sustainable development report	All stakeholders/general public
2020 green bond impact report	SRI analysts and investors
Yearly social assessment	Analysts and experts
Website ratp.fr https://www.ratp.fr/en/groupe-ratp/group-presentation/our-essential-documents https://www.ratp.fr/en/le-groupe-ratp/nos-engagements	General public



Introduction

Mobility is a key lever in responding to the increasing societal and environmental challenges of tomorrow’s cities. As a privileged partner of French regions, RATP Group is actively committed, on a daily basis, to achieving a more inclusive, ecological and humane city.

Significant commitments



United Nations Global Compact membership

The Global Compact (GC), a framework for international voluntary commitment, brings together companies and organisations around ten guiding principles on human rights, labour law, the environment, and anti-corruption measures. In accordance with the requirements of the GC Office, RATP Group publishes an annual communication on progress (COP) outlining its actions to comply with these principles. The Group was COP-qualified at the GC Advanced level in 2018.

This annual report acts as the 2020 COP and meets the requirements of the United Nations GC Advanced reporting level. RATP became a member of the United Nations GC in 2003.



Sustainable Development Goals (SDGs)

RATP Group also contributes to the UN’s Sustainable Development Goals. As part of its CSR policy, it has taken action on all SDGs.



Unveiling RATP Group's driving purpose

Objectives of the process

In November 2019, RATP Group launched a programme to identify its driving purpose. Having made progress throughout 2020, the process will continue in early 2021 with the definition of action principles underpinning the driving purpose, to instil it in the Group's activities in a tangible way.

The driving purpose describes a company's usefulness to society – its contribution to the common good – in other words, what makes it irreplaceable. It expresses the direction in which the Group intends to take its activities, based on the Group's DNA and fundamental goal. The driving purpose therefore serves as a compass, guiding the actions of the company and its employees.

As such, it forms part of a longer-term perspective than the business plan. It is not intended to substitute the company's 2025 Challenges strategic plan, the work on the RATP brand or its CSR policy. Indeed, the driving purpose is an overarching ambition that adds value to the projects and programmes already in motion.

Why now?

Over the past few years, RATP Group has carried out extensive work to address the twofold challenge of opening up to competition in its core market and pursuing its development in France and abroad. It has been conducting major cultural and organisational transformation programmes.

However, while improving performance, efficiency and service quality is critical to the future success of the Group's activities, the question of "why" must also be brought to the forefront: where are we heading? Which goals motivate us? What role will we play tomorrow? In order to find answers to these questions, RATP Group resolved to identify its driving purpose. Undertaking this initiative at a key point in its history, RATP Group envisioned this process as an opportunity to give a greater sense of cohesion and pride to all its employees.

Core principles of the process

RATP Group decided to take the necessary time to determine its driving purpose, laying the proper groundwork and inviting all its stakeholders to contribute to the process.

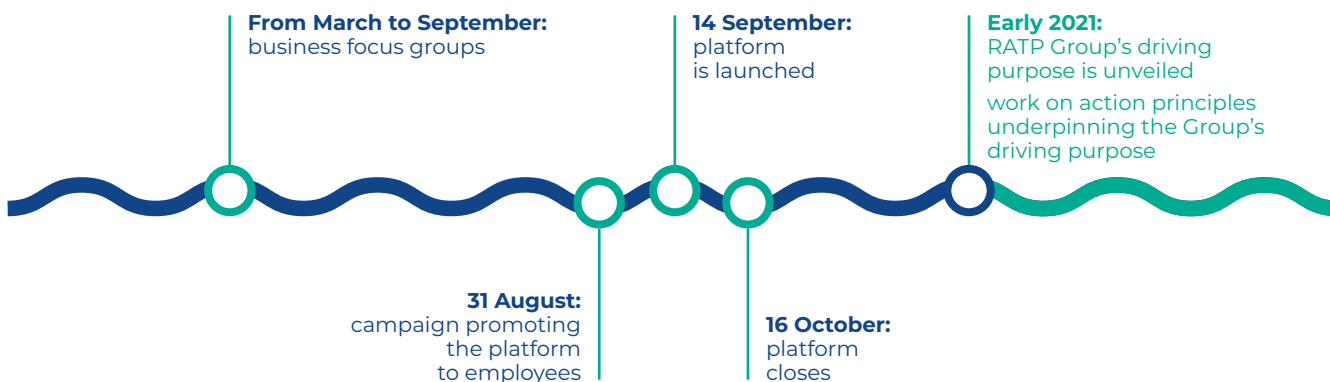
An in-depth exploration to understand and clarify what makes the Group unique

Ahead of the process of defining the driving purpose, an analysis of the Group's culture and identity was conducted based on interviews and an extensive documentary and historical analysis. This introspection process shed light on the intangible values that drive the Group forward and the basis for developing the company's shared sense of belonging, to express its uniqueness.

A joint process with internal and external stakeholders

The driving purpose was identified through a collaborative process that involved:

- **our employees:** 12 workshops were organised with focus groups representing the different businesses, bringing together about 200 employees, with a specific workshop for trade unions (April to October 2020). A collaborative platform was also opened to all Group employees for one month (September to October 2020). A total of 138,000 contributions were collected regarding the Group's image and the components that might make up its driving purpose. An extensive internal communications campaign was also run over the course of 2020 to ensure as much employee involvement as possible, drawing on support from managers to inform and mobilise the teams in each department and in the field;
- **members of the Executive Committee**, who formed a "driving purpose" committee and attended regular think tank workshops (from January to December 2020);
- **external stakeholders:** to bring an external perspective, the Group also convened an "advisory committee" in October 2020, composed of qualified persons with economic, political and academic backgrounds whose areas of expertise are relevant to the problems encountered by RATP Group.



The driving purpose is the result of a co-creative process, from the contributions of employees and outside stakeholders.

RATP Group's driving purpose

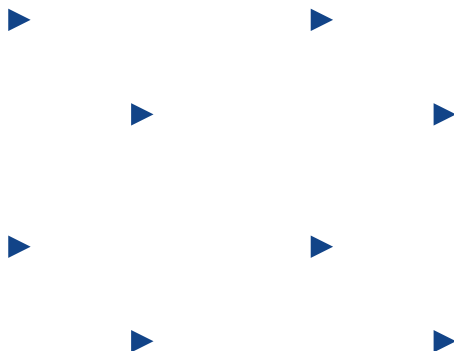
RATP Group's driving purpose is essentially an expression of eight fundamental pillars of the Group's identity, revealed through the internal and external consultation process:

- international scope of activities;
- company's history and standing;
- public service mission combined with performance requirements;
- human values;
- capacity to assemble diverse expertise;
- know-how and capacity for innovation;
- contribution to environmental issues;
- role as a development partner for cities.

Today and into the future, the Group seeks to cement its dual role as a mobility player and builder of urban infrastructure, thus contributing to the transformation of cities. In its role as a player in the transformation of cities, the Group demonstrates what sets it apart and its contribution to public interest.

Emboldened by its driving purpose and a strong sense of identity, RATP Group is committed to helping urban societies, which are continually expanding and increasingly fast-paced, for a better quality of life in cities. This commitment is underpinned by several challenges the Group plans to address:

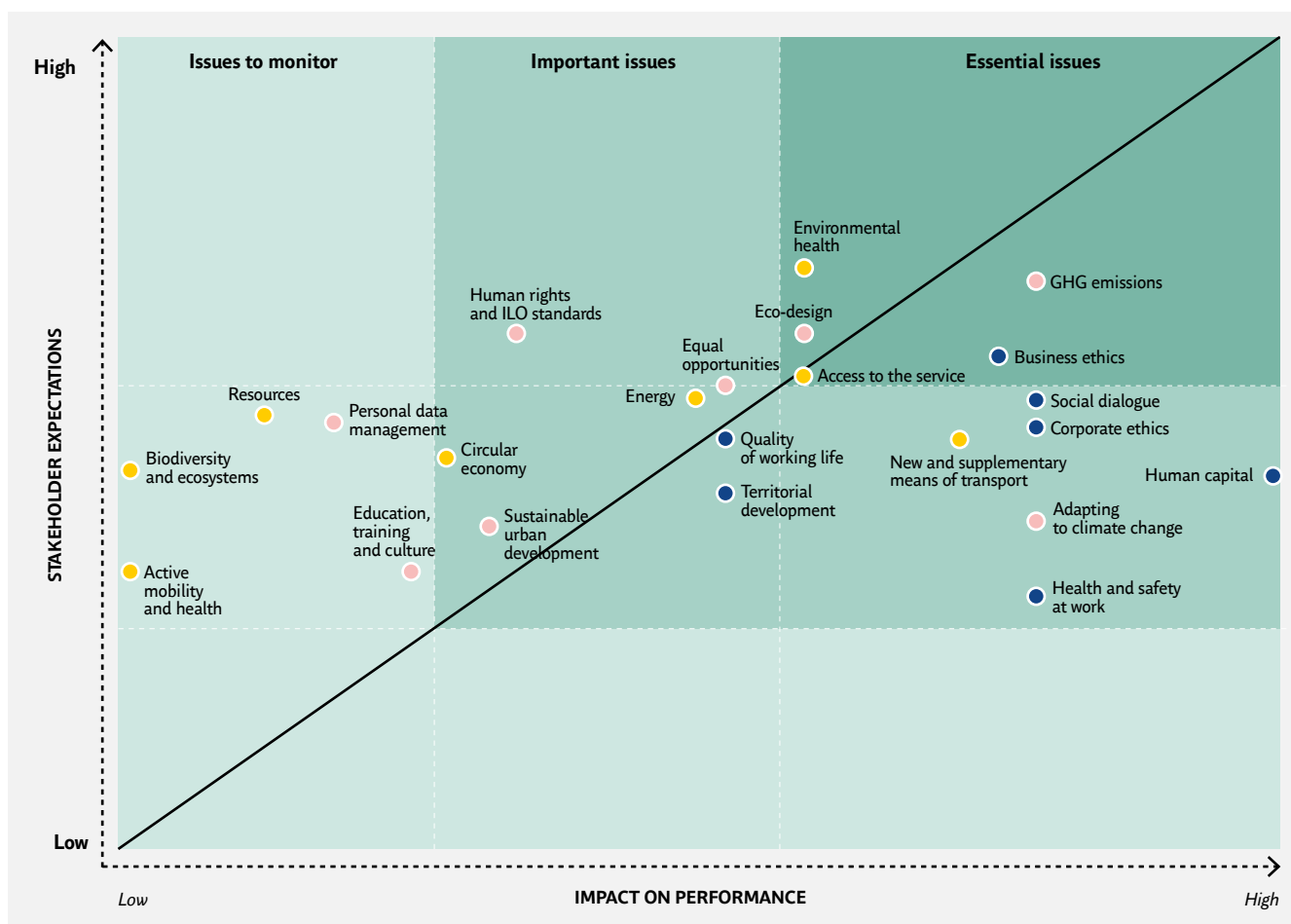
- **improve city living:** through its mission to build desirable, resilient cities which are good living environments, RATP Group harnesses all its expertise, from improving air quality, reducing the carbon footprint of transport and increasing vegetation to promoting biodiversity, easing congestion and reclaiming the public space;
- **make cities more accessible and inclusive:** by providing a multitude of innovative services and adapting to the places where it operates, RATP Group connects individuals with one another but also with every aspect of cities' economic, cultural and social life. It also allows passengers to optimise their time so that they can make the most of it. Furthermore, the Group designs mixed-use urban areas paving the way to more dynamic cities.



Our CSR challenges

Materiality analysis

The materiality analysis was carried out in 2017 to define the Group's CSR policy. These works were completed three years ago with an analysis of non-financial risks, which helped to decide the Group's strategic focuses. This analysis led to changes in CSR reporting to meet the requirements of the NFPD introduced by the transposition of European directive No. 2014/95/EU.



- Issue associated with strategic focus 1 of the CSR policy: be a major player in mobility and sustainable cities
- Issue associated with strategic focus 2 of the CSR policy: reduce our environmental footprint
- Issue associated with strategic focus 3 of the CSR policy: confirm our social responsibility

Analysis of non-financial risks

In accordance with the regulatory requirements of implementing decree No. 2017-1180 of 19 July 2017, the Group has assessed its main environmental, social, human rights, and anti-corruption risks and opportunities. The analysis was carried out in three core steps:

1. the definition of the Group's non-financial risk environment with approximately 40 risks and opportunities. This was established using information from the Group's risk environment, a sectoral bibliographic research, recognised reference systems such as MSCI and SASB⁽¹⁾, as well as the materiality analysis previously carried out by the Group in 2017;
2. the rating of each CSR risk and opportunity by experts in the field. The rating scale was established with the Group's Audit, Risks and Internal Control department based on a methodology similar to the one used to establish the Group's mapping. The risks were assessed in terms of severity of impact and occurrence;

3. the ranking of CSR risks and opportunities. Impact and occurrence assessments have made it possible to rank and identify the Group's priority risks, approved by a non-financial performance steering committee.

The assessment of non-financial risks in 2020 significantly changed the mapping from 2019. As such, "pandemic" emerged as a major risk.

The presentation of the non-financial risks in this report was updated in 2020 following the publication of a list of 17 major risks identified by the CSR mapping and the materiality analysis. The names and descriptions of the risks are those given by the risk carriers in the risk management information system. A cross-reference table associated with this new presentation points to sections and pages detailing the policies and actions in place to manage risks.

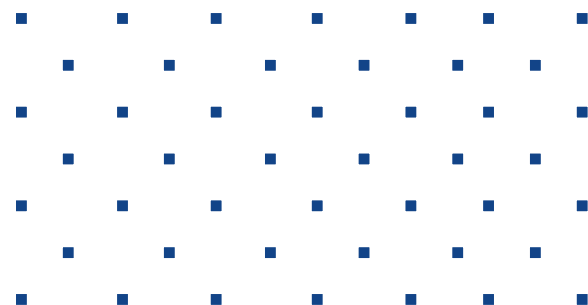
LIST OF NON-FINANCIAL RISKS IN 2020

Strategic focus	Risk	Description of risk	Guideline/ page NFPD	Section/page Internal control and risk management
Innovation	Failure to seize opportunities for responsible innovation	An absence or lack of innovation in connection with soft/electric/low greenhouse gas (GHG) emission mobility, the product-service system (shared/pooled transport), or open innovation with responsible start-ups	Innovation for sustainable cities/p. 61	–
Strategic focus 1: be a major player in mobility and sustainable cities	Personal harm or injury	Harm or injury to people other than staff (assaults on staff are dealt with in occupational accidents)	1.1/p. 62	3.3.1/p. 40 3.3.2/p. 40
	Insufficient access to services	Difficult access to transport services or infrastructure (people with reduced mobility – PRM) or non-compliance with regulations in this regard, employees not trained to meet the needs of PRM, negative press with local residents, failure to cater to a potential customer segment	1.1/p. 68	–
	Air pollution	Elevated levels of particulates (PM10, PM2.5) in stations. Risk of exceeding regulatory threshold values with public health impact	1.2/p. 70	–
	Noise pollution	Noise and vibration pollution prompting complaints from local residents and legal action in cases of non-compliance with legal/regulatory or shared peer obligations	1.2/p. 71	–
Strategic focus 2: reduce our environmental footprint	Adapting to climate change	Climate change, in particular increased heat-wave episodes directly affecting activities (transport services, rail infrastructure management, etc.)	2.1/p. 76	–
	Non-sustainable digital technologies	Use of technology without factoring in their environmental (e.g. energy, raw materials) and social (e.g. human rights) impact	2.1/p. 74	–
	Change in CSR regulations	Activities not in line or non-compliant with the implementation and application of CSR regulations, with potential fines	2.1/p. 77	–

(1) MSCI (formerly Morgan Stanley Capital International) is a financial services firm, publishing the MSCI World and MSCI EAFE stock market indexes. SASB: Sustainability Accounting Oversight Board.

Strategic focus	Risk	Description of risk	Guideline/ page NFPD	Section/page Internal control and risk management
Strategic focus 3: confirm our social responsibility	Failure to account for the needs of regions and communities	Insufficient contribution to the economic and social vitality of regions (inadequate regional networks, company disengaged in its regions)	3.1/p. 80	–
	Insufficient contribution to equal opportunities	Unjustified and unequal treatment of employees, wages or promotions, based on discriminatory criteria; gender imbalance on the Board of Directors (not in line with regulatory requirements)	3.2/p. 86	–
	Social conflicts	Poor management of dialogue with trade unions leading to repeated strike action (lack of information, refusal to negotiate, etc.); failure to inform/consult with employees	3.2/p. 88	–
	Failure to ensure health and safety at work and poor quality of work life	More frequent and severe occupational accidents and diseases	3.2/p. 88	3.4.1/p. 43
	Work-related accidents	Work-related accidents with injuries	3.2/p. 89	3.4.1/p. 43
	Pandemic	Ability to manage the pandemic given the company's activities (public transport)	3.2/p. 88	3.5.1/p. 44
	Non-compliance with business ethics	Non-compliance with business ethics and transparency laws and regulations, e.g. corruption (active or passive), money laundering, conflict of interest, etc.	3.3/p. 89	3.2.2/p. 38
	Disclosure of personal data	Leakage of employee and third party (customers, suppliers, etc.) personal data or other sensitive data caused by poor management of information systems	3.3/p. 90	3.2.3/p. 39
	Failure to account for environmental and social criteria in procurement practices	Non-compliance with provisions under the due diligence law on (in relationships with partners, suppliers and subcontractors); shortage of certain raw materials and rise in prices of raw materials	3.3/p. 90	–

The risk management mechanisms are detailed in the risk management and internal control report. The non-financial performance declaration presents the policies, action plans and key performance indicators in line with the Group's CSR policy guidelines.



Our CSR policy

The Group CSR policy is based on three strategies

Be a major player in mobility and sustainable cities

- Establish a connected and accessible mobility offering
- Act in favour of environmental health
- Encourage urban integration and functional diversity

Reduce our environmental footprint

- Reduce the carbon footprint and save resources
- Develop the circular economy
- Promote continuous improvement and eco-design measures

Confirm our social responsibility

- Contribute to the economic vitality and solidarity in regions
- Promote management that encourages staff commitment
- Ensure fair practices in its value chain

It is set out in a roadmap that is made available to our internal stakeholders and regularly updated:

CSR policy governance

The Group's CSR policy is a performance and added value guideline, set out in the 2025 Challenges strategic plan launched in 2017.

It is based on cross-functional governance, supported by several bodies that coordinate and manage the process:

- the **Board of Directors**: approves the financial and CSR report on the advice of the economic and strategic committee;
- the **Cersec**: chaired by the Chairwoman and Chief Executive Officer and comprising the members of the Executive Committee, the heads of the ethics, CSR and compliance functions, as well as an outside representative. As a decision-making body, its task is to develop a culture of ethics and integrity and to assess the effectiveness of compliance, corruption risk prevention and CSR action programmes;
- the non-financial performance **steering committee**: comprised of the directors of the finance, communications, strategy, and human resources departments, the DGARC, the RATP Dev subsidiary, and all general delegates and/or members of the Executive Committee. The steering committee approves the components of the NFPD;
- the **CSR Club**: deploys the CSR roadmap and disseminates a CSR culture within the Group through a departmental CSR contact network and coordination tools.

RATP's Strategy, Innovation, and Development department manages the CSR policy. Each of the Group's departments and subsidiaries is responsible for implementing CSR commitments.



Non-financial assessment

"CSR Commitment" label

In 2018, RATP was awarded the Afnor Certification "CSR Commitment" label. It is the world's first transport company to have obtained the "confirmed" maturity level with such a broad scope from the first assessment. This label rewards its sustainable development performance level in its long-standing presence in the Île-de-France region.

The certification renewal audit takes place every three years. RATP's renewal is set for the end of 2021. A follow-up audit, which is conducted mid-way between renewal audits, was performed in October 2020. This follow-up audit endorsed the previous assessment and reported improvements.



At the request of investors, RATP Group is assessed every two years by the Vigeo Eiris rating agency. In 2019, it achieved the "advanced" level with an overall score of 66/100, up 9 points from the previous assessment. The Group is part of the "Transport and tourism" panel, which includes 22 European companies, and ranks second in its sector. In September 2020, Vigeo Eiris carried out a random audit based on the publications issued by RATP since its previous assessment. The results of this assessment confirmed those obtained in 2019.

CSR dashboard

The dashboard presents the key indicators of RATP Group's CSR roadmap covering **the main non-financial risk factors and essential issues identified**. The results are explained in the following pages. All corporate social responsibility indicators are published in the table of indicators at the end of the NFPD.

STRATEGIC FOCUS 1: BE A MAJOR PLAYER IN MOBILITY AND SUSTAINABLE CITIES

Associated CSR risk	KPI	Scope	Target	2020 value	Trend
Personal harm or injury	Network protection and security officers (<i>groupe de protection et de sécurité des réseaux – GPSR</i>) average daily on-duty time in networks (shift hours/day)	RATP	–	505	●
	Trends in rail network accidents (number of annual accidents reported per million commercial kilometres)	RATP	–	7.45	●
	Trends in bus network accidents (accident rate per 100,000 km)	RATP	–	4.69	●
Insufficient access to services	Passenger satisfaction rate Source: Île-de-France Mobilités perception survey	RATP	–	Not available	●
	Percentage of buses accessible to people with reduced mobility (Île-de-France)	RATP	100% before 2022	86%	●
	Percentage of RER stations accessible to people with reduced mobility (Île-de-France)	RATP	100% by 2021	98.5%	●
	Percentage of assistance staff in stations trained to assist people with mental disabilities	RATP	100% by 2020	76%	●
Air pollution	Particulate matter levels in the 3 stations on the Squales network (average concentration of PM10 particles in µg/m ³)	RATP	–	51	●
Noise pollution	Number of people exposed (noise black spots)	RATP	0 by 2020	397	●
	Number of noise- and vibration-related complaints and claims	RATP, RATP Real Estate	–	622	●
	Percentage of rolling stock with a low noise level (bus, trains)	RATP	–	58%	●
Change in CSR regulations	Percentage of industrial sites ISO 14001 certified	RATP	100% by 2020	100%	●
	Number of industrial sites ISO 14001 certified	RATP, RATP Dev	–	95	●
	Number of ICPE formal notices	RATP, RATP Dev	0	2	●

STRATEGIC FOCUS 2: REDUCE OUR ENVIRONMENTAL FOOTPRINT

Associated CSR risk	KPI	Scope	Target	2020 value	Trend
Adapting to climate change	Evolution in energy consumption per passenger.kilometre compared to 2015	RATP	–20% by 2025	+57%	●
	Evolution in greenhouse gas emissions per passenger.kilometre compared to 2015 (RATP)	RATP	–50% by 2025	+44%	●

STRATEGIC FOCUS 3: CONFIRM OUR SOCIAL RESPONSIBILITY

Associated CSR risk	KPI	Scope	Target	2020 value	Trend
Social conflicts	Conflict rate (number of days off work due to strikes/ average number of employees)	RATP	–	2.78	●
Insufficient contribution to equal opportunities	Percentage of women in senior management	RATP Dev	30% by 2022	34.9%	●
	Percentage of women in the total workforce	RATP Dev	20% by 2022	16.2%	●
	Percentage of women recruited	RATP	23% by 2021	22.8%	●
Failure to ensure health and safety at work and poor quality of work life	Number of employees awaiting reclassification after being declared permanently unfit to perform their jobs	RATP	Halved by 2020 (compared to 2015)	193	●
	Occupational accident frequency rate (number of occupational accidents with time off work x 1,000,000 / number of hours worked)	RATP	Halved by 2020 (compared to 2015)	26.03	●
	Occupational accident severity rate (number of days lost due to occupational accidents x 1,000 / number of hours worked)	RATP	Halved by 2020 (compared to 2015)	3.27	●
	Percentage of operational units ISO 45001 or OHSAS 2020 certified	RATP	100% by 2020 (compared to 2015)	60%	●
Non-compliance with business ethics	Number of whistle-blower reports	RATP	–	30	●
Failure to account for the needs of regions and communities	Rates of assistance provided to homeless people in directing them to social support services	RATP	–	52%	●
	Number of direct and indirect beneficiaries of Foundation projects	RATP Group	–	259,270	●
	Number of direct, indirect, and induced jobs resulting from RATP businesses	RATP	–	128,000	●
	Number of participants in the Ateliers mobilité®	RATP	3,000	1,606	●
Failure to account for environmental and social criteria in procurement practices	Amount of solidarity purchases (in millions of euros)	RATP	€1.4 million per year by 2020	1.4	●
Disclosure of personal data	Number of notifications sent to CNIL ⁽¹⁾ in the event of personal data breaches	RATP Group, excluding RATP Dev and RATP Smart Systems	–	10	●

(1) French Data Protection Authority.

- Positive or stable trend
- Positive trend and results equal to or above the target
- Negative trend



Innovation for sustainable cities

Designing tomorrow's mobility for sustainable cities is a real challenge for public transport operators. Innovation underpins the Group's strategy with a view to better meet customer expectations and speed up the energy transition, in which it is a key player through its Bus 2025 plan.

The policies outlined below allow us to address the following main risk:

- failure to seize opportunities for responsible innovation.

The Group has implemented an innovation approach based on major thematic programmes:

- **smart city:** RATP Group launched a promising research programme aiming to explore new value fields. The research conducted by RATP Group and the Massachusetts Institute of Technology's Senseable City Lab on the optimisation and management of cities' physical spaces is producing its initial results. After eighteen months, the programme has developed a tool for modelling space in cities using curbs. It provides a solution for capturing the state and nature of curb activity based purely on open source data. In September 2020, RATP Group also established a research chair with the École nationale des ponts et chaussées (France's national school of bridges and roads) specialising in data-driven regulation of cities. In addition, it is collaborating with Sciences Po on methodologies for assessing service accessibility. This study produced maps detailing accessibility to medical services in northern Île-de-France. Furthermore, the Group participated in the Paris2Connect project, which aims to install smart digital infrastructure to observe how cities are used and improve the safety of autonomous vehicles. On 28 January 2021, the first connected pole and first connected traffic lights were inaugurated at Pont de Bercy bridge;
- **autonomous vehicles:** in 2020, the Group continued its development and trials with autonomous shuttles and bus services to grow on the most demanding pathways and contribute to the national effort in order to guarantee the safety of autonomous vehicles financed by the Agence de l'environnement et de la maîtrise de l'énergie (French environment and energy management agency – Ademe). It also won a tender to operate an autonomous shuttle service for Arval in Rueil-Malmaison and rolled out, via its RATP Dev subsidiary, an autonomous service at Archamps technology park, near Geneva;
- **artificial intelligence:** after a project definition year and a start-up year, 2020 saw the first operational prototypes and sparked new directions in which to expand the programme. The main areas of work aim to improve operational excellence and customer experience through optimised network control, more proactive and efficient maintenance, engaging and personalised customer experience, and a heightened sense of safety;
- **hydrogen:** for several years, RATP has been studying the possibility of using hydrogen for buses and for internal use. Given the uncertainty surrounding hydrogen fuel cell technology, the green generation and the economic aspects of operating this technology, in 2020 RATP launched a trial programme involving vehicles from a range of manufacturers in partnership with hydrogen suppliers. This programme is set to grow in the coming years;

- **new physical assistance technology:** in order to make certain tasks less strenuous and improve employee safety, several technologies (robotics, cobotics, exoskeletons) are relevant to the company's maintenance and logistics operations. In 2020, RATP started a programme to explore the opportunities afforded by these types of technology;
- **urban air mobility:** promising a fast, flexible and fully electric service with low-cost infrastructure, the electric vertical take-off vehicle market saw a major shift in 2020 with an acceleration of projects in the world's biggest cities. RATP Group has come on board with plans to offer a new mobility solution for distances of over 20 kilometres. The Group has thus joined forces with the Île-de-France region and ADP Group to lay the foundations for an urban air mobility sector. Initial steps include the introduction of a test zone at Pontoise aerodrome and the opening of a call for expression of interest (CEI). Through this initiative and with the 2024 Olympic and Paralympic Games in sight, the partners are planning to involve the players of this budding industry and position France as a leading country in this new market, before full deployment by 2028-2030. This CEI was a resounding success, attracting 150 applications from 25 countries. 30 candidates were selected.

RATP Capital Innovation: investing in new mobility solutions and smart cities

In order to take part in the emergence of new business models and technologies for new forms of mobility and smart cities, in February 2017 RATP Group created RATP Capital Innovation, its investment and start-up subsidiary. RATP Capital Innovation has invested in the following companies: Communauto, a car-sharing service company; Klaxit, a home-to-work carpooling platform; Cityscoot, a leader in self-service electric scooters; Zenpark, a leader in shared and pooled car parks; and Vianova, a public space regulation platform.

In 2020: 4.5 million journeys using new forms of mobility (self-service scooters, carpooling, and car sharing offered through our acquisitions).

The Group implements numerous participatory innovation programmes. In 2018, it also created its **Urbanopolis** labs, which brings together seven innovation centres in France and Morocco to promote collective intelligence and ground-breaking innovation, and provide support to speed up the company's priority innovation projects.

Since 2014, RATP Dev has hosted the "Innov & Go" challenge every two years. It rewards the most innovative ideas that bring added value in economic, environmental, and social terms, and can be replicated in other Group subsidiaries. In 2020, for example, despite the difficult health situation, 73 ideas were submitted by 170 participants from 18 subsidiaries in 7 countries.

CSR policy strategic focus 1: be a major player in mobility and sustainable cities

RATP Group calls on its expertise in public transport to invest in many measures to ensure smooth journeys for all its customers. The Group seeks to make each passenger's daily life easier by offering a high-quality, safe, accessible, and sustainable transport solution.

The policies outlined below allow us to address the following main risks:

- personal harm or injury;
- insufficient accessibility to services;
- air pollution;
- noise pollution.

Guideline 1.1 — Establish a connected and accessible mobility offering

Safety, an absolute priority

Passenger security and safety underpin the commitment of RATP Group and its subsidiaries. Rail and road safety are the cornerstones of the Group's business and are ever-present in every aspect of its activities worldwide. All Group employees work daily to prevent accident risks, identify areas for improvement along with all stakeholders, and raise awareness among all audiences regarding the proper use of the networks.

Our commitments, policies, and actions

Continually strengthening rail safety procedures

Reporting directly to the Chairwoman and Chief Executive Officer, the general delegation for Railway Safety (délégation générale à la sécurité ferroviaire – DGSF) oversees the conditions under which all RATP Group entities take responsibility for rail safety.

The DGSF carries out rail safety audits, both within RATP and its subsidiaries, to monitor all activities that may affect passenger safety.

The rail safety policy is implemented by continuously ensuring operating safety and monitoring the quality of manufacturing and service, in order for customers and the community to have access to the safe service they expect, and for its staff members to safely carry out their tasks. The rail safety policy is constantly reviewed to be adapted to organisational changes.

To ensure the sustainability of rail safety expertise, RATP provides training to all staff members required to perform safety-related tasks in all areas of design, production and maintenance.

A governance principle specific to rail safety was developed by the DGSF for the Group.

Rail risk is described in the "Internal control and risk management" section of this report.

Safety is the first of six commitments made by RATP Dev, which defines strict standards to guarantee safe and reliable transport in every subsidiary worldwide. In 2020, RATP Dev updated its We Safe safety policy, which is based on four pillars: a sound safety management system; a robust organisation with the implementation of a safety committee bringing together safety experts to promote experience-sharing between subsidiaries; an enhanced audit system accompanied by a continuous improvement system, and a safety culture shared by all employees.

The Group also makes its recognised expertise in rail safety available to French, European, and international authorities by:

- sharing its expertise with government services by contributing to the deployment of decree No. 2017-440 (participation in drafting application guides), and to the transposition of European directives on rail interoperability and safety;
- participating in the work of bodies managed by government services as part of a national feedback programme to improve rail safety across networks;
- participating in the work of European bodies, within the framework of the M/486 European mandate, aimed at tailoring and creating standards for mechanical, electrical, and electronic applications in the urban rail field (metro, tram), as well as the work of international standardisation bodies such as the International Electrotechnical Commission.

Strengthening road safety

In 2020, road safety was addressed in a governance principle, which resulted in the emergence of new rules.

From there, the Group has set to work defining and implementing continuous improvement actions relating to road safety within the framework of managerial reviews. These actions are steered by our results, which we report and build on, and our capacity to detect opportunities for progress from technology intelligence or contributions proposed by external innovating players.

Within the Group, the reporting channels set up for the different components of the action programme are a means for measuring and then identifying improvement actions regarding:

- performance indicators;
- reporting on the internal control process in operational entities;
- regular managerial reviews between the internal audit and operational functions to track the progress of recommendations implemented. RATP Group also seeks an external perspective on its road safety management system and is committed to regularly collecting and analysing feedback from customers (handling of accident-related complaints) and local communities.

As a last point regarding road safety, RATP Group aspires to be a learning organisation, capable of adopting and disseminating best practices detected:

- in the Group via operational excellence programmes or information documented during internal audits;
- in the Group’s entities, through initiatives developed jointly with local initiatives which can lead to certification;
- in external benchmarks, through data collected by Imperial College or during national and international inter-professional events.

In 2021, all 950 buses in the Group’s hybrid fleet, with the most recent having been acquired in 2020, will be retrofitted with an eco-driving system. The key principle of eco-driving is anticipation. The aim is to reduce acceleration and braking to a minimum in order to maintain a constant speed for as long as possible. Anticipation helps prevent road accidents and reduce CO₂ emissions.

Also in the pipeline are plans to equip a line of buses with rear vision and blind spot detection technology and to define a formal strategy on the matter. These systems, which are already developed for lighter vehicles, help to prevent accidents using exterior rear-view mirrors on buses, and sound and/or visual alarms signalling the approach of pedestrians or cyclists.

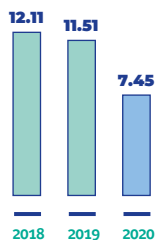
Furthermore, in 2019, RATP became the first French passenger transport company to obtain ISO 39001 certification, a road safety management standard.

Road risk is described in the “Internal control and risk management” section of this report.

Designed to raise employee awareness about road risks and reduce accident rates, the “Safety Day” is an internal event regularly organised at RATP Dev subsidiaries with the participation of all safety actors (the gendarmerie, fire department, insurance providers, etc.). The initiative claimed the prize for the most replicated innovation as part of the “Innov & Go” 2020 internal innovation challenge. Indeed, between 2019 and 2020, over 14 RATP Dev subsidiaries worldwide were inspired to organise their own local safety day.

> Key indicators

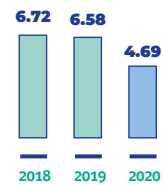
Trends in rail network accidents – RATP



Number of annual accidents reported per million commercial kilometres

Having remained stable overall in recent years, the accident indicator for combined metro, RER and tram lines recorded an overall 30% decrease in 2020, primarily marked by a reduction in the number of individual passenger incidents. The reported result of 7.45 accidents per million commercial kilometres can be attributed to the pandemic, which significantly affected the traffic and distance output of all three networks, with a notable drop in the number of accidents.

Trends in Bus network accidents – RATP



Total number of accidents per 100,000 kilometres

The results reported in 2020 have plummeted to a historically low record. This is primarily due to the reduction in congestion across the RATP network as a result of the current health crisis. The number of accidents has therefore decreased overall, even though the number of injuries among cyclists and scooter users has risen. This finding is consistent with the shift from bus transport to soft modes, observed notably in Paris.

In 2020, particular attention was paid to preserve passengers’ health in the context of the coronavirus pandemic. It was essential to continue providing services to those with an absolute need to travel, whilst complying with government guidelines regarding the fight against the spread of the virus on public transport.

In addition to disinfection measures in stations and vehicles (see the “Offering clean, modern stations” section p. 66 for more details), RATP Group broadcast across the entire network the hygiene and social distancing measures – referred to as “barriers” – set out by the French Minister for Solidarity and Health. These include social distancing signs informing passengers to keep at least one metre away from other passengers, compulsory mask-wearing, government information notices, public announcements, etc.



Embodying sustainable mobility and smart city for our passengers

RATP remains attentive to customer expectations and aims to continuously improve its quality of service. To create a relationship of trust with its customers and offer services increasingly tailored to their needs, the Group has made the customer experience a priority. It implements all actions aimed at improving accessibility, reception, reliability, comfort, and cleanliness in its trains and stations. Its service policy, based on proximity, simplicity, and innovation, is in line with this goal.



27,000 network staff members in contact with customers

415 metro and RER contact points



In 2020, following the beginning of the pandemic, RATP Group reinforced its communication to passengers regarding alternative mobility solutions offered by its partners to reduce journeys made on public transport to the absolute minimum:

- **bike repairs:** BicyclAide, Help My Bike, Repair and Run, and Ridy;
- **free-floating scooters:** Cityscoot;
- **free-floating e-scooters:** Dott, Jump, Lime, Tier, Voi;
- **free-floating bikes:** Jump, Zoov;
- **bike hire:** Véligo Location;
- **ridesharing:** Heetch, Kapten, Marcel, Uber.

In 2020, RATP created its first Passenger Commitment charter, which was unveiled to customers in early 2021 through a large-scale communication campaign.

Drawing on the customer experience improvement programme (named "BRRIC" – *bâtit une relation réinventée avec nos clients* – building a re-invented relationship with our customers), the charter is composed of nine commitments covering every service offered by the company, including real-time traffic information, cleanliness and safety in stations and on every network (bus, tram, metro, RER).

It aims to:

- demonstrate that RATP takes proactive steps to improve customer satisfaction by addressing their most urgent needs;
- pledge consistent quality of service for its customers as part of a continuous improvement process;
- give all employees an ambitious framework, with realistic, tangible and measurable commitments;
- bring to light all initiatives taken in recent years and the efforts made daily to make passengers' journeys easier and more enjoyable.



- 9 commitments to our customers
1. Making your journeys smoother
 2. Enhancing your mobility solutions
 3. Assisting you throughout your journey
 4. Keeping you informed at every stage of your journey
 5. Remaining available at all times
 6. Maintaining clean, comfortable stations
 7. Ensuring your safety on the network
 8. Providing a useful and enjoyable service
 9. Offering more sustainable transport

Our commitments, policies, and actions

Offering innovative, digital technology services

In response to passenger digital habits, RATP Group is investing in social media to enhance its visual and public announcements. The Group is active on Facebook, Instagram and has several Twitter accounts. The digital tools developed by the Group improve ways of informing and communicating with passengers in real-time.

In an increasingly connected world, the Group also designs ticketing solutions tailored to new uses and developments in mobile technologies in order to improve the passenger experience.

The RATP Smart Systems subsidiary promotes RATP Group's expertise in smart transport systems, particularly in ticketing in France and abroad.

In November 2020, RATP Group acquired Mappy, the third player in day-to-day mobility in France. The aim of both companies is to develop a French leading MaaS solution, providing users with door-to-door journeys that combine several modes of transport. Over time, all services will be combined in a single app, including journey booking and payment from a mobile phone.

In line with the launch of its new Île-de-France Mobilités ticketing services in 2019, RATP furthered its efforts to deploy new services in 2020, during a year impacted by the Covid-19 crisis.

In March 2020, RATP rolled out the on-board ticket via SMS service on all its bus routes within a matter of days. This ticketing solution contributes to the health and safety of passengers and drivers. Since then, the service has gone from strength to strength: in early October, between 5,000 and 6,000 tickets via SMS were sold per day.

Assisted by its 27,000 staff members in contact with customers, RATP also continued to promote its new contactless ticketing solution:

- Navigo Liberté + is increasingly successful, with nearly 90,000 registered users since its launch. RATP helped boost this service by running advertising campaigns in October, highlighting the benefits of the new offer;
- just under 700,000 Navigo Easy smart cards have been sold since the service launch in June 2019, showing the popularity of the new passes among passengers. Today, nearly one out of every five packs of T+ tickets is sold on a Navigo Easy smart card rather than as a paper ticket;
- finally, the option to top up a Navigo smart card using Île-de-France Mobilités or RATP apps on Android phones was introduced over a year ago. Since then, over 160,000 passengers have tried this new service, allowing them to top up their smart card from the comfort of their own home. The service's success has been growing since September, and is set to grow further in the coming months with the option to top up passes from an iPhone. RATP has encouraged passengers to use this feature since the start of the Covid-19 pandemic, to reduce contact to a minimum when purchasing tickets.

At the same time, RATP is still working in close partnership with Île-de-France Mobilités to continue to develop technological solutions required for future services offered by Île-de-France Mobilités, and to assist passengers in adopting these new tickets and travel smart cards by advising them on the best tickets according to their needs.

At RATP Dev, the 2020 health crisis accelerated the deployment of new payment solutions across the networks, particularly in France: payment by text message via a mobile app (TixiPass) or by contactless bank card. These solutions, which are more in line with the social distancing measures in place, also respond to the new uses of passengers. The MaaS solution, which was first launched on the TAC network in Annemasse, has been enhanced with new features and is being rolled out on other networks. Digital technology and artificial intelligence are also showing their capabilities through new information services: in Casablanca, a chatbot named "Trambot" was launched in Spring 2020 to answer passenger queries about services in real time as well as to give information regarding health and safety guidelines in relation to the Covid-19 pandemic.

To improve passenger comfort and promote compliance with social distancing rules, on 13 May RATP added a new service to its app: passenger density crowdsourcing. Wherever you may be on the network, you can now report how densely crowded it is on your metro, RER or tram. This anonymous, free and easy-to-use collaborative service allows passengers to make more informed choices before they travel and optimises passenger flows at stations.

Creating a closer relationship with passengers

RATP Group places its customers at the heart of its global efforts. Several measures have been implemented to record their expectations and needs and how to meet them:

- a human presence on the Île-de-France networks: almost 5,300 staff members are deployed in stations to greet, inform, and guide passengers during their journeys and assist them in the event of a disruption. Service relations underpin their training;
- quality measures through mystery passenger journeys and direct customer perception and satisfaction measures allow the voices of customers to be ever better integrated for an attentive and responsive service.

At RATP Dev in Brest, the Bibus network, together with Brest Métropole, launched its first user committee in 2020 to better account for people's needs and expectations. Bibus plans to hold three one-hour meetings every year. The meetings will take place at the end of the day to allow as many users as possible to attend. With 20 participants of diverse ages and profiles at each meeting, divided into 2 groups of 10, Bibus intends to collect feedback from a panel representing the greatest number of users, and allow each voice to be heard. This is an opportunity for the participants to express their opinions on a variety of subjects, including route changes, ticket prices, innovations, passenger information or the effectiveness of communication channels.

Beyond its mission as a transport provider, RATP, through its numerous heritage and cultural actions, strives to continually enhance the transport experience for its passengers by creating "surprise and delight" experiences, discovery and interaction. As a conveyor of culture, RATP is committed to making culture accessible to everyone.

RATP's culture policy is taking shape on its networks (both physical and social) through the staging and inclusion of various forms of artistic expression (poetry, photography, music and more), driven by the desire to bring art and culture within the reach of as many people as possible.



Real-time passenger information

Real-time passenger information is one of the main passenger expectations in terms of service quality. Several measures have therefore been implemented to ensure optimum passenger information adapted to everyday situations on the metro lines (development of dynamic displays, public announcements, website, RATP app, among others). In the event of disruptions on the network, passengers are informed in real time by various media in the stations, on board the vehicles or via our digital media.

In 2019, the Syspad project was launched to replace the current service information boards in the 35 RER line A stations with service display boards by 2021.

They have been installed in 25 stations, mainly along the Saint-Germain-en-Laye and Marne-la-Vallée branches. The roll-out will end in 2021 in RER line A stations operated by RATP.

Offering clean, modern stations

Train and metro station cleanliness is high on the list of passenger expectations. This is a major challenge for the Group given the size of its network and the number of visitors. In 2018, RATP Group, together with the Île-de-France region and Île-de-France Mobilités, launched a specific plan to improve the cleanliness of the RATP-operated rail network, which will continue into 2021. This plan was allocated a budget of €6 million over three years and includes the cleaning of network stations, trains, metro and RER lines. It comes in addition to the €80 million that Île-de-France Mobilités contractually allocates to RATP each year to improve passenger comfort and experience.

This plan provides funding for new initiatives: nudge devices to encourage behavioural change in passengers, odour treatment, and the increased presence of cleaning staff members in stations during the day.

In line with government guidance to fight the spread of the Covid-19 virus, in 2020 the company implemented specific and thorough cleaning and disinfection protocols across all transport modes.

Staff dedicated to cleaning were mobilised daily and focused cleaning efforts on high-contact zones, such as handholds, door opening mechanisms, ticket gates, vending machines, handrails (stairs and escalators), etc. These measures include the employment of additional cleaning teams and the doubling of daily cleaning operations on metro and RER trains, buses, trams and stations. These facilities were cleaned twice daily by employees: every evening, outside of passenger hours, and during off-peak hours. RATP uses disinfectant and virucidal (effective against Covid-19) cleaning products.



Over **1,800** staff are mobilised daily to clean stations, buses, metros, trams and RER trains

800 hand sanitiser dispensers installed in stations

€200 million dedicated to cleaning and disinfection operations



The spirit of innovation also plays a key role in improving the cleanliness of our stations:

- trials on various cleaning devices, such as autonomous floor cleaning machines, autonomous sweepers, window washing drones, etc.;
- trials to treat surfaces (walls, glass panes) and metro windcreens with eco-friendly solutions that offer sustainable support;
- research conducted into a cleaning solution for train exteriors made from fully biodegradable products and using minimal amounts of water compared to traditional cleaning.

Tackling feelings of insecurity in public transport

In a context of heightened vigilance, the Group works every day to ensure passenger, staff, and property safety. In this area, RATP is one of the only urban transport providers to have its own internal department: the GPSR. Safety is a component of its public service mission:

- contributing to passenger safety is a public service requirement;
- ensuring the safety of staff and facilities is a way of providing service continuity.

When it comes to prevention, RATP addresses two fundamental issues:

- situational prevention to reduce passengers' sense of insecurity;
- social prevention, through youth awareness-raising initiatives, particularly in schools.

Our commitments, policies, and actions

An organisation for deterrence and intervention

Over 1,000 GPSR, or RATP Security, officers are responsible for protecting, assisting and ensuring passenger and staff safety on all bus, metro, RER and tram networks. Over a hundred teams are deployed 24/7.

In order to cover the entire network and thereby provide the greatest possible efficiency, GPSR works with police forces, in particular the police prefecture's *brigade des réseaux franciliens*, in a complementary and coordinated way, through joint operations aimed at managing the region.

When it came into force, the Savary law also allowed RATP's internal safety services to trial the use of pedestrian cameras. This experiment involved about fifteen pedestrian cameras between 3 December 2018 and 31 December 2019. It covered both the rail and surface networks. Its objective was to make the GPSR's interventions safer with a system that is both preventive, in deterring perpetrators of violence against staff members, and repressive, as it allows the collection of evidence. The adoption of the framework law on mobility allows for the camera trial period to be extended for GPSR officers and validates the proposal to equip RATP's security officers so that they too may test this device (article 32 *ter* of the framework law).

RATP also has alert systems and the necessary resources to ensure passenger safety. All RATP staff members working in a network station can be mobilised directly through emergency call points installed in RATP network stations. They can alert RATP's security command post at any time.

Videoprotection is an essential tool in the security chain, in addition to a dense, responsive human presence. Over 50,000 cameras are installed in the trains, on the platforms, and in the corridors of the RATP network.

After nearly four years of trials with sniffer-dog teams to detect explosives on the rail network, the very positive results on traffic flow have led RATP to renew the initiative for another four-year period, thus covering the Rugby World Cup in 2023 and the 2024 Olympic Games. The scope will extend to 59 RER stations and all metro stations. The pooling of resources between SNCF and RATP in large multi-modal hubs has been maintained and has helped avoid over 143 hours of traffic interruption.

Two years ago, RATP Dev launched an innovation laboratory in Casablanca (Morocco), named "lab Casaroc", intended to improve the performance of tram operations in the city as well as the passenger experience. Among the innovations emerging from this laboratory, the Group is promoting the WIP (walk in peace) app developed in collaboration with EM Lyon Casablanca business school. The app, which is designed to make transport easier and safer for passengers, features a preventive system for co-pedestrians and a protection system with a smartphone alarm and a notification instantly sent to the authorities.



(1) Conseil local de sécurité et de prévention de la délinquance – local security and crime prevention council.
(2) Zone de sécurité prioritaire – top priority security zone.

Supporting action taken by public authorities

The risk of attacks is central in political, societal and media issues. RATP is committed to preventing and dealing with the consequences of terrorist threat while supporting actions taken by public authorities: adapting the positions taken by Vigipirate and applying the vigilance, prevention and protection measures they recommend or prescribe; developing a security culture, notably by providing all staff with a security best practices guide and participating in research and innovation projects.

Law No. 2016-339, known as the Le Roux-Savary law, enhances RATP's preventive actions in terms of recruitment and internal mobility in jobs involving the safety of property and people.

The risk of attacks is described in the "Internal control and risk management" section of this report.

RATP is also recognised as a partner in deploying the national crime prevention strategy. In this capacity, the Group attends meetings organised by the various crime prevention agencies of the departments, municipalities and groupings of communes.

Over the course of 2020, the prevention coordination task force represented RATP at the CLSPDs⁽¹⁾ and in thematic working groups, intelligence units and ZSPs⁽²⁾ carried out in the region.

At these meetings, RATP representatives highlight to partners all the actions the company has undertaken in the region, whether in terms of situational and social prevention or CSR, thereby contributing to promoting its image as a regional player.

Prevention and awareness-raising to reduce risks and incivility

The Group is committed to a prevention policy alongside institutions, local authorities, associations, and the national education system to raise awareness among public transport users of the importance of social harmony and properly using the network. In March 2018, RATP, the Île-de-France region, SNCF Transilien, and Île-de-France Mobilités launched a joint communication campaign against harassment on public transport: "*Ne minimisons jamais le harcèlement sexuel*" (Never minimise sexual harassment), aiming to raise passengers' awareness of this issue and involve them in preventing and dealing with this type of behaviour. This communication campaign was renewed in January 2019 for the second year in a row, with the message "*Contre le harcèlement dans les transports en commun, alertez !*" (Stand against harassment on public transport. Report it!).

It aimed to publicise or remind people of the tools and methods for reporting harassment: tell a staff member, use a call point, or use the hotlines (call 3117, text 31177, use the 3117 app). In March 2020, the company extended its internal programme by appointing a woman as head of the "*Lutte contre le harcèlement sexuel dans les transports à l'encontre des client.e.s*" (Fight against sexual harassment on public transport on behalf of customers) project, the main goal of which is to identify and then harmonise all internal tools and processes in order to ensure better support for customers who experience harassment

on public transport. She also represents the company in interactions with stakeholders (victims, associations, ministries, Île-de-France Mobilités, elected officials, etc.), in adherence with the company's communication policy. Furthermore, her activity and actions link up with those conducted inside the company aimed at employees by the "Combating sexual harassment" programme lead.

Promoting civic values to young people

- An outreach ambassador network
The prevention coordination task force offers all ambassadors, or anyone interested in becoming one, specific training on speaking in school settings. This one-day course covering theory and practice is structured around role-play exercises. The 145 staff members of the current network are from different departments.
- "Rugby Wednesdays"
As part of RATP's partnership with the French Rugby Federation, which was renewed in 2020, the "Rugby Wednesdays" programme takes place every year. The 14th season was unable to go ahead in 2020 due to the pandemic. This operation aims to give secondary school students in the Île-de-France region civic education inspired by rugby and its values of respect, teamwork and sharing to promote social harmony across the networks.
- Video production
As part of its "Mon Client & Moi" (My client and me) programme, a cross-cutting awareness campaign overseen by the prevention coordination task force with different departments, initially planned to run in stations, was cancelled in mid-August due to the pandemic.

The task force therefore proposed an alternative format: three short videos posted on social media on the themes of mobility, ticket validation and safety.

Episode 1: "Max and Janelle go to school by taking public transport" (in French):

<https://www.facebook.com/RATPofficiel/videos/671406260252269/>

Episode 2: "Janelle and Max validate their tickets" (in French):

<https://www.facebook.com/RATPofficiel/videos/357225322315921/>

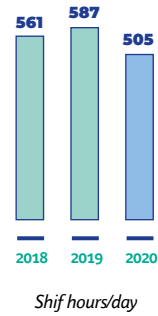
Episode 3: "Max and Janelle travel safely" (in French):

<https://www.facebook.com/RATPofficiel/videos/626931671350500/>

These videos were very well received with over 60,000 views (on Facebook and Twitter) for episode 1, 125,000 views for episode 2 and 110,000 for episode 3. In addition to views, the videos generated a high engagement rate of around 10%.

> Key indicator

Average amount of time worked daily by RATP's GPSR officers



While the presence of officers on the network naturally fell in 2020 due to the pandemic, it nevertheless stayed at a satisfactory level given the extraordinary constraints faced, and was accompanied by sustained staff activity: the fight against fraud and incivility is rising (up 9%) as are arrests made on the networks (up 3%). GPSR officers have been especially mobilised to ensure health measures are observed in public transport by strictly monitoring mask-wearing and essential travel certificates.

For a more inclusive society: inclusive mobility access, a human and technological challenge

According to the World Health Organisation, one billion people, or 15% of the world's population, live with some form of disability, whether it be a motor, sensory (visual, auditory), psychological, or mental disability. Mobility is an essential factor for well-being and inclusion in society.

Public transport accessibility is therefore a major challenge for both society and RATP Group. To ensure everyone has access to public transport, notably people with disabilities, the Group has been committed for over twenty-five years to working with all stakeholders involved – associations, staff, local authorities and passengers.

Since 2005, RATP's actions have been governed by the law of 11 February 2005 and aligned with the framework set by the accessibility master plan (*schéma directeur d'accessibilité*) developed in 2009 by STIF (Syndicat des transports d'Île-de-France, now Île-de-France Mobilités). As a reminder, the legislation imposes a duty to achieve specific results on public transport services with accessibility planned for 2015, with the exception of any underground rail and guided transport networks existing on that date.



Accessibility on RATP networks

100% of the Paris bus network (86% in the Île-de-France region) is accessible to wheelchair users

100% of tram lines are accessible to people with reduced mobility

98.5% of RER stations are accessible to people with reduced mobility

Metro: line 14 **100%** accessible to people with reduced mobility. The extension works on lines 4, 11, 12, and 14 will make the future stations built as part of the extension programme accessible to people with reduced mobility

Announcements, by audio or visual means, in **100%** of buses, trams, and RERs, **52%** of metros, and **98%** of stations



S3A label: 10 metro lines (1, 2, 5, 6, 7, 7 bis, 9, 10, 11, 12, 14), RER lines A and B, bus routes 151 and 251, and customer service have been awarded this label



Line 1 is labelled “Cap’Handéo, services de mobilité” for providing assistance to people with mental, psychological, auditory, or visual disabilities.

RER line A, which is accessible to wheelchair users, has been awarded the label within a wider scope with regard to people who have a mobility impairment. Metro line 13 and tram line T8 also obtained the label in December 2019 (line 13 being outside of wheelchair scope)

64 of the 65 RER stations are accessible to wheelchair users with personalised, real-time assistance. The equipment for making the Luxembourg station accessible was unveiled in July 2019

stations to simplify passenger guidance with the installation of audio (manually activated waypoints), visual (local information panels) and tactile devices (stair nosing, warning and tactile paving surfaces). They provide assistance in identifying different services in stations, increasing walkway safety and providing easier access to information. The aim is to equip all metro and RER stations by 2022.

The audio companion is a guidance app for people with difficulties finding their way around. It is designed to help them reach an exit, platform, or station. After a successful trial phase at two stations (Bastille and Pyramides), a first roll-out has been carried out in all line 11 metro stations. This operation was driven by line staff members who fed “routing” data into the app. After a verification phase with the locomotion centre of the Institut national des jeunes aveugles (national institute for blind youth), the “user test” phase is set to start as soon as the current health situation allows.

Mobility for all is another of RATP Dev’s six commitments. It intends to foster inclusion and accessibility on its networks for the greatest number of people. This commitment takes various forms: in Annemasse, for example, HandiTAC is a demand-responsive transport service – using specially adapted vehicles – for people with disabilities living in the Annemasse Agglo region and unable to travel on the TAC network. In August 2020, Sophie Cluzel, French Secretary of State in charge of people with disabilities, visited the area to report on accessibility for all on the bus and tram networks. In Florence, Italy, all waymarking systems for the visually impaired were replaced and updated in 2019 to improve access to tramway line T1. As another example, Gautrain, a regional train in South Africa run by Bombela Operating Company, recently signed a partnership with the South African Guide-Dogs Association to include them in their training programme.

Our commitments, policies, and actions

Ongoing dialogue with associations

To implement appropriate accessibility solutions, RATP maintains ongoing dialogue with all accessibility stakeholders: associations, staff, local authorities and passengers. It regularly works in close cooperation with them on projects, notably with representative associations.

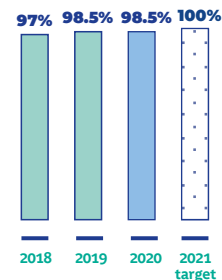
Every month, RATP organises meetings with the Comité consultatif de l’accessibilité (accessibility advisory committee), which includes nine representative associations⁽¹⁾. In order to discuss ongoing projects and find common solutions, meetings are led directly by the Group’s Chairwoman and Chief Executive Officer once or twice a year.

New solutions

Facilitating mobility also means providing accessible information. Many projects aim to convert the information required for a journey on the network to audio and visual information. Equisens, which was launched in 2015, is a cooperative project to adapt metro and RER

> Key indicators

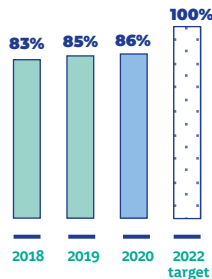
Percentages of RER stations in the Île-de-France region accessible to people with reduced mobility – RATP



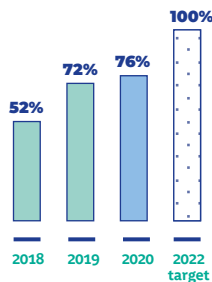
Works are currently under way to make the last station, La Croix de Berny, accessible to people with reduced mobility, but have been delayed due to the pandemic. The goal to make RATP-operated RER stations 100% accessible will be achieved in 2021.

(1) AFM (Association française contre les myopathies – French association against myopathy), APF (Association des paralysés de France – French association for the paralysed), Allegro Fortissimo (fighting discrimination against the obese), APPT (Association des personnes de petite taille – French association for people of short stature), CFPSAA (Confédération française pour la promotion sociale des aveugles et amblyopes – French confederation for the social promotion of the blind and individuals with amblyopia), Corerpa (Conférence régionale des retraités et personnes âgées – regional conference for the elderly and retired), Unapei (Union nationale des associations de parents et amis de personnes handicapées mentales – French union for associations of parents and friends of individuals with mental disabilities), Unisda (Union nationale pour l’insertion sociale du déficient auditif – French union for the social integration of individuals with hearing disorders) and Unafam (Union nationale des familles et amis des personnes malades et/ou handicapées psychiques – French union for the families and friends of individuals with psychological disabilities and/or disorders).

Percentage of bus routes in Île-de-France accessible to people with reduced mobility – RATP



Percentage of assistance staff in stations trained to assist people with mental disabilities (S3A label) – RATP



Accessibility improvements on bus routes continued during the pandemic.

The number of staff members trained to assist people with mental disabilities continues to rise. All metro lines are committed to accessibility and all of them will have obtained the label by the end of 2021.

Guideline 1.2 — Act to protect environmental health

Making station air quality an environmental priority

A major challenge for RATP is to provide passengers and station employees with satisfactory air quality that does not harm their health. As such, while gas pollution is low in underground environments, RATP pays special attention to particulates, generated by rolling stock braking systems. In the absence of standards on particulates in indoor environments, RATP has taken a proactive approach to reducing the amount of fine and micro-particles in the air.

Our commitments, policies, and actions

Daily monitoring of air quality

For over twenty years, RATP has continuously monitored the air quality in its underground spaces. Measurements are carried out using reference analysers by the RATP laboratory, which is Cofrac (Comité français d'accréditation – French accreditation committee) certified. Since 1997, the laboratory has been carrying out continuous measurements in three stations typical of RATP's underground spaces: Franklin D. Roosevelt station (metro line 1), Châtelet station (metro line 4), and, since 2006, in the Auber RER station (RER line A). They form the Squales (*Surveillance de la qualité de l'air de l'environnement souterrain* – monitoring of air quality in the underground environment) measurement network.

Measurements at these stations include temperature, relative humidity, carbon dioxide, oxides, and particulate matter. Passengers can access all this data on:

- a dedicated website set up by RATP to view the data in real time;
- the RATP open data portal.

Ad hoc measurements at various points in the underground network reinforce this continuous monitoring.

In 2020, under the impetus of France's General Directorate for Risk Prevention reporting to the Ministry of Ecological and Inclusive Transition, with support from a number of French rail operators, Ineris (Institut national de l'environnement industriel et des risques – French national institute for industrial environment and risks) published a recommendation guide for establishing harmonised air quality measures in underground railway environments. RATP follows the recommendations set forth by Ineris. Furthermore, to ensure the technological monitoring of air quality analysers, RATP closely examines the results of the Airlab microsensor challenges led by Airparif.

Tangible actions for continuous improvement in air quality

Maintaining a high level of air renewal in stations

Air renewal is a crucial factor for improving air quality. As such, for more than ten years, RATP has been implementing a major investment plan to create, renew and improve mechanical ventilation for underground air renewal. In 2020, four fans were acquired, having undergone a renewal or air flow improvement process.



€56 million
invested over
the 2016-2020 period
to improve
tunnel ventilation

342 tunnel fans



Reducing particulate production inherent to any rail transport system

New trains in the process of being acquired are equipped with solutions to limit the use of mechanical braking, which is the main source of particulates in underground railway environments. Research is under way to evaluate a new eco-friendly brake disc/pad torque designed to decrease particulate emissions, using a brake test bench on an RER train.

Testing innovative projects to improve air quality

RATP is testing innovative solutions to improve air quality. Launched in June 2019, trials for an air filtration system continued into 2020 at Alexandre Dumas station (line 2) as part of the "*Innovons pour l'air de nos stations*" (Innovating for the air in our stations) call for proposals, which is partly funded by the Île-de-France region in partnership with Suez. This solution is based on air filtration using positive ionisation. Measurements show a 20-30% reduction in PM2.5 and PM10 concentrations, using a system with a 10 metre-range.

Work to install the system in underground environments is to be carried out, notably to reduce its size and mitigate noise pollution.

Limiting the impact of works

Regarding the infrastructure maintenance trains, 12 completely electric motor tractors, which will replace the operation of old diesel ones, will be gradually delivered across the RER network at a cost of €42.85 million. The metro network already has motor tractors using completely electric propulsion.

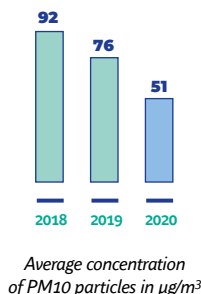
Health monitoring

In 2020, although significantly impacted by the Covid-19 pandemic, RATP nevertheless pushed ahead with ROBoCoP (Respiratory disease occupational biomonitoring collaborative project), in partnership with the Lausanne Institut de santé au travail (health at work institute). Started in 2018, this project, which reflects the Group's desire to assess any potential biological effects of metal particles in underground railway environments, in order to prevent them effectively, will continue in 2021.

Furthermore, continuing the mortality cohort survey conducted over the 1980-2012 period, RATP has committed to extend this work over the 1980-2017 period. The survey makes it possible to study RATP employees' death rates and their causes and compare them with those of the Île-de-France region's population. During the period currently studied, an overall under-mortality of RATP employees is apparent.

> Key indicator

Particulate matter levels in the three stations on the Sqaules network – RATP



2020 saw a significant reduction in particulate levels. Within the context of the health crisis linked to the spread of the Covid-19 virus, RATP adapted and significantly reduced its transport services. The trend can be explained by the reduction in transport services and passenger numbers, combined with improved external air quality. It should be noted that air quality measures could not be implemented at the Auber train station due to renovations in 2020.

Reducing noise and vibration pollution

Deeply rooted in the city, RATP aims to minimise noise and vibration effects on its passengers, local residents and employees by taking steps to prevent and/or reduce these forms of pollution.

Residents in Île-de-France perceive noise generated by transport as the main source of noise pollution. However, rail traffic and buses account for less than 15% of noise pollution, far behind two-wheeled motor vehicles (35%), road vehicles (24%), horns/sirens (18%) and aircraft (10%).

About 500 complaints are received each year concerning rail traffic (RER, metro, and tram), road traffic (buses), equipment (escalators, fans, and sound systems), or work sites. Each year, RATP invests around €3.5 million in operations aiming to reduce noise and vibration at the source. The Group pursues an ongoing dialogue on these issues with all its stakeholders, in particular with local residents, local elected representatives, and associations.

RATP is committed to responding to 100% of complaints from residents in the Île-de-France region within 21 days.

RATP goes one step further by quantifying extra-auditory health impacts (sleep disorders), drawing on the assessment method proposed by the Agence nationale de sécurité sanitaire (Anses – French health safety agency) for infrastructure projects with regard to the recommended thresholds of 54 dB(A) during the day and 44 dB(A) at night. Since the differential between these guide values and the applicable regulatory standards is substantial, a gradual anticipation of the acoustic design choices must be undertaken for each project.

Our commitments, policies, and actions

Removing noise black spots in the Île-de-France region

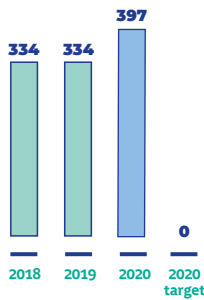
The company is currently focusing its action on reducing the remaining noise black spots in Île-de-France and will now concentrate primarily on the “non-generation of noise black spots” in all projects involving creating and significantly upgrading land transport infrastructure.

A noise black spot is a sensitive building located in a critical noise zone whose façade noise levels are higher than the limit values set by regulations.

In 2020, exceeded permissible limit values affected 334 people. Detailed diagnostics are planned in the municipalities of Vincennes and Fontenay-sous-Bois to assess whether 63 residents at 4 addresses are eligible to receive façade treatment works. The diagnostics will go ahead in 2021.

> **Key indicator**

Number of people exposed to the maximum threshold of EU directive No. 2002/49/EC – RATP



Noise black spots

When the noise black spot reduction studies carried out in Vincennes and Fontenay-sous-Bois resumed in September 2020, RATP launched a project management assistance consultation with residents impacted by façade treatment. This included sending reminders to people who in 2013-2015 had either refused to have acoustic and thermal audits or had not responded.

Organisation of studies on acoustical and vibrational impact and concept designs for all urban projects

The second key objective of the policy is the “non-generation of noise black spots” in all projects creating and significantly upgrading land transport infrastructures, in order to bring their noise impact under a standard regulatory framework. It is imperative, given the operating characteristics of the long-standing network, to conduct an acoustic study as soon as one of the criteria changes (change or upgrade of rolling stock, change to the service, operating periods, speed, fitting out infrastructure, etc.). This study makes it possible to identify future risks, anticipate action plans and begin coordinating the necessary impact studies with all stakeholders (transport authority, infrastructure manager, operators and rolling stock manufacturers).

Upgrading existing rolling stock

Rolling stock performance is a key area of action to improve the comfort of passengers, employees and local residents. RATP and its stakeholders (transport authority, manufacturers, equipment manufacturers, etc.) contribute to strengthening noise and vibration requirements for all new investments and for all maintenance, upgrading, renewal, and commissioning new stock.

For several years, residents living near line T7 have asked the company to reduce the screeching noise produced on bends. In 2018, RATP decided to introduce new trains fitted with a system that uses an adhesion modifier when entering bends to reduce the squealing noise (two trains for line T7 and three trains for line T8). Significant adaptation works had to be carried out on the trains, and it was necessary to optimise the maintenance conditions and raise awareness among drivers. Three additional trains were fitted out in 2020 (two on T7 and one on T8). Furthermore, the last nine trains to be rolled out on tram line T3 from October 2021 will also be equipped with this system along with all future rolling stock to replace the

standard French tramway on line T1 in 2023 (20% of the fleet equipped). As such, by 2023, all tram rolling stock operated on lines T1, T3, T7 and T8 will be fitted with a system that reduces the screeching noise.

> **Key indicator**

Percentage of rolling stock with a low noise level (buses, trains)	2018	2019	2020
RATP	54%	53%	58%

Preventing noise pollution

As the prime contractor for major public transport projects, including the extension of long-standing Paris metro lines and the upgrading of its industrial sites, RATP complies with strict rules for assessing and managing noise pollution, in cooperation with local authorities. As part of its projects, it first assesses the long-term noise and vibration impacts and defines preventive solutions for maintaining quality of life for residents at a globally at least equivalent level, if levels are below regulatory thresholds. All in all, the project is bringing levels and spectral signatures in line with regulatory levels.

Ahead of these projects, RATP establishes noise and vibration pollution management plans and encourages its project managers and contracting companies to adopt a proactive approach to reducing this type of pollution at work sites. Numerous regulatory-compliant actions have already been implemented: pre-site diagnostics, noise planning, long-term noise and vibration surveillance systems, communication, community officers, reverse beepers for site machines, noise barriers, etc. However, the unprecedented events of 2020, which led to very low residual urban noise levels and more residents being at home led to a higher sensitivity to noise, prompted RATP to explore new solutions (co-working, occasional overnight works, adapting work hours to below levels permitted by prefectural or municipal orders, etc.).

RATP is also a local contact for passengers and residents living alongside its network

RATP is committed to responding to 100% of complaints from residents in the Île-de-France region within twenty-one days. In this context, the company takes steps ranging from in-depth diagnosis of infrastructures to noise and vibration measurements on the outskirts of the infrastructure and equipment, and/or just outside the residential buildings impacted.

> **Key indicator**

Number of complaints and claims	2018	2019	2020
RATP	489	566	594
RATP/ RATP Real Estate	578	673	622

The increase in complaints and claims in 2020 was mainly due to noise at work sites in dense urban areas where lockdown and remote working amplified the noise perception of residents at home during the day.

Bringing exposure to electromagnetic waves under control

Amidst the roll-out of 3G/4G across the Île-de-France network, RATP intends to meet passengers' high expectations with a view to protecting public health and complying with regulations.

Our commitments, policies, and actions

Ensuring compliance with regulatory thresholds

RATP set up a commission over fifteen years ago to monitor health, regulatory and technical issues, in order to ensure compliance with the applicable law. Since 2004, regular monitoring measurements have been carried out underground and on the surface by Cofrac-accredited organisations. RATP also implements recommendations set forth by Anses.

> Key indicator

Number of electromagnetic field measurement points carried out during the year	2018	2019	2020
RATP	748	268	1,038

In 2020, the number of measurement points totalled 1,038. Of these measurement points, 768 were implemented as part of the activity linked to decree No. 2016-1074 on the protection of workers from hazards arising from electromagnetic fields. A total of 270 measurement points were made to check that 3G/4G emissions comply with regulations for the general public (decree No. 2002-775 of 3 May 2002). The sharp increase compared to 2019 can be explained by a greater demand for measures, rising from 43 in 2019 to 69 in 2020. Demands primarily concern the electrification of buses and bus depots (12 in 2020, compared to 0 in 2019).

Rules have also been defined with telecommunications operators to minimise passenger and employee exposure in each station and tunnel. To ensure compliance with current standards, RATP works in close collaboration with Agence nationale des fréquences (French frequency agency), which manages all radio frequencies in France on behalf of the State. All the levels measured comply with regulations for the general public (decree No. 2002-775 of 3 May 2002) and RATP staff.

Protecting and informing

In 2016, to ensure that electromagnetic radiation was kept under control, RATP's electromagnetic fields commission mapped emissions in accordance with decree No. 2016-1074 of 3 August 2016 on the protection of workers from the risks arising from electromagnetic fields.

RATP is committed to protecting and informing anyone who may be exposed to them, passengers and employees included. The Group provides information about responsible behaviour on its website to limit exposure.

Guideline 1.3 — Encourage urban integration and functional diversity

In a context of intensive urban development, ever-denser cities and ever-scarcer available spaces, the Group is contributing to the creation of resilient and sustainable cities. RATP has joined forces with Paris city hall to develop mixed urban programmes combining industrial sites, housing, public facilities, and green spaces. As part of the "Logement pour tous" (Housing for all) pact signed with the City of Paris and several players in the housing sector in 2014, the Group has committed itself to two goals:



Build 2,000 housing units by 2024, including 50% social housing

Add 4 hectares of greenery to rooftops and walls by 2020, with one third dedicated to urban agriculture



Restructuring industrial sites to promote urban diversity

To promote urban diversity, RATP has undertaken restructuring operations at its industrial sites. Garages and maintenance workshops have been redesigned to include bold architectural complexes as well as social and private housing, offices, and public spaces promoting social cohesion, such as nurseries, secondary schools, and cultural centres. Creating these places is a means to fight against urban sprawl and promote social diversity.

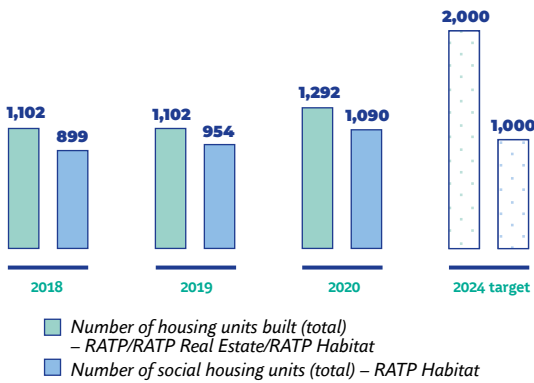
Eight site development projects have been launched with the aim of creating 2,000 new housing units in Paris by 2024.

The Italie project, for example, is part of the metro line 6 upgrade (new rolling stock expected in 2022) and calls for adapting the maintenance workshops and renovating all the connected buildings. To encourage urban integration and functional diversity of this project, RATP is converting an office block and the centralised command post (*poste de commandement centralisé* – PCC) for metro line 6 into social housing. As these 52 social housing units aim for excellent environmental credentials, the building is HQE™ Sustainable Building certified (level "excellent") and has over 600 m² of greenery on its roof. The workshop also benefits from 1,200 m² of greenery. Furthermore, an intermittent heat recovery unit in the PCC helps to keep the offices warm in winter.



> **Key indicator**

Number of housing units built



All housing projects are developed as part of an eco-design approach to control energy consumption and reduce the carbon footprint of the city of tomorrow. In order to advise the departments in charge of these large projects modifying classified facilities, RATP and the Paris police prefecture have set up a procedure clarifying the number and the format of information meetings necessary for the proper appraisal of projects.

From March 2020, the rapid spread of the coronavirus pandemic severely affected work sites. In line with government guidance, RATP's priority was to:

- work with businesses and contractors to ensure work sites were stopped in full compliance with health and safety regulations;
- continuously monitor work sites remotely and hold regular inspections;
- organise the surveillance of site rights-of-way to prevent intrusion.

In cases where industrial partners were able to continue their activities, the processes were reviewed to ensure strict compliance with health protocols.

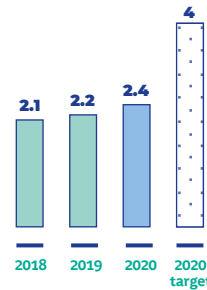
Committing to the smart and sustainable use of buildings

As part of its commitment to biodiversity protection, RATP has launched a systematic analysis of its real estate properties in the Île-de-France region to examine the possibility of integrating planted or cultivated areas alongside existing green spaces.

As part of this approach, RATP Real Estate signed a five-year partnership agreement with AgroParisTech in 2017 including research initiatives regarding planting greenery and urban agriculture (impact of pollution, air pollution control via a green ecosystem, building cooling, and rainwater harvesting). This partnership is part of RATP Real Estate's sustainable development policy, based on sustainable buildings: a strategy is implemented for each real estate project to meet the environmental and social challenges of future buildings. In order to speed up the consideration of biodiversity issues in its projects, RATP Real Estate is running an ecological study which involves installing nesting boxes for declining bird species in Île-de-France (Eurasian tree sparrows, blue tits, etc.). One example of this project is the new 32,000-m² office building in VAL Bienvenue.

> **Key indicator**

Number of hectares planted – RATP/RATP Real Estate



In 2020, RATP planted 2.4 hectares of greenery, including 1,585 m² for urban agriculture.

CSR policy strategic focus 2: reduce our environmental footprint

As it is located in cities, the Group does everything in its power to limit its environmental footprint and to contribute to the ecological transition. It explores new solutions for saving energy, conserving resources, supporting the circular economy, and combating climate change. This commitment is part of the Group's CSR policy.

- The policies outlined below allow us to address the following risks:
- adapting to climate change;
 - non-responsible digital technology;
 - change in CSR regulations.

Guideline 2.1 — Reduce our carbon footprint and save our resources

Taking action on climate change and the energy transition

The transport sector is the second largest global source of GHG emissions caused by energy combustion, after power generation. Through its activities, RATP Group contributes to the sector's overall effort to reduce energy consumption and CO₂ emissions. Far from being satisfied with this, it is pursuing a continuous improvement process for its energy and carbon performance. RATP has the ambitious aim to reduce its energy consumption by 20% and its GHG emissions by 50% between 2015 and 2025.

Aims (RATP)

- **50% fewer** GHG emissions per passenger.kilometre by 2025 (2015 basis)
- **20% less** energy consumption per passenger.kilometre by 2025 (2015 basis)



1st network in the world
100% fitted with LEDs
in its stations

32% hybrid, electric or bio-NGV-powered buses in the Île-de-France region fleet in 2020

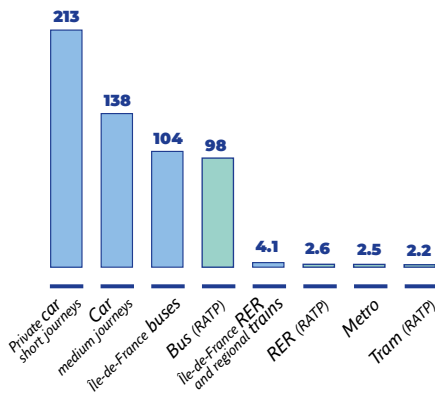
1st multimodal network
in the world to be ISO 50001 certified for all its activities

2,000 bicycle parking spaces



Encouraging shared low-carbon mobility

CO₂e/passenger-km



In g CO₂e/passenger.km

To encourage the use of low-carbon transport modes, RATP Group is improving public transport's attractiveness and its links with other transport modes, notably by providing mobility services in addition to its long-standing network, such as carpooling, car sharing and electric scooters. Among the additional services offered are approximately 2,000 bicycle parking spaces near metro and tram stations.

The ambitious Bus 2025 plan⁽¹⁾

As a pioneer in energy and climate issues, RATP contributes to the energy transition and to improving outdoor air quality with the Bus 2025 plan, which aims to provide a 100% clean bus fleet and infrastructure adapted to electric or biogas vehicles for each depot. It is the first European transport operator (with a fleet of 4,771 buses at the end of December 2020) to implement such an ambitious action plan.

In the long term, approximately half of the bus fleet will be electric and the other half powered by renewable gas. Bus GHG emissions represent around 74% of RATP's energy consumption-related GHG emissions. The Bus 2025 plan, which is part of the Île-de-France urban travel plan, therefore allows action to be taken on a significant portion of RATP's carbon footprint.

As of the end of 2020, over 400 buses – 241 bio-NGV-powered buses and 166 electric buses – were in operation. Four bus depots were converted to electric energy (Lagny and Corentin) or biogas (Créteil and Massy) and eight others are undergoing works.

RATP Dev is fully engaged in an energy transition process for its buses, towards increasingly clean technology. The transition is picking up pace with the use of NGV/bio-NGV extended to 11 new subsidiaries in just three years (2019-2021), in urban (Angers, La Roche-sur-Yon, Vienne, Laon, four networks in Île-de-France) and interurban (STI Centre, Taquet Voyages) areas and tourist bus networks (Open Tour). This initiative also concerns electric mobility with the commissioning of electric buses (Cars Perrier, Brest, La Roche-sur-Yon), electric coaches (Alpbus) and TAD-TPMR (distance transport and transport of persons with reduced mobility) electric vehicles (FlexCité 91, Alpbus). In London, the transition of RATP Dev London's fleet to electric is continuing: in February, bus route 94 was fully converted to electricity. Following the latest contracts awarded to RATP Dev London in 2020, nearly 25% of its buses should be electric by early 2022, with 5 of its 9 garages fully or partially converted and a total 13 electric routes in operation. RATP Dev London will be the city's leading operator in terms of percentage of electric fleet.

Topper Transit collaborated with Western Kentucky University (WKU) Dining Services and WKU engineering students on a project involving 100% biodiesel. The project was successful but, since it was a short-term venture, it came to end after the first semester. To pursue the initiative, Topper Transit deployed the use of biodiesel across its entire public transport fleet rather than just a single fully biodiesel-powered bus.

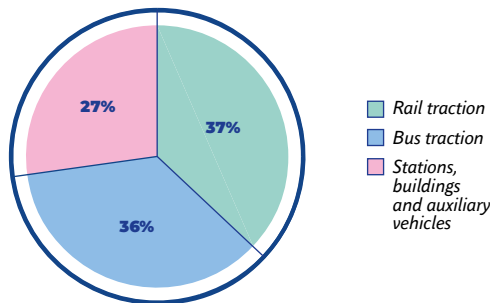
An energy performance plan

Public transport modes consume relatively little energy per passenger transported. A passenger journey by metro or the RER network requires eight to ten times less energy than the same journey by private car and two times less by bus. However, RATP is committed to a performance-based approach to further improve these transport networks' efficiency.

(1) The European Commission granted a €23 million subvention for the purchase of electric buses and the conversion of bus depots to electric power (for the Lagny, Corentin, Pleyel, Lilas and Lebrun bus depots) and to NGV-power (for the Massy, Bussy, Thiais and Nanterre bus depots) by 2025. With the funding, the Commission supports Île-de-France Mobilités' and RATP's commitment to their energy transition set out in the Bus2025 programme.

RATP introduced its energy policy in 2006. RATP Group obtained ISO 50001 certification for its energy management system for the first time in 2017 and became the first multi-modal transport operator in the world to receive this certification for all its activities. In 2020, it reconfirmed its commitment and renewed its energy management certification (ISO 50001).

Distribution of energy consumption by use – RATP



To achieve its aim of reducing energy consumption by 20% by 2025, RATP is implementing an action plan based on four levers: rolling stock, buildings, rail infrastructure, and stations.

Upgrading its rolling stock fleets is an essential lever for optimising its energy consumption. RATP is pursuing an ambitious vehicle renewal programme. In 2020, a new train, the MP14, was delivered for Paris metro line 14. This new train will reduce energy consumption by 17% compared to the latest-generation MP05 train thanks to features such as electric regenerative braking, a more powerful engine and fully LED lighting.

The Group encourages eco-driving practices, in particular among bus drivers, from the initial training stage as well as during ongoing training.

To reduce its energy consumption on buildings, the Group is implementing energy-saving measures and systematically examines the possibility of using renewable and recovered energies. RATP has set itself the objective of reducing energy consumption of its industrial sites by 10% by the end of 2021 in relation to 2015 figures.

In 2020, 11 RATP Group sites participated in the fifth edition of the CUBE 2020 competition for efficient building use, organised by the Institut français pour la performance énergétique des bâtiments (French institute for the energy performance of buildings). RATP Group obtained its first E+ C- (positive energy and carbon reduction building) certification for the construction of the future headquarters of its social housing subsidiary, RATP Habitat. This certification meets the Group's ambitions in terms of eco-design and reducing the carbon footprint on its tertiary sites.

Supporting the development of renewable and recovered energies

In its projects and investments, RATP systematically examines opportunities for using renewable and recovered energies.

On rail, metro, RER and tramway networks, the recovery of braking energy is a major lever for reducing energy consumption: new rolling stock is systematically fitted with a device regenerating energy when braking. All trams and RER trains in the RATP network are fitted in this manner. From 2032 onwards, all metros are also expected to be able to regenerate energy when braking.

On Paris metro line 11, heat from the tunnel is recovered to partially power a 20-unit housing block. The energy recovered is enough to meet on average 35% of its heating needs.

Regarding renewable energies, RATP is already using 100% bio-NGV to power its buses in Île-de-France and has set itself the objective of including 10% renewable energy sources in its electric supply mix by 2025.

In 2020, RATP and EDF signed a purchasing contract for sourcing renewable electricity from wind farms in France. The contract should provide coverage for 4% of RATP's electricity consumption with energy supply, starting in January 2021.

Adapting to climate change

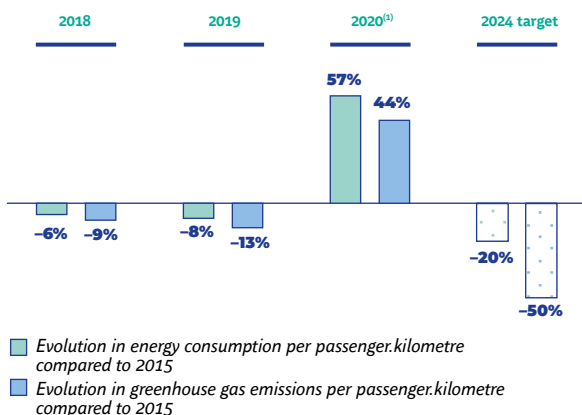
All RATP's activities are affected by climate change, in particular more frequent heat-wave episodes and flooding: operation and maintenance of transport systems (passenger transport, stations, information and communication systems), procurement of bus and train rolling stock, management of rail infrastructure, and design of new infrastructures (buildings or rail infrastructures). The major climatic risk concerns the flooding of underground networks.

In the early 2000s, RATP adopted a flood risk protection plan, which aims to safeguard facilities (rolling stock and infrastructures) and encourage swift operational recovery after floods. This plan is subject to a continuous improvement process, particularly to take into account feedback provided following the flooding of the Seine and Marne rivers. When the Marne River broke its banks in 2020, the flood risk protection plan and the improvements made following the 2018 flood proved their worth.

In addition, in 2019 RATP started to structure and formalise a wider-reaching prevention plan to limit the impact of climate change on the availability of rail infrastructures. Benchmarks carried out in 2020 helped to identify best practices from other metro networks that could be implemented in the near future. To respond to the forecast of increasing bouts of heavy rainfall over the coming years, extensive studies have been carried out to better ascertain the vulnerability of earthworks (embankments, etc.) in the network in relation to hydrological hazards such as rain water run-off.

> Key indicator

Trends in energy consumption and GHG emissions – RATP



The indicators for 2020 are not representative of the energy and carbon performance actions undertaken. These indicators measure energy and carbon performance per passenger.kilometre travelled. As a result of the pandemic, RATP maintained its transport services at a high level to allow public transport mobility for essential workers. However, network passenger numbers (passenger.kilometres travelled) fell drastically (down 44% compared to 2015 and down 45% to 2019). The energy and climate trajectory will be re-examined when the situation is more stable, after the pandemic (transport services and passenger numbers).

Controlling environmental risks and promoting continuous improvement

With its bus depots and workshops located in the city centre, RATP is one of the few companies to operate on such a large scale in urban and suburban areas. Therefore, the prevention of all forms of pollution and control of environmental risks are priorities.

In addition to complying with regulatory obligations, RATP has adopted an ambitious certification plan: quality, safety, environment and ISO 50001 (energy management) certification, and continuous improvement initiatives undertaken in accordance with the EFQM® (European foundation for quality management) methodology. Following on from the certification of metro lines 14 and OrlyVal, metro line 1 obtained the latest version of the EFQM® certification in 2020.

RATP met its contractual commitment with Île-de-France Mobilités to implement an environmental management system at all its industrial sites by 2020.

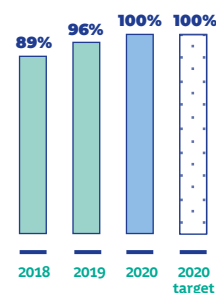
At the end of 2020, 100% of its industrial sites were ISO 14001 certified.



(1) Note that the Covid-19 pandemic caused an unprecedented decrease in network passenger numbers. Applying the passenger number data (passenger.kilometre) from 2019 to energy consumption and GHG emissions from 2020 gives an energy performance indicator down 14% compared to 2015 and down 21% for associated GHG emissions. These results show the impact of lower passenger numbers on these indicators due to the pandemic.

> Key indicator

Percentages of industrial sites ISO 14001-certified – RATP



Number of industrial sites ISO 14001-certified	2018	2019	2020
RATP	82	89	93
RATP/RATP Dev	83	91	95

Our commitments, policies, and actions

Ensuring compliance at the most at-risk sites

RATP Group operates installations classified for environmental protection (*installations classées pour la protection de l'environnement – ICPE*). These ICPE are listed according to the quantities and hazardousness of the substances used or stored, and the environmental risks inherent in the site's activities. As of the end of December 2020, approximately 90 sites operated by RATP are ICPE classified under one or more categories. Their mapping covers all activities specific to an urban mobility player (maintenance workshops, refuelling stations, combustion installations such as boilers and power generators), including activities in line with the energy transition of bus depots (charging/refuelling stations for NGV- or electric-powered buses, development of hydrogen fuel). Two formal notices were reported in 2020 for the following reasons:

- Corentin Montrouge bus depot in Paris (21 December 2020): breach of specific provisions of the prefectural decree regarding interior and exterior air quality monitoring campaigns;
- Vitry-sur-Seine bus depot (28 February 2020): breach of specific provisions of the ministerial order of ICPE section No. 1435 (service stations) concerning the diesel unloading areas: absence of fire safety equipment, hydrocarbon decanter/separator and leakage checking of buried pipes.

RATP is preparing its response to the requirements expressed by the administration.

One explanation for these notices is the increased complexity of projects: some of the provisions proved more complicated to implement than planned.

Furthermore, the various lockdown periods in response to the pandemic in 2020 caused delays in implementing the necessary actions to correct these regulatory non-conformities.

RATP Dev's French subsidiaries are also subject to specific ICPE monitoring.

> Key indicator

Number of ICPE formal notices	2018	2019	2020	Objective
RATP/RATP Dev	0	0	2	0

Preventing soil and water pollution

The Group has introduced a variety of measures to sustainably protect the soil against all forms of pollution:

- before projects begin, it carries out diagnostics on the environmental condition in order to identify and gauge any possible pollution present in soils and/or underground waters. If activity is discontinued, the same surveys are carried out in compliance with the regulations in force;
- during work scheduling, communication with local residents is carried out before the start of operations. Any disturbances (dust, road damage, noise, etc.) are analysed and preventive actions are taken based on the results: installation of truck washing areas, dust spraying, etc;
- in the operations phase, preventive and corrective measures are implemented as per ISO 14001 in compliance with regulatory requirements (retention tanks, pre-treatment of industrial waste water before it reaches municipal treatment plants, emergency situation procedures, etc.);
- lastly, in readiness for opening up to competition in 2024, RATP has also launched pollution audits at most of its bus depots to assess the environmental quality of these sites.

RATP Real Estate has drawn up a charter for a work site with low environmental impact. Its aim is to formalise tangible environmental commitments, based on six challenges: reduce noise pollution, reduce air pollution, limit soil and water pollution, limit visual pollution, reduce waste, and optimise resource consumption. Signatory partners and suppliers undertake to comply with it. The recycling of over 70% of work site waste is a major challenge for building in Île-de-France.

Guideline 2.2 — Develop the circular economy

To provide services while limiting raw material, water, and energy source consumption and waste, the Group is focusing on developing the circular economy.

Our commitments, policies, and actions

Promoting regional and industrial ecology

RATP Group is enhancing its resources and promoting industrial and regional ecology.

In 2020, RATP continued its partnership with the City of Paris for the development of the “*Quartier circulaire des Deux-Rives*” (Two-banks circular district) project, pursuing its objective to decrease the district’s environmental impact.

Despite the tough economic climate, the members of Deux-Rives repeated the *Tri en Seine* (Sorting on the Seine) operation, on 18 September 2020. The 2019 edition showed that an 83% reduction in CO₂ emissions was possible by using waterways for waste collection.

In 2020, a total of 19 tonnes of waste were collected in one day employing carbon-free modes of transport. Deux-Rives made a big contribution to this operation despite the pandemic and this latest event successfully highlighted the need to develop and deploy waterway solutions as an alternative to waste collection by road across the Paris region.

After operating the Deux-Rives circular district successfully for three years, RATP and the City of Paris have teamed up with the Ouishare collective to identify tangible ways to legally sustain the Deux-Rives infrastructure, perhaps through the creation of a community structure.

Preserving resources

Every year, RATP consumes nearly one million cubic metres of drinking water in carrying out its rolling stock maintenance and washing activities. Making better use of this resource is therefore a key challenge. The Group aims to reduce water consumption at the source by raising employee awareness through the inclusion of specific targets in environmental management systems. It also takes actions such as the recovery of infiltration water and the optimisation of rolling stock washing.

In 2020, RATP also introduced an innovative digital solution named “Open” to optimise and reduce resource consumption.

The system uses meters and sensors to collect data on water and energy consumption of its facilities. The project is remarkable not just for being innovative, but also for its scale: 115 industrial and tertiary sites and 369 stations are being tracked.

The data collected is analysed and teams are notified in the event of consumption anomalies. Action plans can then be implemented and their effectiveness measured.

Recovering water

Run-off water, from rainwater ingress, from floods, or from water tables in underground works, is now discharged at a rate of 10 million cubic metres per year through drains, Parisian canals, or in the Seine.

RATP is examining the possibility of reusing this water in a virtuous way. The water is partially returned to the natural environment (Seine, Saint-Martin canal and Saint-Denis canal) to avoid overloading treatment plants. Another part is reused by the company, for example, to water the grassed platform of the T3b tram.



As part of RATP's partnership with Eau de Paris (Paris water operator) concerning an innovative project to connect run-off water to the non-potable water network, an assessment of the first connection in 2019 was conducted in 2020.

Over 160,000 cubic metres have been routed to the non-potable water network since the pumping station was connected in July 2019. For RATP, this is a fantastic demonstration of the circular economy in action, one which optimises water as a resource and stops it entering the sanitary water network.

Bolstered by this success, in 2020, RATP and Eau de Paris conducted the first preliminary hydraulic and technical studies for the potential connection of three more pumping stations in 2021.

Optimising rolling stock washing water

To optimise rolling stock washing water consumption, RATP is setting up a system for recycling washing water (for buses and trams) and collecting rainwater at some industrial sites.

Responsible waste management

Faced with the range of waste produced, in particular for maintenance activities, RATP pursues a policy that combines reduction at source and maximum waste recycling.

2020 was an unusual year due to the pandemic, which impacted waste production, in particular following the decrease in activity at some sites during the first lockdown period.

Furthermore, throughout the year, RATP followed the health protocol provisions issued to companies, managing pandemic-related waste as efficiently as possible.

In addition, RATP started large-scale works at its headquarters as part of the Lyby+ project. This office restructuring project was carried out ensuring optimum recycling of waste products. In 2020, 137 tonnes of waste were disposed of with inclusion stakeholder Tricycle and the environmental organisation Ecologic.

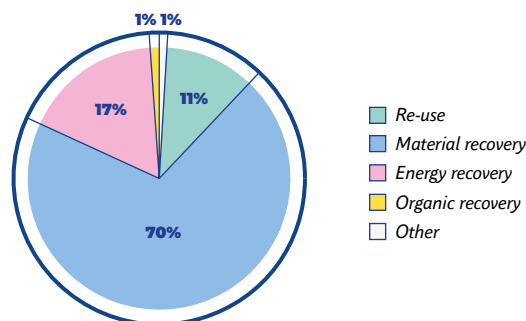
2020 saw the implementation of RATP's first bus dismantling contract. In line with figures from train dismantling operations already included in the reporting, RATP will now include figures relating to buses dismantled and sold.

In 2020, RATP's waste totalled 27,059 tonnes. This volume is split as follows: 4,315 tonnes of hazardous waste and 22,744 tonnes of non-hazardous waste.

RATP has thus pursued its efforts to improve the completeness of data reported for the non-financial performance declaration.

99% of RATP waste is recovered every year using different methods (recycling, reuse, etc.). Only 1% is incinerated.

Waste recycling method



Combating food waste

RATP's social and economic committee participates towards a sustainable social and economic development approach by limiting the environmental impact of the catering activity for which it is responsible.

Since 2018, RATP's social and economic committee has been collecting and recovering bio-waste from the main company restaurants and its culinary production unit. The service is outsourced to a social enterprise specialising in food waste management in Île-de-France. It handles the collection, processing and recycling of bio-waste that is treated close to the collection points, primarily through vermicomposting and methanisation.

In 2020, a total of 60 tonnes of bio-waste were collected. All the bio-waste from the restaurants in Noisiel and the new VAL Bienvenüe building was processed.

Furthermore, in 2020, RATP Group Foundation established a partnership between RATP's social and economic committee and the food non-profit Linkee. This charity helps vulnerable people by collecting and redistributing unsold food.

Guideline 2.3 — Promote eco-design measures

Through its CSR policy, RATP Group is committed to promoting an eco-design and eco-specification approach to all its projects (infrastructure, building practices, rolling stock, and information systems), by encouraging a choice of products or systems that have less environmental impact, have a longer service life, and are more economically efficient.

Ecological solutions are actively sought during the design phase, such as the use of low-impact materials, rainwater harvesting, and the installation of green rooftops. Carbon assessment or life-cycle assessment studies can be carried out to guide design choices. During the construction phase, the Group promotes eco-responsible construction that includes an eco-design approach and projects with a low environmental impact.

In the Île-de-France region, garages and maintenance sites for new tram lines generate some of their power through photovoltaic panels and heat pumps connected to geothermal probes.

In 2019, a partnership signed between RATP Group and Woodeum aims to jointly develop eco-designed construction operations on five RATP sites in Paris and its inner suburbs, which present specific constraints to public transport infrastructures, without impacting their activities. These sites potentially represent 70,000 m², requiring special construction methods involving building with timber.

CSR policy strategic focus 3: confirm our social responsibility

For RATP Group, confirming our social responsibility means contributing to equal opportunities, promoting social dialogue in all contexts, taking action against social exclusion at all levels, and being a partner of choice when it comes to addressing issues of public interest. It also means protecting our customers' personal data and ensuring that our practices are exemplary regarding our employees, suppliers, partners and the regions in which the Group operates all our activities and environments.

The policies outlined below allow us to address the following main risks:

- failure to account for the needs of regions and communities;
- inadequate contribution to equal opportunities;
- social conflicts;
- failure to provide a safe workplace and good working conditions;
- work site-related accidents;
- pandemic;
- non-compliance with business ethics;
- disclosure of personal data;
- exclusion of social and environmental criteria in purchasing practices.

Guideline 3.1 — Contribute to economic vitality and solidarity in regions

In the face of population growth, urban migration and the resulting environmental, economic and societal challenges, transport providers have a strategic role to play in improving the quality of life of residents and making cities more inclusive. Through its activities in France, RATP Group contributes to the economic and social development of the regions in which it operates and participates in implementing public policies in favour of employment and social inclusion.

RATP's socio-economic footprint, which is assessed every three years, will be updated in 2021.

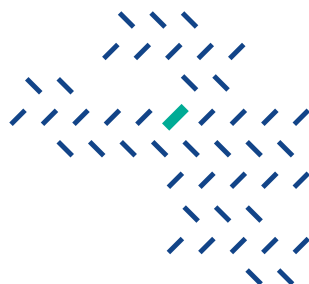
In 2020, RATP Group maintained and adapted its transport services in response to the emerging pandemic in the Île-de-France region. On the one hand, it had to carry out its role as a key public service to allow the nation's essential services to continue to operate (health and social care, agri-food, police, waste management, etc.) and on the other hand, it had to restrict non-essential travel, by accepting a more than 90% drop in passenger numbers across its networks and dealing with high absenteeism among staff (childcare, sickness, etc.).

Twenty shuttle buses were introduced from 23 March, to provide a transport service for hospital workers between major transport hubs and large hospital centres. This new service was developed with Assistance publique – Hôpitaux de Paris (university hospital trust in Paris – AP-HP), particularly in order to establish timetables matching the needs of health care professionals: 6-9 a.m.; 12-3 p.m.; 7-10 p.m. Exclusively reserved for hospital staff, the buses ran every 30 minutes on each line. To inform health care workers about this new service, timetables were specially created for each route and shared with AP-HP for their internal communication.

Contribute to social inclusion and vocational integration

The Group's approach is based on four complementary elements:

1. a human resources policy committed to diversity and equal opportunities, notably through:
 - awareness-raising and training programmes for diversity and equal opportunities in all of the Group's subsidiaries. It is important to note that the Group's gender equality index rose this year and now stands at 95 points out of 100,
 - actions to increase the percentage of women in the workplace. In 2020, 22.8% of RATP's newly hired employees were women,
 - actions in favour of the employment of people with disabilities, with 110 people hired by RATP in 2020,
 - a proactive policy for youth employment (743 work-study contracts were signed by RATP in 2020. Despite the pandemic, RATP maintained and even increased the number of apprentices).



2. the action of the RATP Group Foundation promotes social mobility through four programmes to provide access to culture, education, employment, and the ecological transition;
3. a socially responsible purchasing policy;
4. prevention actions through RATP's social outreach.

Whichever part of the world it operates in, RATP Dev is committed to promoting education and vocational integration. For example, it is fully committed to the greater Casablanca area and to Morocco in general. Strong and sustainable partnerships have been established with Emines, the *École centrale* in Casablanca, and EM Lyon Casablanca to offer study projects or programmes associated with innovative mobility. Casaroc, RATP Dev's local innovation laboratory, thus supported the Khdimaty project in 2020, led by Emines-UM6P students as part of a call for proposals launched by the CFCIM's incubator (French chamber of commerce and industry in Morocco). They won a 200,000-dirham grant to fund their project and the opportunity to join and receive assistance from the CFCIM Kluster. Elsewhere, this commitment takes various forms depending on the network, from the loan of a bus for job seekers to go out and meet companies to speed coaching sessions for students, for example.

Encouraging regional action

RATP Group contributes to regional economic and social development, and strives to make networks accessible to everyone:

- by creating jobs and promoting vocational pathways in relation to the social and urban environment;
- by strengthening regional networks and encouraging social cohesion, notably through partnerships aiming to promote the social and vocational integration of vulnerable people.

RATP Group' agencies act as intermediaries for implementing the company's policy to promote inclusion and mobility. Their innovative action plans facilitate RATP Group's interaction with regions and foster partnerships with smart and sustainable cities.

Agencies are resource centres that roll out RATP's main social commitments adapted for regional users, along with local institutional and socio-economic players (public services, local communities, social enterprises and associations) and through the signing of local development partnership agreements.

This activity, which has been ISO 9001 certified since 2013, has enabled RATP to set in motion a series of regional action programmes that contribute to its CSR obligations for the ISO 26000 standard. It is also a clear indication of RATP's intention to be substantially and lastingly involved with the communities it serves:

- involvement in employment forums, organising collective and public information meetings and site visits to inform people about RATP's jobs and careers and the Group's hiring procedures;
- Ateliers mobilité®, sustainable mobility access programmes;

- helping the long-term unemployed through secure pathways organised with the Île-de-France region and/or departmental councils, enabling them to prepare for recruitment tests for various professions.

In 2020, given the constraints due to the current health situation, regional agency advisers maintained their focused actions remotely, wherever possible, while ensuring ongoing dialogue with all regional stakeholders, consultation bodies and forums, to share a collaborative vision of future projects.

Ateliers mobilité® for sustainable urban mobility

Mobility conditions access to employment, training, and the social sphere in general. For fifteen years, RATP has been offering Ateliers mobilité®, that provide real training in urban mobility. These programmes, mainly intended for users enrolled in school or professional integration courses, are run by RATP employees or by civil society stakeholders (Le Réseau, AGIRabcd, FACE) with whom the company has signed partnership agreements.



They help people who are not familiar with public transport networks acquire the knowledge necessary to use them (planning routes and journey times, reading maps, good commuter behaviour, etc.) in connection with a regional partner organisation (public body, association).



In 2020, RATP reactivated its partnership with Ceremh (Centre de ressources et d'innovation mobilité handicap – Resource and innovation centre for disability mobility) to train staff working in the field of mental disability to run Ateliers mobilité® workshops (medical-educational institutes, *établissements et services d'aide par le travail* – ESAT) centres and services helping people with disabilities to find work).



The Musée de l'Homme in Paris is another RATP partner, and allows people with limited access to culture to attend an Atelier Mobilité® and enjoy a free visit to discover the museum's permanent and temporary exhibitions.

The annual survey conducted among participants found that 74% would use public transport more and 94% would recommend Ateliers mobilité® workshops to others.

Purchasing, a contributing factor for employing the most vulnerable groups

RATP is convinced that purchasing can contribute to public policies for people facing difficulties in finding a job.

Our commitments, policies, and actions

Solidarity purchasing

RATP is committed to increasing its purchasing from stakeholders involved in integration via economic activity (*structures d'insertion par l'activité économique* – SIAE) and from players in supported and protected sectors (*ESAT/entreprises adaptées* – EA). Through these purchases, RATP is meeting its service and supply needs, supporting the local economy, and contributing to the activity of organisations with a social assistance mission for people facing difficulties in finding a job by focusing on their economic activities.

The services contracted out involve the laundering of maintenance clothing, maintaining green spaces, document printing, document destruction, waste management and recycling, cleaning of living areas on work sites, catering, passenger information sticker posting, transport for staff with disabilities, industrial services and supplies, and others.

Certain activities were temporarily interrupted in 2020 due to the Covid-19 crisis, which slowed down the Group's solidarity purchases.

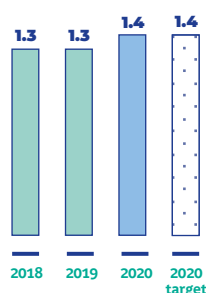
However, they continued to diversify, including bogie cleaning, making health kits for employees, emptying/cleaning out and recycling of waste at RATP's headquarters, etc. They were also developed through partnerships between the standard sector and stakeholders in the integration and disability sector, in facilities management services (multi-service and reception), IT, logistics, construction living quarters management, etc. Some of these partnerships will be effective as of 2021.

Under the guidance of its purchasing unit, in November 2020 the IT department signed an agreement with the Association de gestion du fonds pour l'insertion des personnes handicapées – fund management organisation for the professional integration of people with disabilities) to receive a digital disability diagnosis to identify new IT activities that could be outsourced to adapted companies. This diagnosis will be performed in 2021.

Over the past year, solidarity purchasing accounted for €1.405 million, including €635,000 for the inclusion sector and €770,000 for the supported and protected sector.

> Key indicator

Solidarity purchases amount – RATP



In millions of euros

Our aim

Exceed **€1.7 million** per year by 2022

Contractual clauses in favour of inclusion

Since 2011, almost 3.3 million hours of inclusion work have been completed through purchases. Over 5,500 people have benefited from this programme, 947 people in 2020, with a total 643,500 hours completed.

The addition of inclusion clauses to relevant contracts is a real opportunity for vocational integration and access to employment in the Île-de-France region. In recent years, RATP has been committed to rolling out a quality management programme by targeting primarily cleaning and operation work contracts (line extension and operations generating over 10,000 hours of inclusion work) that generate a high volume of inclusion work, allowing the implementation of ambitious measures. For their implementation, RATP is assisted by facilitators who mobilise local key players in employment and support companies by proposing candidates and putting them in touch with structures for inclusion through economic activity. Alongside the facilitators, RATP is also involved in encouraging the companies holding these contracts to promote long-term employment, skills development, training and the creation of an inclusion scheme.

Today, every major works project has an inclusion strategy.

> Key indicator

Number of inclusion hours completed (SIAE clauses and purchases)	2018	2019	2020
RATP	385,000	530,000	643,500

Purchasing practices in favour of SMEs

RATP's involvement in regions can also be seen in its commitment to SMEs. RATP has continued its efforts to facilitate SMEs' access to its contracts. It is developing SME referencing using qualification systems and suppliers' panels. Particular attention is given to SMEs for rolling stock maintenance contracts (metro, RER, bus), through adapted sourcing and allocation. As part of its innovation strategy, RATP is undertaking several actions supporting innovative start-ups and SMEs to contribute to the emergence of new mobility solutions (autonomous vehicles, digital services).

SMEs represent 61% of RATP's suppliers and 16% of the company's expenditure, with a high percentage of those located in the Île-de-France region. In 2020, the Group directed €548 million to 3,404 SMEs, thus increasing the average turnover paid to SMEs to €161,000 (compared with €151,000 in 2019).

With its considerable regional presence, RATP is also participating in the Destination ETI programme implemented by the Pacte PME association to promote the growth and transformation of SMEs. The theme of the 2020 edition was the smart green city. Despite the pandemic, 11 key members of Pacte PME provided assistance over a year to voluntary SMEs on various themes related to the smart green city, including transport and growth models, key mobility challenges, the development of the smart city ecosystem, CSR, and management approaches in growth situations.

More broadly, RATP has rallied together to help and support its suppliers, notably SMEs that have particularly struggled during the pandemic. The actions implemented through its continuity and process adaptation plan include:

- suspension of late penalties due to Covid-19;
- extension of deadlines for ongoing procedures and consultations to allow candidates to respond despite the pandemic;
- online supplier negotiations conducted via Teams to pursue purchasing procedures;
- non-deferral of procedures and consultations, with some exceptions (not Covid-19-related);
- honouring of supplier orders and acceptance of early deliveries.

The barometer measuring supplier satisfaction conducted every two years for RATP by the Pacte PME association will be repeated late 2021-early 2022.

Fighting against extreme exclusion

As a state-owned public transport company, RATP cannot ignore situations of extreme exclusion reflected in its stations. As a signatory to the Paris pact to combat extreme exclusion, it spends around €7 million each year helping homeless people on its network. The initiative combating extreme exclusion supports this commitment by reconciling business rationale and “human” rationale, and by focusing on the connection and relationship with the people being helped. Social outreach is an RATP dedicated structure, which was created in 1994 and is comprised of sixty or so voluntary, trained staff. Its main task is to be in daily contact with homeless people in its stations and to direct them, if they so wish, towards solidarity and inclusion facilities open during the day, or to emergency accommodation centres in the evenings and at night-time.

In 2018, RATP launched a call for proposals to respond to the needs expressed by homeless people on the RATP network, and/or needs raised by the social outreach officers. The projects selected were deployed in 2019 and 2020. In 2019, three solidarity and inclusion centres (*espaces solidarité insertion – ESI*), managed by associations (Emmaüs Solidarité and La Mie de Pain) and the Samu social de Paris public interest group, supported by RATP, offered early morning opening and additional health workers. A patrol dedicated to homeless women was also introduced in Spring 2019 in collaboration with the association Agir pour le développement de la santé des femmes – Action to improve women’s health. Other selected projects were implemented in 2020, including a new shelter sponsored by the Aurore association; health patrols by a mobile health assessment and management team (*équipe mobile d’évaluation et d’orientation sanitaire*) led by Samu social de Paris, longer hours and additional health support at a fourth ESI run by Aurore association. All these projects and collaborations have improved care for vulnerable people.

Both on the streets and on the RATP network, the presence of homeless people became very noticeable during the first lockdown. Nevertheless, the number of homeless people in stations was lower than usual. In April 2020, at the height of the first lockdown, the number of homeless people in stations was 45% lower at morning opening times, 33% lower in the middle of the day, and 62% lower at evening closing times, compared to April 2019. This drop is mostly due to the creation of additional government-funded accommodation venues at the start of the lockdown.

While the easing of lockdown saw the return of some homeless people, their numbers remained below those usually observed, including at the end of the year when lower temperatures usually drive homeless people to seek shelter in stations. Social outreach activity was also strongly affected by the pandemic. A large proportion of daytime social support services were shut and the shelters, which mostly operate at night, made the decision to host homeless people for a longer period. The social outreach teams’ capacity to successfully assist homeless people was especially limited and the rate of people given assistance was severely impacted, falling from 71% to 52%.

> Key indicator

Rates of assistance provided to homeless people by directing them to social support services	2018	2019	2020
RATP	73%	71%	52%

This indicator reflects the number of people in need staying in RATP stations who are referred to day shelters or accommodation relative to the number of people found by the social outreach teams. These referrals are subject to the acceptance of the people in need.

A Foundation that serves regions

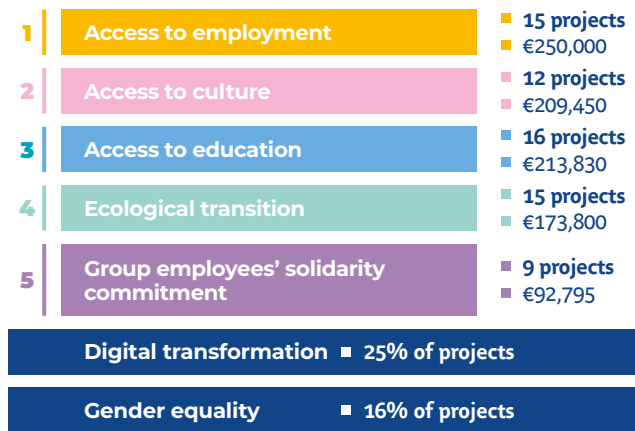
The RATP Group Foundation supports inclusive community service projects at the heart of the Group’s regions. It promotes social mobility through its five action programmes: access to culture, access to education, access to employment, ecological transition, and promoting Group employee’s solidarity commitment.

The Foundation pays particular attention to the issues regarding digital transformation and gender equality, which are considered, respectively, in 25% and 16% of the 67 projects supported in 2020.

Additionally, the Foundation provides its employees with various solidarity commitment schemes.



The RATP Group Foundation’s philanthropic work revolves around 5 action programmes:



Supporting inclusive access to culture

The Access to culture programme supports social initiatives with cultural institutions as well as local associations’ cultural education actions.

In Hauts-de-France, in 2020, the Foundation pursued an innovative project that uses culture as a tool for social inclusion and vocational integration. Built jointly with regional players (Louvre-Lens museum, a local mission in Denain, and Transvilles, RATP Group’s subsidiary in Valenciennes), and supported by Le Rameau research laboratory, the Foundation offers young people in the “Garantie jeune” (Youth guarantee) scheme a ten-session course through which they explore the museum’s works, as well as various professions and mobility. They acquire soft skills and expertise, build self-confidence and design their CV using slow motion and digital technology.

Furthermore, the RATP Group Foundation and other sponsors promoted the 2020 opening show of Cirque Bouglione, all proceeds of which were donated to Le Rire médecin, a pioneering charity that trains hospital clowns. Le Rire médecin entertains children in hospital with performances designed to help relieve their illness, anxiety and pain.

The Foundation has also supported the organisation of two visits organised by the teams of the Louvre museum: a video conference about the flagship exhibition “Body and Soul: from Donatello to Michelangelo” and a bucolic visit to the heart of the Tuileries garden.

Promoting inclusive achievement in schools and higher education

The Foundation’s programme facilitating access to education aims to promote inclusive achievement.

For example, the “Un étudiant, une bourse, un mentor” (One student, one scholarship, one mentor) – “Trajets d’avenir” (Routes of the future) programme contributes to social diversity in paths towards excellence; 67 students are supported by 67 Group mentors.

The tutoring association Savoir apprendre (Learn to learn) runs the Exploradôme in Vitry-sur-Seine, an interactive science, technology and digital museum. Through its digital design “exploraclubs”, it

teaches children how to detect fake news through fun and educational workshops.

At the same time, the Becomtech association promotes social diversity and gender equality in IT and digital sectors. Its Jump In Tech programme provides technical IT training to girls aged between 10 and 11.

Promoting employment opportunities for the long-term unemployed

The Access to employment programme promotes vocational integration for disadvantaged social groups, including women; in 2020, the Foundation supported seven projects promoting women’s integration. The Foundation encourages innovative projects with strong regional links that help the most vulnerable integrate into society and find employment. More broadly, it supports associations and their efforts to strengthen social bonds.

Sapiens Brushing, for example, offers spoken communication and interpersonal skills development training to women of foreign origin at vocational integration courses in Champigny-sur-Marne.

The Women in digital 93 project by Social Builder combines digital training and vocational integration aimed at under-qualified women who are long-term job seekers and living in the Seine-Saint-Denis department.

Encouraging eco-friendly practices and acting for the planet

The Ecological transition programme launched in 2018 to encourage eco-responsible behaviours supports tangible, awareness-raising initiatives: water conservation, reusing, recycling, and combating food waste.

In Valenciennes, Unis-Cité strives to bridge the “green divide”. Its *Les Mediaterr* programme raises ecological awareness among citizens in low-income communities and helps families adopt eco-responsible actions to improve their living conditions.

In 2020, the programme embraced major environmental issues such as climate change and biodiversity protection.

Alteralia has transformed the car park of the young workers’ hostel in Aubervilliers into a new type of public space with the aim of bringing a breath of fresh air to a town with very few green spaces. In addition to greenery, which is an infrastructure regarded as important for combating the heat island effect, well-draining soil creates a water reserve to feed the trees.

Les Amis recycleurs is a Paris-based biodiversity association that produces video tutorials presenting eco-responsible actions to raise awareness among the general public.

Fostering employees’ volunteering commitment

The Foundation supports volunteering projects in which the Group’s employees are personally involved.

This includes various actions reflecting the diversity of the areas to which employees are committed: raising awareness about the presence of guide dogs in public spaces; access to digital technology for visually impaired people; a musical project for people with cognitive disorders such as autism; creating and running a centre in favour of solidarity and social inclusion; creating an educational farm for permaculture; a fun way to access the music production process (from

composition to distribution) and a new medium of expression for secondary school students; a centre for young offenders as part of a restorative justice activity (helping them avoid being sent to closed facilities) in a bus repair workshop so that they can discover useful activities and professions to encourage their social integration.

The Pass'sport pour l'emploi (Pass'sport for employment) association uses sport as a lever for socio-professional integration. Through a training scheme combining sport and other disciplines, it prepares long-term unemployed young people for jobs experiencing manpower shortages, particularly security staff.

In Hauts-de-Seine, the association Association relais pour l'éducation et l'insertion des jeunes promotes long-term employment for people in precarious situations (young people, job seekers, adults looking to retrain, etc.) and helps to build links between businesses and communities. Its *Le Rayon vert* (Green spoke) inclusion initiative, supported by the Foundation, recovers and recycles discarded bicycles and makes bags and accessories from recycled banners.

Number of direct and indirect beneficiaries of RATP Group Foundation projects	2018	2019	2020
	44,383	80,885	259,270

The significant increase in the number of beneficiaries in 2020 (more than threefold) compared to 2019 can primarily be explained by five digital projects in the Ecological transition action programme:

- development of projects with three associations: Linkee (170,000 beneficiaries), Les Amis recycleurs (15,000 beneficiaries) and Vert le jardin (6,114 beneficiaries);
- support for projects by two new associations: Hop Food (4,000 beneficiaries) and La Grande Ourcq (9,200 beneficiaries).

Conversely, the number of beneficiaries in the access to education action programme in 2020 fell significantly compared to 2019. This variation can essentially be explained by the following two projects:

- change to the support provided to the Savoir apprendre association: the project supported in 2020 helped around 60 young people through participation in digital programming and "Desinfox" (anti-fake news) clubs. In 2019, the Foundation supported the creation of an exhibition (12,000 beneficiaries);
- in 2020, support to the association United Way – L'Alliance was not renewed (9,500 beneficiaries in 2019) as no formal request for aid was submitted to the RATP Group Foundation that year. However, discussions are still under way in 2021, with the aim of developing this project in the future.

The associations supported by the RATP Group Foundation rallied together during the Covid-19 pandemic

Since the start of the Covid-19 crisis, the associations supported by the RATP Group Foundation have adapted their practices to maintain their bond of solidarity with the beneficiaries of their activities.

Most have successfully taken their programmes online using digital technology. Their exemplary and inventive engagement is a clear demonstration of their pledge and commitment to inclusiveness.

Examples include virtual cultural visits; remote art training and discovery; virtual HR and image coaching videos and workshops; personal development sessions; telephone conversation groups; remote training development, and increased remote one-to-one mentoring to help people get through lockdown effectively and cope in a post-pandemic world (regular phone calls, distribution of authorisation to travel forms, computer deliveries, etc.).

Some associations have extended the scope of their beneficiaries and/or range of actions to help groups who have been particularly hard hit by the pandemic (hospitalised children, young people, women seeking to join the job market, isolated people, homeless people, the elderly, people with disabilities, health care workers) through: the manufacturing, purchasing and free distribution of face masks; collection and redistribution of unsold food from restaurants to make ready meals, and the distribution of water and hand sanitiser.

Guideline 3.2 — Promote management that encourages staff commitment

In addition to the information presented in this section, all social data is included in RATP's social balance sheet published on its website. Supported by the women and men of its workforce, RATP fosters the Group's performance and development by providing a more stimulating working environment and encouraging job satisfaction for all employees, while ensuring the skills required for its development.

Employee commitment also depends on management. RATP supports its managers to encourage collective intelligence within teams.

Optimise skills management

RATP regards training as a major asset for performance, supporting the company as it evolves in a developing ecosystem. In line with the strategic goals and master plan of the Human Resources department, the company's training policy is defined to meet the needs expressed by each department. It is led and managed to be at their service.

RATP has also implemented the law of 5 September 2018 "for the freedom to choose one's professional future" by structuring its skills development plan around objectives that meet its monitoring and reporting needs.

The 2020 health crisis severely impacted the implementation of RATP's skills development plan.

Indeed, while the company's achievements usually exceed forecasts, the 2020 results show a completion rate of 74%, one-quarter below expectations. This is nonetheless a remarkable accomplishment, which reflects the company's capacity to harness digital technology to transform its standard training processes.

In fact, despite the various lockdown periods and health restrictions, the internal training centres successfully adapted their in-person and remote training to maintain links with learning and access to training for employees. The strong commitment on the part of stakeholders to maintaining the continuity of activity helped close the gap between completion and forecasts and achieve a satisfactory outcome overall, despite the difficulties encountered.

However, the effects of the pandemic did have a downward impact on access to training and the proportion of total payroll earmarked for training.

2020 was also marked by the definition of new three-year strategic orientations relating to the skills development plan for the 2020-2023 period.

This document has helped to define the strategic priorities of the skills development policy that RATP plans to implement over the next three years.

The main skills development priorities will be:

- maintaining and developing skills in response to the company's strategic plan;
- accompanying transformation;
- developing skills to serve the learning company.

The RATP Group University offers cross-functional training and development programmes for skills, categories, and jobs. In 2020, the service was enhanced with the addition of fire safety training.

RATP Group University also hosts a sustainable urban mobility apprentice training centre for the inclusion of young people, which reflects its proactive work-study policy.

Personalising every employee's training path is also one of RATP's key objectives. The aim is to create the conditions for a positive learning experience, enabling employees to become actively involved in their skill development and empower them regarding their training choices, while providing support and guidance from the HR department and their manager.

This innovative view of skills management is fulfilled in particular through digital learning. To this end, a learning management system was introduced. It allows users to access digital learning content, either by enrolling or on an *ad hoc* basis, as part of the company's skills development plan or on the initiative of the employees themselves, based on their areas of interest.

RATP systematically holds job interviews (with a completion rate of over 90%) to identify employees' mobility wishes and their training needs.



61% of employees trained in 2020 during a pandemic

743 work-study contracts (RATP)

5% of the total payroll is dedicated to staff training



RATP's performance is notably based on its ability to maintain and develop its talent pool in France and abroad. New technologies contribute to the emergence of new competition, new jobs and therefore new skills. In this context, attracting and retaining talent is essential for the Group to remain competitive.

To enhance its attractiveness, the Group launched its "ambassador programme" on social media and in target schools for students. Ambassadors are employees who are active on social networks (Facebook, Instagram, and LinkedIn) and thus contribute to providing a better understanding of the Group and its businesses.

RATP also participates in many forums, such as the *Challenge du monde des grandes écoles* (prestigious graduate schools challenge), and develops targeted partnerships.

As proof of the programme's effectiveness, 47% of engineers recruited are under 30 years of age and are graduates of our target schools.



One of the main recruiters in the Île-de-France region:

3,538 employees in the Île-de-France region were hired by RATP in 2020

4,772 employees were hired by RATP, RATP Real Estate, and RATP Dev



To adapt the skills and jobs of employees to the company's strategic developments, jobs and skills management planning procedures have been implemented. These procedures, in particular, factor in all technological developments and related training needs.

Making diversity a success factor

RATP is aware that diversity is a performance factor. For this reason, diversity is one of the cornerstones of RATP's human resources policy. The diversity of classification systems within RATP Group improves the organisations' decision-making processes and creativity. Diversity also bears witness to the company's openness in the regions where it operates.

Launched in 2017, the "RATP au féminin" (RATP women) programme is one of the collective commitment drivers aiming to improve gender diversity within RATP Group's organisations.

It is intended for all Group employees and offers suggestions to contribute to the emergence of new management and organisation models, and to guarantee a respectful working environment for everyone. Promoting diversity remains its main objective.

In 2020, RATP signed the soft skills manifesto to promote equal opportunities, aiming to recognise and promote soft skills and improve employability for all.

Ensuring equal opportunities in the workplace and wage equality between women and men

Equal treatment between women and men is a core element in RATP's human resources policy.

The fifth agreement on equal opportunities in the workplace and wage equality between women and men, signed in 2019, includes the following major commitments:

- to increase the ratio of female employees in the company;
- to guarantee the same wage principles for men and women;
- to guarantee the same opportunities to develop vocational pathways for men and women;
- to provide the same access to training for men and women;
- to change mentalities and combat stereotypes;
- to foster a balance between professional and private life;
- to encourage shared parenting;
- to increase its gender equality index score.

The agreement's main focus continues to be to increase the percentage of women in certain jobs (driving, safety) and the percentage of women on management committees.

RATP Dev USA created a Women in leadership programme to promote networking among female leaders and opportunities for growth and development. The programme takes place every quarter and a guest speaker is invited for each session.

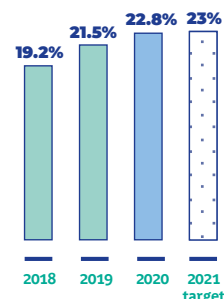
> Key indicators

The percentage of women working at RATP has grown slightly, reaching 20.7% in 2020.⁽¹⁾

The percentage of women in managerial positions has steadily increased over the last five years to reach 36%, notably thanks to the recruitment of women (41% of managers recruited in 2020 were women), of which 37% were appointed to senior positions (up 0.4% compared to 2019). RATP is therefore above the average defined by France's public transport union (UTP), which counted 20.3% women in 2019 and 31.2% engineers and managers.

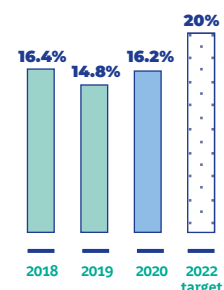
RATP Dev showed an increase from 14.8% in 2019 to 16.2% in 2020. In addition, the percentage of women in RATP Dev's senior management has increased significantly (30.9% in 2019 to 34.9% in 2020). The percentage of women at RATP Real Estate is 51%, growing slightly compared to 2019. All the results are included in the table of indicators at the end of the NFPD.

Percentage of women recruited by RATP

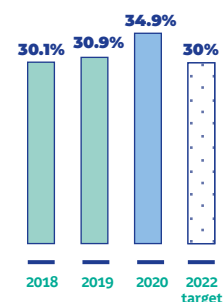


The percentage of women recruited by RATP continued to grow in 2020.

Percentage of women in the total workforce – RATP Dev



Percentage of women in senior management – RATP Dev



In 2019, RATP scored 85 out of 100 in the gender equality index, under the French law on the freedom to choose one's professional future, up 5 points from the previous year. Its aim is to raise this score to 95 out of 100 by implementing pay increases when the employee returns from maternity or adoption leave by 2023, when the sixth agreement on equal opportunities will be negotiated. This ambition became a reality in 2020 with an index equal to 95.

Employment and inclusion of people with disabilities

RATP is committed to pursuing the implementation of inclusion and reintegration measures that enable people with disabilities to find or maintain employment. The company also develops action plans to raise awareness in the professional environment relating to the issue of disabilities at work, in order to facilitate the integration of people with disabilities.

(1) The percentage published in the 2019 financial and CSR report was rounded up from 20.6% to 21%. The percentage reached in 2020 was 20.7%.

Promoting aligned, local social dialogue

Social dialogue is a key factor in the Group's identity and drives its performance.

Our commitments, policies, and actions

Preventing social conflicts

Social dialogue is based on the agreement regarding trade union rights and high-quality social dialogue that took place in 2018, aiming to promote constructive social dialogue by focusing on collective bargaining. The social alarm system continues to play a significant role: in 2020, RATP received just six strike notices. However, the conflict rate is on the rise, in the context of government reforms, with an average of 2.78 days of strikes per year per employee (industrial action on pensions in December 2019 that continued until February 2020).

In 2020, despite the health barriers impeding the proper operation of employee representative bodies, the 15 social and economic committees managed to meet and address RATP's social and economic matters thanks to digital technology and the signing of an agreement on social dialogue organisation processes during the pandemic. These measures also allowed the *commission santé, sécurité et conditions de travail* – health, safety and working conditions commission) of all entities to make direct contributions to the continuity of activity by regularly adapting work processes to health protocols.

Aligning social dialogue within the Group

After establishing an RATP France Group committee in 2012, an RATP European works council was created in 2017. As a forum for information, exchanging views, and consultation on the Group's situation and strategy, it encourages social dialogue at European level.

A new mandate was implemented in 2019 for each of these two bodies. The RATP France Group committee met in 2020 using video-conferencing technology.

Anticipating opening up to competition

RATP pursued its actions in 2019 to prepare for opening up to competition. The Group convened the company's recognised representative labour organisations to bilateral meetings and one multilateral meeting to discuss the provisions of the French framework law on mobility which was being debated in Parliament at the time.

In addition, communication actions were undertaken with the management teams of several company departments to inform and raise awareness on the framework set by the legislator.

Lastly, RATP, through the UTP, of which it is a member, and RATP's labour organisations, in association with the representative labour organisations recognised by the urban transport division, took part in consultation meetings led by the Ministry of Transport in 2020, on the social provisions of opening RATP's bus activities up to competition. These will feature in the draft implementing decree of article 158 of the framework law on mobility. Seven rounds of bilateral meetings were held, on matters regarding the territorialised social framework (*cadre social territorialisé*) of bus drivers' work organisation and on the transfer of personnel (methods for calculating staff numbers, appointment of employees, employee assistance throughout the procedure, portable rights).



9 collective agreements signed during the year



> Key indicator

Conflict rate ⁽¹⁾	2018	2019	2020
RATP	0.56	4.42	2.78

(1) Average number of strike days per employee per year.

The rise in the conflict rate in 2019 and 2020 was due to the industrial action related to the government's pension schemes reform.

Preventing occupational risks and promoting the health of RATP employees

RATP Group is committed to preventing occupational accidents and improving health and safety at work, beyond regulatory compliance, through the Group's occupational health and safety (OHS) policy.

2020 was marked by the health crisis related to the spread of the Covid-19 virus. In this unprecedented situation, RATP Group implemented all the measures relevant to its position as urban public transport operator to ensure continuity of service while guaranteeing the required level of staff and passenger protection.

The pandemic risk is described in the "Internal control and risk management" section of this report.

The multi-year, cross-functional OHS action plan programme continued in 2020 to include the prevention of occupational risks in industry practices and to promote a professional qualification and learning organisation for all employees. This programme is prioritised with regard to the Group's significant occupational risks.

Our commitments, policies, and actions

Acculturation of managers and employees to the prevention of occupational risks

As part of the managerial excellence programme, the prevention of occupational risks has been included in the new managerial CLE (coach, leader, entrepreneur) standard.

To accompany the deployment of this standard, in addition to the events programme started in 2019, a compulsory training and a tailored training programme geared towards all manager profiles have been developed and rolled out to strengthen the basic principles and to supply managers with the key tools to become coaches in support of health, safety and well-being at the workplace.

In relation to employees, a new digital portal is being trialled based on the needs expressed by employees. It offers access to all the information required to understand how health and safety integrates into their everyday work and what resources (business tools, useful contacts, etc.) are available to take action and access help.

Development of the occupational risk prevention programme

The acculturation of managers and employees to the prevention of occupational risks calls for support from stakeholders with a strong record in risk prevention. To boost the excellence of this programme, a specific digital portal has been developed to help grow a dedicated business community and to provide every member with the company's prevention standards and tools, share the results obtained, highlight and promote local initiatives and thus facilitate the sharing of best practices.

Re-engineering tools, norms, and training for more agile prevention

Rolling out digital technology allows the company to re-examine the practices and tools available to managers, health and safety staff, and employees in order to facilitate access to the knowledge, skills, and actions required for occupational risk prevention, thus making it easier to include prevention in the core of industry practices.

> Key indicators

	2018	2019	2020 (to late October)	2020 target (compared to 2015)	2020 result (compared to 2015)
Occupational accident frequency rate					
RATP	31.36	30.12	26.03	/2	-36%
Occupational accident severity					
RATP	2.88	2.84	3.27	/2	+21%
Number of employees who are permanently unfit to perform their jobs and are awaiting reclassification					
RATP	284	265	193	/2	-42%
Percentage of operational units ISO 45001 or OHSAS 18001 certified					
RATP	55%	60%	60%	100%	

The frequency rate at RATP has fallen steadily and sharply by 36% in five years, from 40.90 in 2015 to 26.03 in 2020. The severity rate, after a positive trend started in 2019, was impacted by the pandemic with a delay in people returning to work. The main causes of occupational accidents reported are still assaults, for which prevention and reduction action plans continue, backed by the highest level in the company.

Significant progress has also been recorded in terms of people declared permanently unfit to work with a more than 42% fall in the number of employees in this situation. Prevention actions to improve workstation ergonomics, including in the upstream phase of projects, and back-to-work support programmes are contributing to this positive trend.

Safeguarding employees abroad

RATP Group's priority is to ensure all employees a high level of safety/security during business trips and stays abroad. Under the aegis of the Risk Management department, the international security mission conducts a health and safety risk prevention policy in cooperation with the Ministry of Europe and Foreign Affairs, the Inter-enterprise expatriation centre, RATP's medical advisors, insurers, and specialised service providers. Procedures and tools are implemented so that all employees can prepare their journeys and stays under the best possible conditions: monthly mapping of country risks, safety guide, e-learning training depending on risk levels, smartphone app, health and safety hotline, geolocation based on criteria chosen by the employee.

Professional risks are described in the "Internal control and risk management" section of this report.



The partnership with International SOS was put to good use during this year marked by the pandemic, both for avoiding risks ahead of business trips and organising the repatriation of employees who were sick or isolated in countries facing travel restrictions.

Guideline 3.3 — Ensure fair practices in our value chain

RATP Group considers it essential that all its employees behave in accordance with common values.

Ethics underpin our actions and our behaviour

Ethics underpin our actions and our behaviour regarding the service provided to our customers. They are also a prerequisite for the company's performance.

Our commitments, policies, and actions

- **Revision and communication of the company's code of ethics:** a code of ethics was implemented in 2011. To meet the requirements of the Sapin II law, the code of ethics has been revised and shared since January 2019, together with an adoption plan. As part of this plan, the General Delegation for Ethics met all tier 1 department and subsidiary management committees, as well as about 40 units, in order to present this document. This adoption phase will continue in 2020.

- **Implementation of a new whistle-blowing hotline:** the whistle-blowing line set up in 2011 has been updated to meet the requirements of the French Sapin II law, in particular with regard to data processing security and whistle-blower protection. The hotline is available to the entire Group. Special arrangements have been set up for RATP Dev employees, given the variety of countries and languages involved. At the end of the year, an assessment will be made and modifications may be carried out.
- **A new awareness-building programme** was introduced on the internal training platform in 2020. This “Learn about ethics at RATP” course is accessible to every employee in RATP Group on a self-service basis.

Tax evasion

RATP Group has always been committed to operating in strict accordance with business ethics. RATP Group’s Code of ethics is in line with the commitments made by RATP, which joined the UN GC in 2003 and has thus undertaken to comply with the 10 founding principles on human rights, working conditions, the environment and eliminating corruption. For this reason, RATP Group makes tax transparency and eliminating tax non-compliance a management principle. RATP’s ambition is to conduct its business in France and abroad in compliance with national laws and the Organisation for economic cooperation and development (OECD) transfer pricing guidelines for multinational corporations and tax authorities.

In accordance with its legal obligations, RATP Group has submitted its tax return on a country-by-country basis stating the distribution of its profits, taxes and activities, by tax jurisdiction.

A compliance programme for increased vigilance in business-related affairs

Regarding business conduct in a changing competitive and legislative environment, RATP Group is committed to a transparency approach based on compliance with the highest French and international standards in business conduct. To this end and following the Sapin II law, the Group has created a compliance unit to meet the global compliance challenges. The Group is responsible for establishing and implementing compliance programmes that cover topics such as eliminating corruption, anti-competitive practices and due diligence.

The business conduct risk is explained in detail in the “Internal control and risk management” section of this report.

> Key indicator



Rate of staff exposed trained and trained to corruption risks at the end of December 2020: **90%**



Personal data management

Our commitments within a validated governance structure

The GDPR, which came into force on 25 May 2018, reinforces the personal data protection principles set forth in the French data protection act.

The GDPR risk is described in the “Internal control and risk management” section of this report.

> Key indicator

Number of notifications sent to CNIL (French data protection authority) in the event of personal data breaches	2018	2019	2020
RATP/RATP Real Estate/RATP Habitat/RATP Travel Retail/RATP Connect	0	1	10

In 2018, the definition of cases of personal data breaches was made more precise. This helps improve the quality of monitoring and identify the number of cases, many of which are found to be of low severity after analysis.

Risks and vigilance in the supply chain



5,583 RATP suppliers

96% of suppliers in France



In 2012, RATP committed to a responsible purchasing policy in order to incorporate sustainable development throughout the purchasing process, which goes from the purchasing strategy to the fulfilment of the contract. Purchasers ensure that they define purchasing strategies in line with the Group’s policy and values with the support of prescribers, in order to prevent and control social and environmental risks. Suppliers’ offers are selected based on quality, cost, and deadlines, as well as CSR. A dedicated organisation and a training and awareness-building plan support purchasers and specifiers during the process.

In 2020, 32% of purchasing documents included CSR requirements, articles, and criteria.

Our commitments, policies, and actions

A proactive approach to comply with due diligence requirements

In 2019, RATP conducted risk mapping with regard to the infringement of human rights, fundamental freedoms, health and safety, and the environment, along their supply chain. A CSR risk level was linked to each of the purchasing categories.

The goal for 2020 was to create a sensible and effective vigilance plan relying on the best practices already in place and implementing appropriate actions. These actions depend on the level of CSR risk observed and strategic issues. Since the pandemic also impacted the purchasing function, the vigilance plan will be drawn up in 2021.

Supplier audits, a targeted approach that has been in place for several years

When risks are identified in the supply chain or for strategic purchases such as rolling stock, RATP initiates social and/or environmental audits to check the production conditions at its suppliers' sites. They are conducted before the contract is awarded. The bid may be rejected in the event of major non-compliance.

- Rolling stock (buses, trains, trams)**
 For three years, social/environmental audits have been conducted on the production sites of the main bus components (assembly, traction, batteries). The audits are carried out by independent agencies. In 2020, the consultation phase of this process was continued, not without difficulty, given the global health crisis.
 For railway rolling stock (RER, metro, tram), RATP internal auditors lead the quality/environment controls *in situ* for suppliers providing parts that are deemed critical.

100% of electric buses have been audited by an independent agency
 100% of the critical parts manufacturers for railway rolling stock have been audited

- Clothing**
 Working conditions and compliance with human rights are frequently singled out in the clothing industry. Since 2000, RATP has implemented systematic social audits on clothing factory sites. The results are used to determine whether the contract is awarded or not. These audits are carried out by independent agencies. Suppliers are aware of RATP's high standards and non-complying sites are now rare.

- RATP on-site controls**
 The external contractors who work in RATP stations and work sites are subject to regular inspections, in particular to ensure that they comply with hygiene and safety regulations and that their employees are legally compliant. In the event of non-conformity, measures are taken and companies are placed under increased surveillance. A commission ensures the reporting and monitoring of these irregularities.

> **Key indicator**

	2018	2019	2020
Number of social audits carried out during the year (bus)			
RATP	0	0	14
Number of social audits carried out during the year (clothing industry)			
RATP	12	15	0

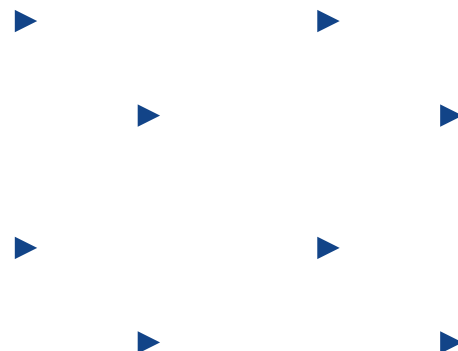
In 2020, social audits were primarily conducted on buses.

The fight against illegal employment

Aware of the risks associated with illegal employment in intensive labour markets, in particular works contracts, RATP has had an in-house procedure since 2010 that defines departments' duties and responsibilities. In addition, as part of the Grand Paris CSR Charter, RATP has undertaken to combat undeclared work.

The means used in this fight include, in particular:

- the use of e-certification services facilitating the collection of regulatory documents from suppliers and subcontractors (Urssaf, Kbis, and foreign workers). These documents are required before the contract is awarded, then every six months during the contract;
- site access control: in 2017 the procedure for issuing access cards was strengthened. Now on-site inspections are carried out by RATP itself or by outside service providers.



Indicator table

STRATEGIC FOCUS 1: BE A MAJOR PLAYER IN MOBILITY AND SUSTAINABLE CITIES

	2018	2019	2020	Target
Guideline 1.1. Establish a connected and accessible mobility offering				
GPSR officers average daily on-duty time – RATP (shift hours/day)	561	587	505	
Trends in rail network accidents – RATP (number of accidents per year per million commercial kilometres)	12.11	11.51	7.45	
Trends in bus network accidents – RATP (accident rate per 100,000 km)	6.72	6.58	4.69	
Passenger satisfaction rate – RATP (source: Île-de-France Mobilités perception survey)	80.6%	82.0%	Not available	
Percentages of bus routes in Île-de-France that are accessible to people with reduced mobility – RATP	83%	85%	86%	100% by 2022
Percentage of RER stations in Île-de-France that are accessible to people with reduced mobility – RATP	97%	98.5%	98.5%	100% by 2021
Percentage of assistance staff members in stations trained to assist people with mental disabilities (S3A label) – RATP	52%	72%	76%	100% by 2020
Guideline 1.2. Act to protect environmental health				
Number of ICPE formal notices – RATP	0	0	2	0
Number of ICPE formal notices – RATP, RATP Dev	0	0	2	
Particulate matter levels in the three stations on the Squales network in µg/m ³ – RATP (average concentration of PM10 particles in µg/m ³)	92	76	51	
Number of people exposed (noise black spots) – RATP	334	334	397	0 by 2020
Number of noise- and vibration-related complaints and claims – RATP	498	566	594	
Number of noise- and vibration-related complaints and claims – RATP, RATP Real Estate	523	673	622	
Percentage of rolling stock with a low noise level (buses, railways) – RATP	54%	53%	58%	
Number of electromagnetic field measurements carried out during the year – RATP	748	268	1,038	
Guideline 1.3. Encourage urban integration and functional diversity				
Number of housing units built (total) – RATP, RATP Real Estate, RATP Habitat	1,102	1,102	1,292	2,000 by 2024
Number of social housing units (total) – RATP Habitat	899	954	1,090	1,000 by 2024
Number of hectares of greenery planted – RATP, RATP Real Estate	2.1	2.2	2.4	4 by 2020, 1.3 of which will be urban agriculture

STRATEGIC FOCUS 2: REDUCE OUR ENVIRONMENTAL FOOTPRINT

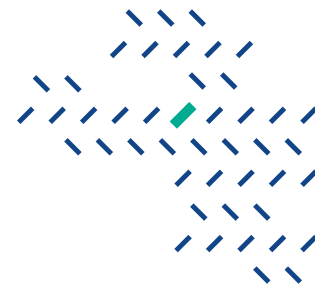
	2018	2019	2020	Target
Guideline 2.1. Reduce our carbon footprint and save resources				
Total energy consumption (in GWh) – RATP, RATP Real Estate	2,506	2,418	2,251	
Total energy consumption (in GWh) – RATP, RATP Dev, RATP Real Estate	3,314	3,245	2,864	
Including energy consumption for traction purposes (all modes included) – RATP, RATP Dev, RATP Real Estate (in GWh)	2,610	2,571	2,192	
Percentage of energy consumption for rail traction – RATP	39%	39%	37%	
Percentage of energy consumption for bus traction – RATP	35%	36%	36%	
Percentage of energy consumption for buildings and auxiliary vehicles – RATP	26%	25%	27%	
Evolution in energy consumption per passenger.kilometre compared to 2015 – RATP	-6%	-8%	+57%	-20% by 2025
Evolution in GHG emissions per passenger.kilometre compared to 2015 – RATP	-9%	-13%	+44%	-50% by 2025
Total GHG emissions linked to energy consumption – RATP, RATP Real Estate (tonnes of CO ₂ equivalent)	397,033	372,908	337,380	
Total GHG emissions linked to energy consumption – RATP, RATP Dev, RATP Real Estate (tonnes of CO ₂ equivalent)	640,952	711,866	558,162	

	2018	2019	2020	Target
Total GHG emissions from RATP and RATP Real Estate traction (tonnes of CO ₂ equivalent)	327,599	311,851	271,988	
Total GHG emissions from RATP, RATP Dev and Real Estate traction (tonnes of CO ₂ equivalent)	538,722	620,600	465,965	
GHG emissions from buildings and auxiliary vehicles – RATP, RATP Real Estate (tonnes of CO ₂ equivalent)	69,434	61,057	65,392	
GHG emissions from buildings and auxiliary vehicles – RATP, RATP Dev, RATP Real Estate (tonnes of CO ₂ equivalent)	102,230	91,266	92,197	
Total water consumption – RATP, RATP Real Estate (in m ³)	912,214	879,927	856,810	
Total water consumption – RATP, RATP Dev / RATP Real Estate (in m ³)	1,250,212	1,379,450	1,253,844	
Guideline 2.2. Develop the circular economy				
Total amount of waste – RATP, RATP Real Estate (in tonnes)	26,858	26,727	27,059	
Total amount of waste – RATP, RATP Dev, Real Estate (in tonnes)	28,990	28,612	29,110	
Including hazardous waste (off-site) – RATP, RATP Real Estate (in tonnes)	4,458	4,212	4,315	
Including hazardous waste (off-site) – RATP, RATP Dev, Real Estate (in tonnes)	5,348	4,879	5,114	
Including non-hazardous waste (off-site) – RATP, RATP Real Estate (in tonnes)	22,400	22,514	22,744	
Including non-hazardous waste (off-site) – RATP, RATP Dev, RATP Real Estate (in tonnes)	23,641	23,732	23,995	
Total amount of waste recycled – RATP, RATP Real Estate (in tonnes)	26,856	26,727	27,059	
Amount of waste recycled for re-use (in tonnes)	1,077	402	3,109	
Amount of waste recycled for material recovery (in tonnes)	20,346	21,222	18,899	
Amount of waste recycled for energy recovery (in tonnes)	4,691	4,317	4,530	
Amount of waste recycled for organic recovery (in tonnes)	547	572	248	
Amount of waste recycled through other recovery methods (in tonnes)	195	214	273	
Amount of ballast (off-site) – RATP (in tonnes)	5,409	8,510	8,400	
Guideline 2.3. Promote and eco-design measures				
Number of industrial sites ISO 14001 certified – RATP	82	89	93	
Number of industrial sites ISO 14001 certified – RATP, RATP Dev	83	91	95	
Percentage of industrial sites ISO 14001 certified – RATP	89%	96%	100%	100% by 2020
STRATEGIC FOCUS 3: CONFIRM OUR SOCIAL RESPONSIBILITY				
	2018	2019	2020	Target
Guideline 3.1. Contribute to economic vitality and solidarity in regions				
Number of direct, indirect, and induced jobs resulting from RATP businesses	128,000	128,000	128,000	
Number of indirect jobs and procurement-induced jobs (billed turnover) – RATP	43,500	43,500	43,500	
Amount of solidarity purchases – RATP, RATP Real Estate (in millions of euros)	1.3	1.3	1.4	1.4 by 2020
Number of completed hours dedicated to inclusion – RATP, RATP Real Estate	385,000	530,000	643,500	
Number of recipients (of inclusion hours) – RATP, RATP Real Estate	749	900	947	
Percentage of SMEs among suppliers – RATP, RATP Real Estate	66.4%	64.7%	61.0%	
Number of participants in the Ateliers mobilité® – RATP	3,173	3,138	1,606	3,000
Average number of homeless people assisted each day – RATP	117	103	43	
Rates of assistance provided in directing homeless people to social support services – RATP	73%	71%	52%	
Number of direct and indirect participants in RATP Group Foundation's projects	44,383	80,885	259,270	
Number of projects supported by the Foundation – RATP Group	69	64	67	
Guideline 3.2. Promote management that encourages staff commitment				
Total workforce – RATP	46,064	46,575	46,826	
Total workforce – RATP, RATP Dev, RATP Real Estate	59,889	59,544	60,031	

MANAGEMENT REPORT

Non-financial performance declaration

	2018	2019	2020	Target
Turnover rate – RATP	6.42%	8.35%	8.76%	
Number of employees hired – RATP	3,761	4,538	3,538	
Number of employees hired – RATP, RATP Dev, RATP Real Estate	7,518	7,279	4,772	
Number of employees leaving – RATP	3,329	3,887	3,743	
Number of employees leaving – RATP, RATP Dev, RATP Real Estate	5,725	6,039	5,178	
Number of work/study contracts – RATP	559	773	743	
Number of work/study contracts – RATP, RATP Real Estate	565	784	756	
Promotion rate in relation to the reason for leaving – RATP	11.6%	11%	10%	
Mobility rate – RATP	8%	11%	5%	
Operator	5%	6%	4%	
Management	14.2%	13%	9%	
Average wage increase – RATP	2.30%	2.60%	2.10%	
Total number of training hours – RATP	1,951,189	1,901,388	1,404,196	
Total number of training hours – RATP, RATP Dev, RATP Real Estate	2,233,310	2,152,868	1,548,423	
Percentage of women in the total workforce – RATP	20.6%	21%	20.7%	
Percentage of women in the total workforce – RATP Dev	16.4%	14.8%	16.2%	20% by 2022
Percentage of women in the total workforce – RATP, RATP Dev, RATP Real Estate	20%	19.7%	19.8%	
Percentage of women holding management positions – RATP	19%	20%	24%	
Percentage of women holding management positions – RATP, RATP Real Estate	19.2%	20%	24.2%	
Percentage of women holding management positions – senior management – RATP Dev	30.1%	30.9%	34.9%	30% by 2022
Percentage of women recruited – RATP	19.2%	21.5%	22.8%	23% by 2021
Number of employees declared as disabled – RATP	1,683	1,702	1,710	
Number of employees declared as disabled – RATP, RATP Dev	1,875	1,874	1,958	
Conflict rate – RATP (number of days off work due to strikes/average number of employees)	0.56	4.42	2.78	
Sickness absenteeism rate – RATP	11.13	13.12	21.97	
Sickness absenteeism rate – RATP, RATP Dev, RATP Real Estate	10.29	12.25	19.96	
Number of occupational accidents – RATP	1,893	1,788	1,438	
Number of occupational accidents – RATP, RATP Dev, RATP Real Estate	2,558	2,536	1,745	
Number of employees awaiting reclassification after being declared permanently unfit to perform their jobs – RATP	284	265	193	Halve by 2020 (compared to 2015)
Occupational accident frequency rate – RATP (number of occupational accidents with time off work x 1,000,000 / number of hours worked)	31.36	30.12	26.03	Halve by 2020 (compared to 2015)
Occupational accident frequency rate – RATP, RATP Dev, RATP Real Estate	26.5	26.89	22.45	
Occupational accident severity rate – RATP (number of days lost due to occupational accidents x 1,000 / number of hours worked)	2.88	2.84	3.27	Halve by 2020 (compared to 2015)
Occupational accident severity rate – RATP, RATP Dev, RATP Real Estate	2.21	2.31	2.67	
Percentage of operational units OHSAS 18001/ISO 45001 certified – RATP	55%	60%	60%	100% by 2020
Guideline 3.3. Ensure fair practices in our value chain				
Number of social audits carried out during the year – RATP	12	15	14	
Total number of audits since 2000 – RATP	95	110	124	
Total number of audited sites rejected since 2000 – RATP	6	7	3	
Number of whistle-blower reports – RATP	–	50	30	
Number of notifications sent to CNIL in the event of personal data breaches – RATP	0	1	9	
Number of notifications sent to CNIL in the event of personal data breaches – RATP, RATP Real Estate, RATP Habitat, RATP Travel Retail, RATP Connect	0	1	10	



Methodology note on non-financial reporting – Fiscal year 2020

General framework

RATP Group applies the European directive and its implementing decree of 9 August 2017 regarding the requirement for large companies to provide a non-financial performance declaration.

The reference texts are:

- the European directive of 22 October 2014 and the guidelines on non-financial information;
- the order of 19 July 2017;
- the implementing decree of 9 August 2017;
- the energy transition law for green growth of 18 August 2015;
- law No. 2018-938 on the balance of trade relations in the agricultural and food industry, and healthy, sustainable and accessible food for all;
- law No. 2018-898 of 23 October 2018 on eliminating fraud.

The following topics have not been addressed, as they are not applicable to the Group's businesses:

- tackling food insecurity;
- respect for animal welfare and responsible, fair, sustainable food.

Non-financial risks

In accordance with the regulatory requirements of implementing decree No. 2017-1180 of 19 July 2017, the Group has assessed its main environmental, social, human rights, and anti-corruption risks and opportunities. The analysis was carried out in three core steps:

1. the definition of the Group's non-financial risk environment with around forty risks and opportunities. This was established using information from the Group's risk environment, sectoral bibliographic research, recognised reference systems such as MSCI and SASB, as well as the materiality analysis already carried out by the Group in 2017;
2. the rating of each CSR risk and opportunity by experts in the field. The rating scale was established with the Group's Risk Management department based on a methodology similar to the one used to establish the Group's mapping. The risks were assessed in terms of impact severity and occurrence;
3. the ranking of CSR risks and opportunities. Impact and occurrence assessments have allowed the ranking and identification of the Group's priority risks, which were approved by a non-financial performance steering committee.

These three steps represent the risk management process implemented by the Risk Management department. Mapping is already included in the Group's risk environment.

Business model

The business model is based on the operation of a transport network, which is the Group's core business. It is adapted to the contractual terms and conditions of each transport network.

Non-financial reporting scope

This reporting scope covers 92.6% of consolidated turnover on 31 December 2020. The exact scope is specified for each indicator. It varies from one indicator to another. Barring some indicators, the overall scope of non-financial reporting is as follows for:

- the qualitative aspect: RATP (EPIC), 52 RATP Dev subsidiaries, RATP Real Estate, and RATP Smart Systems;
- the quantitative aspect: RATP (EPIC), 27 RATP Dev subsidiaries and RATP Real Estate.

Some indicators have a specific scope such as:

- number of housing units built, including social housing: this exclusively involves RATP, RATP Real Estate and Paris Habitat;
- number of direct and indirect beneficiaries of projects, and number of projects supported by the Foundation: this involves RATP Group in its entirety, i.e. RATP and all its subsidiaries;
- number of notifications sent to CNIL in the event of personal data breaches: this involves RATP and its subsidiaries RATP Real Estate, RATP Habitat, RATP Travel Retail and RATP Connect.

Reporting schedule

In order to include non-financial (CSR) reporting in the company's financial report, this CSR reporting schedule has been aligned with the financial reporting schedule: they now both cover the 2020 civil calendar and fiscal year. Non-financial information is applied to the full calendar year, i.e. the period from 1 January 2020 to 31 December 2020 (twelve months).

Organisation

A single reporting protocol defines the collection methods and indicators. This protocol is shared and applied to ensure an aligned, consistent, and accurate collection of indicators. The indicator collection process is based on several levels depending on the entities involved. The Financial division ultimately consolidates Group figures. Qualitative information is collected through interviews and surveys.

Data collection varies from one structure to another. It is conducted using existing tools and dedicated information systems for human resources, purchasing, water and energy consumption, security, etc.

Particularities and methodological limits

The NFPD is methodologically limited for several reasons: the lack of alignment between national and international definitions and legislation, imprecise margins for calculating data over a calendar year (with invoices or data arriving at a later date), etc.

Human resources

- With regard to the “number of employees leaving” (“Hires and departures” indicator), all departures during probationary periods are taken into account, regardless of whether they were initiated by the employee or the employer.
- Authorised leaves, in the case of RATP, are not taken into account in number of absent staff.
- Although staff on subsidised contracts and doctors are excluded from the total workforce, they are taken into account when it comes to accidents, training, disability, hiring and departures.
- A constant difference of around 2% to 3% is observed each year for the “Occupational accidents” indicator between the data on the indicator’s closing date and the consolidated data. This is due to the regulatory timeframes for the investigation of employee claims and occupational accident declarations by healthcare funds.
- The number of RATP training hours is calculated based on training provided under the training plan.
- In 2019, RATP Dev fell outside the consolidation scope for the “Number of work-study contracts” indicator.
- The turnover rate is calculated based on the arrivals and departures for year N excluding subsidised contracts and doctors.
- Regarding disability, it should be noted that RATP Dev subsidiaries located in the US (including RATP Dev NA Bus) do not report on this data due to local regulatory requirements and are excluded from the reporting scope.
- The calculation of the mobility rate in 2020 was impacted by the following events: the revision of mobility indexes, the revision of the job repository with 264 job families, preparations for the commissioning of Pulse and the reorganisation of RATP Infrastructures.

The environment

- The environmental data calculated based on meter readings or invoices excludes data unavailable on the management report issue date. Missing information is not estimated in the current data (water and energy consumption and GHG emissions indicator).
- When it comes to monitoring waste, some subsidiaries do not have the means to evaluate or weigh the amount of everyday municipal waste. Therefore, a portion of this waste is not recorded in the consolidated data. Given the reduction in waiting times for the publication of accounts, it should be noted that input for these indicators stopped earlier than last year. This explains the downward variation. Since 2020, the bus dismantling programme has been included in waste monitoring.
- The indicator regarding “Individuals exposed to the threshold limit of the EU directive No. 2002/49/EC” is calculated without considering the index used. The limit thresholds set by the directive exceed the Lden index (day evening night noise level) by 73 dB(A) and the Ln index (night noise level) by 65 dB(A) for the rail mode. The proposed indicator therefore represents the cumulative number of people exposed to the maximum threshold of the directive regardless of the Lden and Ln index and regardless of mode.
- In 2019, RATP Dev fell outside the consolidation scope for the “Number of noise and vibration-related complaints and claims” indicator.

- Regarding the air quality indicator “Particulate matter rate in the three stations on the Snares network”, it should be noted that Auber station was closed for renovation works in 2019 and 2020. These changes in the measurement scope may impact the data.
- For the indicator regarding the “Number of electromagnetic field measurements carried out during the year”, the calculation is based on the publication of test reports with corresponding case numbers.

Accessibility

The indicator regarding the “Percentage of assistance staff in stations trained to assist people with mental disabilities (S3A label)” is calculated based on the number of staff members assigned to this job.

Socio-economic footprint

It is calculated every three years. There was no new iteration in 2019 or 2020; the next one will be conducted in 2021. Consequently, it has been removed from the NFPD.

Railway safety

The indicator regarding “Trends in rail network accidents” is the sum of all rail safety-related operating events excluding minor cases of smoke inhalation, evacuations, and suicides. The following categories of events are excluded from the indicator: homicide, suicide and illness. The Montmartre funicular is excluded from this scope.

From 2019, the “Rail network accident” indicator for combined metro, RER and tram lines records all “declared” individual passenger incidents, but exclusively those involving emergency services. This change follows a new definition for victims put forward by the STRMTG. The change was formalised in the new version of the STRMTG application guide from November 2019, which defines the events to be taken into account for calculating the indicators in the annual operational safety reports submitted to the STRMTG. In the report, the indicators calculated with this new methodology have been updated for 2018 and 2019 (2017 unavailable).

Road safety

The indicator regarding “Trends in bus network accidents” is the sum of all road safety-related operating events excluding passengers who were ill. Bus routes chartered by RATP are excluded from the indicator.

Whistle-blower reports

The indicator regarding the “Whistle-blower reports” is the sum of the number of alerts collected in the RATP and subsidiaries mechanism and those resulting from the RATP Dev mechanism. The reports correspond more to employees’ personal situations falling within the scope of human resources than that of the French Sapin II law (whistle-blower protection).

Cross-reference table

Non FFD subject	Pages	ISO 26000	UN GC principles	SDG
Group stakeholders	11 and 55	5.3.3/6.8.3	#1-10	17
Group CSR challenges	55	5.3.3/6.8.3	#1-10	17
Group CSR policy	58	6.2	#1-10	16/17
Organisational governance	58	6.2	#1-10	16/17
Innovation for sustainable cities	61	6.5.2	#9	9
Strategic focus 1. Be a major player in mobility and sustainable cities				
Guideline 1.1 Establish a connected and accessible mobility offering	62	6.5/6.7/6.8	#1 #9	1/3/8/9/10/11/16/17
Safety, an absolute priority	62	6.7.4	#1 #2	3/16
Embodying sustainable mobility and smart city for our passengers	64	6.7.5	#1 #8 #9	09/10/11
Tackling feelings of insecurity in public transport	66	6.8.3	#1 #2	1/8
For a more inclusive society: inclusive mobility access, a human and technological challenge	68	6.7.2	#1 #8 #9	08/10/17
Guideline 1.2 Act to protect environmental health	70	6.5	#7	3/11
Making station air quality an environmental priority	70	6.5.3	#7	3/11
Reducing noise and vibration pollution	71	6.5.3	#7	3/11
Bringing exposure to electromagnetic waves under control	73	6.7.4	#1 #2	3
Guideline 1.3 Encourage urban integration and functional diversity	73	6.5	#1 to #10	11
Restructuring industrial sites to promote urban diversity	73	6.5.3	#8	11
Committing to the smart and sustainable use of buildings	74	6.5.3	#8	11
Strategic focus 2. Reduce our environmental footprint				
Guideline 2.1 Reduce our carbon footprint and save resources	74	6.5/6.7	#7 #8 #9	7/13
Taking action on climate change and the energy transition	74	6.5.5	#7 #8 #9	7/13
Controlling environmental risks and promoting continuous improvement	77	6.5.3	#7	7/13
Guideline 2.2 Develop the circular economy	78	6.5/6.7	#7 #8 #9	6/9/12/13
Industrial and regional ecology	78	6.5.2/6.5.3	#8	6
Water, waste and food wastage	78	6.5.4/6.5.5/6.7.5	#7 #8 #9	6/9/12/13
Guideline 2.3 Promote and eco-design measures	79	6.5.4/6.7.5	#8 #9	9/12
Strategic focus 3. Confirm our social responsibility				
Guideline 3.1 Contribute to economic vitality and solidarity in regions	80	6.8	#1	1/4/8/10
Contribute to social inclusion and vocational integration	80	6.8.3	#1 to #10	1/8
Encourage regional action	81	6.8.3	#1 to #10	1/8
Purchasing, a contributing factor for employing the most vulnerable groups	81	6.8.3	#1 to #10	1/8
Purchasing practices in favour of SMEs	82	6.8.3	#1 to #10	1/8
Fighting against extreme exclusion	83	6.8.3	#1 #2	1/8
A Foundation that serves regions	83	6.8.3	#1	1/4/5/6/8/10/11/12/17

MANAGEMENT REPORT

Non-financial performance declaration

Non FFD subject	Pages	ISO 26000	UN GC principles	SDG
Guideline 3.2 Promote management that encourages staff commitment	85	6.3/6.4	#1 #3 #6	1/3/4/5/8/10
Optimise skills management	85	6.4	#6	4
Making diversity a success factor	86	6.4.4/6.4.7	#6	4/8
Ensuring equal opportunities in the workplace and wage equality between women and men	87	6.3.7/6.3.10	#1 #2 #4 #5 #6	1/3/5/8/10
Employment and inclusion of people with disabilities	87	6.3.7/6.3.10	#1 #6	01/08/10
Promoting aligned, local social dialogue	88	6.4.4/6.4.5	#3	3/17
Preventing occupational risks and supporting the health of RATP employees	88	6.4.4/6.4.6	#1 #2 #6	3/8
Guideline 3.3 Ensure fair practices in our value chain	89	6.6/6.7	#1 to #10	10/11/12/16
Ethics underpin our actions and our behaviour	89	6.6.3	#1 to #10	16
Tax evasion	90	6.6.3	#1 to #10	16
A compliance programme for increased vigilance in business-related affairs	90	6.6.3	#1 to #10	16
Personal data management	90	6.6.3	#1 to #10	16
Risks and vigilance in the supply chain	90	6.6.6/6.7.3	#1 to #10	8/10/11/12

Report by one of the Statutory Auditors, appointed as independent third party, on the non-financial performance declaration

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Fiscal year ended 31 December 2020

To the Chairwoman,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the Cofrac under number 3-1049⁽¹⁾, we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2020 (hereinafter the "Statement"), established on a voluntary basis by your company, while following the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French commercial code (*Code de commerce*).

Responsibility of the entity

The Management Board's is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French commercial code and the French code of ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditors appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French commercial code;
- the fairness of the information provided in accordance with article R. 225-105, 3° and II of the French commercial code,

i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of article A. 225-1 *et seq.* of the French commercial code, as well as with the professional guidance of the Compagnie nationale des commissaires aux comptes, French institute of statutory auditors applicable to such engagements and with the ISAE 3000⁽²⁾ international standard:

- we obtained an understanding all the consolidated entities' activities, and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1, III;
- we verified that the Statement provides the information required under article R. 225-105, II, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1, III, paragraph 2;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important⁽³⁾. Our work was carried out on the consolidating entity;

(1) Accreditation Cofrac Inspection, No. 3-1049, scope available at www.cofrac.fr.

(2) ISAE 3000: Assurance engagements other than audits or reviews of historical financial information.

(3) Qualitative information (actions and results) considered most important: Actions in favour of passenger safety, Actions taken to ensure continuity of service and protection of employees and travellers in the context of the Covid-19 pandemic, Measures to promote professional and wage equality between women and men, Policies in favour of social dialogue, Connected and accessible mobility devices, Measures in favour of air quality, Actions in favour of noise reduction, Carbon footprint and resource management, Measures in favour of the circular economy, Economic impact of territories, Policies in favour of business ethics.

- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important⁽⁴⁾, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities⁽⁵⁾ and covers between 77% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of six people between November 2020 and March 2021 and took a total of five weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around fifteen interviews with the people responsible for preparing the Statement, representing mainly the Finance and Administration department, the Risk Management and Compliance department, the Human Resources department, the Health and Safety Department and the Environment department.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial performance declaration is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

KPMG SA

Paris-la Défense,
15 March 2021

Anne Garans
Partner
Sustainability Services

Paris-la Défense,
15 March 2021

Stéphanie Millet
Partner

(4) Key performance indicators and other quantitative results considered most important:

Social information: Average daily time spent by GPSR on the networks, Trends in rail networks accidents, Trends in bus network accidents, Conflict rate (number of days off due to strikes/average number of employees), Occupational accident severity rate, Percentage of operational units certified to OHSAS 18001/ISO 45001, Number of alerts from the ethics alert system.

Environmental information: Total all-use and all-types energy consumption, Particle matter levels in the three underground stations of the Sqaules network.

(5) EPIC RATP and two RATP Dev entities: RATP Dev London (UK) and Angers Loire Métropole (France).



CORPORATE GOVERNANCE REPORT



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2020 corporate governance report

On the basis of article L. 222-9, paragraph 3 of the general regulation of the AMF and the provisions of the French commercial code (*Code de commerce*) applicable in the field, each year RATP prepares a corporate governance report in its capacity as a company issuing securities on regulated markets.

1 — Composition of the Board of Directors, corporate governance and work of the Board

1.1 Composition

In accordance with French decree No. 84-276 of 13 April 1984, as amended by French decree no. 2004-500 of 7 June 2004 and French decree no. 2006-1018 of 11 August 2006, RATP's Board of Directors comprises 27 members, as follows:

- nine French State representatives, appointed by decree;
- nine qualified persons appointed by decree:
 - two qualified persons selected for their expertise in the transport and mobility area,
 - three qualified persons with a professional background in business,
 - two representatives of public transport customers,
 - two local authority representatives from areas directly affected by the company's activities;
- nine employee representatives elected by the company's employees under the conditions laid down in chapter II of law no. 83-675 of 26 July 1983 on the democratisation of the public sector.

The Board nominates one of the directors as Chairman and Chief Executive Officer. The appointment is made by French decree by the government Ministers after the Cabinet has heard the report from the Transport Minister.

The government Commissioner and Head of the Economic and Financial Control Board for Transport are entitled to attend all Board meetings, along with the secretary or representative of the economic and social committee.

The list of directors and their terms of office as well as the terms of their wages are presented in the appendix.

1.2 Governance

1.2.1 Preliminary information

RATP is an EPIC controlled by the State. In accordance with article L. 22-10-10, 5° of the French commercial code, the French State is represented therein under the conditions indicated in point 1.1.

RATP is subject to the provisions of French decree no. 59-1091 of 23 September 1959 on the status of RATP.

It should be noted, in accordance with article L. 22-10-10, 4° of the French commercial code, that RATP does not refer to a corporate governance code. The provisions of the most widespread corporate governance codes (AFEP-MEDEF and Middlednext) apply for the most part to private companies, most often listed, which are far removed from RATP's very specific legal environment, in particular its quality as an EPIC. Thus, the AFEP-MEDEF code is mainly used by CAC 40 companies and the Middlednext code is intended for small and medium-sized listed companies⁽¹⁾.

1.2.2 Board prerogatives

In accordance with the provisions of article 6 of French decree no. 59-1091 of 23 September 1959 on the status of the Régie autonome des transports parisiens, the Board of Directors deliberates in particular on:

- the location of RATP's head office;
- the agreement to be made with Île-de-France Mobilités and its amendments;
- issues relating to the status of employees;
- budget forecasts and revisions thereto;
- investment and upgrade programmes for equipment and facilities;
- planned works or supplies, except for those that the Chairwoman is responsible for approving;
- contracts that must be submitted to the Railway Procurement Board;
- borrowings, with requests, if necessary, for approval from the competent authorities and guarantees from local authorities;
- the acquisition, extension or disposal of equity investments;
- legal actions, transactions and withdrawals;
- the acquisition or disposal of any real estate assets, the leasing or leaseback of any fixed assets if the lease is for a term of more than nine years;
- the financial statements for each financial year;
- the issuance of titles to occupy the public domain of the State pursuant to articles L. 34-1 to L. 34-9 of French code on the public domain (*Code du domaine de l'État*) and article 3 of law no. 94-631 of 25 July 1994.

The Board of Directors may delegate some of its powers to the Chairwoman and Chief Executive Officer.

In addition, the Board adopts its internal rules in accordance with the provisions of article 6-12 of French decree no. 59-1091 of 23 September 1959 on the status of RATP.

In particular, the Board approves contracts of over €60 million, after consulting the technical and technological transport modernisation committee (*Commission de la modernisation technique et technologique et du transport – CMTTT*), which also has a right of evocation for contracts subject to the approval of the Chairwoman and Chief Executive Officer.

(1) Source: French Ministry of the Economy, Finance and Recovery: <https://www.economie.gouv.fr/facileco/gouvernement-ou-gouvernance-dentreprise>.

It delegates to the Chairwoman and Chief Executive Officer its powers for the acquisition, extension or disposal of equity investments of a nominal amount of less than €15 million and for the reclassification of securities between RATP and its majority-owned subsidiaries.

In order to further clarify article L. 225-37-4, 3° of the French commercial code, it should be noted that the State is competent to decide on RATP's capital increases.

In accordance with article L. 22-10-10, 6° of the French commercial code, in the absence of an agreement relating to day-to-day transactions concluded under normal conditions, there is no procedure put in place by the Board.

The Board sets at €2 million the threshold below which the Chairwoman and Chief Executive Officer is authorised to decide on the acquisition and disposal of all fixed assets, in accordance with article 8-d of the French decree of 23 September 1959 on the legal form of RATP.

For subsidiaries and equity investments, the Chairwoman and Chief Executive Officer appoints RATP's representative at the shareholders' meetings and Board meetings of companies in which RATP holds equity interests and informs the Board of the appointment. RATP's Board of Directors hears a report on each of the companies in which it holds a significant stake at least once a year and gives its opinion on RATP Dev's strategic plan and budget.

1.2.3 The Chairwoman and Chief Executive Officer

Pursuant to article 8 of the aforementioned French decree 59-1091, the Chairwoman and Chief Executive Officer implements the policy defined by the Board of Directors – within the limits that the Board may set pursuant to this article – and ensures the execution of its decisions.

To this end, she has all the powers necessary to ensure the smooth running of the public institution and to ensure compliance with the objectives assigned to it. She is, within the framework of these objectives, responsible for the economic and financial management of the institution and for the control of this management. Subject to the provisions of article 6, she acts, in all circumstances, on behalf of the public institution.

In particular, she is responsible for:

- a) contracting all loans within the limits set by the Board of Directors to which she reports at its next meeting;
- b) approving works or supplies projects not exceeding €3 million, an amount which may be increased by decision of the Board of Directors;
- c) awarding contracts after approval, if applicable, by the Procurement Board;
- d) deciding on the acquisition and disposal of all real estate assets within the limits set by the Board of Directors and deciding on the leasing or leaseback of any fixed assets when the lease term is equal to or less than nine years;
- e) deciding on all withdrawals, transfers, conversions, disposals and acquisitions of securities;
- f) taking all precautionary measures, exercising all legal actions, enforcing all judgements and decisions, and carrying out all seizures and enforcement measures;

- g) determining the use of available funds and the investment of reserves, deciding on all transactions and all releases of foreclosure registrations, of claims before or after payment, of all acquiescences and withdrawals;
- h) representing the Régie in court and in all civil matters;
- i) directing all services, recruiting and managing staff within the framework of its status.

She may delegate her powers and her signature.

In addition, it should be noted that the wages of the Chairwoman and Chief Executive Officer are set by the Minister of the Economy in accordance with French decree 53-707 of 9 August 1953 on State control over national public companies. Information on the wages of the Chairwoman and Chief Executive Officer is published in the State shareholder report.

1.3 Conditions for the preparation and organisation of the Board's work

The Board's secretary is nominated by the Chairwoman and appointed by the Board of Directors. The secretary is responsible for preparing the reports and minutes of all the meetings of the Board as well as the standing and *ad hoc* committees.

The Board convenes at least six times a year and may also hold extraordinary meetings, notably to re-elect the Board or Chairwoman/Chairman.

The Board of Directors has three committees, plus an Audit Committee to prepare the decisions submitted to the Board and provide it with further information:

- the CMTTT examines proposals for technical and technological development and modernisation, such as network maintenance and development, quality of service improvements, research and procurement;
- the Economic Strategy Committee deals with economic and strategic matters, such as operating budgets and investment plans, financial statements and social issues, including training, development, subsidiary activities and the annual and sustainable development reports;
- the Innovation and Customer Service Committee monitors performance of the RATP-Île-de-France Mobilités agreement and service quality indicators. It also examines plans for new innovative services;
- the Audit Committee is responsible for monitoring the process of preparing financial information, ensuring the effectiveness of the internal control and risk management systems, the statutory audit of the consolidated annual financial statements by the Statutory Auditors and the independence of the Statutory Auditors. Together with the Economic and Strategy Committee, it reviews the annual budget of the EPIC and the Group.

It is responsible for advising the Board on the parent company and consolidated financial statements and on the reliability of the ISs used to prepare them. It also advises on financial management, management and accounting principles, cost accounting, developments relating to accounting and management control ISs, as well as the internal audit programme, the quality of internal audit methods and risk management policies.

1.4 Work of the Board of Directors

During the ten meetings (seven ordinary and three extraordinary) held in 2020, the following projects were discussed:

Strategy

- Presentation of the subsidiaries' strategic and performance plans.
- Update on the monitoring of the Systra strategic plan and Covid impacts.
- Approval of the mandate given to the Chairwoman and Chief Executive Officer to negotiate the next contract with Île-de-France Mobilités.
- Presentation of the "RATP Solutions Ville" business unit.
- RATP Group MaaS strategy, acquisition of Mappy.

Development

- Presentation of RATP Développement's annual report and half-yearly review of the subsidiary's business.
- Presentation of the subsidiaries' strategic and performance plans.

Network development and modernisation

- Approval of a contract to upgrade the Kremlin-Bicêtre Hôpital, Chevilly, Trois Communes and MIN Porte de Thiais stations as part of the extension of line 14 from Olympiades to Orly Airport.
- Approval of a contract for the study, development, supply, installation and commissioning of platform façades for the extension of line 14 in Orly and Saint-Denis Pleyel.
- Approval of a contract for the development of the Maison Blanche Paris 13 and Pont de Rungis stations and of the ancillary works as part of the extension of line 14 (lot AME06).
- Approval of a contract for the maintenance of radio communication infrastructures for lines 15, 16 and 17 of the Grand Paris Express (group of orders with SGP).
- Approval of a market and supply study on rolling stock for line B of the RER.
- Approval of a preliminary draft of the extension of T1 at Val-de-Fontenay.
- Approval of a preliminary draft relating to the on-board equipment of the KCVP speed control system on the new MING equipment of line B of the RER.
- Approval of a preliminary project for the reinforcement of the electricity supply – phase 2 of line B of the RER.
- Approval of a preliminary draft for MING service systems.
- Approval of a preliminary draft relating to the improvement of the safety level of RER B stations as part of the arrival of the MING.
- Approval of a MING preliminary draft of service systems and improvement of the safety level of RER B stations.
- Approval of an amendment to the space, train and track cleaning contract.
- Approval of a preliminary desaturation project for the Gare de Lyon station, line 14.

- Approval of an amendment to the project management contract for the extension of metro line 4 from Montrouge to Bagneux.
- Approval of an amendment to the contract for the project management of civil engineering structures and improvements necessary for the construction of transport infrastructure as part of the extension of line 14 south.
- Approval of an amendment to the contract relating to the maintenance in operational condition of the MF77 of metro lines 7 and 8.
- Approval of the principle diagram for the extension of line 1 in Val-de-Fontenay.
- Information point on NExTEO.
- Additional financing for the extension of line 12 – phase 2.
- Presentation of feedback on summer work.

Services policy

- RATP Group MaaS strategy, acquisition of Mappy.
- Presentation of the mobility market segmentation in Île-de-France.
- Ombudsman's report.
- Presentation of the Customer Engagement Charter.
- Presentation of the results of the Île-de-France Mobilités survey conducted in 2019.
- Launch of the thoughtful relations programme "Mon Client & Moi" (My client and me).

Land and real estate

- Acquisition in Bobigny, Noisy-le-Sec, Romainville, Montreuil and Fontenay-sous-Bois of plots of land and rights-of-way and, more generally, any real estate necessary for the extension of the T1 tramway to the east.
- Land register modification volumetric modification and extension, early declassification relating to the Saint-Mandé-Cochereau project (94160).

Operating activities

- Progress of the action plan following the IMDM-EPFL audit on RATP's rail safety policy and management.
- Rail safety – 2019 review and outlook for 2020.

Relations with Île-de-France Mobilités

- Approval of the mandate given to the Chairwoman and Chief Executive Officer to negotiate the next contract with Île-de-France Mobilités.
- Amendments 19, 20, 21, 22 and 23 to the agreement between RATP and Île-de-France Mobilités.
- Quarterly follow-up items for the agreement with Île-de-France Mobilités.

Financial topics

- User refunds following the strikes at the end of 2019.
- Presentation and approval of RATP Group consolidated financial statements as at 31 December 2019.

- Presentation and approval of RATP EPIC parent company financial statements as at 31 December 2019, including the financial statements for IM and TO.
- Approval of the 2019 corporate governance report.
- Approval of RATP Group management report at 31 December 2019 including the financial results, the RNFP, risk management and internal control and audit functions.
- Approval of RATP Group's 2019 sustainable development and activity report.
- Position as at 31 December 2019 of available and realisable assets and current liabilities.
- Review of the purchasing policy for 2019.
- Assessment of the economic and financial consequences of Covid-19 for RATP Group.
- Approval of the 2020 budget for IM and TO institutions.
- Presentation of the funding strategy for 2020-2021 and increase of the EMTN programme.
- Presentation of the EPIC's 2021 budget outlook.
- Presentation of RATP Développement's preliminary draft budget for 2021.
- Progress report on the additional financing of the line 12 extension – Phase 2.

Human resources

- Approval of the skills development plan.
- Approval of the 2020 financial statements and presentation of the 2021 budget of Caisse de coordination aux assurances sociales (CCAS).
- Approval of planned contribution to social welfare.
- Update of the RATP staff regulations approved at the Staff Regulations Committee meeting of 16 October 2019.
- Update on the performance plan of the support functions.

At each of its meetings, the Board was also informed, by the Chairwoman and Chief Executive Officer, of the conduct of RATP Group's business as part of the general information presented to it.

The Board held a seminar on the subject of opening up to competition.

In addition to matters relating to the approval of the financial statements, the Audit Committee reviewed the following:

- in January: progress report on the update of the corporate governance rules, presentation of the methodology used to prepare the corporate risk map, presentation of the work undertaken by the Audit and Internal Control unit, including the draft consolidated audit and internal control programme, transfer of the GSI and railway safety audit related to the transformation of engineering, results of internal audit work of Statutory Auditors.
- in February: Internal re-invoicing process – change in the 2020 method and budget for TO-IM, accounting principles and methods, closing of the financial statements at 31 December 2019, management analyses for 2019, report of the Statutory Auditors, additional fees paid to the Statutory Auditors.
- in March: governance, risk and control (GRC) approach and organisational development, corporate risk map, review of the work of the DGACI and presentation of the consolidated annual risk control programme (audit and internal control), review of compliance work, presentation by the Statutory Auditors of the external audit programme.
- in June: progress of the IM's regulatory work, update on the current preparation of the call for tenders relating to the terms of reference of the Statutory Auditors for the 2021-2026 period.

- in July: closing of the financial statements at 30 June 2020 (accounting methods, management analysis), presentation of the Statutory Auditors on the closing of the financial statements at 30 June 2020, progress report on work with the ART, additional fees of the Statutory Auditors – position in the first half of 2020.
- in October: update on the regulation of IM and SUR activities, presentation and validation of the accounting separation framework.
- in December: update on corporate governance and on the audit, risk and internal control processes, progress report on ART work, closing points for 2020, presentation of the interim work of the Statutory Auditors, presentation of the call for tenders for the Statutory Auditors – mandate for 2021-2026.

2 — Diversity policy

2.1 Board of Directors

At 31 December 2020, 40% of the members of RATP's Board of Directors were women. The colleges of State representatives and qualified persons, for their part, are 37.5%-comprised of women, pending the appointment of two elected representatives representing the "municipalities or groups of municipalities involved in the company's activity", pursuant to the provisions of law No. 2014-873 of 4 August 2014 on gender equality.

2.2 Details on the diversity policy and gender balance

Like the people it transports, RATP Group offers its 64,000 employees access to a variety of jobs, open to anyone who wishes to join it.

Convinced that gender equality and plurality are a performance factor, it ensures the diversity of its employees and encourages women to access all its business lines, including technical ones, whether in operation, maintenance, engineering or support functions.

Thus, RATP Group asserts itself as an integrator of talents while respecting all differences and offers each person who joins it the opportunity to develop their professional potential without prejudice regarding their background, origin, gender or disability.

Generally speaking, the company's diversity issues are included in internal communication and in the press, particularly in view of its significant recruitment needs. The aim is to present the company's diversity and inclusion values to the public.

As such, RATP regularly contributes to external projects enabling it to share its best practices, enrich its equality and diversity policy, and fight against stereotypes. As part of the Tech for Good summit, for example, it signed the manifesto for equal opportunities and confirmed its commitment to increasing the number of women in its key positions.

It also pursues its policy of partnerships with the Île-de-France region, the French Ministry of Education, user associations, associations of people with disabilities, and associations aiming to strengthen diversity in companies, notably in the industrial and technological sectors.

RATP has a proactive human resources policy committed to diversity and equal opportunities, notably through:

- awareness and training programmes on diversity and equal opportunities;
- a proactive youth employment policy;
- actions for the employment of people with disabilities;
- actions to increase the female workforce in the business lines.

The diversity policy is defined by three major company agreements signed with the representative trade unions: the agreement on the provisional management of jobs and skills (*gestion prévisionnelle des emplois et des compétences* – GPEC), the agreement on disability and the agreement on professional and pay equality between women and men.

These agreements are a continuation of other significant initiatives, such as the adoption of the Diversity Charter in 2004. The Group's Code of Ethics, adopted in 2011, reiterates that diversity, equal opportunity, openness and solidarity are fundamental principles of action.

Finally, the creation of the “*RATP au féminin*” (RATP women) programme at the initiative of the Chairwoman and Chief Executive Officer completes these agreements. The programme aims to develop diversity of the company's business lines by attracting and retaining female talent.

The implementation of this diversity policy, developed into concrete actions, is monitored in the human resources master plan.

Diversity initiatives are part of the agreements and are implemented on a daily basis and monitored annually. They are the subject of annual reviews, presented at the Observatory of trades, jobs and skills.

Guaranteeing diversity through recruitment, training and the transfer of knowledge

Promoting access to employment is one of the commitments of the company agreement on the GPEC. It facilitates the transfer of knowledge and skills between generations and supports the sustainable integration of young people into employment.

In order to balance the age pyramid, and in view of known employment outlooks, the recruitment of young people under the age of 26 under a regulated status represents between 25% and 30% of the total volume of recruitment, excluding fixed-term contracts.

RATP is also attentive to **senior employees**. Retaining them is an asset for the transmission of knowledge. Thus, it undertakes to ensure that the proportion of employees aged 50 who are recruited will not be less than 1.2% of total hires.

In order to facilitate employability throughout their careers, the company is committed to ensuring that the rate of training of older employees remains close to that of employees who are not seniors.

RATP also promotes a culture of knowledge transfer and the sharing of experiences from experienced and/or senior employees to young people and more broadly as part of its policy to promote the integration of young people under the age of 26, who have few or no diplomas.

The desire to sustainably integrate young people of all skill levels has been marked since 2017 by the creation of the CFA MUD, notably.

Guaranteeing diversity by recruiting and developing the skills of people with disabilities

RATP's employment policy in favour of **people with a disability** is also an integral part of its human resources policy. It is an expression of its commitments to equal opportunities, the fight against discrimination and the promotion of diversity, reflected in an eighth agreement signed in 2020 with a three-year term.

Four major objectives are targeted:

- access to employment (105 hires) and financing job retention actions;
- raising everyone's awareness on disability;
- the development of partnerships promoting the integration of people with disabilities and the use of the adapted and protected sector.

Guaranteeing professional gender equality

Since 2003, RATP has had an agreement on professional and pay equality between men and women. By signing these agreements, RATP confirms its desire to be part of a proactive and dynamic approach to gender equality in the workplace and in terms of pay.

Equality is guaranteed from the time of entering the company and throughout professional life: the same level of compensation from recruitment for the same position and the same experience, the same chances for career development, the same remuneration principles, identical access to training and mobility, and the same work-life balance for women and men.

The fifth agreement, signed in March 2019 for a period of four years, and its amendment in March 2020 reinforce the measures aimed at reducing the pay gap following a study conducted by an external firm. Their main commitments relate to:

- firmly condemning **sexist remarks and actions**;
- guaranteeing identical recruitment with equal skills;
- implementing a promotion provision guaranteeing that **career development is not impacted** by maternity or adoption leave;
- proposing **at least one female candidate** for each open manager position, if one is available;
- including a commitment to increase the number of female members in the Management Committees of the departments **in performance contracts**;
- mentioning the relationship between part-time work and workload in job interviews;

- supporting women in taking up positions of responsibility by offering them **coaching and/or mentoring actions** (“*RATP au féminin*” programme);
- analysing and monitoring the percentage of women in pools, reviews and cross-functional succession plans;
- representing women in positions of high responsibility as close as possible to the proportion of female company managers;
- the files of the classification committees must present:
 - information relating to the gender distribution of the workforce in the scope concerned,
 - a number of applications from women equal to the percentage that they represent in the administratively eligible population.

In the assessment of actions to increase the female workforce

RATP’s Executive Committee has equal representation, and the proportion of women in the company’s senior management remained stable in 2020 at a rate of 36.2%, after a steady increase since 2016. For managerial positions, the rate of women has been increasing for five years, and has reached 35.7%, thanks in particular to female hires (the percentage of women in managerial positions for 2020 is 41%).

The rate of female recruitment increased slightly among contractors and senior technicians, reaching 24.2% (up 0.2 point compared to 2019, in line with a female recruitment rate of 40%), and remained stable among operators at 18% (the hiring percentage of women is 20%).

Thus, all categories combined, 23% women had been recruited as at the end of November 2020, i.e. 1.5 points more than the previous year. This has made it possible to stabilise the percentage of women in the company over the past four years at 20.7%.

The proportion of women under the age of 26 is 25.1% and among the over-55s it is 21.8%, making it possible to balance the age pyramid.

In 2020, 468 apprentices joined the CFA MUD, including 128 women, i.e. 27.4% of the workforce, and 747 work-study trainees, including 214 women, i.e. 28.5%.

In addition, in 2020 RATP obtained a score of 95 points out of 100 on the gender equality index set out in the law on professional future, up by 10 points compared to the previous year.

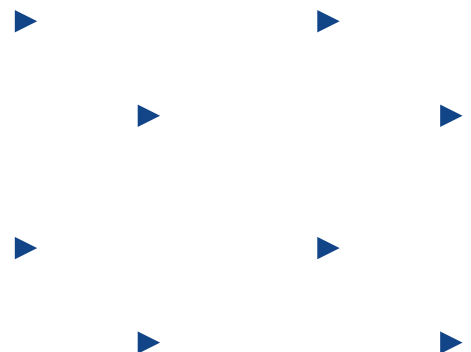
Appendix 1: list of directors and their terms of office at 31 December 2020

Appointments and departures of directors

The year in 2020 was marked by a few changes of directors.

At the meeting of 19 June 2020, Ms Guillouard announced the departure of Ms Lepetit and Ms Luciani-Boyer, whose terms of office as directors in their capacity as elected representatives of the municipalities or groupings of municipalities concerned by the company’s activity had ceased due to the end of their terms of office as elected representatives.

Lastly, Ms Bui Khoi Hung was replaced by Ms Kucharekova-Milko, General Secretary of the Agence des participations de l’État (APE), appointed as member of the Board of Directors of RATP in her capacity as representative of the State by French decree of 26 November 2020.



At 31 December 2020, the Board comprised the following members:

Name	Role	Other positions
FRENCH STATE REPRESENTATIVES		
Mr Cadot Michel (replaced by Mr Guillaume Marc by French decree of 20 January 2021)	Prefect of the Île-de-France region and prefect of Paris	<ul style="list-style-type: none"> The prefect of the Île-de-France region, prefect of Paris, has a seat on certain boards: Établissement public Paris La Défense (EPPD), Établissement public d'aménagement Paris-Saclay (Epaps), Établissement public foncier d'Île-de-France (Epfif), Supervisory Board of Société du Grand Paris (SGP), EPA Marne, Airparif, Bruitparif, EPA Orly Rungis Seine Amont, Société de livraison des ouvrages olympiques (Solideo). The prefect of the Île-de-France region, prefect of Paris, is also Chairman of the Supervisory Committee of the SGP, Chairman of the Board of Directors of the Gustave-Roussy Institute, Chairman of the Supervisory Board of the Regional Health Agency, Chairman of the Roissy Environmental Advisory Committee, Chairman of GIP Carif, Chairman of the Board of Directors of the Water Agency of Seine-Normandie, first Vice Chairman of the Board of Directors of the Institut Paris Région. The prefect of the Île-de-France region, prefect of Paris, sits on the Board of Epaurif. The prefect of the Île-de-France region, prefect of Paris, is also government Commissioner of GIP Réussite Éducative in Paris. <p>Non-profit organisations and foundations:</p> <ul style="list-style-type: none"> The prefect of the Île-de-France region, prefect of Paris is member of the Board of the Directors of Bettencourt-Schueller Foundation, member of Institut d'aménagement d'urbanisme Foundation, Hôpitaux de Paris-Hôpitaux de France Foundation, Douaud Foundation, and Dosne Foundation.
Ms Fau Corinne	Member of the Management Board of Enedis and Head of Finance, Purchasing and Insurance	<ul style="list-style-type: none"> Member of the Board of Directors and member of the Audit Committee of LFB SA
Mr Ferrand Nicolas	Executive Director of Solideo	No terms of office
Ms Gay Emmanuelle	Regional and Interdepartmental Head of Equipment and Planning in Île-de-France	<ul style="list-style-type: none"> Member of the Boards of Epfif, GPA, PAP, Solideo, Ports de Paris, APUR and IAU-SGP and Epaps (as alternate)
Ms Kucharekova-Milko Suzanne	General Secretary of the APE	<ul style="list-style-type: none"> Safran – Representative of the French State Grand port maritime du Havre – French State representative Chantiers de l'Atlantique – Director appointed on the proposal of the French State
Mr Pichard Laurent	Deputy Director of the Budget Department	<ul style="list-style-type: none"> Director of SNCF Réseau, Agence de l'environnement et de la maîtrise de l'énergie (Ademe), SGP
Mr Roche Pierre-Alain	Chairman of the Mobility and Transport Section of the General Council for the Environment and Sustainable Development (CGEDD)	No terms of office
Mr de Romanet Augustin	Chairman and Chief Executive Officer of Groupe ADP Chairman of the Groupe ADP Corporate Foundation	<ul style="list-style-type: none"> Chairman of the Board of Directors of Domaine national de Chambord (Chambord Estate), a public body Chairman of the Board of Directors of Paris Europlace Lead Director of the listed European company SCOR; also Chairman of the Compensation Committee and the Crisis Management Committee Member of the Supervisory Board of Le Cercle des économistes Member of the Board of Directors of Atout France Director of the endowment fund Institut pour l'innovation économique et sociale (2IES)
Mr Trutt Didier	Independent Director, Chairman and Chief Executive Officer of Imprimerie Nationale SA (IN Groupe)	<ul style="list-style-type: none"> Director of La Française des Jeux (FDJ) Member of the CSR Committee

Name	Role	Other positions
REPRESENTATIVES OF SOCIO-ECONOMIC INTEREST GROUPS		
Ms Bellon Michèle	Former Chairwoman of ERDF, Chairwoman of the RATP Audit Committee	<ul style="list-style-type: none"> • Director of HF Company • Director of Athena Investments • Director of Resolis, a non-profit organisation under the French law of 1901 • Director of Cahors Group
Ms Guillouard Catherine	Chairwoman and Chief Executive Officer of RATP	<ul style="list-style-type: none"> • Director of Airbus SE • Member of the Supervisory Board of Systra • Chairwoman of the Supervisory Board of RATP Dev • Chairwoman of the Board of Directors of the RATP Group Foundation • Member of the Supervisory Board of Royal KPN NV
Ms Joessel Magali	Director of the Sociétés de projets industriels (SPI) investment fund, member of the Mid & Large Cap division of Bpifrance	<ul style="list-style-type: none"> • Member of the Boards of Mersen and Yposkesi
REPRESENTATIVES OF PUBLIC TRANSPORT CUSTOMERS		
Mr Babut Michel	Representative of Fédération nationale des associations d'usagers des transports (Fnaut – national federation of users)	No terms of office
Mr Bernadelli Stéphane	Member of Union nationale des associations familiales (UNAF – national union of family non-profit organisation)	<ul style="list-style-type: none"> • Director appointed by UNAF to the Conseil supérieur de l'éducation routière (CSER – French road safety training council), to the SNCF Advisory Committee for consumers and users and to the Board of Caisse nationale d'assurance maladie (CNAM)
INDIVIDUALS CHOSEN FOR PERSONAL EXPERTISE IN THE TRANSPORT SECTOR		
Mr Angles Bruno	Chairman of Crédit Suisse France and Belgium	<ul style="list-style-type: none"> • Director of Fondation de France • Chairman of Le Cercle Turgot
Mr Raulin Patrice	Former Chairman of Société Lyon-Turin Ferroviaire, Société française du tunnel routier du Fréjus, École nationale des travaux publics de l'État, and of the Supervisory Board of Société des aéroports de Lyon, Chairman of CMTTT	<ul style="list-style-type: none"> • Member of the Procurement Commission of the APRR Group, Vice Chairman of <i>Fédération Habitat-Humanisme</i>, co-manager of Foncière d'Habitat-Humanisme, member of the Board of Directors of the HH Gestion association, the Coallia association, the Coallia Solidaire association, ESH Coallia habitat, SCI L'Orangerie, and the <i>Accession Solidaire</i> association (formerly <i>Mouvement d'Aide au Logement</i>).
EMPLOYEE REPRESENTATIVES		
Ms Benbouzane Fatma	Rassemblement union member	<ul style="list-style-type: none"> • Director of the RATP Group Foundation
Mr Bouzourene Mohamed	UNSA union member	<ul style="list-style-type: none"> • Director of RATP Habitat
Ms De Wilde-Ghikh Laurence	UNSA union member	<ul style="list-style-type: none"> • Director of the RATP Group Foundation
Mr El Hachemi Abdelmalek	Rassemblement union member	<ul style="list-style-type: none"> • Director of RATP Connect
Ms Jeunet-Mancy Claire	CFE-CGC union member	<ul style="list-style-type: none"> • Director of RATP Travel Retail
Mr Lamasse Arole	UNSA union member	<ul style="list-style-type: none"> • Director of RATP Real Estate
Ms Pedraza Gaele	CGT union member	<ul style="list-style-type: none"> • Director of RATP Habitat
Mr Roue Gilles	CGT union member	<ul style="list-style-type: none"> • Employee director of the RATP pension fund (CRP-RATP) • Director of RATP Real Estate
Mr Techer Herve	SUD union member	<ul style="list-style-type: none"> • Director of RATP Connect

Appendix 2: director wages

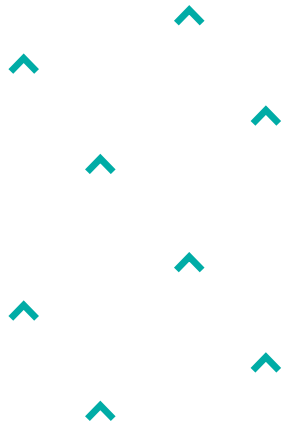
Subject to ministerial approval pursuant to article 7 of French decree no. 59-1091 of 23 September 1959, the Board of Directors sets the directors' fees for qualified persons. The representatives of the French State do not receive any compensation or wages linked to their participation on the Board of Directors. Employee directors are paid as employees of the company, and do not receive any specific compensation related to their participation on the Board of Directors.

These allowances, called "directors' fees", are applicable to directors who attend meetings of the Board of Directors, the Audit Committee and the other committees.

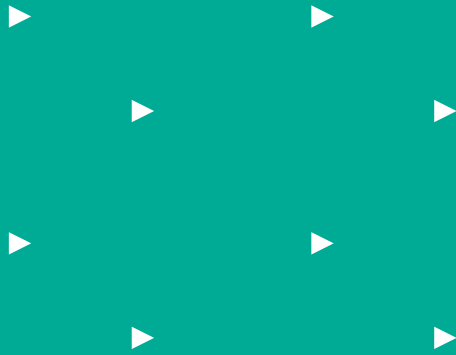
They were set at €148 per Board meeting and €74 per committee or working group meeting by a decision of the Board of Directors adopted at its meeting on 9 February 2007. The amounts have not changed since that date.

Appendix 3: agreements between a subsidiary and a director

No agreement as referred to in the second paragraph of article L. 225-37-4 of the French commercial code was entered into between a director and a subsidiary of RATP in 2020.



03



CONSOLIDATED FINANCIAL STATEMENTS



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Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2020

To the Board of Directors of RATP,

Opinion

In the performance of the assignment entrusted to us by the Commissioner of State Holdings, we have audited the accompanying consolidated financial statements of the Régie autonome des transports parisiens (hereinafter "RATP") for the year ended 31 December 2020.

We hereby certify that the consolidated financial statements give a true and fair view of the results of operations for the financial year, and of the assets and financial position of the company as at the end of the reporting period in accordance with the IFRS standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We consider that the elements we have collected are appropriate and sufficient for basing our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2020 to the date of our report, and we specifically did not provide any prohibited non-audit services referred to in article 5-(1) of regulation (EU) No. 537/2014 or in the French commercial code (*Code de commerce*) and the French code of ethics (*Code de déontologie*) for Statutory Auditors.

Justification of our assessments – key audit matters

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. The health crisis and exceptional measures taken in this state of emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and the way in which audits are carried out.

It is against this complex, changing backdrop that, in accordance with the provisions of articles L. 823-9 and R. 823-7 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We express no opinion on items of these consolidated financial statements taken separately.

Measuring intangible and tangible assets of the EPIC (State-owned industrial and commercial public utility)

Identified risk

At 31 December 2020, intangible assets and property, plant and equipment amounted to €7.9 billion and represented approximately 44% of total Group assets. They notably concern the EPIC's assets (for €7.3 billion, i.e. 92%) and are held by the EPIC's two CGUs (cash-generating units): Transport operations (TO) and Infrastructure management (IM).

The RATP's economic and management model is still evolving in the context of negotiating the new contractual arrangements with Île-de-France Mobilités for the 2021-2024 period; the beginning of the ART control over the IM segment on 1 January 2020; and the gradual opening-up of the transport markets to competition.

The EPIC's assets do not include assets with an indefinite life. However, impairment testing is historically performed by management to ensure that the carrying amount of the EPIC's assets is not greater than their recoverable amount and does not present a risk of impairment.

At the end of 2019, testing did not identify any impairment losses. These analyses were based on future cash flow projections and, in particular, on assumptions of contract renewals identical to the performance of the current contract. The room for manoeuvre observed remained very sensitive to the economic assumptions and discount rates used.

In view of the context at the end of 2020, notably the negotiations which are still ongoing on the contract with Île-de-France Mobilités, this testing could not be carried out at the reporting date. An analysis by type of asset, described in Note 15 to the consolidated financial statements, was carried out, based on the current financing arrangements for these assets, their nature and the general framework that determines the remuneration levels for the IM and TO activities. This analysis concluded that there were no indicators of impairment.

We considered the valuation of the EPIC's assets as a key point of the audit because of their material amounts in the Group's financial statements and the method used to determine their recoverable amount, which is based on management's judgement.

Audit response

We assessed management's approach in the evolving economic, legal and regulatory context summarised above and the compliance of this approach with the accounting standards in force.

We assessed the relevance of the analysis by type of asset selected, notably by:

- checking the net asset value by type of asset and by CGU;
- assessing the consistency of the information and other assumptions leading to the conclusion that there are no indicators of impairment;
- ensuring, through interviews, that there were no unfavourable structural changes (legal and contractual) expected by management at the end of the year.

We verified that the financial information given in the accompanying notes was appropriate.

Measurement of RATP Dev goodwill

Identified risk

Part of the business development outside Île-de-France was carried out through external growth resulting in the recognition of goodwill on RATP Développement's CGUs. Goodwill, which reflects the difference between the acquisition cost and the fair value of the assets acquired and liabilities assumed, is described in Note 8 to the consolidated financial statements. They amounted to €284 million at 31 December 2020, after impairment of €64.3 million recognised over the financial year.

Impairment testing is performed by management to ensure that the carrying amount of goodwill is not greater than recoverable amount and does not present a risk of impairment.

The impairment testing methods used are described in Note 15 of the notes to the consolidated financial statements based on medium-term budgets. These budgets include, among other things, agreement renewal assumptions. The margins for manoeuvre observed remain very sensitive to the discount rates used. Any unfavourable change in expected profitability is likely to significantly affect recoverable amount.

We deemed the valuation of RATP Développement's goodwill to be a key audit matter because of the significant amount in the Group's financial statements and the method of determining recoverable amount, which is based on management's judgement, particularly with regard to estimates of future cash flows or discount rates used.

Audit response

We assessed that the accounting methods used by the Group complied with the accounting standards in force.

We also carried out a critical analysis of the arrangements for implementing these methods and in particular assessed:

- the reasonableness of the cash flow forecasts and growth rates used in relation to the economic and financial context;
- the reliability of the process for preparing estimates by examining the reasons for the differences between the forecasts in prior financial years and actual performance;

- the consistency of these cash flow forecasts with management's latest estimates, as presented to the Board of Directors as part of preparing the medium-term plan;
- the discount rate calculation applied to the cash flows estimated in relation to observable data;
- the relevance of the sensitivity analysis of the recoverable amount carried out by the Group in the changes in the main assumptions considered.

We also assessed the appropriateness of the information presented in Notes 8 and 15 to the consolidated financial statements.

Recoverability of deferred tax assets

Identified risk

Net deferred tax assets of €484 million were recognised in the consolidated balance sheet.

As stated in Note 7.3 to the consolidated financial statements, deferred tax assets on temporary differences or loss carryforwards are recognised to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised, and that the recoverability of these deferred tax assets is assessed within a reasonable period of time taking into account expected changes to the tax rate.

We have identified this subject as a key audit matter considering management's assumption in this respect, including the EPIC's capacity to achieve the targets defined in the business plan drawn up by the entity's management and approved by the Board of Directors.

Audit response

Our work consisted in assessing the likelihood that the RATP EPIC could, in the future, use the tax loss carryforwards generated to date, particularly with regard to:

- deferred tax liabilities existing in the same tax jurisdiction and which could be used before they expire to offset deferred tax liabilities in the same tax jurisdiction;
- the ability of the EPIC to generate future taxable profits making it possible to absorb prior tax losses.

We have verified that the methods used by management to identify existing tax loss carryforwards, either by deferred tax liabilities or by future taxable profits, were appropriate.

To assess future taxable profits, we analysed the reliability of the process used to establish future net income forecasts and the probability of the Group recovering its deferred tax assets by:

- comparing net income forecasts in prior financial years with the actual net income for the financial years in question;
- conducting a critical analysis of the tax assumptions used by management to establish net income forecasts beyond the period of the business plan and the current contract with Île-de-France Mobilités.

We have also assessed the appropriateness of the information presented in Note 7.3 to the consolidated financial statements.

Specific verifications

We also performed, in accordance with the professional standards applicable in France, the specific verifications required by French laws and regulations, on information about the Group in the Board of Directors' management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Appointment of the Statutory Auditors

The firms KPMG and Mazars were appointed as Statutory Auditors of RATP by the Commissioner of State Holdings on 26 March 2015.

As at 31 December 2020, the firms KPMG and Mazars were in the sixth uninterrupted year of their engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS standards as adopted by the European Union and for such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting policy unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The Board of Directors is responsible for preparing the consolidated financial statements.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French commercial code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit. And furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern accounting convention and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the running, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current financial year and which are therefore the key audit matters. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in article 6 of regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French commercial code (*Code de commerce*) and in the French code of ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

The Statutory Auditors

Paris-la Défense,
16 March 2021

KPMG Audit

Stéphanie Millet
Partner

Paris-la Défense,
16 March 2021

Mazars

Erwan Candau
Partner

Consolidated statements of comprehensive income

The financial statements are presented in millions of euros.

1 — Income statement

	Notes	31/12/2020	31/12/2019
Revenue	3	5,523	5,704
Other income from ordinary activities	3	423	397
Income from ordinary activities	3	5,946	6,101
Purchases		(626)	(617)
Other purchases and external charges		(1,065)	(937)
Tax, duties and other payables	4	(367)	(332)
Payroll costs	5	(3,172)	(3,366)
Other operating expenses		(33)	(16)
EBITDA		684	833
Depreciation allowance		(521)	(479)
Additions to and reversals of provisions		(34)	(25)
Gains/(losses) on disposal of assets		29	(8)
Impairment		(64)	0
Other operating income (expenses)		(7)	(9)
Income from equity-accounted entities	17	11	7
Operating income after share of net income from equity-accounted entities		99	319
Financial income	6	32	38
Financial expenses	6	(196)	(201)
Financial income		(164)	(163)
Income from ordinary activities before taxes		(65)	156
Income tax	7	(62)	(6)
Net income from continuing operations		(127)	150
Net income (loss) from operations sold, discontinued or held for sale		(5)	(12)
Consolidated net income		(132)	139
Group share		(134)	131
Non-controlling interests		3	8

2 — Other comprehensive income

	31/12/2020	31/12/2019
Consolidated net income	(132)	139
Change in the fair value of cash flow hedges	4	(15)
Deferred taxes on changes in the fair value of the effective portion of the cash flow hedge derivative instruments	1	
Foreign currency translation differences	(8)	3
Share from equity-accounted entities of comprehensive income that may be reclassified to profit or loss	(8)	1
Total other comprehensive income that may be reclassified to profit or loss	(11)	(11)
Remeasurement of gross defined benefit obligations	(53)	(136)
Deferred taxes on remeasurement of defined benefit obligations	(1)	1
Share from equity-accounted entities of comprehensive income that may not be reclassified to profit or loss	(2)	
Change in fair value of non-consolidated securities		
Total other comprehensive income that may not be reclassified to profit or loss	(56)	(134)
Income and expense recognised under other components of comprehensive income	(67)	(145)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(199)	(7)
Group share	(203)	(15)
Non-controlling interests	5	9



Consolidated balance sheet

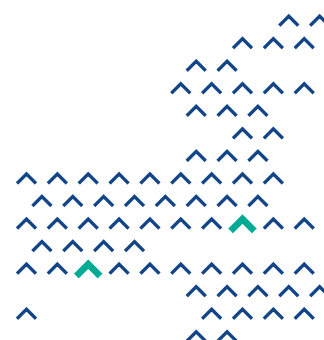
Assets	Notes	31/12/2020	31/12/2019	Equity and liabilities	Notes	31/12/2020	31/12/2019
				Capital endowment	23	433	433
Net goodwill	8	284	357	Reserve for assets allocated to RATP	23	251	251
Intangible assets	9	1,158	988	Reserves		4,077	4,021
Tangible assets	10	6,721	6,844	Income for the period		(134)	131
Equity-accounted investments	17	132	145	Equity – Group share		4,627	4,835
Non-consolidated securities	18	60	52	Non-controlling interests		11	33
Derivative financial instruments – non-current	30	3		Equity – total		4,638	4,868
Financial concession assets – non-current	14	3,487	3,549				
Other non-current financial assets	19	141	144	Provisions for employee benefits	24	945	875
Deferred tax assets	7	501	728	Other provisions – non-current	25	207	168
Non-current assets		12,487	12,806	Loans and borrowings – non-current	26	5,486	5,282
				Financial liabilities – lease transactions – non-current	12	283	326
				Derivative financial instruments – non-current	30	53	38
Inventories and work in progress	20	296	250	Deferred tax liabilities	7	16	186
Operating receivables	21	1,600	1,393	Other trade creditors		41	17
Derivative financial instruments – current	30	1	3	Non-current liabilities		7,031	6,893
Financial concession assets – current	14	310	288				
Other financial assets – current	19	104	149	Other provisions – current	25	85	83
Cash and cash equivalents	22	2,922	1,544	Loans and borrowings – current	26	3,203	1,731
Current assets		5,233	3,627	Financial liabilities – lease transactions – current	12	72	73
				Derivative financial instruments – current	30	10	7
				Maturities	27	2,679	2,778
				Current liabilities		6,049	4,671
Assets held for sale		2	2	Liabilities held for sale		4	3
TOTAL ASSETS		17,722	16,435	TOTAL EQUITY AND LIABILITIES		17,722	16,435

Consolidated statements of cash flows

	31/12/2020	31/12/2019
Net income (continuing operations)	(127)	150
Income from equity-accounted entities	(11)	(7)
Depreciation, amortisation and provisions	643	532
Depreciation and amortisation of concession assets	316	335
Gains/(losses) from asset disposals	(30)	8
Other non-cash items	13	4
Deferred taxes	54	(10)
Current tax	8	16
Current tax paid	(10)	(11)
Increase/(decrease) in accrued interest	3	(3)
Cash flow from operations	858	1,014
Change in operating WCR	(17)	87
Net cash provided by operating activities	842	1,101
Purchase of tangible and intangible assets	(1,636)	(1,627)
Purchase of concession assets	(260)	(210)
Change in WCR on investments	31	1
Investment grants – excluding concession assets	839	685
Investment grants on concession assets	211	82
Change in investment grant receivables	(291)	25
Proceeds from disposals of tangible and intangible assets	9	29
Purchase of financial assets	(4)	(37)
Change in loans and advances granted	21	(6)
Proceeds from financial assets	3	
Dividends received from equity-accounted entities	3	(0)
Effect of scope changes		(1)
Other cash flows from investing activities	(18)	(1)
Net cash from investing activities	(1,090)	(1,060)
Transaction with shareholders without loss of control	(12)	
Bond issues	843	587
Redemption of bonds		(298)
Other borrowings	329	20
Repayments of other borrowings	(66)	(56)
Net payment of rental debt	(74)	(46)
Change in commercial paper	618	269
Change in cash collateral and short-term investments	33	(60)
Dividends paid to non-controlling interests	(4)	(7)
Other cash flow from financing activities	(17)	(8)
Net cash from financing activities	1,650	402
Net cash from continuing operations	1,402	443
Effect of changes in the exchange rate		1
Change in cash from operations sold, discontinued and held for sale	(2)	(3)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,399	440
Cash and cash equivalents at start of period	1,441	1,001
Cash and cash equivalents at end of period (Note 22)	2,841	1,441
CHANGE IN CASH AND CASH EQUIVALENTS	1,399	440

Consolidated statements of changes in equity

	Capital endowment	Equal value of fixed assets made available	Translation allocated reserve	Actuarial gains and losses	Change in non-recyclable fair value	Cash flow hedges	Other reserves	Equity – Group share	Non-controlling interests	Total equity
EQUITY AS AT 31 DECEMBER 2018	433	251	(8)	(128)	0	(39)	4,348	4,857	32	4,889
Net income for the period							131	131	8	139
Other comprehensive income			3	(134)		(15)		(146)	1	(145)
Total comprehensive income for the period			3	(134)		(15)	131	(15)	9	(7)
Other transactions with owners of the company							(1)	(1)	(1)	(2)
Dividends									(7)	(7)
Activation of RATP EPIC deferred taxes										
Other changes							(5)	(5)		(5)
EQUITY AS AT 31 DECEMBER 2019	433	251	(5)	(262)	0	(54)	4,473	4,835	33	4,868
Net income for the financial year							(134)	(134)	3	(132)
Other comprehensive income			(18)	(56)	0	5		(69)	2	(67)
Total comprehensive income for the period			(18)	(56)	0	5	(134)	(203)	5	(199)
Other transactions with owners of the company							(5)	(5)	(20)	(25)
Dividends									(7)	(7)
Other changes									1	
EQUITY AS AT 31 DECEMBER 2020	433	251	(23)	(318)	(1)	(49)	4,333	4,627	11	4,638



Notes to the consolidated financial statements

Financial year ended 31 December 2020

RATP Group is a major public transport provider, operating in towns and suburbs in France and across the world.

The parent company, Régie autonome des transports parisiens (RATP), is an EPIC created by the law of 21 March 1948. It is a legal entity under public law, registered with the Paris Trade and Companies Register. Its head office is located at 54, quai de la Rapée, 75012 Paris.

The aim of the RATP EPIC is notably to run public transport services in Île-de-France and manage the network infrastructure for urban public transport services (law No. 2009-1503 of 8 December 2009 on public passenger services by rail – ORTF law).

The law of 24 December 2019 on mobility established regulation of RATP infrastructure management and safety activities by the ART. The terms of this regulation were specified by the decree of 28 December 2020.

The transport services in Île-de-France are defined by the organising authority, Île-de-France Mobilités. RATP's activity as an operator is governed by multi-year agreements with Île-de-France Mobilités. Under these agreements, RATP undertakes to provide a transport service defined in terms of quantity and quality and receives compensation based on direct revenues and flat-rate contributions paid by Île-de-France Mobilités.

RATP also operates public transport networks via its subsidiaries throughout France and abroad.

RATP is owned by the French State, and RATP Group's consolidated financial statements are included in French State's combined financial statements.

The Group's consolidated financial statements at 31 December 2020 were approved by the Board of Directors on 12 March 2021.

Amounts are expressed in millions of euros, other than the exceptions mentioned in the notes, and rounded to the nearest million. Consequently, the sum of the rounded amounts may differ, non-significantly, from the total reported.

Covid-19 pandemic

The period ended 31 December 2020 was marked by the consequences of the Covid-19 pandemic. The Group's business and financial results were impacted by this health crisis.

Net income (Group share) amounted to –€134 million at 31 December 2020, down €265 million compared to income at 31 December 2019.

The drop in passenger traffic and the reduction in the transport offer has had the following consequences:

- decreases in passenger revenues, in the financing of certain transport authorities, and in ancillary revenues related to transport;
- additional costs related to business continuity (exceptional cleaning and disinfection measures, supply of masks and gels, etc.);

- reductions in payroll, materials and energy costs mainly.

In this context, RATP Group was also forced to reflect on the following risks: impairment of non-financial assets, valuation of financial assets, recognition of subsidies and grants, collection of deferred tax assets, valuation of leases, recognition of provisions.

The review of the aforementioned risks led to the recognition in the financial statements for the year ended 31 December 2020 of a €64 million impairment of assets on two of the Group's CGUs (see Note 15). For the Group's other CGUs, it is expected that activity will gradually return to a level close to normal.

Maintaining and developing public transport remains a priority in the cities where the Group operates. Moreover, the context brought about by the pandemic has shown the public authorities' support for these activities in the event of a major crisis. The Covid-19 pandemic does not therefore call into question the continuity of operations.

New contract with Île-de-France Mobilités

The 2016-2020 agreement binding the RATP EPIC and Île-de-France Mobilités on the provision of transport and infrastructure management services in RATP's historic scope of the Paris region expired on 31 December 2020. A new agreement is being negotiated and is due to be signed shortly to cover the period from 2021 to 2024.

Business continuity is guaranteed by Île-de-France Mobilités' payment of monthly provisional contributions covering operating expenses and depreciation and amortisation costs, pending the signature of the new agreement. The new agreement will cover the expected consequences of the health crisis on costs and revenues over the period, in order to cover operating expenses, pursuant to legal provisions. Likewise, it will ensure a fair remuneration of concession assets and RATP assets, the principles and terms of which are set by the law on mobility and the French decree of 28 December 2020.

1 — Accounting guidelines

1.1 Accounting principles and policies

Pursuant to European regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, RATP Group's consolidated financial statements have been prepared at 31 December 2020 in accordance with IFRS standards as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

Information on these standards is available on the European Commission website at: ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm.

1.2 Development of IFRS standards and accounting changes

The texts adopted by the European Union whose application is mandatory for financial years beginning on or after 1 January 2020 are as follows:

- “Amendments to references to the conceptual framework in IFRS Standards”: This document brings together all the amendments made to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32. These changes have no impact on the Group;
- “Interest rate benchmark reform: amendments to IFRS 9, IAS 39 and IFRS 7”: RATP continued to conduct a survey in order to carry out the transition to the new benchmarks. This project aimed to anticipate the impacts associated with the reform and to implement the transition process towards the new benchmarks. Interest rate derivatives documented to hedge debts indexed to a benchmark rate are presented in Note 26. The analysis carried out by the Group made it possible to rule on the absence of material impact in respect of these amendments;
- “Definition of a business (amendments to IFRS 3)”, particularly on the difference between a company and a group of assets in application of IFRS 3. The Group is not affected by this amendment;
- “Covid-19-related rent concessions (amendment to IFRS 16)”: The Group’s analysis made it possible to rule on the absence of an impact;
- Amendments to IAS 1 and IAS 8 on the definition of “material” in financial statements.

1.3 Use of estimates and assumptions

The preparation of the consolidated financial statements requires Group management to make estimates and assumptions, as many of the items included in the financial statements cannot be measured accurately. Management revises the estimates if there is a change in the circumstances upon which they were based, or when new facts arise or it obtains a more extensive understanding of the situation. Consequently, actual results may differ significantly from the estimates made at 31 December 2020.

The estimates and assumptions notably concern:

- the accumulated depreciation and impairment of assets, particularly tangible assets (Note 10), inventories (Note 20), operating receivables (Note 21), goodwill (Note 8) and asset impairment tests (Note 15);
- liabilities, including provisions for contingencies, primarily those for decommissioning (Note 25), items relating to employee benefits (Note 24) and contingent liabilities (Note 34);
- fair value measurement of financial instruments (Note 31);
- assessment of counterparty risk on deposits connected with lease hold agreements (Note 13);
- recognition of deferred tax assets (Note 7);
- recognition of service concession agreements (Note 14);
- business combinations (Note 2);
- determination of the duration of the contracts and of the marginal rate in the application of IFRS 16 (Note 12).

The accounting principles applied when preparing the consolidated financial statements are set out below in the notes to the consolidated financial statements. Unless otherwise indicated, these methods were consistently applied to the reporting periods presented.

1.4 Subtotals of the income statement

RATP Group has chosen to present its consolidated income statement by nature of expense. A number of subtotals are used to assist users of the financial statements in understanding the components of net income.

1.4.1 EBITDA

EBITDA comprises revenue and other income from ordinary activities less directly attributable operating expenses. These mainly include cost of sales, subcontracting expense, other purchases and external charges, payroll and payroll-related costs and taxes (other than income tax). All the allocations to personnel-related provisions, in particular those relating to personnel commitments, appear on the line “Payroll costs” (with the exception of charges for discounting long-term and post-employment benefits and calculated actuarial gains and losses on long-term benefits, that are part of financial income).

1.4.2 Operating income after share of net income from equity-accounted entities

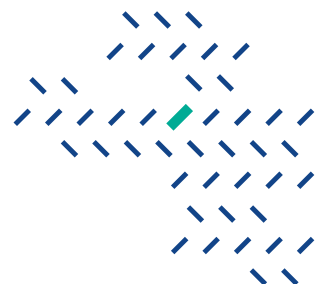
In addition to the components included in EBITDA, operating income includes most non-cash items (depreciation and amortisation and movements in provisions) and other operating income and expenses, as well as income from equity-accounted entities.

Operations that are uncommon both in their occurrence and amount are isolated in other operating income and expenses. Non-recurring and extraordinary items are shown separately in order to present the fairest view of the Group’s recurring operating results.

1.4.3 Financial income

Under financial income, the Group presents the consequences of its financing transactions, which principally reflect the cost of its net debt. Financial income includes the interest paid on the Group’s financial liabilities and on IFRS 16 lease liabilities, the interest received on available cash, income from leasehold transactions as well as the effects of discounting long-term and post-employment employee benefits.

These items are shown net of hedging transactions, including changes in the fair value of derivative financial instruments that do not meet IFRS 9 hedge accounting criteria.



1.5 Ownership regimes covering assets capitalised by RATP EPIC

The ownership regimes governing assets created by RATP or originally allocated to RATP are distinguished into four asset categories:

- infrastructure assets, which are managed and owned by RATP;
- rolling stock and the related maintenance equipment (returnable assets), which belong to Île-de-France Mobilités. Île-de-France Mobilités will have full possession of these assets upon the expiry of RATP's operating rights, when it repurchases the assets at their carrying amount net of grants, as reported in EPIC's annual financial statements. These assets are recognised as financial assets in accordance with IFRIC 12 "Service concession arrangements" (Note 14);
- other assets required for operations (reversionary assets), other than those mentioned in the previous two paragraphs, which are fully owned by RATP. Upon expiry of RATP's operating rights, Île-de-France Mobilités has the right to exercise a right of repossession on these assets. These assets are recognised as financial assets and intangible assets in accordance with IFRIC 12 "Service concession arrangements" (Note 14). Île-de-France Mobilités formalised by a deliberation of 8 October 2020 its intention to take over 24 bus depots;
- real estate and other assets that are not allocated to operations but are used by RATP for administrative, social or training purposes, which are fully owned by RATP.

Assets capitalised by RATP EPIC are recognised as follows:

	Infrastructure management	Public passenger transport service		
Type of assets	Fully-owned assets	Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure assets.	Rolling stock and related maintenance equipment.	Assets required for operations: <ul style="list-style-type: none"> • bus depots; • equipment, etc. 	Assets allocated for administrative, social and training purposes.
Ownership regime	RATP owns these assets.	These assets belong to Île-de-France Mobilités. RATP uses and manages the assets. Île-de-France Mobilités will take possession of the assets once the operating rights expire.	RATP owns these assets. Île-de-France Mobilités holds a right to repossess these assets subject to payment of compensation to RATP upon expiry of the agreement.	RATP owns these assets.
Compensation arrangements during operating period		Article 14 of French decree No. 2011-320 sets out the arrangements for the compensation payable by Île-de-France Mobilités to RATP for the assets.	The compensation principles and arrangements apply for the duration of the 2016-2020 Île-de-France Mobilités agreement.	
Compensation arrangements upon expiry of operating rights	Not applicable.	Article 14 of French decree No. 2011-320 provides for the buyback of the assets at their carrying amount, net of any grants.	The Île-de-France Mobilités-RATP agreement provides for either the reversion of the assets at a value of zero for assets transferred to RATP, or at their carrying amount, net of grants, for other assets.	Not applicable.
Assets eligible under IFRIC 12 "Service concession arrangements"	No	Yes ⁽¹⁾	Yes ⁽¹⁾	No

(1) Assets eligible under IFRIC 12 are recognised as financial concession assets and/or intangible assets (Note 14).

2 — Scope of consolidation

2.1 Accounting principles related to the scope of consolidation

2.1.1 Principles of consolidation

2.1.1.1 Determination of the scope and methods of consolidation

RATP EPIC's consolidated financial statements include the financial statements of the RATP parent company and those of its subsidiaries, joint ventures, joint operations and associates.

The Group includes controlled subsidiaries. Control is presumed to exist when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Companies are consolidated from the date their controlling interest is transferred to the Group. They are deconsolidated from the date the Group ceases to exercise such control. When the Group ceases to control a subsidiary, it derecognises the assets and liabilities, as well as any non-controlling interests and other recyclable equity components, where applicable. The resulting profit or loss is recognised in the income statement. Any retained interest should be measured at the fair value on the date control ceases. Changes in ownership interest in a subsidiary that do not result in a loss of control are recognised in equity. Transactions between consolidated entities are eliminated.

Entities that are jointly controlled by the Group and other shareholders and classified as joint ventures are accounted for by the equity method. Joint ventures are joint arrangements in which the partners have rights to the net assets of the jointly-controlled entity. Joint arrangements classified as joint operations are accounted for line-by-line for the amounts of retained interest in assets, liabilities, income and expenses for the Group. These are joint arrangements in which the partners have direct rights to the assets and direct obligations due to the liabilities of the jointly-controlled entity. The Group particularly retains in its assessment the fact that the entity's income is mainly destined for joint arrangements, as well as the share of the entity's financing by partners compared to external financing. Only the Metrolab partnership (research and development activity) is classified as a joint operation. The other joint arrangements are classified as joint ventures.

Entities over which the Group exercises significant influence are accounted for using the equity method; significant influence is presumed to exist when the Group holds 20% or more of voting rights.

The equity-accounted investments will be subject to an impairment test if an indication of impairment appears.

Adjustments are made to the financial statements of consolidated and equity-accounted entities to bring them into compliance with the accounting policies applied by the Group.

Low-cost housing company RATP Habitat

Assessing the extent of control over low-cost housing (habitation à loyer modéré – HLM) companies takes into account the atypical nature of these companies, their specific operational characteristics and the very strict regulatory constraints imposed upon them.

Consequently, despite the fact that RATP holds close to a 100% stake, the company was not consolidated because the Group deems it does not have control, pursuant to IFRS 10, for the following reasons:

- low-cost housing regulations impose financial and regulatory constraints (e.g. restrictions on distributable profit and liquidating dividend rights), which limit the rights to variable returns to which RATP may be entitled;
- the debt of low-cost housing companies, transaction by transaction, is almost always guaranteed by the local government authorities. Consequently, RATP does not bear any repayment risk on the loans granted to RATP Habitat;
- although RATP exercises influence over certain aspects of RATP Habitat's management, its influence cannot be qualified as control. RATP cannot manage the relevant activities of RATP Habitat despite its majority share. The assets of RATP Habitat are land and buildings used for social housing. The sale of these assets is restricted (impossible outside the low-cost housing market). They are a source of revenues (rent), which is set and adjusted by the regulator. The use of the assets is subject to certain conditions, such as the quotas for reserving housing set by the prefectures and local authorities. The allocation of housing to RATP employees is carried out by an allocation board in the same way as for external applicants.

The equity investments in RATP Habitat are classified in the balance sheet under "Non-consolidated securities". Considering the regulations that would be applicable in the event of disposal of these securities, the cost of acquisition reflects the fair value of the equity investment.

The main financial information concerning the low-cost housing company RATP Habitat is presented in Note 18.

2.1.1.2 Business combinations

Business combinations are accounted for using the acquisition method, which requires that identifiable assets acquired and liabilities assumed be measured at fair value at the acquisition date, which is the date at which control is transferred to the Group.

Goodwill resulting from business combinations is measured as the excess of (i) the fair value of the consideration transferred, the recognised amount of any non-controlling interests in the acquiree and the fair value of any pre-existing equity interest in the acquiree and (ii) the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

This goodwill is measured in the functional currency of the acquiree and accounted for on the consolidated balance sheet. The Group may elect at the acquisition date of each business combination to measure any non-controlling interest (minority interest) at fair value (the "full goodwill method") or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree. The latter method is more frequently applied by the Group.

Transaction costs in connection with a business combination are expensed in the period in which the costs are incurred or the service received.

2.1.2 Conversion methods

2.1.2.1 Functional currency and reporting currency

The consolidated financial statements are presented in euros, which is the Group's reporting currency. The items included in the financial statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (the "functional currency").

2.1.2.2 Conversion of the financial statements of foreign subsidiaries

Subsidiaries' financial statements prepared using a functional currency different to the Group's reporting currency have been converted into euros as follows:

- balance sheet accounts, using the exchange rate effective at the reporting date;
- income statement entries, using the average exchange rate over the period, for simplification.

Gains and losses from foreign currency translation are recognised directly as other comprehensive income under "Currency translation reserves" for those relating to the Group, and under "Non-controlling interests" for those relating to non-controlling interests. When a foreign operation is sold, the associated currency translation gains and losses recognised under other comprehensive income are transferred to profit and loss.

2.1.2.3 Conversion of foreign currency transactions

Foreign currency transactions are converted into the functional currency at the exchange rate effective on the date of the transaction.

At each reporting date, foreign currency-denominated monetary assets and liabilities are translated at the exchange rate effective at this time. Foreign currency translation adjustments are recorded in the income statement for the period or as a separate component under other comprehensive income if they relate to net foreign investments or cash flow hedges.

2.2 Changes in the scope of consolidation

The list of consolidated companies is provided in Note 39.

3 — Revenue recognition

Revenue is recognised when the major goods and services are transferred to the buyer, which usually coincides with the transfer of ownership or the provision of a service. Revenue is recognised net of rebates, discounts and sales tax and after the elimination of inter-company sales.

Revenue related to the transport business is recognised when the service is carried out.

Pursuant to the application of IFRS 15, financial consideration for receivable IFRIC 12 "Financial concession arrangements" is recognised as "Other income from ordinary activities".

3.1 RATP EPIC revenue

3.1.1 Transport revenue

It mainly includes:

- **direct traffic revenues from transport users;**
- **Île-de-France Mobilités contributions (2016-2020 contract):**
 - **"C1", a contribution** to operating expenses intended to cover public service obligations. This contribution comprises three parts: **a flat-rate contribution "C11"** covering TO and IM operating expenses that are not covered by revenues from transport users; **a contribution "C12"** covering the exact amount of business, professional and property-related taxes and duties levied; and **a contribution "C13"** covering the difference between the indexing of the forecast direct revenues based on the methods used to calculate the "C11" flat-rate contribution and the direct estimated revenues based on Île-de-France Mobilités' pricing decisions,
 - **"C2", a contribution** to finance investments, for the portion excluding returnable assets and reversals. The portion relating to returnable and reversionary (concession) assets is accounted for (as part of the IFRIC 12 interpretation – see Note 14) as the payment of the financial concession assets by Île-de-France Mobilités on the one hand and the remuneration of the financial concession assets recognised as "Other income from ordinary activities" on the other,
 - **a reward or penalty for quality of service,**
 - **a profit-sharing scheme** with risks and gains shared between RATP and Île-de-France Mobilités based on the actual direct revenues generated compared with contractual revenue targets.

This transport revenue is provided for under the terms of the 2016-2020 multi-annual agreement concluded between Île-de-France Mobilités and RATP. The "C11" and "C2" contributions are revalued every year by applying an indexation formula based on the indexes, pursuant to the contractual provisions.

Regarding direct traffic revenues, public prices are set by Île-de-France Mobilités, the organising authority. They constitute a public service obligation with which RATP must comply.

3.1.2 Transport-related activities

It mainly includes:

- revenues from advertising and commercial leases;
- various repayments (including training costs).

3.1.3 Non-transport revenues

Non-transport revenues consist primarily of revenues from services and work rendered to third parties, sales of goods, mobile telephony and telecommunications. Revenue from engineering and construction contracts and the associated costs are recognised under income and expenses respectively, according to the percentage of completion at the reporting date. Percentage of completion is measured on the basis of costs incurred for the work performed to date, based on estimated total contract costs.

Profit generated on contracts that are accounted for by the percentage of completion method is only recognised when it can be measured reliably. If there is a risk of non-recovery of the recorded receivable, it is impaired in accordance with the provisions of IFRS 9. If the projected contract costs are higher than expected revenue, a provision for onerous contracts is recognised, in accordance with IAS 37.

3.3 Income from ordinary activities

	31/12/2020	31/12/2019
Transport revenue	4,969	4,869
Transport-related activities	88	165
Non-transport revenue	466	670
Revenue	5,523	5,704
Proceeds from disposal of concession assets	252	196
Revenue from financial concession assets	110	110
Other	62	90
Other income from ordinary activities	423	397
INCOME FROM ORDINARY ACTIVITIES	5,946	6,101

Distribution of revenue between France and outside France

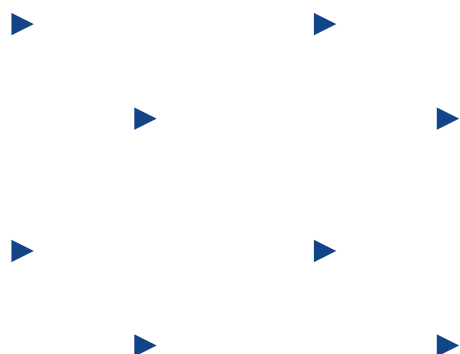
31/12/2020			31/12/2019		
Revenue	Revenue from France	Revenue from outside France	Revenue	Revenue from France	Revenue from outside France
5,523	4,830	693	5,704	4,885	819

4 — Tax, duties and other payables

	31/12/2020	31/12/2019
Tax, duties and other payables	(367)	(332)

This item includes €192 million in taxes and duties on compensation and €89 million for the regional levy paid by RATP EPIC.

Taking into account the intrinsic characteristics of the French value-added business tax (CVAE), especially the cap mechanism, the Group recognises this expense in operating income.



5 — Payroll costs

5.1 Financial impact

	31/12/2020	31/12/2019
Wages	(2,177)	(2,335)
Payroll-related costs	(898)	(940)
Long-term employee benefits	1	(1)
Post-employment benefits	(49)	(39)
Employee profit-sharing	(49)	(52)
TOTAL PAYROLL-RELATED COSTS	(3,172)	(3,366)

5.2 Number of Group employees

	31/12/2020	31/12/2019
RATP EPIC	44,794	44,635
RATP Dev	18,163	19,008
Other subsidiaries	421	311
AVERAGE NUMBER OF EMPLOYEES	63,378	63,954

These are the employees of fully-consolidated companies. The employees of equity-accounted entities are not taken into account.

5.3 Defined employee benefit contribution plans

The funding mechanism of RATP EPIC's pension fund is based on the application of the following decrees:

- French decree No. 2005-1635 of 26 December 2005 regarding the RATP pension fund (Caisse de retraite du personnel de la RATP – CRP-RATP);
- French decree No. 2005-1636 of 26 December 2005 regarding the financial agreements made under the special pension scheme for RATP employees, as well as the base and contribution rates to the scheme. The decree amends French decree No. 59-157 of 7 January 1959 on passenger transport services in the Île-de-France region;

- French decree No. 2005-1637 of 26 December 2005 regarding the resources of the RATP pension fund;
- French decree No. 2005-1638 of 26 December 2005 setting the rates of contributions due to the RATP pension fund.

These texts make CRP-RATP, state body, debtor of the pension fund. RATP's obligation is to pay contributions, which are calculated in a specific manner, but are equal to the amounts payable by all companies with employees under statutory social protection schemes (compulsory pension schemes, such as the French national pension fund CNAVTS, and the complementary pension fund for managers/employees Agirc-Arrco). The European Commission authorised this funding mechanism on 13 July 2009 by a decision addressed to the French authorities.

RATP pays employer contributions into the CRP-RATP employees' pension fund. These contributions are in full discharge of its liabilities. RATP has no other actuarial liabilities. The payments made by RATP are expensed in the period they relate to.

6 — Financial income and expense

	31/12/2020	31/12/2019
Finance costs		
Interest cost on borrowings	(149)	(150)
Impact of accrued interest on hedges	(10)	(7)
Total finance costs	(159)	(157)
Income from cash and cash equivalents	(1)	
Total net finance costs	(160)	(156)
Other financial income and expense		
Income from investments		1
Net foreign exchange gain (loss) on operating items	3	3
Accretion expense of employee benefits/Actuarial gains and losses on long-term post-employment benefits	(7)	(16)
Financial interest on rent	(6)	(6)
Other financial income or expense	5	10
Total other financial income or expense	(5)	(7)
FINANCIAL INCOME	(164)	(163)

Financial risk management is further described in Note 29.

7 — Income tax

7.1 Taxes payable

The tax payable includes the estimated amount of tax due (or receivable) in respect of taxable profit (or loss) for a financial year and any adjustment to the amount of tax payable in respect of previous periods. The amount of tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group

expects to pay (or receive). It is calculated on the basis of the tax rates adopted on the reporting date.

Income taxes include current tax expense or income and deferred tax expense or income.

Tax consolidation

In 2016, RATP chose to fiscally consolidate the French subsidiaries in which it had a stake exceeding 95%, as stipulated in article 223-A of the French general tax code (*Code général des impôts*). Most of the French subsidiaries are in the company's tax consolidation scope.

7.2 Income tax expense

	31/12/2020	31/12/2019
Current tax expense/income	(8)	(16)
Deferred tax expense/income	(54)	10
TOTAL TAX	(62)	(6)

7.3 Deferred taxes

The Group records deferred taxes for all temporary differences between the carrying amount and taxable value of its assets and liabilities recognised in the consolidated financial statements, using the liability method. Deferred taxes are not recognised if the difference is generated by the initial recognition of an asset or liability in a transaction which is not a business combination, and which does not impact earnings, tax income or tax loss at the transaction date.

Deferred tax according to the liability method is measured using the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on the tax rates (and tax regulations) enacted or substantially enacted at the reporting date.

Deferred tax assets on temporary differences or carryforwards are recognised insofar as it is probable that the temporary difference will be attributed to the realisation of a future taxable profit.

Deferred taxes are recognised for all temporary differences arising from equity investments in subsidiaries, affiliates and jointly-controlled entities, unless at the date at which the temporary difference will reverse the reversal is not expected to occur in the foreseeable future.

Deferred tax is calculated using each country's tax rate. For the Group tax proof, the theoretical tax rate used was 31%.

Changes in net deferred taxes are as follows:

	Deferred tax assets – gross	Unrecognised deferred tax assets	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
As at 1 January 2020	4,262	(3,534)	728	(186)	542
Tax recognised in the income statement	(434)	390	(43)	(10)	(54)
Tax recognised directly under other comprehensive income	4	(4)			
Change in scope	7	(7)	(1)	(1)	(2)
Foreign currency translation differences	(4)	2	(2)		(2)
Deferred tax offset by tax group	(182)		(182)	182	
Other	(1)	2	1	(1)	
AS AT 31 DECEMBER 2020	3,651	(3,151)	501	(16)	484

Deferred tax by nature is as follows:

	31/12/2020	31/12/2019
Deferred tax assets – income	405	635
Deferred tax assets – reserves	96	93
Total deferred tax assets	501	728
Deferred tax liabilities – income	15	185
Deferred tax liabilities – reserves	2	2
Total deferred tax liabilities	16	186
NET DEFERRED TAXES	484	542
Of which:		
• temporary accounting/tax differences	2,995	3,517
• revaluation surplus	(3)	(5)
• leases	1	1
• employee benefits	229	237
• hedging instruments	12	15
• regulated provisions	(81)	(69)
• tax loss carry forwards	6	8
• impairment on deferred tax assets	(2,676)	(3,163)
• other	1	2

Temporary differences result mainly from the differences between:

- the carrying amounts of fixed assets and their taxable values;
- the tax depreciation periods and the accounting depreciation periods;
- the differences in the tax and accounting treatment of grant reversals.

These temporary differences generate deferred tax assets (DTA) for RATP EPIC over several decades.

At 1 January 2016, in accordance with IAS 12, RATP Group assessed the recoverability of the DTA over a reasonable period of time, taking into account expected changes in the tax rate and the outlook on future income. A €537 million DTA was then recognised for RATP with an equity offsetting entry.

At 31 December 2019, this receivable was valued at €525 million. At 31 December 2020, it was valued at €469 million.

7.4 Tax proof

	31/12/2020	31/12/2019
Net income	(132)	139
(-) Equity-accounted entities	11	7
(-) Income and expenses on goodwill	(64)	
(-) Net income (loss) from operations sold, discontinued or held for sale	(5)	(12)
(-) Income tax	(62)	(6)
Income from ordinary activities before tax of consolidated companies	(12)	149
Statutory tax rate in France	31%	33.33%
Theoretical tax expense	4	(50)
Effect of tax rates in foreign jurisdictions	(3)	2
Other permanent differences	(7)	(12)
Effect of tax rate differences	(18)	(1)
Effect of tax consolidation	8	12
Other current tax items		1
Recognition of tax effect of previously unrecognised tax losses and deferred taxes	66	135
Current-year losses for which no deferred tax asset is recognised	(112)	(93)
Total tax expense	(62)	(6)
Effective tax rate	-510%	4%

8 — Goodwill

Goodwill is initially recognised in the case of a business combination as described in Note 2.1.1.2.

Subsequent to initial measurement, goodwill is stated at cost less any impairment losses. Goodwill is not amortised but is tested for impairment at least once a year and when there is an indication of impairment.

In the event of loss of control over an associate, the gains or losses recognised take into account the carrying amount of goodwill allocated to the divested business.

The changes in goodwill per CGU are as follows:

	31/12/2018	Change in scope	Currency translation	Impairment	31/12/2019
France	87				87
USA/United Kingdom/South Africa	100	1	5		106
Sightseeing	149		3		151
Other	13				13
TOTAL	348	1	8		357

	31/12/2019	Change in scope	Currency translation	Impairment	31/12/2020
France	87				87
USA/United Kingdom/South Africa	106		(6)	(20)	80
Sightseeing	151		(3)	(45)	104
Other	13				13
TOTAL	357		(9)	(64)	284

9 — Intangible assets

Research and development costs

Development costs are recognised as fixed assets from the date on which management makes the investment decision if, and only if, the costs can be measured reliably and the Group can prove the technical feasibility of completing the intangible asset, the existence of likely future economic benefits and its intention – as well as the availability of sufficient resources – to complete the development and use the asset. Internal procedures ensure that records are available on the date management takes the investment decision.

Development costs are amortised over the useful lives of the associated assets.

Intangible concession assets and other intangible assets

Other intangible assets are recorded in the balance sheet at their historical value. They are systematically amortised over their useful life, less impairment, where applicable.

This item mainly comprises the intangible concession assets recognised as RATP's reversionary assets, in accordance with IFRIC 12 "Service concession arrangements" (see Notes 1.5 and 14).

Other intangible assets also comprise software that is amortised on a straight-line basis over three to ten years. Only specific development costs and configuration costs specific to the management systems deployed throughout RATP EPIC are amortised over ten years.

	31/12/2018	Acquisitions	Retirements and disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2019
Gross value							
Lease rights	2						2
Research and development costs	1			2		(2)	1
Concessions, patents and similar rights	657	3	(12)	68		(38)	679
Goodwill	2						2
Other property, plant and equipment	54	5	(3)	2	(3)		55
Intangible concession assets	453					116	569
Intangible assets in progress	219	105		(63)			261
Total gross value	1,389	113	(15)	9	(3)	76	1,570

	31/12/2018	Depreciation allowance	Retirements and disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2019
Accumulated depreciation and impairment							
Lease rights	(1)						(1)
Research and development costs	(1)	(8)				8	(1)
Concessions, patents and similar rights	(477)	(63)	11			31	(498)
Goodwill	(1)		(1)				(1)
Other property, plant and equipment	(40)	(6)	6		(1)		(40)
Intangible concession assets	(22)					(18)	(40)
Total accumulated depreciation and impairment	(543)	(77)	17		(1)	21	(581)
NET VALUE	846	36	3	9	(4)	98	988

	31/12/2019	Acquisitions	Retirements and disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2020
Gross value							
Lease rights	2						2
Research and development costs	1			151		(11)	141
Concessions, patents and similar rights	679	6	(7)	94	36	(4)	804
Goodwill	2						2
Other property, plant and equipment	55	5	(10)	1	(2)		50
Intangible concession assets	569					92	661
Intangible assets in progress	261	117		(204)	1		175
Total gross value	1,570	128	(17)	42	34	78	1,834

	31/12/2019	Depreciation allowance	Retirements and disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2020
Accumulated depreciation and impairment							
Lease rights	(1)						(1)
Research and development costs	(1)	(9)				8	(2)
Concessions, patents and similar rights	(498)	(71)	6		(31)	2	(592)
Goodwill	(1)						(1)
Other intangible assets	(40)	(4)	6		2		(37)
Intangible concession assets	(40)					(3)	(43)
Total accumulated depreciation and impairment	(581)	(85)	12		(29)	7	(676)
NET VALUE	988	44	(5)	42	5	85	1,158

The impact of RATP EPIC's concession assets is explained in Note 14.

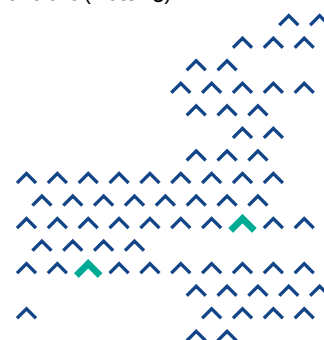
10 — Tangible assets

As stated in Note 1.5, only RATP EPIC's fully-owned assets and the subsidiaries' tangible assets are recorded in the consolidated balance sheet under tangible assets. They are first measured at acquisition or production cost, or at their fair value in the case of a business combination. They are subsequently carried net of accumulated depreciation and impairment losses.

In accordance with component-based accounting, RATP's fixed assets have been broken down into components and the useful life of each component has been determined based on their replacement or renovation frequency.

Given the current contractual compensation arrangement between RATP and Île-de-France Mobilités (Note 3.1), the C2 contribution covers the costs relating to investment financing, in addition to amortisation. Consequently, RATP does not capitalise interest.

When property, plant and equipment are subject to decommissioning obligations, the estimated cost of this obligation is initially included in the acquisition cost to offset provisions (Note 25).



Straight-line depreciation is the most appropriate method in economic terms. The depreciation periods used by the Group are as follows:

Categories	Method	Term
Railway infrastructure major asset	Straight-line	35 to 140 years
Railway infrastructure component asset	Straight-line	15 to 40 years
Building shell and brickwork	Straight-line	70 to 100 years
Building fixtures and fittings	Straight-line	6 to 30 years
Tracks	Straight-line	10 to 50 years
Automated train operating system and track signalling	Straight-line	5 to 40 years
Rolling stock (rail)	Straight-line	20 to 40 years
Road rolling stock	Straight-line	4 to 10 years
Plant equipment, fixtures and fittings	Straight-line	5 to 100 years
Other tangible assets	Straight-line	2 to 15 years

The useful lives of tangible assets are reviewed annually if there are significant changes.

	31/12/2018	IFRS 16 Initial application on 1 January	Acquisitions	Retirements and disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2019
Gross value								
Land	576				3	(2)	(1)	576
Investment property	1							1
Buildings	9,599	109	151	(115)	431	1	237	10,412
Technical plant, equipment and industrial tooling	4,697	1	47	(206)	323	(1)	29	4,891
Transport equipment	2,309	134	59	(124)	117	(7)	(62)	2,425
Other tangible assets	239		7	(7)	13	1	1	253
Tangible assets in progress	3,512		1,658	(2)	(902)		(278)	3,988
Investment grants	(10,317)		(769)	3	(31)		11	(11,103)
Total gross value	10,616	243	1,153	(451)	(45)	(9)	(63)	11,443

	31/12/2018	Depreciation allowance	Retirements, disposals and reversals	Reclassifications	Change in scope	Impact of concession assets	31/12/2019
Accumulated depreciation and impairment							
Land	3					1	4
Investment property	(1)						(1)
Buildings	(3,846)	(302)	108	(1)	(1)	(58)	(4,101)
Technical plant, equipment and industrial tooling	(2,942)	(249)	175	2	1	(38)	(3,052)
Transport equipment	(755)	(419)	107	(1)	7	202	(859)
Other tangible assets	(172)	(21)	6	1			(185)
Fixed assets in progress							
Investment grants	3,345	4	247				3,595
Total accumulated depreciation and impairment	(4,369)	(987)	643	1	6	107	(4,599)
NET VALUE	6,247	409	192	(45)	(3)	43	6,844

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Notes to the consolidated financial statements

	31/12/2019	Acquisitions	Retirements and disposals	Reclassifications	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2020
Gross value							
Land	576		(1)	39		(4)	610
Investment property	1			(1)			
Buildings	10,412	16	(45)	1,233	(8)	(46)	11,562
Technical plant, equipment and industrial tooling	4,891	24	(74)	501	(4)	(54)	5,283
Transport equipment	2,425	53	(96)	205	(27)	(90)	2,469
Other tangible assets	253	6	(13)	57	2	(1)	305
Tangible assets in progress	3,988	1,701		(2,064)		(93)	3,532
Investment grants	(11,103)	(1,051)	4			1	(12,149)
Total gross value	11,443	750	(225)	(29)	(37)	(289)	11,612

	31/12/2019	Depreciation allowance	Retirements, disposals and reversals	Reclassifications	Changes in scope, foreign currency translation differences	Impact of concession assets	31/12/2020
Accumulated depreciation and impairment							
Land	3	(3)	3	(4)		1	
Investment property	(1)			1			
Buildings	(4,101)	(313)	44		2	27	(4,340)
Technical plant, equipment and industrial tooling	(3,052)	(259)	65	1	3	28	(3,214)
Transport equipment	(859)	(410)	88	3	11	186	(980)
Other tangible assets	(185)	(25)	8	(1)	(3)	1	(206)
Fixed assets in progress							
Investment grants	3,595	5	251			(3)	3,849
Total accumulated depreciation and impairment	(4,599)	(1,004)	459	(0)	14	240	(4,891)
NET VALUE	6,844	(255)	234	(29)	(24)	(49)	6,721

The impact of RATP's concession assets is explained in Note 14.

The analysis of the right-of-use assets resulting from the application of IFRS 16 is presented in Note 12.

The amount of capital assets under construction consists mainly of projects related to extensions of metro lines.

Commitments relating to acquisitions of tangible assets are presented in Note 34.1.

The 2016-2020 RATP-Île-de-France Mobilités agreement provides for penalties in the event of failure to implement the equity investment plan. Cumulatively since the beginning of the 2016-2020 agreement, RATP believes that they have complied with the equity investment plan in accordance with the contractual clauses.

At 31 December 2020, there were no assets pledged or used as collateral.

11 — Investment grants

Grants are recognised if there is reasonable assurance that the Group will meet grant conditions and the grant will be received.

Grants are allocated to particular assets and are presented as a deduction in those assets. They are transferred to the income statement over the useful life of the assets as asset depreciation is recorded.

As from 2020, subsidies earned by the RATP EPIC are recognised as a deduction from the corresponding assets in progress. They related to capital expenditure already made but for which subsidies have not yet been called. This estimate amounts to €156 million at the end of 2020 (and represented €252 million at the end of 2019).

12 — Leases

Right-of-use assets are recognised under tangible assets on the balance sheet. They are recognised as a separate line item to the underlying assets and are not identified in the consolidated balance sheet. A breakdown by type of asset is provided below.

Lease liabilities are identified in the consolidated balance sheet (under current and non-current "Financial liabilities – leases). They are not included in financial debt.

For each lease, the discount rate used to calculate the lease liability is determined according to the incremental borrowing rate on the lease commencement date (i.e. on the date the asset is made available by the lessor), since the implicit interest rate of the contract cannot be

easily determined. The incremental borrowing rate corresponds to the rate of interest that the entity would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment.

The lease term corresponds to the non-cancellable period of the lease, unless the Group is reasonably certain to exercise the renewal options provided for in the contract.

The Group has applied certain practical expedients as part of its application of IFRS 16. In particular: no right-of-use asset or lease liability is recognised under short-term leases (twelve months or less); no right-of-use asset or lease liability is recognised under leases relating to low-value assets (threshold of US\$5,000).

Details of the right-of-use assets recognised under property, plant and equipment

	31/12/2018 IAS 17	IFRS 16 Initial application on 1 January	New contracts 2019	Additions	Exits, reversals	Changes in scope, foreign currency translation differences	31/12/2019
Right-of-use assets (IAS 17 + IFRS 16)							
Land	3						3
Buildings	19	109	148	(35)	(2)	1	239
Technical plant, equipment and industrial tooling		1					1
Transport equipment	13	134	26	(37)	(2)	4	138
Other tangible assets							
TOTAL NET VALUE	35	243	175	(72)	(4)	5	381

	31/12/2019	New contracts 2020	Additions	Reclassifications	Changes in scope, foreign currency translation differences	31/12/2020
Rights-of-use assets (IAS 17 + IFRS 16)						
Land	3					3
Buildings	239	12	(40)		(1)	218
Technical plant, equipment and industrial tooling	1					1
Transport equipment	138	20	(35)		(11)	112
Other tangible assets					1	1
TOTAL NET VALUE	381	32	(75)		8	334

Maturity of the lease liability

2020	Total	2021	2022	2023	2024	2025	>5 years
Financial liabilities – lease transactions – non-current	283		65	48	42	32	97
Financial liabilities – Lease transactions – current	72	72					
FINANCIAL LIABILITIES – LEASE TRANSACTIONS	356	72	65	48	42	32	97

2019	Total	2021	2022	2023	2024	2025	>5 years
Financial liabilities – Lease transactions – non-current	326		76	55	40	34	122
Financial liabilities – Lease transactions – current	73	73					
FINANCIAL LIABILITIES – LEASE TRANSACTIONS	399	73	76	55	40	34	122

Non-restated lease payments

Lease payments not restated according to IFRS 16 amounted to €6 million. They mainly concern assets with a residual lease value not exceeding twelve months as of 1 January 2020.

Cash impact

The net cash impact of lease payments restated according to IFRS 16 for the financial year was €80 million paid, including €6 million in interest and €74 million in liabilities repaid.

13 — Specific lease transactions

13.1 Leasehold transactions

Between 1997 and 2002, RATP entered into a number of leaseholds. In this context, RATP granted the right to use its assets through arrangements that enable foreign investors in the United States to assume economic ownership of the assets, which allows them to depreciate the assets and benefit from tax breaks. This financial gain is shared between the investor and RATP.

A leasehold transaction is composed of the main lease granted by RATP and a sub-lease enabling RATP to retain the right of use of the asset. In economic and accounting terms, no transfer takes place and RATP retains the main risks and rewards of ownership of the equipment. RATP has an early buy-out option (EBO) for a period shorter than the full term of the lease, which enables it to unwind the arrangement by repurchasing the outstanding portion of the lease. The arrangement includes deposits set up for guaranteeing payment for this option.

The various contracts that make up each leasehold transaction constitute separate transactions and are accounted for as such. As the assets (including deposits) and liabilities related to these contracts generate cash flows that are fully offset in the balance sheet and income statement, the overall gain generated by each transaction is

reported in a single line as “net present value” (NPV). The gain is recorded as deferred income when the contracts are signed and then is recognised as financial income on a straight-line basis over the term of the lease. At 31 December 2020, the gross amount of assets recognised amounted to €211 million and the amount of liabilities amounted to €213 million. These amounts are offset by €211 million, and therefore the net balance recognised was €2 million.

As at 31 December 2020, there were five contracts outstanding with two investors — the Bank of America and State Street.

The risks assumed by RATP are limited to equipment ownership risk and counterparty risk on the deposits. Counterparty risk is managed:

- by defeasance agreements, which enable deposits to be offset against the associated liabilities. The corresponding deposits totalled €44 million at 31 December 2020;
- through US Treasury bonds: the deposits totalled €62 million at 31 December 2020.

Furthermore, the US dollar deposits remaining after the early termination of the arrangements between 2007 and 2009 are no longer offset and are thus recognised in the balance sheet under “Other financial assets” (see Note 19).

13.2 Swedish lease transactions

The Swedish lease agreement is effective in the period prior to equipment delivery. The investor pays the supplier the total value of the equipment, as from the beginning of the agreement. RATP leases the equipment over an eighteen-year period, at the end of which it may exercise its buyback option. The assets financed through the Swedish lease agreement are recognised under the consolidated balance sheet assets.

These arrangements enabled RATP to realise a financial gain when the contract was signed. This gain was deducted from the acquisition cost of the equipment and is recognised as income in proportion to the assets’ depreciation.

At 31 December 2020, one contract remains, with the investor Apicius Leasing IBV.

14 — Service concession agreements

Service concession agreements fall within the scope of IFRIC 12 “Service concession arrangements” if the concession assets are controlled by the grantor. The grantor effectively controls these assets if the following two conditions are met:

- the grantor controls or regulates which services must be provided with the concession assets and determines to whom these services must be provided and at what price; and
- the grantor controls any significant residual interest in the concession assets upon maturity of the concession. This condition is met when the grantor has the right to any residual interest in these assets at the end of the agreement.

Under IFRIC 12, the grantor recognises a financial asset (“financial asset model”) in its balance sheet, representing an unconditional right to receive a cash amount and/or an intangible asset (“intangible asset model”) representing a right to invoice users.

Financial asset model

For service concessions, a financial asset is recognised when the operator has an unconditional contractual right to receive a determined amount from the grantor. The remuneration of receivable is recognised in “Other income from ordinary activities”.

Intangible asset model

The intangible asset model applies if the operator has the right to charge users of a public service.

Hybrid model

When only part of the investment is subject to a payment commitment from the grantor, the amount guaranteed by the grantor is recognised as a financial asset and the remaining value is recognised as an intangible asset according to the hybrid model.

Application to RATP

RATP Group believes that the operating agreements for RATP EPIC transport services in Île-de-France, including the multi-year agreement entered into with Île-de-France Mobilités, and certain agreements with RATP Dev’s transport subsidiaries should be accounted for under IFRIC 12.

The Île-de-France Mobilités 2016-2020 agreement falls within the scope of application of IFRIC 12 as:

- the services rendered correspond to a public service mission;
- Île-de-France Mobilités determines what transport services must be provided and the pricing policy;
- the assets necessary for operation are the returnable and reversionary assets;
- Île-de-France Mobilités controls a significant residual interest at the end of the concession on these assets:
 - for rolling stock and related maintenance equipment classified as returnable assets, when the concession rights expire, Île-de-France Mobilités will repurchase the assets at their

carrying amount net of grants, corresponding to the amount reported in the parent company financial statements where the assets are recognised under tangible assets,

- for operating assets (such as bus stations, etc.) classified as reversionary assets, Île-de-France Mobilités can exercise a buyback option when the operating rights expire.

The financial asset model is applied to returnable assets insofar as RATP has an unconditional right to receive cash from Île-de-France Mobilités until the end of the period of operation, regardless of user traffic, which results in the recognition of a financial asset. The value of this asset corresponds to the net book value of the returnable assets in the parent company financial statements, less subsidies, at the closing date.

The hybrid model is applied to reversionary assets to the extent that RATP benefits on behalf of Île-de-France Mobilités:

- from an unconditional right to receive cash for these assets, over the periods covered by the operating contracts with Île-de-France Mobilités (2016-2020). This right results in the recognition of a financial asset. The value of this financial asset corresponds to the depreciation and amortisation expenses, provided for in the parent company financial statements between the reporting date and the end of the contract, for reversionary assets held on the reporting date. In the absence of a contract signed for the 2021-2024 period, depreciation and amortisation for this period were not recognised as a financial asset at end-2020;
- from a right to invoice users for the period beyond 2021. This right results in the recognition of an intangible asset. The value of this right corresponds to the residual portion of the carrying amount of the reversionary assets in the parent company financial statements on the reporting date.

Financial assets arising from the application of IFRIC 12 are recognised under “Financial concession assets” in the consolidated balance sheet. The portion of the financial assets due within one year is recognised as “Current financial concession assets” and the portion that is due later than one year is recognised as “Non-current financial concession assets”.

Pursuant to IFRS 9, receivables relating to financial concession assets are measured at amortised cost and impaired if the carrying amount is higher than the present value of the discounted future cash flows.

Contributions paid by Île-de-France Mobilités to RATP (2016-2020 agreement) include the C2 contribution to fund investments. The contribution covers the cost of capital employed, including interest expense and net amortisation expense recorded in the parent company financial statements. According to IFRIC 12, this financing mechanism is analysed as recovery of the financial asset on the one hand, and remuneration of the receivable on the other hand. The recovery reduces the asset and the remuneration is income, recorded under “Other income from ordinary activities”.

Furthermore, pursuant to IFRS 15 “Revenue from contracts with customers”, acquisitions of returnable assets are accounted for as purchase transactions in the period recognised under cost of sales. The grantor accounts for them as sales recognised under “Other income from ordinary activities”.

Application to subsidiaries

At the subsidiary level, the receivables recognised as financial assets reflect the reimbursement of depreciation and amortisation expenses, based on the amounts reported in the financial statements until the expiry date of the current agreements. During this period, RATP Group has an unconditional right to receive cash from the transport authority. At the end of the concession period, the transport authority shall have the right to exercise its reversionary option (see Note 1.5). Consequently, the residual carrying amount of the reversionary public concession assets at the expiry date of the present agreements is recognised under intangible assets.

The carrying amount of the financial concession assets at 31 December 2020 is:

	31/12/2020	31/12/2019
Gross amount	3,487	3,549
Impairment		
Concession financial assets – non-current	3,487	3,549
Gross amount	310	288
Impairment		
Concession financial assets – current	310	288

15 — Asset impairment tests

Impairment of CGUs

The assets to be tested for impairment are combined in CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGUs defined for RATP EPIC correspond to IM and TO activities (see Note 32).

The other CGUs are defined at subsidiary level in terms of the business or geographical area: France/Switzerland, USA/UK/South Africa and Sightseeing. For segment information (Note 32), these other CGUs are included in the transport segment.

An impairment test is carried out:

- annually on all CGUs containing goodwill or other intangible assets with indefinite useful lives; or
- when there is an indication of impairment.

For impairment testing, the carrying amount of the CGU is compared to its recoverable value. The recoverable value of a CGU is the higher of its fair value less costs to sell and its value in use. Where there is an impairment, such loss is recognised in the operating income. Impairment on goodwill is irreversible.

Value in use is determined by discounting the CGU's expected future cash flows using an appropriate discount rate based on the nature of the business and taking into consideration its residual value.

Impairment of other non-financial assets

For all non-financial assets, impairment testing is performed whenever there is an indication of impairment. The carrying amount of the non-financial asset is compared to its recoverable value, which is defined as the higher of the selling price, less costs to sell, and its value in use.

15.1 RATP EPIC CGUs

The CGUs defined at the RATP EPIC level correspond to the TO and IM activities, these activities being separate accounting scopes in application of legal provisions and regulatory principles.

The distribution of asset values between IM and TO is carried out in accordance with the laws and regulations applicable to RATP.

The carrying amount of the assets covered in each CGU includes:

- fixed assets (depreciable tangible assets and amortisable intangible assets) net of grants;
- WCR.

The recoverable amount of intangible and financial assets, recognised pursuant to IFRIC 12 and corresponding to returnable and reversionary assets driven by TO activities, corresponds to their realisable value as defined by the law and its implementing decrees, making a distinction between fully-owned assets, returnable assets and reversionary assets.

As these activities were created by RATP, the CGUs do not have any goodwill or intangible assets with indefinite useful lives.

As at the end of the reporting period, 31 December 2020, a new agreement is being negotiated with Île-de-France Mobilités for the 2021-2024 period.

This new agreement will be part of the legal framework governing RATP EPIC's activities and securing the financial coverage of its assets:

- the law on mobility of 24 December 2019 and its implementing decree of 28 December 2020 specify the terms and conditions of compensation of IM, which must ensure the coverage of all current operating expenses and depreciation and amortisation costs and a fair return on the capital employed which is necessary for the long-term financing of investments. The decree sets the conditions for the regulation of this compensation by the ART;
- the French law on public passenger services by rail of 8 December 2009 sets the expiry date of the operating rights of the lines entrusted to RATP, and defines the asset ownership schemes and the fate of these assets at the expiry of the contracts, as well as the terms of compensation of RATP for the operation of the lines, so as to ensure the coverage of the operating costs and a fair return on the capital employed.

As of 31 December 2019, impairment tests were carried out on these CGUs, which led to no impairment being identified. The tests were notably based on cash flow projections from the current agreement with Île-de-France Mobilités.

Negotiations for the new agreement between RATP and Île-de-France Mobilités for the 2021-2024 period are still under way.

In this context, an analysis was carried out by asset type to analyse any indications of impairment at 31 December 2020. In view of the current financing mechanisms of these assets, of their nature and of the general framework surrounding the remuneration of IM and TO activities, no indication of impairment, which could lead to the implementation of an impairment testing, was identified for either TO or IM.

These items will have to be confirmed over 2021 with the compensation conditions provided for in the new agreement.

15.2 RATP DEV CGUs

Impairment tests were performed on the other existing CGUs at 31 December 2020.

The other CGUs are defined at the level of the geographical area and of the management structure (France/Switzerland and USA/UK/South Africa) as well as a specific business for Sightseeing.

The recoverable value of the principal CGUs was determined on the basis of the following key assumptions:

	CGUs				
	France/ Switzerland	USA/UK/South Africa			Sightseeing
		USA	UK	South Africa	
Method for determining the recoverable value	Value in use	Value in use			Value in use
Discount rate	5.70%	5.90%	5.70%	14.40%	6.70%
Perpetual growth rate	2%	2%	0.50%	4%	2%

The estimated discount rate (weighted average cost of capital) was determined using the average rates observed for a panel of listed companies with activities similar to those of the Group by estimating risk-free payments specific to each country.

The impairment tests carried out revealed impairment losses totalling –€64 million:

- at the level of the USA/UK/South Africa CGU, resulting in a –€20 million impairment of the goodwill associated with the CGU;
- at the level of the CGU corresponding to the Sightseeing activity, resulting in a –€44.5 million impairment of the goodwill associated with the CGU.

- a change in the perpetual growth rate of –0.1 of a percentage point would not lead to an additional impairment of the CGU's goodwill, as the latter had already been sufficiently impaired at the end of June 2020,
- a reduction in the perpetual growth rate of –0.36 of a percentage point would bring into line the recoverable amount and net value of the CGU.

During the financial year, no other event likely to have an impact on the goodwill values was recorded after the impairment tests performed on the CGUs.

Sensitivity of recoverable values

Sensitivity tests were performed to confirm the results of the impairment tests. Based on the assets tested at their value in IFRS:

- France/Switzerland CGU:
 - a change in the discount rate of +18.8 points would equalise the recoverable amount and the net book value of the CGU,
 - a –19.9-point change in terminal growth rate would bring into line the recoverable value and net book value of the CGU;
- USA/UK/South Africa CGU:
 - a change in discount rates of +0.5 of a percentage point would lead to an additional impairment of the CGU's goodwill of €14.1 million,
 - a change in the perpetual growth rate of –0.1 of a percentage point would lead to an additional impairment of the CGU's goodwill of €3 million;
- Sightseeing CGU:
 - a change in the discount rate of +0.5 of a percentage point would lead to an additional impairment of the CGU's goodwill of €13.9 million,

16 — Interests in the subsidiaries

The list of fully-consolidated RATP EPIC subsidiaries is supplied in Note 39. As regards the individual contribution of these subsidiaries in the Group's financial statements, none is considered material (contributions individually less than 10% of revenue). The largest of them represents less than 5% of revenue. The share of non-controlling interests in the financial statements is not material either.

Given the weak individual importance of shares in the subsidiaries, the Group deems that it is not exposed to specific risks per entity that could have a material impact on the financial statements.



17 — Equity-accounted investments

17.1 Investments in equity-accounted entities

Equity-accounted investments comprise associates and joint ventures. The shares in these entities are analysed as follows:

Group companies	31/12/2020				31/12/2019			
	% interest	Equity-accounted investments	Of which share of net income	Of which share of other items of comprehensive income	% interest	Equity-accounted investments	Of which share of net income	Of which share of other items of comprehensive income
Systra group	43.38	112		(6)	43.38	117		
Other associates		9	(1)			9	(2)	
Joint ventures		12	12	(4)		19	9	1
TOTAL		132	11	(9)		145	7	1

17.2 Major joint ventures and associates

Among equity-accounted associates, Systra is considered to be a significant associate.

Systra is a consulting and engineering group operating in the sector of public rail transport. It has approximately 30 subsidiaries and 20 branches worldwide.

Balance sheet – Systra	31/12/2020	31/12/2019
Non-current assets	303	321
Current assets	525	482
Non-current liabilities	164	176
Current liabilities	463	421
NET ASSETS (100%)	201	206
Percentage equity holding	43.4%	43.4%
Group share in net assets	85	91
Goodwill	26	26
EQUITY VALUE	112	117

Income statement – Systra	31/12/2020	31/12/2019
Income from ordinary activities	660	631
Net income (100%)	1	(1)
Group share in net income		
Other comprehensive income	(6)	

The above amounts were established at the end of January before the definitive closing of Systra.

The other joint ventures and associates are not individually material. These entities are essentially bus, tramway and/or metro network operating businesses, similar to those of fully-consolidated entities.

18 — Non-consolidated securities

In accordance with IFRS 9, non-consolidated securities are measured at fair value.

The Group has chosen to record subsequent changes in the fair value of these securities under equity in other non-recyclable comprehensive income (irrevocable choice).

In the event of a sale, the net income from the transaction is recognised in equity and does not impact net income.

	31/12/2019				Non-consolidated securities 31/12/2019
	Non-consolidated securities 31/12/2018	Increase	Decrease	Other	
Total gross value	59	3	(10)	1	52
Impairment	(10)	(1)	11		
TOTAL NET VALUE	48	2	1	1	52

	31/12/2020				Non-consolidated securities 31/12/2020
	Non-consolidated securities 31/12/2019	Increase	Decrease	Other	
Total gross value	52	10	(1)		61
Impairment		(1)	1	(1)	(1)
TOTAL NET VALUE	52	9	0	(1)	60

Non-consolidated securities relate to the following:

	Net value	% equity interest
RATP Habitat ⁽¹⁾	38	100%
ID invest Smart City II	7	9%
Cityscoot	7	8%
Zenpark	3	11%
Paris-Saclay Seed Fund	2	4%
Klaxit	1	15%
Linéa ⁽²⁾	1	33%
Irise	1	10%
TOTAL	60	

(1) Low-cost housing company RATP Habitat is excluded from the scope of consolidation for the reasons mentioned in Note 2.1. Financial data at 31 December 2019 of the low-cost housing company RATP Habitat is as follows:

- revenue: €68 million;
- balance sheet total = €866 million, including €462 million of net debt;
- income: €7 million.

(2) RATP is a shareholder of this company (any dividends received are recorded by Autolinee) but does not exercise any influence over management. Linéa operates another intercity network in Florence and is the partner of Autolinee in the business combination that was awarded the contracts.

19 — Other financial assets

Other financial assets consist of financial assets that do not fall under the previously defined categories of financial assets, mainly receivables relating to subsidiaries and affiliated companies, loans, security deposits and guarantees.

These financial assets are recorded at amortised cost using the effective interest rate method.

Impairment is assessed individually taking into account the risk profile of the counterparty and the guarantees obtained. When these financial assets are initially recognised, impairment is systematically recognised for the expected credit losses resulting from events that may occur in the next twelve months. In the event of a significant deterioration in the credit quality of the counterparty, the initial impairment is supplemented to cover all expected losses over the residual maturity of the receivable.

19.1 Other non-current financial assets

	31/12/2018	Increase	Decrease	Other	31/12/2019
Deposits relating to leases	20			(2)	18
Fair value deposits	77				77
Social housing (comités interprofessionnels du logement – CIL) loans	24			(3)	21
Other loans and receivables	19	18	(11)	3	28
Gross other non-current financial assets	140	18	(11)	(2)	144
Provisions for other financial assets					
NET OTHER NON-CURRENT FINANCIAL ASSETS	140	17	(11)	(2)	144

	31/12/2019	Increase	Decrease	Other	31/12/2020
Deposits relating to leases	18		(14)	14	18
Fair value deposits	77				77
CIL loans	21			(5)	16
Other loans and receivables	28	8	(15)	5	26
Pension plan assets		5			5
Gross other non-current financial assets	144	12	(29)	14	141
Provisions for other financial assets					
NET OTHER NON-CURRENT FINANCIAL ASSETS	144	12	(29)	14	141

Deposits relating to leases (at amortised cost) concern contracts terminated before expiry of the lease period. They are backed by borrowings for lease terminations shown under loans and borrowings (Note 26.2).

Loans mainly correspond to loans granted by RATP to the CIL committees.

Pension plan assets are discussed in Note 24 on employee benefits.

19.2 Other current financial assets

The cash collateral corresponds to the amounts paid as guarantee for loans related to lease terminations shown under loans and borrowings (Note 26.1).

	31/12/2018	Increase/decrease	Other	31/12/2019
CIL loans	5		1	6
Deposits relating to leases			12	12
Other loans, deposits and guarantees	1			1
Cash collateral relating to leases	53	15		68
Other investments – current	73	(11)		62
OTHER CURRENT FINANCIAL ASSETS	132	4	12	149

	31/12/2019	Increase/decrease	Other	31/12/2020
CIL loans	6		(1)	5
Deposits relating to leases	12		(12)	
Other loans, deposits and guarantees	1	(1)		
Cash collateral relating to leases	68	(21)		47
Other investments – current	62	(11)		51
OTHER CURRENT FINANCIAL ASSETS	149	(33)	(12)	104

20 — Inventories

Inventories and assets under production are measured at the lower of cost (including associated transaction costs) and net realisable value. Cost is calculated using the weighted average cost method.

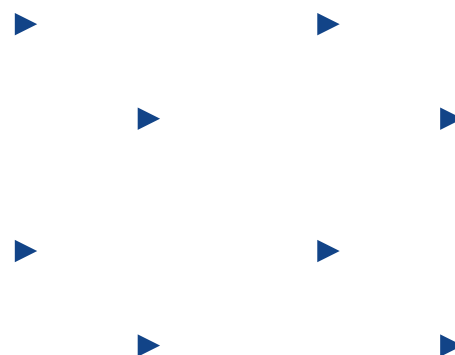
Impairment is recorded where the cost is greater than the net realisable value.

20.1 Breakdown of inventories by type

	31/12/2019			31/12/2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	280	(52)	228	337	(56)	281
Other supplies	1		1	1		1
Work in progress	17		17	12		12
Merchandise	1		1			
Finished goods	4		4	2		2
TOTAL	303	(52)	250	352	(56)	296

20.2 Change in inventory impairment losses

	31/12/2019	Additions	Reversals	31/12/2020
Impairment of inventories – other	(52)	(8)	5	(56)
Impairment of work in progress				
Impairment of merchandise inventories				
TOTAL	(52)	(8)	5	(56)



21 — Operating receivables

Trade and other receivables are recorded at fair value, which equates to their face value, as the effect of discounting is not material for assets that are due within one year.

For operating receivables, the Group reviews its trade receivables on an individual basis taking into account the probability of counterparty default and the hedging level of these receivables and uses the simplified IFRS 9 method of provisioning expected losses over the residual maturity of the receivables.

	31/12/2020	31/12/2019
Trade receivables	405	435
Impairment of trade receivables	(10)	(9)
Trade receivables	394	426
Advance payments	8	12
Prepaid expenses	43	31
Receivables from the State and other public authorities	299	335
Investment grants receivable	399	107
Other receivables	458	473
Income tax receivables	13	15
Impairment of other receivables	(13)	(6)
Other receivables	1,206	967
TOTAL TRADE AND OTHER RECEIVABLES	1,600	1,393

	31/12/2020	31/12/2019
Impairment of trade receivables, at beginning of financial year	(9)	(9)
Write-downs during the financial year	(2)	(2)
Reclassification		1
Reversals used during the financial year	1	1
IMPAIRMENT OF TRADE RECEIVABLES, AT END OF THE FINANCIAL YEAR	(10)	(9)

All accounts receivable are due within one year.

22 — Cash and cash equivalents

The line item “Cash and cash equivalents” includes bank accounts, liquid investments and cash equivalents.

Cash equivalents comprise risk-free, highly liquid investments with negligible risk of change in value. They are held exclusively to meet the Group’s short-term cash requirements.

They include:

- negotiable debt instruments with an original maturity of less than three months and issued by highly rated counterparties;
- money market UCITS investments;
- term deposits maturing in less than three months or redeemable with no risk to invested capital and without notice in less than three months.

Cash and cash equivalents are measured at amortised cost, or at fair value through profit or loss, depending on the nature of the investment.

	31/12/2020	31/12/2019
Marketable securities	2,346	1,211
Cash and cash equivalents	576	333
CLOSING CASH AND CASH EQUIVALENTS (BALANCE SHEET)	2,922	1,544

Total cash and cash equivalents presented in the cash flow statement comprise the following:

	31/12/2020	31/12/2019
Cash and cash equivalents (balance sheet)	2,922	1,544
Bank loans – current	(81)	(103)
CLOSING CASH AND CASH EQUIVALENTS (CASH FLOW STATEMENT)	2,841	1,441

23 — Equity

23.1 Capital endowment

RATP was formed by the act of 21 March 1948. However, no capital was transferred to it at that time. In 1986, the public authorities allocated capital of €283.3 million to RATP. This allocation was increased by €150 million in July 2010 as part of the national recovery plan announced at the start of 2009.

23.2 Reserve for assets allocated to RATP

The equity contra-account entitled “Reserve for assets allocated to RATP” shown in liabilities essentially reflects the residual value at 1 January 1949 – when RATP was created – of the assets provided for use by RATP at that time and that remained on the balance sheet at 31 December 1976.

24 — Employee benefits

Employee benefits comprise post-employment benefits and other long-term benefits.

	31/12/2020	31/12/2019
Retirement benefits	379	353
Death indemnities for retirees	45	43
Death indemnities for current employees	23	22
Early retirement	1	2
Work-related accident and disability allowance	424	381
Retirement benefits of foreign subsidiaries		3
Total post-employment benefits	873	804
Phased retirement		
Seniority bonuses	35	34
Long-term sick-leave	1	2
Unemployment benefit	11	9
Work-related accident and disability allowances	24	25
Other long-term benefits		1
Total long-term benefits	72	71
TOTAL	945	875

24.1 Post-employment benefits

The net liability recorded in the balance sheet for post-employment benefit obligations corresponds to the present value of the defined benefit obligation at the reporting date. The current value of the obligation and past service cost are calculated using the projected unit credit method. Under this method, units of benefits are allocated to periods of service as benefits are vested under the plan, or on a straight-line basis when the benefits are not vested at a uniform pace and would significantly defer recognition of a provision for the obligation.

The amount of future payments for employee benefits is assessed using assumptions such as salary increase rate, retirement age, number of years of service to date and mortality tables. They are dis-

counted to their present value using a discount rate specific to each geographic area and currency, namely:

- the Bloomberg fifteen-year Eurobond composite rate for companies with an AA rating (for the eurozone);
- AA rated sterling-denominated corporate bonds (for UK companies).

Remeasurement of the net liability under post-employment benefit schemes (including changes in the liability and the financial assets due to changes in assumptions and experience adjustments) are recognised in “Other comprehensive income”. They may not be recycled through profit or loss.

Any effects of plan changes (gains or losses) are immediately recognised in profit or loss.



24.1.1 Description of the various post-employment benefit schemes

Retirement benefits

Employees are entitled to RATP retirement benefits, unless a more favourable scheme is in place. The amount of the benefit is based on the length of time the employee has been employed by the company. RATP pays retirement benefits to all its employees that fulfil the vesting conditions. Benefits are calculated on the basis of gross monthly wages and a coefficient to reflect the employee's hierarchical status at the retirement date. The coefficient reflects the number of annuities vested at the retirement date and is set by current employment agreements.

Death indemnities for retirees

RATP pays death indemnities to retirees who have vested rights in a seniority-based retirement or pension scheme. The amount of the indemnity is calculated at the time of death, at three times the monthly pension payment. The obligation is measured based on historical data.

Death indemnities for current employees

As with the State social security scheme, RATP's social security system provides life insurance coverage. The purpose of life insurance is to guarantee the payment of a "death indemnity" when a person covered by the policy dies. The amount is equal to twelve months of the employee's salary at the time of death. The purpose of the indemnity is to compensate the deceased's family for the loss of revenue from the employee's professional income.

24.1.2 Change in employee benefits

Changes in benefits for post-employment benefits were as follows:

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease benefits	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Net liability as at 1 January 2019	298	20	38	305	3	7	671
Current service cost and interest cost	24	2	1	24			51
Benefits paid by the employer	(13)	(1)	(2)	(12)			(27)
Actuarial gains/(losses)	42	1	6	63		5	117
Contributions paid into the plan						(2)	(2)
Changes in scope	2					(7)	(5)
Effect of change in exchange rates							1
NET LIABILITY AS AT 31 DECEMBER 2019	353	22	43	381	2	3	804

Early retirement

This scheme applies to employees suffering a work-related illness linked to asbestos. This allows agents to continue receiving a partial salary in the event of early retirement, upon request and according to their age.

Work-related accident and disability allowance

RATP does not contribute to the State scheme for work-related accidents and disability, as it makes the indemnity payments itself.

Employees who are victims of work-related accidents or illnesses, which result in permanent partial incapacity to work, may request a lump sum payment or an annual allowance for the rest of their lives. The committee on work-related accidents and illnesses decides whether the victim or those with vested rights are eligible and determines the amount of the allowance. The benefits are paid by the pension fund. The allowances are paid until the death of the beneficiary and are reversible, as appropriate.

Retirement benefit obligations of foreign subsidiaries

Some foreign subsidiaries – mainly in the United Kingdom – have defined benefit plans to cover their retirement benefit obligations. The obligations are partially covered by plan assets derived principally from local investments.

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Net liability as at 1 January 2020	353	22	43	381	2	3	804
Current service cost and interest cost	26	2		27			56
Benefits paid by the employer	(14)	(1)	(2)	(12)			(29)
Actuarial gains/(losses)	14	1	3	27		(7)	39
Contributions paid into the plan						(2)	(2)
Changes in scope	1						1
Effect of change in exchange rates	(1)						(1)
Asset classification (net pension plan assets)						5	5
NET LIABILITY AS AT 31 DECEMBER 2020	379	23	45	424	1		873

24.1.3 Recognised expense

The expense recognised for the financial year can be broken down as follows:

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Expense recognised in 2019							
Service cost	(18)	(1)		(18)			(39)
Interest cost	(5)		(1)	(6)			(12)
IMPACT ON NET INCOME	(24)	(2)	(1)	(24)			(51)

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Expense recognised in 2020							
Service cost	(23)	(2)		(24)			(49)
Interest cost	(3)			(3)			(6)
IMPACT ON NET INCOME	(26)	(2)		(27)			(56)

24.1.4 Impact on other comprehensive income

Actuarial gains and losses relating to post-employment benefits were as follows:

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Saving scheme contribution	Retirement plans of foreign subsidiaries	Total post-employment benefits
Amounts recognised directly in equity in 2019								
Opening balance	(4)	(2)	(5)	(69)	(10)	(26)	(4)	(120)
Change in actuarial gains and losses for the financial year	(42)	(1)	(6)	(63)			(5)	(117)
Other	(2)						1	(1)
CLOSING BALANCE	(47)	(3)	(11)	(133)	(10)	(26)	(7)	(237)

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Amounts recognised directly in equity in 2020	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Saving scheme contribution	Retirement plans of foreign subsidiaries	Total post-employment benefits
Opening balance	(47)	(3)	(11)	(133)	(10)	(26)	(7)	(237)
Change in actuarial gains and losses for the financial year	(16)	(1)	(3)	(27)			7	(41)
CLOSING BALANCE	(63)	(5)	(14)	(160)	(10)	(26)	(1)	(279)

24.1.5 Changes in commitments and plan assets

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease pensions	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Obligation as at 1 January 2019	298	20	38	305	3	147	810
Service cost	18	1		18			39
Accretion charge	5		1	6		4	16
Benefits paid	(13)	(1)	(2)	(12)		(4)	(31)
Actuarial gains/(losses)	42	1	6	63		16	128
Changes in scope	2					(33)	(30)
Effect of change in exchange rates						8	8
Obligation as at 31 December 2019	353	22	43	381	2	137	938
Plan assets as at 31 December 2019						(134)	(134)
Obligation net of plan assets	353	22	43	381	2	3	804
NET LIABILITY AS AT 31 DECEMBER 2019	353	22	43	381	2	3	804

	Retirement indemnities	Death indemnities (employees in service)	Death indemnities for retirees	Occupational injury and disease benefits	Early retirement	Retirement plans of foreign subsidiaries	Total post-employment benefits
Obligation as at 1 January 2020	353	22	43	381	2	137	938
Service cost	23	2		24			49
Accretion charge	3			3		3	9
Benefits paid	(14)	(1)	(2)	(12)		(4)	(33)
Actuarial gains/(losses)	14	1	3	27		10	56
Changes in scope	1						1
Effect of change in exchange rates	(1)					(7)	(8)
Obligation as at 31 December 2020	379	23	45	424	1	139	1,011
Plan assets as at 31 December 2020						(143)	(143)
Obligation net of plan assets	379	23	45	424	1	(5)	868
Pension plan assets						5	5
NET LIABILITY AS AT 31 DECEMBER 2020	379	23	45	424	1		873

	31/12/2020	31/12/2019
Net assets at start of period	134	141
Interest on assets	3	3
Employer contributions	2	2
Benefits paid from plan assets	(4)	(4)
Actuarial gains/(losses)	16	11
Changes in scope		(27)
Effect of change in exchange rates	(7)	7
NET ASSETS AT END OF PERIOD	143	134

Plan assets of subsidiaries are invested as follows: approximately 20% in equities, 45% in bonds, 3% in real estate and the remainder in other financial assets.

Net pension plan assets are included in “other non-current financial assets”, described in Note 19.1.

24.1.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	31/12/2020		31/12/2019	
	Eurozone	United Kingdom	Eurozone	United Kingdom
Discount rate	0.25%	1.40%	0.75%	2.05%
Inflation rate	2.00%	2.90%	2.00%	2.70%
Salary increase rate including inflation	2.0% to 2.2%	2.80%	2.0% to 2.2%	2.65%
Mortality table	TGH 05/TGF05	S2PA	TGH 05/TGF05	S2PA
Projected average retirement age	61	65	60.9	65
Pension revaluation rate	NA	1.40%	NA	2.50%
Turnover rate	0.00%	NC	0.00%	NC

An increase or decrease of 25 basis points in the discount rate would have increased post-employment obligations by –€39 million and decreased it by €35 million.

The average duration of post-employment commitments is seventeen years, compared to fifteen years at 31 December 2019.

24.2 Other long-term benefits

Other long-term benefits are measured according to actuarial calculations. They correspond to the value of future benefits acquired by personnel in exchange for the services provided.

24.2.1 Description of long-term benefit schemes

Work-related accident and disability allowances

The allowances and indemnities for work-related accidents and illnesses paid to employees in service are accounted for as long-term benefits. The portion relating to retirees is accounted for under post-employment benefits (see description of the allowances in paragraph 24.1.1).

Seniority bonuses

After a specific number of years of service, employees receive seniority bonuses and additional holiday leave.

Phased retirement

This scheme previously enabled employees to opt for part-time employment remunerated at 70% for those under 55 years of age and at 75% for employees aged 55 and upwards. The scheme was closed to new contributors as of 2010.

Unemployment benefit

As for the Employment division, RATP provides employees whose employment contracts have reached termination with replacement income known as “unemployment benefit” for a variable duration depending on the number of years of affiliation and the age of the employee. This compensation scheme for the termination of an employment contract is recognised in a similar way to a long-term benefit scheme, although the benefits are payable after the employee’s employment ends.

Long-term sick-leave

Employees with extended illnesses are granted sick leave to enable them to receive the medical treatment required. Although their employment contract is suspended, all or part of their salary is paid, subject to certain conditions.

	Seniority bonuses	Occupational injury and disease pensions	Unemployment benefit	Long-term sick-leave	Other	Total long-term benefits
Net liability recognised at 1 January 2019	31	22	6	3	1	64
Cost of services provided		6				6
Benefits paid	(2)	(5)				(7)
Accretion charge	1					1
Actuarial gains and losses	3	1				5
Net remeasurements			3	(1)		2
NET LIABILITIES RECOGNISED AT 31 DECEMBER 2019	34	25	9	2	1	71

	Seniority bonuses	Occupational injury and disease pensions	Unemployment benefit	Long-term sick-leave	Other	Total long-term benefits
Net liabilities recognised at 1 January 2020	34	25	9	2	1	71
Cost of services provided	2	3				5
Benefits paid	(2)	(5)				(7)
Accretion charge						
Actuarial gains and losses	2	1				3
Net remeasurements			2	(1)		1
Other					(1)	(1)
NET LIABILITIES RECOGNISED AT 31 DECEMBER 2020	35	24	11	1		72
Best estimate of benefits paid to defined benefit obligations in 2021	2	3				5

24.2.2 Main actuarial assumptions

	31/12/2020	31/12/2019
Discount rate	0.25%	0.75%
Inflation rate	2.00%	2.00%
Salary increase rate including inflation	2.20%	2.20%
Mortality table	TGH 05/TGF05	TGH 05/TGF05
Projected average retirement age	61	60.9
Turnover rate	0.00%	0.00%

An increase or decrease in the discount rate of 25 basis points would have decreased or increased aggregate long-term benefits by +/-€1 million.

25 — Other provisions

A provision is recognised at the reporting date if the Group has a current obligation towards a third party as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably estimated.

This obligation may be legal, regulatory, contractual or implicit.

The impact of all provisions (assets and liabilities) on the income statement is as follows:

	31/12/2019	31/12/2020
Additions to and reversals of provisions	(25)	(34)

The provision recognised corresponds to the estimated amount of resources the Group requires to settle the obligation. Provisions are discounted if the effect of discounting is material.

Decommissioning costs mainly concern railway rolling stock. A provision is recorded to offset the amount recorded under fixed assets, and the asset components are amortised over the useful life of the trains. Any increase in the liability provisioned in terms of cost or term to maturity (decommissioning component) is capitalised in the value of the associated equipment. As the effect of discounting is not material, the provisions are not discounted.

Various legal proceedings have been instituted against the company and its subsidiaries in the normal course of business. In certain cases,

claims for damages have been made, which are provisioned when payment is probable and measurable.

An agreement on external mobility and end-of-career support for employees affected by the RATP EPIC support function transformation programme was signed with employee representative bodies and approved by DIRECCTE in December 2020. A provision in this respect was recorded at the end of the period on 31 December 2020, in the amount of €18 million.

	31/12/2018	Additions	Provisions used	Unused provisions	Reclassification, changes of scope and exchange rate	31/12/2019
Non-current provisions	155	38	(13)	(13)	1	168
Decommissioning ⁽¹⁾	67		(1)			66
Disputes ⁽²⁾	9	3	(1)	(2)		10
Other expenses	25	7		(1)		30
Other risks ⁽³⁾	54	28	(11)	(10)		62
Current provisions	66	39	(13)	(10)		83
Decommissioning ⁽¹⁾						
Disputes ⁽²⁾	16	5		(3)		18
Other expenses	5	2	(1)			5
Other risks ⁽³⁾	45	32	(11)	(6)		59
TOTAL PROVISIONS	221	78	(26)	(22)	1	251

	31/12/2019	Additions	Used provisions	Unused provisions	Reclassification, changes of scope and exchange rate	31/12/2020
Non-current provisions	168	64	(37)	10	1	207
Decommissioning ⁽¹⁾	66					66
Disputes ⁽²⁾	10	4	(5)	2		11
Other expenses	30	25	(1)		1	55
Other risks ⁽³⁾	62	35	(30)	9	1	76
Current provisions	83	37	(45)	10	1	85
Decommissioning ⁽¹⁾						
Disputes ⁽²⁾	18	5	(8)	4	(3)	15
Other expenses	5	1	(2)		1	5
Other risks ⁽³⁾	59	31	(35)	6	4	65
TOTAL PROVISIONS	251	101	(81)	20	2	292

(1) Provisions for decommissioning railway rolling stock are recorded with an offsetting entry under fixed assets as the components are amortised over the useful lives of the trains.

(2) Provisions for litigation concern provisions for disputes and legal proceedings of a commercial nature or those instigated by employees involving asbestos-related illnesses contracted at work.

(3) Provisions for other contingencies comprise RATP EPIC's obligation to insure passenger accidents on its networks, on the basis of cases already declared, for an amount of €89 million. These provisions cover any excess in compensation for bodily harm and/or material damage not covered by the insurance contracts. The level of provisions is graduated according to the seriousness of the damage.

26 — Loans and borrowings

Loans and borrowings mainly include bonds, loans from the Île-de-France region, loans from credit institutions and short-term bank loans.

They are initially recognised at fair value, corresponding to the amount received less borrowing costs, then subsequently at amortised cost using the effective interest rate method.

For fair value hedges on loans and borrowings, the hedged part of loans and borrowings is recorded on the balance sheet at fair value, based on market value. Changes in fair value are recorded on the income statement and are offset by symmetrical changes in the fair value of the hedging instruments.

Issuance of new debt securities

In 2020, under its EMTN programme, RATP issued bonds:

- on 13 March 2020, €300 million over a period of thirty years, at a rate of 0.94%. This tranche was matched on 24 April 2020 in an amount of €30 million;
- on 21 April 2020, €150 million over a period of thirty years, at a rate of 1.07%;
- on 15 July 2020, \$100 million over a period of five years, at a rate of 0.61%;
- on 22 July 2020, \$100 million over a period of five years, at a rate of 0.57%;
- on 11 August 2020, €200 million over a period of sixty years, at a rate of 0.87%.

26.1 Breakdown of current and non-current loans and borrowings

	31/12/2020	31/12/2019
Bond issues	5,206	4,972
Île-de-France loans	117	129
Loans related to lease terminations	18	18
Deposits and guarantees received	6	6
Other loans and borrowings	139	157
Non-current loans and borrowings	5,486	5,282
Bond issues	599	
Île-de-France loans	16	16
Corporate savings plan loans	233	249
Loans related to lease terminations		12
Other loans and borrowings	320	
Commercial paper	1,899	1,279
Other loans and borrowings	1	22
Bank loans	81	103
Accrued interest	53	49
Current loans and borrowings	3,203	1,731
TOTAL	8,689	7,013

Change in liabilities from financing activities

	31/12/2019	Operating flows	Financing flows	Change in treasury accounts in cash flow statement	Currency translation	Fair value	Reclass. current/non-current asset	Other	31/12/2020
Loans and borrowings – non-current	5,282		218		(13)	(2)	5	(3)	5,486
Loans and borrowings – current	1,731	4	1,492	(21)		2	(5)		3,203
TOTAL LOANS AND BORROWINGS	7,013	4	1,710	(21)	(14)			(3)	8,689

26.2 Maturities of loans and borrowings

	2021	2022	2023	2024	2025	>5 years
Bond issues (in euros)	600	621	622	654	254	2,816
Interest on bond issues (in euros)	122	98	80	55	51	399
Bonds issues denominated in foreign currencies					174	
Interest on bonds denominated in foreign currencies	1	1	1	1	1	
Île-de-France loans	16	15	15	13	13	81
Corporate savings plan loans	143					
Interest on corporate savings plan loans	1					
Loans related to lease terminations					16	
Borrowings from credit institutions	320	21	22	22	22	51
Commercial paper	1,899					
Other loans and borrowings	1					
Bank loans	81					
TOTAL LOANS AND BORROWINGS	3,184	755	740	746	532	3,346

Future cash flows from the table above are at face value (not discounted).

The breakdown by main currency and type of interest rate is presented in Note 29.

26.3 Bond issues

Bond issues only concern the RATP EPIC.

Bond issues	31/12/2020	31/12/2019	Change	Effective interest rate
EUR 4.00% 23 September 2021	599	599	1	4.11%
EUR 2.875% 09 September 2022	599	598	1	3.01%
EUR 4.125% 13 April 2023	599	599		4.20%
EUR 0.375% 15 June 2024	498	497	1	0.49%
EUR 1.38% 16 September 2024	150	150		1.39%
USD 0.612% 22 July 2025	81		81	0.67%
USD 0.571% 29 July 2025	81		81	0.63%
EUR 2.441% 24 October 2025	50	50		2.49%
EUR 3.03% 25 October 2025	200	200		3.05%
EUR 3.75% 19 October 2026	449	449		3.81%
EUR 0.875% 25 May 2027	499	498		0.92%
EUR 0.35% 20 June 2029	498	498		0.40%
EUR 1.75% 25 May 2031	498	498		1.78%
EUR 4.11% 01 July 2031	50	50		4.16%
EUR 0.4% 19 December 2036	87	86		0.43%
EUR 1.90% 26 June 2048	100	100		1.91%
EUR 1.905% 6 July 2048	50	50		1.92%
EUR 1.82% 18 July 2048	50	50		1.83%
EUR 0.938% 25 May 2050	329		329	0.95%
EUR 1.07% 28 April 2050	150		150	1.08%
EUR 0.875% 18 August 2080	190		190	1.00%
TOTAL BOND ISSUES	5,806	4,972	833	

26.4 Measurement of net debt

The Group defines net debt as total outstanding loans and borrowings, less accrued interest, cash and cash equivalents, short-term investments, financial assets related to lease operations (deposits, guarantees and cash collateral) and the fair value of the derivative

instruments used to hedge foreign currency on debt securities and lease deposits. The liabilities relating to lease financing for tramways T3, T5, T6, T7 and T8 are offset in the measurement of net debt by the receivable of the same amount from Île-de-France Mobilités and therefore does not appear in the list below.

	31/12/2020	31/12/2019
Financial liabilities	8,689	7,013
Fair value derivative instruments on options	6	1
Accrued interest	(53)	(49)
Advance on CIL loans	(15)	(20)
Deposits and guarantees ⁽¹⁾	(18)	(30)
Other financial assets relating to leases	(52)	(53)
Short-term investments	(51)	(62)
Cash and cash equivalents	(2,910)	(1,544)
Other ⁽²⁾	(52)	(73)
GROUP NET DEBT	5,544	5,182

(1) The terms of these deposits match the maturities of the loans relating to lease terminations. They are deducted when calculating net debt.

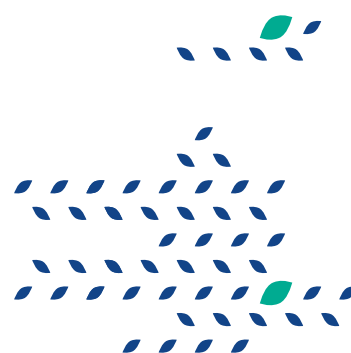
(2) Including cash flow hedge guarantee deposits of €45 million at 31 December 2020.

27 — Accounts payable

Accounts payable (excluding prepaid income) are financial liabilities valued at their fair value which is equal to their nominal value when entered in the balance sheet as the effect of discounting is not material for liabilities that are due within a year.

	31/12/2020	31/12/2019
Trade payables	606	494
Payables on fixed assets	581	608
Taxes and payroll-related payables	818	720
Other operating payables	18	148
Prepaid income	104	214
Other payables	546	585
Income tax liabilities	6	10
TOTAL	2,679	2,778

All trade payables are due within one year.



28 — Change in working capital requirement

	31/12/2020	31/12/2019
Inventories	(47)	(12)
Advances and down payments to suppliers	4	(6)
Trade receivables and related accounts	8	(86)
Receivables from the State and other public authorities	(44)	121
Receivables from Île-de-France Mobilités	98	(179)
Other receivables	49	(130)
Prepaid expenses	(11)	(32)
Advances and down payments received	(129)	137
Trade and related payables	54	130
Taxes and payroll-related payables	240	(196)
Debts vis-à-vis Île-de-France Mobilités	(146)	180
Other liabilities	(31)	1
Prepaid income	(63)	160
Prepaid income (leases)	(1)	
TOTAL IMPACT OF THE CHANGE IN WCR	(17)	87

29 — Management of financial risk

Management of interest rate risk

RATP Group's debt bears mostly fixed-rate interest. Interest rate risk on financial assets or liabilities is managed by setting up fair value hedges (swaps, caps or floors) to strictly back an existing or highly probable debt.

In the first quarter of 2020, the Group hedged the interest rate risk for a portion of its financing requirements by putting in place a total of €50 million in ten-year forward swaps, starting July 2021.

Foreign currency hedges

RATP Group systematically hedges the exchange rate risk of its foreign currency-denominated bond issues using currency swaps or cross-currency swaps.

The Group issued \$200 million in five-year bonds in July 2021. These loans were subject to a cross-currency swap, with an internal rate of return in euros standing at -0.33%.

Management of risk of commodity price increases

RATP Group may use commodity derivatives.

The gas supply contract will be renewed for the period from 1 January 2022 to 31 December 2023 (the call for tenders is under way). The EPIC's gas consumption is easily predictable.

While waiting to define the pricing methods for this new market, RATP carried out two transactions to:

- set the prices of a portion of its future consumption (budget visibility);
- take advantage of favourable market opportunities in the summer of 2020.

Two swaps were subscribed in July and December 2020 (total outstandings of €2 million) making it possible to set the price of a portion of the natural gas consumption for the years 2022 (60%) and 2023 (40%).

Fuel risk hedging transactions are also carried out by the RATP EPIC on behalf of its subsidiaries, in "back-to-back" form.

Credit and counterparty risk

Credit risk is the risk of financial loss for the Group if a customer or counterparty to a financial instrument defaults on their contract commitments.

Risk concerning customers is limited as the Group's main customers are local authorities.

Counterparty risk is also limited due to collateral agreements on most derivatives and the diversification of the short-term investment portfolio.

Liquidity risk

Liquidity risk is the risk that the issuer will not have access to sufficient funds to finance its day-to-day business activities, the investments required for its expansion, or any exceptional event that may occur.

Financial markets can be subject to periods of volatility and lack of liquidity. If the issuer is unable to access capital markets or other sources of funding at competitive rates for an extended period of time, its funding cost may increase and its strategy may need to be reassessed.

To manage its cash flow and hedge its liquidity risk, RATP has a NEU CP programme of a maximum amount of €3 billion.

In March 2020, RATP was faced with a temporary closure of the short-term financing market following the Covid-19 health crisis. The company had partly anticipated these difficulties by carrying out major issues of NEU CP before the close of the market (€778 million). It was then able to access the European Central Bank's short-term refinancing window during the lockdown (Pandemic emergency purchase Programme). Nevertheless, it had to put in place, as a preventive measure, €800 million in short-term bank financing (revolving credit facility), of which €300 million were drawn down over a period of twelve months.

Despite these difficulties, RATP has managed to maintain a level of available cash enabling it to meet its obligations (available average outstandings on investments of €1.3 billion on average in 2020).

29.1 Sensitivity of short-term loans and borrowings

RATP has €1,995 million in short-term debt in the form of NEU CP, €90 million of which are backed by the corporate savings plan, and including \$113 million and CHF37 million. Their maturities do not exceed six months at 31 December 2020 and they are at a fixed rate.

The short-term debt, primarily at a fixed rate, finances short-term assets which are in turn indexed to monetary rates. The Group has little exposure to interest rate volatility.

29.2 Sensitivity of long-term loans and borrowings

Effect on interest expense

Debt (bonds, Île-de-France) at 31 December 2020 was corporate savings plan at a fixed rate for 94%.

	31/12/2020	31/12/2019
Total unhedged debt (amortised cost)		
USD bond issue (in millions of euros)	163	
Floating rate		
Fixed rate	100%	100%
EUR bond issue (in millions of euros)	5,643	4,972
Floating rate		
Fixed rate	100%	100%
Île-de-France long-term loans (in millions of euros)	132	146
Floating rate	100%	100%
Fixed rate		
Corporate savings plan (in millions of euros)	233	249
Floating rate	100%	100%
Fixed rate		
TOTAL (in millions of euros)	6,171	5,366
Fixed rate	94%	93%
Floating rate	6%	7%
Total hedged debt	31/12/2020	31/12/2019
Total debt (nominal amount) (in millions of euros)	6,171	5,366
Floating rate	365	395
% fixed-rate debt	94%	93%

Interest expense on bonds amounted to €120 million in 2020. Since bonds bear interest at fixed rates, the interest expense paid by the Group is not exposed to interest rate increases.

29.3 Offsetting agreements

The Group's financial assets and liabilities are not offset in the balance sheet, except for assets and liabilities relating to the US lease transactions (see Note 13).

However, the Group has entered into offsetting agreements for some derivative instruments. If either party defaults, the agreements make it possible to offset the fair value of the derivative instruments against the financial collateral.

The following table presents the potential impact of the offsetting agreements:

AS AT 31 DECEMBER 2020

	Carrying amount of derivatives assets	Carrying amount of derivatives liabilities	Fair value of financial collateral	Net exposure
Interest rate and foreign exchange derivatives	27	(2)		24
Loans related to lease terminations		(18)	22	4
Exchange rate hedges (lease deposits)		(31)	25	(6)

AS AT 31 DECEMBER 2019

	Carrying amount of derivatives assets	Carrying amount of derivatives liabilities	Fair value of financial collateral	Net exposure
Interest rate and foreign exchange derivatives	5	(45)		(40)
Loans related to lease terminations		(30)	35	5
Exchange rate hedges (lease deposits)		(31)	26	(5)

30 — Derivative financial instruments

The Group uses interest rate derivative instruments, currency derivatives or commodity derivatives (fuel) to manage its exposure to interest rate, exchange rate and diesel price escalation risk.

These instruments are only used for risk management purposes. These risks are managed according to objectives set by the Group's Finance Department.

Recognition of derivative financial instruments in the balance sheet

Derivative financial instruments are recognised in the balance sheet under financial assets and liabilities.

Derivative instruments are measured at their fair value when initially recognised, then subsequently remeasured at each reporting date until maturity. At each reporting date, the fair value of the derivative financial instruments is calculated on the basis of market values using the valuation models and methods commonly used on the markets or using external valuations provided by counterparties (Note 31).

The method of accounting for derivative financial instruments varies according to whether they are designated as fair value hedges, cash flow hedges or are not qualified as hedging instruments.

Hedging instruments

For hedging transactions, the Group applies the following arrangements: derivative financial instruments are recorded in the balance sheet at their fair value at the reporting date, based on their hedge classification (the derivative instruments not designated as hedges are revalued in the balance sheet in with an offset to income).

Fair value hedges

A fair value hedge is a hedge of the exposure to a change in the fair value of a recognised asset or liability, or of an unrecognised firm commitment.

The hedged item and the hedging instrument are remeasured, and changes in their fair values are recorded immediately in the income statement. The net effect of the ineffective portion of the hedge is recognised immediately in the income statement.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to a highly probable forecast transaction.

Changes in the fair value of the derivative instrument are recognised under other comprehensive income (cash flow hedge reserves) and are transferred to the income statement as the hedged transaction is settled.

The Group has chosen to adopt the "cost of hedging" approach offered by IFRS 9, which enables it to spread in profit and loss, on a straight-line basis, the deferral/offset of foreign exchange derivatives used to hedge financings.

Hedge effectiveness

The Group documents the effectiveness of its hedges, by establishing that an economic relationship exists between the base transaction

and the hedging transaction, regardless of whether they offset each other, in part or entirely, and that the strategy implemented makes it possible to cover the risks incurred.

30.1 Maturity of derivative instruments (maturity, notional amount)
AS AT 31 DECEMBER 2019

2019	Classification			Maturity		
	CFH	FVH	TRA	<1 year	1 to 5 years	+5 years
Interest rate swaps						
EUR						
IRS	99	99		1	57	41
CCS EUR/USD						
GBP						
IRS	35	35			35	
CCS GBP/EUR	48	48			48	
USD						
CCS lease USD/EUR	107	107				107
Forex						
Forward purchase USD	400	400		400		
Forward purchase CHF						
Raw materials						
PEG_Month MWH						
ULSD 10 ppm GBP/T	10	10		6	4	

AS AT 31 DECEMBER 2020

2020	Classification			Maturity		
	CFH	FVH	TRA	<1 year	1 to 5 years	+5 years
Interest rate swaps						
EUR						
IRS	135	135		1	71	63
CCS EUR/USD	174	174			174	
GBP						
IRS	32	32			32	
CCS GBP/EUR	45	45			45	
USD						
CCS lease USD/EUR	106	106			46	60
Forex						
Forward purchase USD/EUR	113	113		113		
Forward purchase CHF/EUR	37	37		37		
Raw materials						
PEG_Month MWH						
ULSD 10 ppm GBP/T	10	10		4	6	

Foreign exchange risk on debt issued in foreign currencies is systematically hedged with cross-currency swaps. Instruments that do not qualify for hedge accounting (trading instruments) are nevertheless economic hedges.

30.2 Fair value hedges

Operations classified as fair value hedges at 31 December 2020 are:

- either derivative instruments (cross-currency swaps) that cover the deposits negotiated when setting up the US leases and restructured in July 2013;
- or foreign exchange swaps that cover the purchase of commercial paper issued in US dollars.

As the sensitivity of these hedging derivatives to fluctuations in interest rates and exchange rates is very similar to those of hedged elements, their impact on profit and loss is not material.

30.3 Cash flow hedges

Cash flow hedges at 31 December 2020 were fixed interest rate swaps against Euribor: RATP pays a fixed rate and receives a Euribor rate on an existing floating rate debt, or on highly probable fixed rate debt. As the sensitivity of the swaps is similar to that of the underlying financial liabilities, the impact on profit and loss is not material.

31 — Fair value of financial instruments

The fair value of financial assets and liabilities is classified based on the inputs used for measurement, according to the following hierarchy:

- **level 1:** fair value obtained from quoted prices in active markets;
- **level 2:** fair value obtained using observable market inputs (interest rates, exchange rates and associated volatilities);
- **level 3:** fair value measured using unobservable market inputs.

Quoted prices in active markets (level 1)

Fair value is determined primarily using market inputs. Marketable securities, including certain UCITS, are classified in this category.

The fair value of bonds carried at amortised cost is disclosed in the Notes. Fair value is determined on the basis of listed market prices at the reporting date.

Valuation models using observable market inputs (level 2)

The assets and liabilities recognised at fair value using level 2 inputs are mainly derivative financial instruments and some dollar deposits maintained by RATP after the early termination of the leases. The fair value of these deposits is determined on the basis of the present value of estimated cash flows, determined by banks at the reporting date. The fair value of the derivative financial instruments is calculated on the basis of market values estimated using the valuation models and methods commonly used on the markets or using external valuations provided by counterparties:

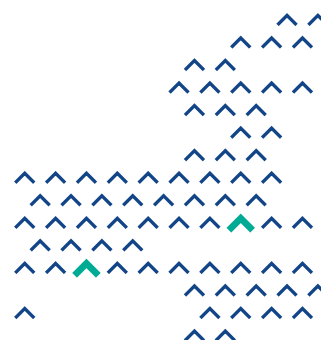
- the fair value of interest rate swaps is determined on the basis of the present value of estimated future cash flows;
- the fair value of currency swaps is determined on the basis of the present value of estimated cash flows, determined by banks at the reporting date;
- the fair value of interest rate options (swaptions, caps or floors) is determined using the Black & Scholes method.

Credit and counterparty risks (CVA DVA) are taken into account at the fair value of derivative hedging instruments, where there is no collateral agreement (guarantee agreements) between RATP and its counterparty.

The fair value of unlisted financial assets and liabilities carried at amortised cost is disclosed in the Notes. It is determined by discounting cash flows using the market rate taking into account the issuer's credit rating. The interest rates used to discount future cash flows are determined based on the Euribor swap yield curve.

Valuation models using unobservable market inputs (level 3)

The assets and liabilities measured at fair value using level 3 inputs are non-consolidated securities.



31.1 Fair value hierarchy of financial instruments

AS AT 31 DECEMBER 2019

	Carrying amount in the balance sheet	Fair value	Levels of fair value hierarchy		
			Level 1	Level 2	Level 3
Measurement of assets at fair value					
Non-consolidated securities	52	52			52
Derivative financial instruments	3	3		3	
Financial concession assets	3,836	3,836		3,836	
Other financial assets	293	302	130	172	
Cash and cash equivalents	1,544	1,544	121	1,423	
Measurement of liabilities at fair value					
Financial liabilities	7,013	7,856	5,780	2,077	
Derivative financial instruments	45	45		45	

AS AT 31 DECEMBER 2020

	Carrying amount in the balance sheet	Fair value	Levels of fair value hierarchy		
			Level 1	Level 2	Level 3
Measurement of assets at fair value					
Non-consolidated securities	60	60			60
Derivative financial instruments	4	4		4	
Financial concession assets	4,212	4,212		4,212	
Other financial assets	245	255	98	158	
Cash and cash equivalents	2,922	2,922	1,222	1,700	
Measurement of liabilities at fair value					
Financial liabilities	8,689	9,986	6,589	3,396	
Derivative financial instruments	63	63		63	

31.2 Transfers between levels of fair value hierarchy

During the financial year, there were no transfers between levels 1 and 2 of the fair value hierarchy, or to or from level 3.

32 — Information per operating segment

In accordance with the provisions of IFRS 8, the segments presented are as follows:

- the “Infrastructure management” segment, which corresponds to the RATP EPIC IM CGLU: network infrastructure management for urban public transport services as set out in law No. 2009-1503 of 8 December 2009;
- the “Transport operations” segment: this activity entails operating public passenger transport services. This segment brings together the transport activities carried out by RATP in the Île-de-France region and by its subsidiaries in France and abroad. The parent company’s support functions are included in the scope of this segment, including those provided for infrastructure management, which are subject to internal transfer agreements.

Both segments are regularly reviewed by the Chief Operating Officer in order to allocate resources among the different segments and assess performance pursuant to the Île-de-France Mobilités agreement.

The accounting methods used for segment reporting are the same as those used to prepare the consolidated financial statements.

The key principle for preparing segment information is to directly allocate the various line items or cash flows. When this is not possible, for instance if the line items or cash flows are managed by one activity and have initially been recognised as such, internal transfer agreements between the two activities have been arranged to invoice the activities appropriately, in accordance with general practice. The agreements set out the scope of transfers, valuation principles and invoicing arrangements.

On the balance sheet, tangible and intangible assets are allocated directly in accordance with the scope defined for each activity. Investment grants are allocated to the assets to which they relate.

32.1 Income statement disclosures by operating segment

AS AT 31 DECEMBER 2020

	Infrastructure management	Transport operations	Eliminations	Total
External revenue	63	5,460		5,523
Inter-segment revenue	956	301	(1,249)	
Revenue	1,019	5,753	(1,249)	5,523
EBITDA	506	178		684
Operating income	268	(169)		99
Depreciation allowance	(269)	(252)		(521)

AS AT 31 DECEMBER 2019

	Infrastructure management	Transport operations	Eliminations	Total
External revenue	114	5,590		5,704
Inter-segment revenue	907	365	(1,272)	
Revenue	1,020	5,956	(1,272)	5,704
EBITDA	620	213		833
Operating income	364	(44)		319
Depreciation allowance	(257)	(223)		(479)

32.2 Balance sheet disclosures by operating segment

The main segment indicators relating to the balance sheet presented by RATP Group are:

AS AT 31 DECEMBER 2020

	Infrastructure management	Transport operations	Total
Tangible and intangible assets, net	5,455	2,424	7,879
Investment grants	5,436	2,864	8,300
Acquisition of tangible and intangible assets	638	998	1,636
Purchase of concession assets		260	260
Total assets	6,233	11,489	17,722

AS AT 31 DECEMBER 2019

	Infrastructure management	Transport operations	Total
Tangible and intangible assets, net	6,107	1,725	7,832
Investment grants	2,586	4,922	7,508
Acquisition of tangible and intangible assets	678	949	1,627
Purchase of concession assets		210	210
Total assets	6,586	9,849	16,435

33 — Guarantees

33.1 Guarantees given

	31/12/2020			31/12/2019		
	RATP EPIC	Other	Total	RATP EPIC	Other	Total
Guarantees	223	750	973	288	685	973
Of which:						
• non-profit organisations or others	17	750	767	13	685	698
• employee benefits	88		88	110		110
• leasehold transactions	118		118	166		166
TOTAL	223	750	973	288	685	973

33.2 Guarantees received

	31/12/2020			31/12/2019		
	RATP EPIC	Other	Total	RATP EPIC	Other	Total
Guarantees	399	22	421	344	5	349
TOTAL	399	22	421	344	5	349

34 — Off-balance sheet commitments

34.1 Capital expenditure

Capital expenditure contracted at the reporting date but not recorded in the financial statements amounted to €3,263 million at 31 December 2020. These investments are mainly financed through staged grants paid in accordance with progress of the projects and the arrangements governing compensation payable for contracts with Île-de-France Mobilités.

34.2 Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which it is unlikely that an outflow of resources will be required or for which the obligation amount cannot be measured in a reliable manner. Contingent liabilities are not recognised in the financial statements unless they relate to business combinations. However, disclosure is made in the Notes to the financial statements.

Urssaf audit

In the first half of 2018, RATP was audited by Urssaf for the years 2015 to 2017. The main differences identified in the audit relate to the calculation of the basis of the “family allowance” contributions of RATP agents.

An adjustment notice was sent to RATP by the Administration on 28 March 2019 for an amount of €46.9 million (including a surcharge for late payment of €4.3 million). The principal amount, i.e. €42.6 million, was settled by the company on 23 April 2019 as a precautionary measure. This amount was capitalised by RATP in the balance sheet assets as a receivable from Urssaf.

RATP formally disputed the merits of the arguments developed by Urssaf. It referred to the arbitration committee on 21 May 2019. At the end of the two-month period, the committee did not give an opinion, which amounts to an implicit decision of rejection. RATP filed an appeal with the *tribunal de grande instance* (Regional Court) on 21 October 2019 to assert its position and find a resolution to the dispute. No provisions were recognised in the financial statements as at 31 December 2020.

35 — Information on related parties

35.1 Transactions with related parties

The RATP EPIC is an industrial and commercial public institution that is fully owned by the French State. Consequently, RATP is related, within the meaning of IAS 24, to all companies controlled by the French State. Despite being exempt from the obligation to submit information about transactions with public entities, the Group submits information on the principal non-current transactions concluded with the State and local authorities.

RATP EPIC's transactions with the French State and local authorities

	31/12/2020	31/12/2019
Île-de-France Mobilités contract resources	2,846	2,058
Local council contribution to loss-making services	14	16
Investment grants called (State, Île-de-France Mobilités, Île-de-France region, other)	1,031	757
Île-de-France region loans repaid over the financial year	33	19
State and public authority receivables	492	399
Île-de-France Mobilités receivables (excluding IFRIC 12)	125	223
State and public authority liabilities	133	109
Île-de-France Mobilités liabilities	115	261
Île-de-France region loans and borrowings	152	169

Transactions with subsidiaries

Transactions with consolidated companies are eliminated. Transactions with equity-accounted companies are usual practice for commercial or financial purposes within a group; they are performed on an arm's length basis under normal market conditions.

Other transactions with public sector companies

These refer to ordinary transactions undertaken in normal market conditions.

35.2 Compensation of senior executives

The senior executives of RATP Group are members of the Executive Committee.

	31/12/2020	31/12/2019
Short-term benefits excluding employer contributions ⁽¹⁾	3.1	2.9

(1) Including gross salaries, bonuses, profit sharing and benefits in kind.

Other benefits were not material.

36 — Statutory Auditors' fees

Pursuant to AMF instruction 2006-10 of 19 December 2006 and the requirements instituted by article L. 820-3 of the *loi de sécurité financière* (French financial security act), details of the fees charged for the audit of the consolidated and parent company financial statements of the Group are provided below:

	31/12/2020	31/12/2019
KPMG	1	1
Mazars	1	1
Other		1
Statutory audit	2	2
KPMG		
Mazars		
Other		
Services related to statutory audit		
KPMG		
Mazars		
Other		
Other services		

37 — Post-balance sheet events

Nil.

38 — Other information

Information on Brexit

RATP Group operates in the United Kingdom through some of RATP Dev and Systra's operations.

If the exit of the United Kingdom from the European Union resulted in a decline in growth, it could have an impact on household consumption, the level of investment in transport infrastructure and on the financial pressure of the authorities on transport operators.

The change in the pound sterling exchange rate would have a limited impact on the profitability of the businesses, whose revenues and costs are mainly generated in pounds sterling, except for the purchase of diesel, which is expressed in US dollars. It would have an impact on the translation of financial statements in euros in the consolidated financial statements of RATP Group.

A tightening of the immigration policy could impact the Group's non-British employees working in the United Kingdom.

39 — List of Group companies

	Country	% control	% interest	Method	Comments
Transport division					
RATP	France	100.00	100.00	FC	Parent company
AlpBus Fournier	France	100.00	100.00	FC	
Assetco Toscana SRL	Italy	100.00	100.00	FC	
Autocars du Cambrésis	France	96.17	96.17	FC	
Autocars Finand	France	100.00	100.00	FC	
Autocars Finand Parmentier	France	100.00	100.00	FC	
Autoline Toscane	Italy	100.00	100.00	FC	
Aventour	France	100.00	100.00	FC	
Bath Bus company	England	100.00	100.00	FC	
Bombela Operating company	South Africa	63.42	63.42	FC	
Cambrésis Bus	France	96.17	96.17	FC	
Camco	Saudi Arabia	80.00	80.00	FC	
Cars Dunois	France	100.00	100.00	FC	
Cars Perrier	France	100.00	100.00	FC	
Casa Tram	Morocco	100.00	100.00	FC	
Céobus	France	100.00	100.00	FC	
Champagne Mobilités	France	100.00	100.00	FC	
Chemin de Fer Cambrésis	France	96.17	96.17	FC	
Cité Bleue	France	50.00	50.00	EM	Joint venture
Citio	France	92.00	92.00	FC	
Compagnie Francilienne de Transport et de la Mobilité	France	100.00	100.00	FC	
CSR	France	100.00	100.00	FC	
CTB	France	100.00	100.00	FC	
CTCM	France	100.00	100.00	FC	
CTGMVA	France	100.00	100.00	FC	
CTLB	France	100.00	100.00	FC	
CTPC	France	100.00	100.00	FC	
CTPL	France	90.00	90.00	FC	
CTVH	France	100.00	100.00	FC	
CTVMI	France	100.00	100.00	FC	
CTY	France	100.00	100.00	FC	
DL Entreprises	France	100.00	100.00	FC	
Dunois Voyages	France	100.00	100.00	FC	
El Djazair	Algeria	100.00	100.00	FC	
EM Services	France	90.00	90.00	FC	
EMS Rennes	France	90.00	90.00	FC	
FlexCité	France	100.00	100.00	FC	
FlexCité 49	France	100.00	100.00	FC	
FlexCité 77	France	100.00	100.00	FC	
FlexCité 91	France	100.00	100.00	FC	
FlexCité 93	France	100.00	100.00	FC	

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	Country	% control	% interest	Method	Comments
FlexCité 94	France	97.00	97.00	FC	
FlexCité 95	France	100.00	100.00	FC	
FlexCité TAD	France	100.00	100.00	FC	
Gem'Bus	France	100.00	100.00	FC	
Gest SpA	Italy	100.00	100.00	FC	
HR Richmond Ltd	England	100.00	100.00	FC	
HelvéCIE SA	Switzerland	100.00	100.00	FC	
Hello Paris	France	50.00	50.00	EM	
Hello Paris Participation	France	50.00	50.00	EM	
Hello Paris Services	France	50.00	50.00	EM	
Hong Kong Tramway	Hong Kong	100.00	100.00	FC	
Hong Kong Tramway Engineering	Hong Kong	100.00	100.00	FC	
La Ferroviaria Italiana	Italy	11.71	11.71	EM	
Latium Cilia	Italy	51.00	51.00	FC	
Lebas Laridant	France	100.00	100.00	FC	
Les Cars Charlot	France	100.00	100.00	FC	
London United Busways	England	100.00	100.00	FC	
London Sovereign	England	100.00	100.00	FC	
Metrolab	France	50.00	50.00	Other	Joint venture. Consolidated by percentage interest on a line-by-line basis
Métrolink	England	100.00	100.00	FC	
Mobicité	France	100.00	100.00	FC	
Moulins Mobilité	France	100.00	100.00	FC	
Mumbai 1	India	63.00	63.00	FC	
Odulys	France	35.00	35.00	EM	
OrlyVal Service	France	99.00	99.00	FC	
PEM Mantes	France	100.00	100.00	FC	
Public Transportation Company	Saudi Arabia	20.00	20.00	EM	
RATP Coopération	France	100.00	100.00	FC	
RATP Développement	France	100.00	100.00	FC	
RATP Dev Angers	France	100.00	100.00	FC	
RATP Dev Asia Pacific PTE LTD	Singapore	100.00	100.00	FC	
RATP Dev Brest	France	100.00	100.00	FC	
RATP Dev Canada	Canada	100.00	100.00	FC	
RATP Dev Creil	France	100.00	100.00	FC	
RATP Dev France Investissement	France	100.00	100.00	FC	
RATP Dev France Services	France	100.00	100.00	FC	
RATP Dev Italia	Italy	100.00	100.00	FC	
RATP Dev Lorient Agglomération	France	100.00	100.00	FC	
RATP Dev Manille	Philippines	99.99	99.99	FC	
RATP Dev Middle East	United Arab Emirates	100.00	100.00	FC	
RATP Development Mobility Cairo	Egypt	100.00	100.00	FC	
RATP Dev Quimperlé Communauté	France	100.00	100.00	FC	

	Country	% control	% interest	Method	Comments
RATP Dev Rails	France	100.00	100.00	FC	
RATP Dev Saint-Malo	France	100.00	100.00	FC	
RATP Dev Saudi Arabia	Saudi Arabia	100.00	100.00	FC	
RATP Dev Suisse	Switzerland	100.00	100.00	FC	
RATP Dev Suisse TP	Switzerland	100.00	100.00	FC	
RATP Dev UK	England	100.00	100.00	FC	
RATP Dev USA Inc. (formerly McDonald Transit Associates)	United States	94.29	94.29	FC	
RATP Dev USA LLC	United States	100.00	100.00	FC	
RATP do Brasil	Brazil	100.00	100.00	FC	
RATP Maintenance Services (formerly Matem)	France	100.00	100.00	FC	
RATP Paris Région	France	100.00	100.00	FC	
RATP Participations	France	100.00	100.00	FC	
RD Australia	Australia	100.00	100.00	FC	
RD Belgium	Belgium	100.00	100.00	FC	
RDGL	France	55.00	55.00	FC	
RDGS	England	100.00	100.00	FC	
RDK LLC (Educational City)	Qatar	50.00	50.00	EM	
RDK SAS	France	50.00	50.00	EM	
RDMT – DC	United States	98.86	98.86	FC	
RDMT Tucson	United States	98.86	98.86	FC	
RDSL Urban NY	United States	100.00	100.00	FC	
RDTA	France	100.00	100.00	FC	
RDTC	China	100.00	100.00	FC	
RDTI	India	100.00	100.00	FC	
RKH Qitarat LLC (formerly Qatar Metro)	Qatar	32.50	32.50	EM	
RMS	United States	100.00	100.00	FC	
RRS	United States	100.00	100.00	FC	
SCI Foncière RD	France	100.00	100.00	FC	
SCI Sofitim	France	50.00	50.00	FC	
Setram	Algeria	49.00	49.00	FC	
Slide	England	100.00	100.00	FC	
Société des lignes touristiques	France	100.00	100.00	FC	
Société des transports interurbains Centre	France	100.00	100.00	FC	
Société des transports urbains de Bourges	France	100.00	100.00	FC	
Société des transports urbains Vierzon	France	100.00	100.00	FC	
Société d'exploitation des lignes touristiques	France	100.00	100.00	FC	
Saint-Quentin-en-Yvelines Bus	France	89.52	89.52	FC	
STD de la Marne	France	100.00	100.00	FC	
Stile	France	100.00	100.00	FC	
Stivimmo	France	50.00	50.00	EM	Joint venture
Stivo	France	50.00	50.00	EM	Joint venture
STS	France	51.00	51.00	FC	
TFT SpA	Italy	11.71	11.71	EM	
TimBus	France	50.02	50.02	FC	

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	Country	% control	% interest	Method	Comments
TOT – The Original Sight Tour Limited	England	100.00	100.00	FC	
TP2A	France	51.00	51.00	FC	
Tram di Firenze	Italy	14.53	14.53	EM	
TVM	France	100.00	100.00	FC	
Vienne Mobilités	France	90.00	90.00	FC	
Voyages Dupas Lebeda	France	100.00	100.00	FC	
Voyages Taquet	France	100.00	100.00	FC	
Wizway Solution	France	25.00	25.00	EM	
Wofe	China	100.00	100.00	FC	
Engineering division					
Systra group	France	43.38	43.38	EM	
City Solutions division					
Mobizen	France	20.00	20.00	EM	
RATP Capital Innovation	France	100.00	100.00	FC	
RATP Connect	France	100.00	100.00	FC	
RATP Real Estate	France	100.00	100.00	FC	
RATP Solutions ville	France	100.00	100.00	FC	
SADM	France	100.00	100.00	FC	
SEDP2	France	100.00	100.00	FC	
Telcité NAO	France	100.00	100.00	FC	
Services division					
Ixxi Techside	France	100.00	100.00	FC	
Mappy	France	100.00	100.00	FC	
Navocap	France	100.00	100.00	FC	
RATP Travel Retail	France	100.00	100.00	FC	
RATP Smart Systems	France	100.00	100.00	FC	
Setim	France	100.00	100.00	FC	
Setim Mexico	Mexico	100.00	100.00	FC	



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Year ended 31 December 2020

To the Board of Directors of RATP,

Opinion

In the performance of the assignment entrusted to us by the Commissioner of State Holdings, we have audited the accompanying annual financial statements of the Régie autonome des transports parisiens (hereinafter "RATP" or "EPIC") for the year ended 31 December 2020.

We hereby certify that the financial statements, with regard to French accounting standards, give a true and fair view of the company's asset base, financial position and earnings for the year ended.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with the professional standards applicable in France. We consider that the elements we have collected are appropriate and sufficient for basing our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the annual financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2020 to the date of our report, and we specifically did not provide any prohibited non-audit services referred to in article 5-(1) of regulation (EU) No. 537/2014 or in the French commercial code (*Code de commerce*) and the French code of ethics (*Code de déontologie*) for Statutory Auditors.

Justification of our assessments – Key audit matters

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. The health crisis and exceptional measures taken in this state of emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and the way in which audits are carried out.

It is against this complex, changing backdrop that, in accordance with the provisions of articles L. 823-9 and R. 823-7 of the French commercial code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the annual financial statements for the year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the annual financial statements. We express no opinion on items of these annual financial statements taken separately.

Measuring intangible assets and property, plant and equipment of the EPIC

Identified risk

At 31 December 2020, intangible assets and property, plant and equipment amounted to €19.2 billion and represented approximately 78% of total assets. They are held by the EPIC's two CGUs: Transport operations (TO) and Infrastructure management (IM).

The RATP's economic and management model is still evolving in the context of negotiating the new contractual arrangement with Île-de-France Mobilités (IDFM) for the 2021-2024 period; the beginning of the Regulatory Transport Authority's (ART) control over the Infrastructure Management segment on 1 January 2020; and the gradual opening-up of the transport markets to competition.

The EPIC's assets do not include assets with an indefinite life. However, impairment testing is historically performed by management to ensure that the carrying amount of the EPIC's assets is not greater than their recoverable amount and does not present a risk of impairment.

At the end of 2019, testing did not identify any impairment losses. These analyses were based on future cash flow projections and, in particular, on assumptions of contract renewals identical to the performance of the current contract. The room for manoeuvre observed remained very sensitive to the economic assumptions and discount rates used.

In view of the context at the end of 2020, notably the negotiations which are still ongoing on the contract with Île-de-France Mobilités, this testing could not be carried out at the reporting date. An analysis by type of asset, described in Note 1.1.5 to the parent company financial statements, was carried out, based on the current financing arrangements for these assets, their nature and the general framework that determines the remuneration levels for the IM and TO activities. This analysis concluded that there were no indicators of impairment.

We considered the valuation of the EPIC's assets as a key point of the audit because of their material amounts in the Group's financial statements and the method used to determine their recoverable amount, which is based on management's judgement.

Audit response

We assessed management's approach in the evolving economic, legal and regulatory context summarised above and the compliance of this approach with the accounting standards in force.

We assessed the relevance of the analysis by type of asset selected, notably by:

- checking the net asset value by type of asset and by CGU;
- assessing the consistency of the information and other assumptions leading to the conclusion that there are no indicators of impairment;
- ensuring, through interviews, that there were no unfavourable structural changes (legal and contractual) expected by management at the end of the year.

We verified that the financial information given in the accompanying notes was appropriate.

Specific verifications

We also performed, in accordance with the professional standards applicable in France, the specific verifications required by French laws and regulations.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors' Management Report and other documents provided to the members of the Board of Directors with respect to the financial situation and the annual financial statements.

Other checks or information required by law and regulations

Appointment of the Statutory Auditors

The firms Mazars and KPMG were appointed as Statutory Auditors of RATP by the Commissioner of State Holdings on 26 March 2015.

As at 31 December 2020, the firms Mazars and KPMG were in the sixth uninterrupted year of their engagement.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles and for such internal control as management deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern accounting convention unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The Board of Directors is responsible for preparing the annual financial statements.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Objectives and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As specified in article L. 823-10-1 of the French commercial code, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit. And furthermore:

- identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assesses the appropriateness of management's use of the going concern accounting convention and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

FINANCIAL STATEMENTS

Statutory Auditors' report on the annual financial statements

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the annual financial statements of the year and which are therefore the key audit points.

We also provide the Audit Committee with the declaration provided for in article 6 of regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French commercial code and in the French code of ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

The Statutory Auditors

Paris-la Défense,
16 March 2021

KPMG Audit
Stéphanie Millet
Partner

Paris-la Défense,
16 March 2021

Mazars
Erwan Candau
Partner

RATP Epic balance sheet

Assets

In millions of euros	Notes	31/12/2020		31/12/2019	
		Gross	Depreciation, amortisation and provisions	Net	Net
Intangible assets	2	1,321	(663)	658	585
Tangible assets	2	32,650	(14,088)	18,562	17,808
Financial assets	3	962	(52)	910	912
Fixed assets		34,932	(14,802)	20,130	19,304
Inventories and work in progress	4	327	(55)	272	241
Receivables	5	1,454	(6)	1,449	1,216
Marketable securities	6	2,420		2,420	1,326
Cash and cash equivalents		383		383	128
Current assets		4,585	(61)	4,524	2,912
Loan transaction costs		2		2	2
Bond redemption premiums		18		18	10
Unrealised translation losses		20		20	5
TOTAL ASSETS		39,557	(14,863)	24,693	22,234

Equity and liabilities

In millions of euros	Notes	31/12/2020	31/12/2019
Reserve for assets allocated to RATP		251	251
Revaluation difference		201	205
Capital endowment		433	433
Reserves		295	295
Retained earnings		3,670	3,539
Net income for the financial year (surplus or loss)		17	132
Net equity		4,867	4,854
Regulated provisions		694	641
Investment grants		8,072	7,308
Equity	7	13,634	12,803
Contingency and loss provisions	8	291	266
Financial liabilities	9	8,547	6,850
Taxes and payroll-related payables		698	609
Other liabilities	10	1,505	1,700
Unrealised translation gains		19	5
TOTAL EQUITY AND LIABILITIES		24,693	22,234

RATP Epic income statement

In millions of euros	Notes	31/12/2020	31/12/2019
Revenue	11	4,764	4,827
Other income		918	957
Income used to offset depreciation and amortisation expenses		248	245
Operating income		5,930	6,028
Energy		(179)	(210)
Cost of leased tracks		(31)	(31)
User rights payable		(21)	(21)
Equipment, supplies and other external expenses		(1,444)	(1,396)
Tax, duties and other payables		(349)	(313)
Payroll costs	12	(2,702)	(2,725)
• Wages and salaries		(1,813)	(1,867)
• Payroll-related costs		(782)	(804)
• RATP employee benefit plan cost, net		(61)	(6)
• Profit-sharing		(47)	(49)
Depreciation, amortisation and provisions		(1,025)	(1,018)
Other expenses		(15)	(26)
Operating income		164	288
Financial income		43	55
Financial expenses		(172)	(178)
Financial income	13	(129)	(123)
Ordinary income		35	164
Non-recurring income		104	76
Non-recurring expenses		(126)	(116)
Extraordinary income and expense	14	(22)	(39)
Corporate income tax	15	4	7
NET INCOME		17	131

Notes to the financial statements

Financial year ended 31 December 2020

Unless otherwise stated, all amounts are presented in millions of euros.

Régie autonome des transports parisiens (RATP), is a State-owned industrial and commercial public utility (*établissement public à caractère industriel et commercial* – EPIC) created by the law of 21 March 1948. It is a legal entity under public law, registered in the Paris Trade and Companies Register. Its head office is located at 54, quai de la Rapée, 75012 Paris.

In the context of the liberalisation of public transport in the European Union, European regulation No. 1370/2007 of 23 October 2007 on public passenger transport services by rail and by road (known as the OSP regulation) introduces the principle of competitive tendering for the operation of passenger transport services by rail, with transitional periods to organise this tendering.

As an extension of this regulation, law No. 2009-1503 of 8 December 2009 relating to the organisation and regulation of rail transport and containing various provisions relating to transport (known as the ORTF law) organises the end of RATP's monopoly on the operation of transport networks and lines in the Île-de-France region, according to the following timetable:

- 31 December 2024 for the bus network;
- 31 December 2029 for the tramway;
- 31 December 2039 for the metro and RER;

dates from which the operation of these services becomes subject to competition rules.

At the same time, in order to “meet the essential safety and interoperability requirements of the railway system in question, including the reliability, availability and technical compatibility of its components, and the need for continuity of public service”, the ORTF law entrusts RATP with the infrastructure management of the metropolitan network dedicated to urban public transport services in the Île-de-France region and of the RER network, which it is responsible for operating as at 1 January 2010.

In the same spirit, law No. 2010-597 of 3 June 2010 relating to the Greater Paris area (known as the Greater Paris law) entrusts RATP with the technical management of all the lines, structures and facilities built by Société du Grand Paris (SGP).

It also requires it, from 1 January 2012, to separate its activities as rail network infrastructure manager (IM) and transport operator (TO).

Law No. 2019-1428 of 24 December 2019 on the guidance of mobility (known as the LOM Law) extends the obligation of accounting separation by requiring separate accounts for the following activities:

- the transport operations activity;
- the infrastructure management activity referred to in article L. 2142-3 of the French transport code (consisting of the metro and parts of the RER operated by RATP as at 1 January 2010), which includes the technical management of the parts of the Greater Paris network consisting of the northern and southern extensions of line 14 (from Mairie de Saint-Ouen to Saint-Denis Pleyel, from Olympiades to Orly Airport);

- the technical management of the Greater Paris public transport network, excluding the aforementioned extensions of line 14 (provision entering into force on 1 January 2020);
- the activity carried out by its in-house security service referred to in article L. 2251-1 of the French transport code, whose scope of intervention is extended to the real estate rights-of-way of the Greater Paris infrastructure (provision taking effect on 1 January 2021). The LOM confirms the monopoly of this security activity on the historic rail network and extends it to the Greater Paris Express network.

Lastly, it submits the rules governing the accounting separation of these activities to the control of the Transport Regulatory Authority (ART). These make it possible to ensure that there are no cross-subsidies for the different institutions. The Transport Regulatory Authority approved these rules for accounting separation in its decision No. 2021-012 released on 11 February 2021.

With regard to the technical management activity of the Greater Paris public transport network mentioned in articles 20 and 20-2 of the Greater Paris law, this regulation will result in the obligation to set up a confidential information management plan, validated by the ART, which must ensure that the RATP does not benefit, by virtue of its role as technical manager, from information that is likely to give it an advantage in the designation of the transport operator by Île-de-France Mobilités. In addition, RATP will publish a reference document from the technical manager, presenting the measures planned to ensure transparent, fair and non-discriminatory treatment between transport operators. This document will be subject to ART's approval.

The transport services in Île-de-France are defined as Île-de-France Mobilités. RATP's activity as an operator is governed by multi-year agreements with Île-de-France Mobilités. Under these agreements, RATP undertakes to provide a transport service defined in terms of quantity and quality and receives compensation based on the direct revenues and flat-rate contributions paid by Île-de-France Mobilités.

Negotiations between RATP and Île-de-France Mobilités are under way for the operating agreement covering the 2021-2024 period, and should be concluded soon. Business continuity is guaranteed by the payment by Île-de-France Mobilités, pending the signature of the new agreement, of monthly provisional contributions covering operating expenses and depreciation and amortisation costs.

The new agreement will cover the expected consequences of the health crisis on costs and revenues over the period, in order to cover operating expenses. Likewise, it will ensure a fair remuneration of concession assets and RATP's assets, the principles and terms of which are set by legal provisions.

For the activity of infrastructure manager of the metro and RER network and the activity of technical manager of the Greater Paris network, the compensation of RATP appearing in the multi-year agreement signed with Île-de-France Mobilités will be subject to due validation by the ART. To do this, RATP will have to submit the proposed compensation trajectory. The ART will consult Île-de-France Mobilités before issuing a decision and, in the absence of due validation, will have to set the provisional flat-rate compensation that Île-de-France Mobilités will pay RATP. The precise methods for calculating this compensation and for transmitting it to the ART were specified in French decree No. 2020-1752 of 28 December 2020.

Covid-19 pandemic

The period ended 31 December 2020 was marked by the consequences of the Covid-19 pandemic. Business and financial income were impacted by this health crisis.

The drop in passenger traffic and the reduction in the transport offer has had the following consequences:

- decreases in passenger revenues and in ancillary revenues related to transport;
- additional costs related to business continuity (exceptional cleaning and disinfection measures, supply of masks and gels, etc.);
- reductions in payroll, materials and energy costs mainly.

The financial statements of the parent company RATP are included in the consolidated financial statements of RATP Group.

The financial statements as at 31 December 2020 were approved by the Board of Directors at their meeting on 12 March 2021.

1 — Accounting principles, rules and methods

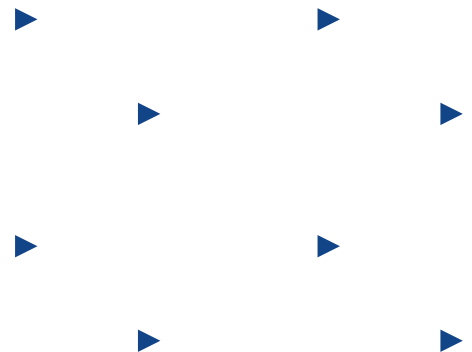
RATP's accounting plan was approved by the inter-ministerial order of 21 March 1985 and the French national accounting board (*Conseil national de la comptabilité*). The customised plan was prepared in accordance with the rules, principles and framework governing the French national chart of accounts.

1.1 Property, plant and equipment and intangible assets

1.1.1 Ownership regime covering capitalised assets

The ownership regime covering assets created by RATP or historically made available to it distinguishes four categories of assets, specified in the French law on public passenger services by rail:

- RATP owns the assets constituting the infrastructure which it manages (historical network lines, excluding the Greater Paris Express line);
- rolling stock and the related maintenance equipment (returnable assets), which have been owned by Île-de-France Mobilités since 1 January 2010. Île-de-France Mobilités will take possession of the assets once the operating rights expire. Implementation decree No. 2011-320 provides for the purchase by Île-de-France Mobilités of these assets from RATP at their net book value, net of subsidies, as reported in RATP's annual financial statements;
- the other assets required for operations (reversionary assets), other than those mentioned in the previous two paragraphs, belong in full to RATP. When the line operating rights expire, Île-de-France Mobilités nevertheless has a right to recover these assets. Concerning the bus depots, Île-de-France Mobilités formalised, by a deliberation of 8 October 2020, its intention to take over these facilities;
- real estate and other assets that are not allocated to operations but are used by RATP for administrative, social or training purposes, which are fully owned by RATP.



Capitalised assets are recognised according to their ownership regime:

	Infrastructure manager/ Infrastructure manager for Greater Paris	Transport operator		
Type of assets	Fully-owned assets	Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure-related goods (historical infrastructure manager) or goods related to the concerned activity (historical infrastructure manager and infrastructure manager for Greater Paris).	Rolling stock and related maintenance equipment.	Assets required for operations: <ul style="list-style-type: none"> • bus depots; • equipment, etc. 	Assets allocated for administrative, social and training purposes.
Ownership regime	RATP owns these assets.	Île-de-France Mobilités has owned these assets since 1 January 2010. RATP retains control. Ownership of the assets will revert to Île-de-France Mobilités at the end of the agreement.	RATP owns these assets. Île-de-France Mobilités holds a right to repossess these assets subject to payment of compensation to RATP upon expiry of the agreement.	RATP owns these assets.
Compensation arrangements during operating period		Article 14 of French decree No. 2011-320 sets out the arrangements for the compensation payable by Île-de-France Mobilités to RATP for the assets.	The compensation principles and arrangements apply for the duration of the Île-de-France Mobilités agreement.	
Compensation arrangements upon expiry of operating rights	Not applicable.	Article 14 of French decree No. 2011-320 provides for the buyback of the assets at their net book value, net of subsidies.	The Île-de-France Mobilités-RATP agreement provides for either the repossession of the assets at a value of zero for assets transferred to RATP as at 1 January 2010, or reversal at their net book value, net of subsidies, for other assets.	Not applicable.

1.1.2 Intangible assets

Research and development costs, associated with assets that are clearly separable, technically feasible and likely to generate future economic benefits, are capitalised if they meet the criteria set forth in the generally accepted accounting principles. They are amortised based on the useful lives of the assets to which they relate. All other research and development costs are expensed.

1.1.3 Property, plant and equipment

The fixed assets, regardless of their ownership status, are recorded in the balance sheet at their historical cost (acquisition cost or production cost). Their valuation takes into account the revaluations made in 1963 on the basis of 1959 and in 1978 on the basis of 1976.

In accordance with component-based accounting, RATP's fixed assets have been broken down into components and the useful life of each component has been determined based on their replacement or renovation frequency.

Railway rolling stock, consisting of returnable assets made available by Île-de-France Mobilités, is subject to decommissioning.

To this end, a provision for expenses is recognised against the fixed asset as a depreciated/amortised component over the useful life of the trains.

Certain assets are funded by investment grants. As of 2020, the financial statements also include the recognition of the amount of subsidies earned as assets and liabilities. They correspond to capital expenditure already made but for which subsidies have not yet been called. This estimate amounted to €156 million at the end of 2020 (€252 million at the end of 2019).

Provisions for impairment are calculated using the straight-line method based on the useful lives of the assets, as defined by RATP technicians. The useful lives of tangible assets are reviewed annually if there are significant changes.

Spare parts are recognised as assets and valued at the historical unit cost. Spare parts managed in a computerised maintenance management system are valued at weighted average cost. Depreciation of spare parts is calculated based on the depreciation schedule for the associated assets.

1.1.4 Depreciation/amortisation periods

Fixed assets are depreciated/amortised on a straight-line basis over their useful lives. The periods considered for the principal assets are as follows:

Buildings, plant equipment, fixtures and fittings	Useful lives
Building shell and brickwork	50 to 100 years
Building fixtures and fittings	6 to 30 years
Heavy industrial equipment	15 to 30 years
Small tooling	5 to 10 years
Furniture	10 years
Information systems – development and configuration	5 to 10 years
Software and hardware	3 to 5 years

Railway infrastructure	Useful lives
Tunnels, stations and access ways	35 to 140 years
Fittings for stations and access ways	15 to 40 years
Tracks	10 to 50 years
Conductors, traction power supply for the metro system (IM)	5 to 50 years
Catenary systems for the RER and trams	15 to 50 years

Track signalling and assisted driving systems	Useful lives
Automated train operating system	5 to 35 years
Automated driving system	15 to 30 years
Track signalling	10 to 40 years

Rolling stock	Useful lives
Rolling stock (rail)	20 to 40 years
Rolling stock (bus)	4 to 10 years
Company cars	5 years

Plant equipment, fixtures and fittings	Useful lives
Elevators, escalators and moving walkways	10 to 40 years
Telecom equipment and alarms	5 to 15 years
Electrical installations	5 to 30 years
Transformers	10 to 100 years
Ventilation and air evacuation equipment	15 to 30 years
Air conditioning systems	5 to 10 years
Sound and lighting equipment	10 to 30 years

1.1.5 Impairment of property, plant and equipment and intangible assets

The accounting principles provide for impairment testing to assess whether there is any indication that an asset may be impaired. If there is an indication that a non-financial asset may be impaired, impairment testing is performed: the net value of the fixed asset is compared with its fair value, which is defined as the higher of an asset's market value and its value in use.

Within the EPIC, two main categories of assets exist: the assets of the infrastructure management and the assets of the transport operations.

With regard to infrastructure management activities, the Mobility Guidance Law (LOM) of 24 December 2019 and its implementing decree 2020-1752 of 28 December 2020 specify the terms and conditions of compensation of IM, which must ensure the coverage of all current operating expenses and depreciation and amortisation costs and a fair return on the capital employed which is necessary for the long-term financing of investments. The decree sets the conditions for the regulation of this compensation by the Transport Regulatory Authority (ART).

With regard to transport operations activities, the French law on public passenger services by rail of 8 December 2009 sets the expiry date of the operating rights of the lines entrusted to RATP, and defines the asset ownership schemes and the fate of these assets at the expiry of the contracts, as well as the terms of compensation of RATP for the operation of the lines, so as to ensure the coverage of the operating costs and a fair return on the capital employed.

As of 31 December 2019, impairment testing was carried out on these various categories, which led to no impairment being identified. This testing was notably based on cash flow projections from the current agreement with Île-de-France Mobilités.

Negotiations for the new agreement between RATP and Île-de-France Mobilités for the 2021-2024 period are still under way.

In this context, in the absence of definitive cash flow forecasts, resulting from the new agreement, an analysis was carried out by asset type to identify any indications of impairment at 31 December 2020.

With regard to IM assets, the compensation formula being determined must in principle enable IM to have a positive result, including the compensation of its assets. These assumptions will have to be confirmed in 2021 with the signature of the Île-de-France Mobilités agreement and the definition of the compensation formula that will be validated by the ART.

The assets of the TO are made up of returnable assets, reversionary assets and fully-owned assets.

The implementing decree of the French law on public passenger services by rail (decree 2011-320 of 23 March 2011) provides that returnable assets, consisting of rolling stock and rolling stock maintenance equipment, will be repurchased at the expiry date of RATP's operating rights by Île-de-France Mobilités at their net book value, net of subsidies. Given the financing arrangements for these assets and their nature, no indication of impairment has been identified for this asset category at 31 December 2020.

Similarly, it provides that Île-de-France Mobilités has the possibility, at the expiry of the operating rights, to buy back the reversionary assets, comprising the assets used for the operation of services that are not constitutive of the infrastructure (maintenance centres and depots for buses and trams, certain equipment, etc.), at their net book value, net of subsidies. However, a contradictory statement of the condition of the assets in question must be made. With regard to the bus activity, Île-de-France Mobilités recorded, by a decision of its Board of Directors of 8 October 2020, the exercise of its right of recovery on RATP bus depots on 1 January 2025. Given the financing arrangements for these assets and their nature, no indication of impairment has been identified for this asset category at 31 December 2020.

The Transport Operator's fully-owned assets and reversionary assets which Île-de-France Mobilités has not yet decided whether or not it will buy, mainly comprise real estate assets, intangible assets and other property, plant and equipment. The market value of the real estate assets and the value in use of the other fixed assets showed no indication of impairment for this category of assets at 31 December 2020.

These items will have to be confirmed over 2021 with the compensation conditions provided for in the new agreement.

1.2 Financial assets

The gross value of financial assets comprises the purchase price and directly attributable acquisition costs. Transfer taxes, fees or commissions and legal costs are attached to the acquisition cost of the asset.

The net asset value of investments held by RATP is determined based on the net equity of the subsidiary or, for subsidiaries that hold shareholdings themselves, based on the consolidated net equity of the subgroup and on the earnings outlook of the subsidiary or subgroup.

An impairment loss is recognised if the net asset value of the investment falls below its carrying amount.

1.3 Inventories

Inventories are stated at the lower of cost (including associated transaction costs) and net realisable value. Cost is calculated using the weighted average cost method.

Inventories are written down as required based on their turnover and economic life.

1.4 Receivables

Receivables are recorded at face value. An impairment loss equal to the full amount of the receivable is recorded if there is a non-collection risk.

1.5 Bond redemption premiums

The cost of bond redemption premiums is amortised on a straight-line basis over the term of the bonds. However, if early repayment is decided before the closing date, related costs are amortised in full.

1.6 Equity

The equity contra-account entitled "Reserve for assets allocated to RATP", shown in liabilities, essentially reflects the residual value at 1 January 1949 – when RATP was created – of the assets provided for use by RATP at that time and that remained on the balance sheet at 31 December 1976.

The revaluation surplus recorded under equity results from the revaluation performed in 1963 on the basis of 1959 data, and the revaluation performed in 1978 on the basis of 1976.

RATP was formed by the act of 21 March 1948. However, no capital was transferred to it at that time. In 1986, the public authorities allocated capital of €283.3 million to RATP. This allocation was increased by €150 million in July 2010 as part of the national recovery plan announced at the start of 2009.

Income from investment grants is recognised based on the depreciation and amortisation schedule of the associated assets, with the exception of grants received for purchasing land, of which one tenth is recognised as income per financial year.

Tax-driven provisions relate:

- to the revaluation of depreciable assets performed in 1978 based on 1976 data. It is transferred to income in proportion to the depreciation and amortisation recognised for the corresponding assets;
- to special depreciation methods practiced since 1 January 2016.

1.7 Loans and borrowings

Loans and borrowings are recorded on the balance sheet at their redemption value in euros.

1.8 Currency transactions

Monetary assets and liabilities in foreign currencies related to financial activities are fully hedged and revalued at the closing rate.

If the exchange rate at the reporting date impacts the amounts previously recorded in euros, adjustments are recorded under balance sheet liabilities if they reflect unrealised currency translation gains and under assets if they reflect unrealised currency translation losses. These unrealised gains and losses are offset, if necessary, by the revaluation of foreign exchange derivatives hedging these exposures.

If unrealised currency translation losses are recorded, a foreign exchange contingency provision is also recorded.

The revaluation of the foreign exchange component of cross currency swaps and foreign exchange swaps is classified in the balance sheet under the same heading as the underlying hedged.

1.9 Derivative financial instruments

Derivative financial instruments are used to manage its exposure to changes in interest rates and exchange rates (interest rate swaps, options, cross currency swaps, forward purchases and sales and foreign exchange swaps). Almost all the derivative instruments qualify for hedge accounting and are used to manage risk on debt.

The income and expense arising from the use of hedging instruments is recorded when the profit and loss from the hedged items is collected or incurred.

The difference between the interest receivable and the interest payable on swaps, caps and floors, and the premiums and net payments associated with these transactions are recorded as an adjustment to the interest expense over the term of the instruments.

RATP may also need to use derivatives to manage commodity risk. Unrealised gains and losses from hedges on future purchases of diesel fuel are deferred and recognised in the income statement when the hedged transaction is settled.

As part of the centralised management of market risks, RATP contracted derivatives on behalf of the Group subsidiaries. Gains and losses realised on derivatives contracted from bank counterparties are transferred back to the subsidiaries that have requested hedges.

1.10 Trade payables

Trade payables are recorded at face value. Supplier debts are reported under balance sheet assets.

1.11 Long-term employee benefits

RATP recognises provisions for long-term employee obligations including those relating to:

- commitments relating to payments of occupational injury and disease pensions. RATP itself provides service for occupational injury and disease pensions to its active agents. The benefits paid compensate employees for the permanent physical or psychological damage incurred due to an accident or illness and any other negative effects on the employee's career. Only the benefits paid to current employees are classified as long-term benefits covered by a provision. Benefits paid to non-current employees are part of off-balance sheet commitments;
- commitments relating to seniority bonuses;
- commitments relating to unemployment benefits;
- commitments relating to long-term sick leave.

The valuation of employee benefits is based on an actuarial calculation. This calculation is based on assumptions of social behaviour (mortality, turnover, etc.) and economic assumptions (discount rate, career profile, etc.).

The discount rate is based on the Bloomberg fifteen-year rate, which was 0.25% at 31 December 2020 (0.75% at 31 December 2019).

The main actuarial assumptions are as follows:

	31/12/2020	31/12/2019
Discount rate	0.25%	0.75%
Inflation rate	2.00%	2.00%
Salary increase rate including inflation	2.20%	2.20%
Mortality table	TGH 05/TGF05	TGH 05/TGF05
Turnover rate	0%	0%
Retirement age	See paragraph below	

Retirement age corresponds to the age at which employees leave the company to retire. Assumptions regarding retirement age are defined on an individual basis. They take into account the age at which employees are entitled to retire, the terms of the special pension scheme for RATP employees and the average retirement age per rank, calculated on the basis of retirements recorded over the last twelve months. The individual assumption corresponds to the maximum between the entitlement date and the average retirement age per rank calculated on the basis of retirements.

1.12 Lease and lease-purchase contracts

The net present value of lease payments is recorded over the term of the leases. Details of the impact of lease transactions on the financial statements are shown in Note 17.

1.12.1 Leasehold transactions

Between 1997 and 2002, RATP entered into a number of leaseholds. They are financial engineering transactions that, for RATP, grant the right to use its assets through arrangements that enable foreign investors to assume the economic ownership of the assets and thus amortise and benefit from a financial gain based on the difference in tax rates.

Leased assets are recorded as fixed assets on RATP's balance sheet.

A leasehold transaction is composed of the main lease granted by RATP and a sub-lease enabling RATP to retain the right of use of the asset. RATP has an early buyout option (EBO) for a period shorter than the full term of the lease, which enables it to unwind the arrangement by repurchasing the outstanding portion of the lease.

Under generally-accepted economic and accounting principles, a lease arrangement is not recognised as a sale prior to the EBO.

The financial gain obtained by the foreign investors is shared with RATP. The overall profit generated from each transaction is included in the down payment received when the contracts are signed. It represents an immediate reduction in the company's debts. It is recognised on a straight-line basis under exceptional income, each year.

All associated costs, sub-lease payments, interest and principal are recorded in a single entry under non-recurring income and expense, in accordance with accounting principles on defeasance transactions.

The various contracts that make up each leasehold arrangement constitute separate transactions and are accounted for as such. As the assets and liabilities related to these leases generate cash flows that are fully offset in the balance sheet and income statement, the overall profit generated by each transaction is reported in a single line as the net present value (NPV). The overall profit is recorded as deferred

income when the contracts are signed and then is recognised as extraordinary income and expense on a straight-line basis over the duration of the contract.

As at 31 December 2020, there were five contracts outstanding with two investors – the Bank of America and State Street.

The risks assumed by RATP are limited to equipment ownership risk, risks relating to French legislation and counterparty risk on the deposits. Counterparty risk is managed:

- by defeasance agreements, which enable deposits to be offset against the associated liabilities. The corresponding deposits totalled €44 million at 31 December 2020;
- by holding US Treasury bonds. The deposits totalled €63 million at 31 December 2020.

1.12.2 Swedish lease transactions

The Swedish lease agreement is effective in the period prior to equipment delivery.

The investor pays the supplier the total value of the equipment. At the inception of the contract, RATP sets up deposits to cover the lease payments and the equipment buyback option. The difference between the deposits and the value of the material represents the profit made by RATP.

The assets held under the Swedish lease have been recorded as long-term deposits.

The lease payments are recognised as operating expenses and the interest and deposits in financial income. Only the net present value is recognised in extraordinary income and expense.

At 31 December 2020, one contract remains, with the investor Apicius Leasing IBV.

Net income is impacted by the deferred profit relating to the net present value and the theoretical depreciation of assets, if they are maintained on RATP's balance sheet.

1.12.3 Leases

Île-de-France Mobilités and RATP have set up a finance lease arrangement for rolling stock for the T3, T5, T6, T7 and T8 tramway lines.

In this transaction, RATP is the lessee; Île-de-France Mobilités reimburses the corresponding rent.

During the construction period, RATP paid the supplier. Once the tramways were delivered, RATP assigned them to a bank. The finance lease was then set up. Île-de-France Mobilités will take over the finance lease in 2029.

1.13 Recognition of revenue and other income

1.13.1 Revenues generated from the agreement with Île-de-France Mobilités

Transport revenue is made up of the following components:

- direct traffic revenues from transport users;
- Île-de-France Mobilités contributions:
 - “C1”, a contribution to operating expenses intended to cover public service obligations. This contribution comprises three parts: a flat-rate contribution covering operating expenses

that are not covered by revenues from transport users; a euro-for-euro contribution covering the amount of business, professional and property-related taxes and duties levied, and a contribution covering the difference between the indexing of the forecast direct revenues based on the methods used to calculate the flat-rate contribution and the impact on Île-de-France Mobilités' pricing decisions,

- “C2”, a contribution to finance investments (amortisation and interest),
- a reward or penalty for quality of service, and potential fines if RATP fails to meet its contractual service coverage requirements,
- a profit-sharing scheme with risks and gains shared between RATP and Île-de-France Mobilités based on the actual direct revenues generated compared with contractual revenue targets,
- “C4”, a contribution to finance the acquisition of rolling stock for the T3, T5, T6, T7 and T8 tramway lines (euro-for-euro reimbursement of the finance lease payments).

This transport revenue is provided for under the terms of the 2016-2020 multi-annual agreement concluded between Île-de-France Mobilités and RATP. The contributions are revalued every year by applying an indexing formula based on indices, pursuant to the provisions of the agreement.

The Île-de-France Mobilités-RATP agreement provides for penalties in the event of failure to implement the investment plan. Overall, RATP believes that, since the beginning of the agreement, the investment plan has complied with the contractual clauses.

Public prices are set by Île-de-France Mobilités, the organising authority. They constitute a public service obligation with which RATP must comply.

1.13.2 Income used to offset amortisation and depreciation expenses

This item reflects income from reversals of investment grants and special revaluation provisions, recognised at the amortisation rate of the assets to which they relate.

1.14 Taxes and duties

Tax consolidation

In 2016, RATP chose to fiscally consolidate the French subsidiaries in which it had a stake exceeding 95%, as stipulated in article 223-A of the French general tax code (*Code général des impôts*).

There are 71 companies in the company's tax consolidation scope. The tax consolidation income generated is reallocated to the subsidiaries based on the shares of the tax deficit generated during the financial year.

1.15 Payroll costs

1.15.1 Presentation of payroll costs in the parent company financial statements

Payroll costs are presented in the income statement under two lines, “Wages and salaries” and “Payroll-related costs”, while the result of the social security accounting treatment (*traitement comptable de la protection sociale* – TCPS) is summarised through the line “Cost of financing employee benefits”.

1.15.2 Characteristics of the social security accounts (TCPS)

RATP is its own insurer for risks relating to illness, industrial accidents and unemployment. The accounting structure makes it possible to monitor what falls under the EPIC's social insurance provider expenses.

Health insurance risk

French decree No. 2015-1881 of 30 December 2015 relating to the special social security scheme of RATP was effective from 1 January 2016.

RATP has to distinguish between the expenses and income that fall under the common law scheme (*protection universelle maladie* – PUMA) of the health insurance division and those that fall under the special scheme.

Regarding the statutory health insurance scheme, over and above expenses and income, an equilibrium allocation is paid or received by RATP in order to balance the profit or loss of the health insurance plan. The amount of this equilibrium allocation is determined at the end of each year.

Like social security organisations themselves, RATP's social security obligations include the following:

- the origin and amount of resources, in particular in terms of employer contributions;
- the amount of benefits paid to plan beneficiaries;
- management costs;
- the equilibrium allocation under the common law scheme of the health insurance division.

Benefits provided by RATP include:

- benefits in kind such as the reimbursement of medical and hospital costs, medical tests and pharmaceuticals and the services rendered by RATP's healthcare centres (*espaces santé*), etc.;
- financial benefits, such as wages and salaries paid to employees on sick leave (daily indemnities), lump sums paid upon death, work-related accident and disability pensions, etc.

Work-related accident insurance and unemployment allowance plan

With regard to work-related accident and unemployment schemes, the plan's financial profit or loss is the difference between employer contributions and benefits paid.

Social security costs

The financial impacts of the PUMA statutory health insurance plan, non-PUMA health insurance plan, work-related accident insurance plan and unemployment allowance plan make up the "RATP employee benefit plan cost, net".

The breakdown of the financial items is presented in Note 12.

Employer contributions

The social security accounts are mainly funded by the employer contributions recorded as "Payroll-related costs" in RATP's income statement. In terms of health insurance risk, RATP receives a contribution to its health insurance fund from the CSG tax collected by Urssaf.

1.16 Extraordinary income and expense

Extraordinary income and expense includes the financial impacts of non-recurring events occurring outside the ordinary course of business, and whose amount is significant.

Exceptional depreciation and amortisation is applied to categories of assets for which the tax authorities expressly admit that the useful life is generally shorter than the useful life. Depending on the asset categories, the tax depreciation periods used are consistent with the periods defined by tax case law, the OECD report published in 1975, administrative legal theory and professional accounting plans.

2 — Property, plant and equipment and intangible assets

Position and changes	Gross value at start of the financial year	Increase	Transfers	Decrease	Gross value at end of the financial year
Intangible assets					
Research and development costs	235		151		386
Lease rights	3				3
Other					
• Software in use	693		93	(6)	780
• Software in progress	247	108	(203)		153
TOTAL	1,178	108	41	(6)	1,321
Tangible assets					
Land	623		35	(1)	657
Buildings	11,737		1,226	(42)	12,921
Buildings on third-party land	98				98
Technical installations, equipment and industrial tools	5,490	3	493	(73)	5,913
Transport equipment	8,689	17	202	(66)	8,842
Other	215		28	(5)	238
Tangible assets in progress	4,330	1,676	(2,026)		3,981
TOTAL	31,181	1,696	(41)	(187)	32,650
OVERALL TOTAL	32,359	1,805		(193)	33,971

Position and changes	Depreciation/ amortisation accumulated at start of the financial year	Increase additions of the financial year	Decrease of depreciation/ amortisation of the financial year	Depreciation/ amortisation accumulated at end of the financial year
Intangible assets				
Research and development costs	80	9		89
Lease rights	2			2
Other	512	66	(5)	572
TOTAL	593	75	(5)	663
Tangible assets				
Land	21	3		24
Buildings	5,094	277	(40)	5,331
Buildings on third-party land	93	1		95
Technical installations, equipment and industrial tools	3,506	245	(64)	3,686
Transport equipment	4,501	341	(61)	4,781
Other	158	18	(5)	171
TOTAL	13,373	885	(170)	14,088
OVERALL TOTAL	13,967	961	(175)	14,751

3 — Financial assets

	31/12/2019	Increase	Decrease	31/12/2020
Equity investments	637	5	(29)	613
Receivables from equity investments	101	56	(7)	149
Leasehold deposit receivables	85		(15)	70
Swedish lease deposit receivables	37		(4)	33
1% social housing loans	34		(6)	29
Other financial receivables	19		2	17
TOTAL	912	61	(63)	910

4 — Inventories and work in progress

	31/12/2020	31/12/2019
Raw materials and consumables	318	261
Work in progress	10	32
Impairment	(55)	(52)
TOTAL	272	241

5 — Receivables

	31/12/2020					31/12/2019
	Gross amount	Provisions	Net amount	Asset liquidity		Net amount
				Maturities		
				Less than 1 year	More than 1 year	
Advances and down payments to suppliers	3		3	3		6
Trade receivables and related accounts	98	(4)	94	94		113
Receivables from the State and other public authorities	780		780	778	2	587
Other	296	(2)	295	289	5	243
Lease receivables	211		211	9	203	200
Prepaid expenses	65		65	24	42	68
TOTAL	1,454	(6)	1,449	1,197	252	1,216

6 — Marketable securities

	31/12/2020	31/12/2019
UCITS	1,222	121
Long-term deposits	1,162	1,137
Cash collateral	45	68
Treasury bonds	2	
Accrued interest		
Derivatives liabilities	(11)	
TOTAL	2,420	1,326

7 — Equity

7.1 Change in equity

	31/12/2019	Increase	Decrease	31/12/2020
Reserve for assets allocated to RATP	251			251
Revaluation differences ⁽¹⁾	205		(3)	201
Capital endowment	433			433
Statutory reserves	185			185
Reserves arising from the sale of real estate assets prior to January 2010	52			52
General reserve	58			58
Retained earnings	3,539	236	(104)	3,670
Net income ⁽²⁾	132	17	(132)	17
Equity excluding investment grants	4,854	253	(239)	4,867
Special revaluation provisions ⁽¹⁾	342		(8)	334
Provisions for special depreciation	299	65	(4)	360
Investment grants	7,308	1,070	(305)	8,072
TOTAL EQUITY	12,803	1,388	(557)	13,634

(1) Details of revaluation differences can be found in the note below; they mainly concern land and revaluation surplus from 1963 (1959 base).

(2) Net income for financial year 2019 was appropriated to retained earnings.



7.2 Revaluation differences

7.2.1 Revaluation in 1976

	Difference at start of the financial year		Change		Difference at end of the financial year	
	Gross value of fixed assets	Depreciation/ amortisation or provisions accumulated	Retired assets	Allocations to depreciation/ amortisation and provisions	Gross value of fixed assets	Depreciation/ amortisation or provisions accumulated
Tangible assets						
Land	213	17	(1)	2	212	19
Buildings	1,156	814	(1)	7	1,155	821
Technical installations, equipment and industrial tools	13	13	(1)	(1)	12	12
Transport equipment	27	27			27	27
Other	1				1	
	1,410	871	(3)	9	1,407	880
Financial assets						
Equity investments	0				0	
	0				0	
TOTAL	1,410	871	(3)	9	1,407	880
					Net exposure:	527

7.2.2 Revaluation in 1959

The amount of the revaluation adjustment for 1963 on the basis of 1959 amounts to €8.6 million in 2020.

8 — Provisions

Position and changes	Provisions at start of the financial year	Other reclassifications	Increases: additions for the financial year	Decreases: reversals for the financial year		Transfers from item to item	Provisions at end of the financial year
				for use	adjustment		
Provisions for contingencies							
Provisions for litigation ⁽¹⁾	17		7		(6)		18
Provisions for work-related accidents	93		34	(14)	(13)		99
Provisions for operating or financial risks	17		5		(13)		10
Other provisions for non-recurring risks			1	(1)			
	127		47	(15)	(31)		127
Provisions for losses and expenses							
Other provisions for expenses ⁽²⁾	139		36	(11)			164
	139		36	(11)			164
TOTAL	266		83	(26)	(31)		291

(1) These provisions are for commercial, industrial and employee-related litigation or disputes.

(2) These provisions essentially cover the cost of decommissioning railway rolling stock and long-term employee benefits. They also include a provision allocated in 2020 for a collective contractual severance plan in the amount of €18.0 million for support function staff.

The company is not subject to injunctions or financial penalties for anti-competitive practices.

9 — Loans and borrowings

	Gross amount	Maturities		
		Less than 1 year	More than 1 year, less than 5 years	More than 5 years
Île-de-France Region loans	152	16	66	70
Bond issue				
• eurozone financial markets ⁽¹⁾	5,667	600	2,100	2,967
• international financial markets	163		163	
• “Tick'épargne” borrowings	143	143		
Borrowings from and liabilities to credit institutions				
• Calyon loans – 1% social housing loan counterparty	15	5	10	
• bank (credit balances)	34	34		
• postal cheques	1	1		
Loans and borrowings (commercial paper)	1,996	1,996		
Loans and borrowings allocated to lease assets	12		12	
Other loans and borrowings	313	313		
Collateral				
Accrued interest	53	53		
TOTAL	8,547	3,160	2,351	3,036

(1) In 2020, RATP issued several bonds under its EMTN programme: €680 million in the eurozone the equivalent of €173.9 million in US dollars, and a bank loan in the amount of €300 million.

9.1 Net financial debt

	31/12/2020	31/12/2019
Financial asset (A)	3,015	1,608
Loans to subsidiaries	149	101
Lease deposit receivables	52	53
Marketable securities	2,384	1,258
Cash collateral investment	47	68
Cash and cash equivalents	383	128
Financial liabilities (B)	8,466	6,743
Île-de-France region loan	152	169
Borrowings from financial markets	5,830	4,987
Tick'épargne borrowings	143	249
Borrowings from and liabilities to credit institutions	328	57
Commercial paper	1,996	1,281
Collateral		
Derivatives liabilities	17	
NET FINANCIAL DEBT (B - A)	5,451	5,135

9.2 Derivative financial instruments

RATP uses financial instruments to manage its exposure to interest rate, foreign exchange and commodity risks.

The cross currency swaps may, where appropriate, cover both interest rate and exchange risk. These instruments are broken down by type of risk covered in the analyses below.

9.2.1 Interest rate and foreign currency risk management, excluding transactions on behalf of subsidiaries

The interest rate risk on borrowings and investments is essentially managed by using swaps and options to modulate the fixed and floating rate portion of the liability, based on changes in interest rates. The modulation is obtained by implementing or cancelling interest rate swaps and options.

RATP borrows in foreign currencies (bonds, NEU CP). The resulting exposure to exchange risk is systematically hedged using currency swaps or cross currency swaps.

Derivatives by maturity

	31/12/2020	31/12/2020	31/12/2019	31/12/2019
	Notional amount	Fair value	Notional amount	Fair value
Pre-hedge fixed-for-floating swaps				
Maturity ≤5 years				
Maturity >5 years	50	(1)		
Other fixed-for-floating interest rate swaps				
Maturity ≤5 years	107	(4)	54	(1)
Maturity >5 years	13	(4)	35	(6)
Foreign exchange swaps				
Maturity (1 to 5 years)	133	(6)	380	(1)
Maturity >5 years				
Cross currency swaps backed by long-term debt				
Maturity (1 to 5 years)	250	(24)		
Maturity >5 years	27	(17)		
TOTAL	580	(56)	469	(8)

The breakdown of bond and commercial paper debt at 31 December 2020, excluding corporate savings plans, is as follows:

Excluding derivatives		Including derivatives	
Bond issues		Bond issues	
Fixed rate	5,841	Fixed rate	5,841
Floating rate		Floating rate	
Commercial paper		Commercial paper	
Fixed rate	2,205	Fixed rate	2,205
Floating rate		Floating rate	

9.2.2 Derivatives contracted on behalf of the subsidiaries

RATP carries out commodity (diesel), foreign exchange and interest rate hedges for its subsidiaries. The gains and losses from these hedges are entirely transferred back to the subsidiaries that have requested hedges.

Derivatives by maturity

	31/12/2020	31/12/2020	31/12/2019	31/12/2019
	Notional amount	Fair value	Notional amount	Fair value
Other fixed-for-floating interest rate swaps				
Maturity ≤5 years	41	(1)	49	(1)
Maturity >5 years			1	
Foreign exchange swaps				
Maturity ≤5 years				
Cross currency swaps backed by long-term debt				
Maturity ≤5 years	51		56	(2)
Maturity >5 years				
Commodity swaps				
Maturity ≤5 years	11	(1)	10	
TOTAL	103	(2)	116	(3)

These commitments given to the banks are entirely borne by the subsidiaries.

10 — Other liabilities

Accounts payable	Gross amount	Maturities		
		Less than 1 year	More than 1 year, less than 5 years	More than 5 years
Advances and down payments received	2	2		
Trade and related payables	388	388		
Payables for assets and related accounts	617	617		
Other liabilities	165	165		
Lease payables	214		83	130
Prepaid income	119	107	10	1
TOTAL	1,505	1,280	94	131

11 — Revenue

11.1 Breakdown of revenue

	31/12/2020	31/12/2019
Passenger traffic revenue	1,654	2,405
Risk sharing on revenue	616	(82)
Subtotal of RATP direct revenue	2,270	2,323
C11 – contribution to operating expenses	1,132	1,072
C12 – contribution to taxes and duties	121	133
C13 – contribution to revenue indexation	(41)	(68)
C2 – contribution to financing of investments	1,022	1,002
C4 – specific contribution to financing of rolling stock	13	12
Other transport revenue	20	47
Service quality bonus	8	12
Bus bonus after deductible		
Penalties (services + validation + incentives)	(25)	(24)
Subtotal of Île-de-France Mobilités contributions	2,249	2,187
1. Transport revenue	4,519	4,510
2. Income from ancillary activities	84	156
3. Other services and sales of residual products	161	161
TOTAL REVENUE	4,764	4,827

11.2 Transport revenues allocated by ticket type

	31/12/2020	As a %	31/12/2019
RATP networks: metro, RER and bus	1,654	100	2,405
Weekly, monthly and annual Navigo travel passes	1,189	72	1,529
Other subscriptions (police, améthyste)	107	6	111
Tickets	337	20	679
Flat-rate travel cards (Mobilis, youth tickets, travel passes for conference goers)	10	1	33
Unsubsidised tickets (Paris-visite, Orlybus, Roissybus)	9	1	48
Other	1	0	4

12 — Payroll costs

12.1 Social security income statement

	31/12/2020	31/12/2019
Health insurance risk		
Standardised employer contributions – PUMA	127	146
CNSA PUMA contribution	4	2
Transfers received from CSG tax collected (Acos) and employee contributions	99	113
Third-party recovery	1	1
CAP PUMA reversal	8	8
Healthcare expenses including PUMA healthcare centres	(322)	(286)
PUMA overheads	(9)	(10)
PUMA equilibrium allocation	93	26
RATP social welfare contributions – health insurance excluding PUMA	71	74
Other contributions and transfers received excluding PUMA	7	2
Cash benefits excluding PUMA	(111)	(73)
Special scheme expenses	(6)	(6)
Overheads excluding PUMA	(16)	(3)
Net surplus (deficit) of the health insurance plan	(56)	(6)
Industrial accidents risk		
Employer contributions	38	40
Special scheme contributions (including contributions to the industrial accidents fund)	(1)	(1)
Benefits in kind and allowance for industrial accidents	(18)	(18)
Cash benefits and paid leave	(19)	(18)
Management expense (net)	(4)	(4)
Net surplus (deficit) of industrial accidents insurance plan	(3)	(2)
Unemployment risk		
Employer contributions	17	18
Benefits	(19)	(15)
Management expense (net)		
Net surplus (deficit) of the unemployment allowance plan	(2)	3
SOCIAL SECURITY NET SURPLUS (DEFICIT)	(61)	(6)

12.2 Average number of paid employees

	31/12/2020	31/12/2019	Changes	
			Number	As a %
Average number of employees	44,794	44,635	159	0.4
Breakdown by category:				
• Executives + managers	11,327	11,349	(22)	0
• Operators	33,467	33,286	181	0.5
Breakdown by contract:				
• Permanent	41,034	41,257	(223)	(0.5)
• Fixed-term contract	3,760	3,378	382	11.3

12.3 Compensation paid to members of administrative and management bodies

	31/12/2020	31/12/2019
Directors' fees	0,013	0,013
Wages of the 10 highest-paid executives	2,9	2,7
Wages of the 10 highest-paid executives (excluding severance compensation and payroll adjustments)	2,8	2,7

12.4 Urssaf audit

In the first half of 2018, RATP was audited by Urssaf for the years 2015 to 2017. The main differences identified in the audit relate to the calculation of the basis of the "family allowance" contributions of RATP agents. An adjustment notice was sent to RATP by the Administration on 28 March 2019 for an amount of €46.9 million (including a surcharge for late payment of €4.3 million). The principal amount, i.e. €42.6 million, was paid by the company on 23 April 2019 as a precautionary measure. This amount was capitalised by RATP in the balance sheet assets as a receivable from Urssaf.

RATP formally disputed the merits of the arguments developed by Urssaf. It referred to the arbitration committee on 21 May 2019. At the end of the two-month period, the committee did not give an opinion, which amounts to an implicit decision of rejection. RATP filed an appeal with the *tribunal de grande instance* (Regional Court) on 21 October 2019 to assert its position and find a resolution to the dispute. No provisions were recognised in the financial statements as at 31 December 2020.

13 — Financial income

	31/12/2020	31/12/2019
Net finance costs	(128)	(134)
Dividends	0	14
Other financial expenses	(27)	(19)
Other financial income	26	17
TOTAL	(129)	(123)

14 — Extraordinary income and expense

	31/12/2020	31/12/2019
Special depreciation net of grants	(39)	(43)
Transfer to income of property grants (1/10 th)	8	4
Loss on disposal and retirement of assets	36	(8)
Proceeds from financial engineering ⁽¹⁾	1	1
Indemnities received	1	3
Non-recurring organisational expenses	(18)	0
Other	(10)	4
TOTAL	(22)	(39)

(1) Of which NPV on lease transactions – see Note 17.

15 — Corporate income tax and tax position

15.1 Corporate income tax

	31/12/2020	31/12/2019
RATP EPIC tax expense		
Net tax consolidation proceeds	3	6
Tax credits	1	1
TOTAL	4	7

15.2 Deferred taxes

Deferred taxes are not recognised in the parent company financial statements.

The major deferred taxes are:

	DTA base 31/12/2019		DTA base 31/12/2020	
	DTA 31/12/2019	DTA 31/12/2019	DTA 31/12/2020	DTA 31/12/2020
Revaluation of assets	6,803	2,109	6,465	1,778
Non-taxable grants	4,517	1,400	4,069	1,119
Other temporary differences	300	93	315	87

	DTL base 12/12/2019		DTL base 31/12/2020	
	DTL 31/12/2019	DTL 31/12/2019	DTL 31/12/2020	DTL 31/12/2020
Temporary differences	142	44	146	40

DTA = deferred tax assets.

DTL = deferred tax liabilities.

The fiscal deficit for the financial year amounted to €422 million.

15.3 Extravagant expenditure not eligible for tax deduction

No expense referred to by article 39-4 of the French general tax code was recorded in the financial year.

15.4 General charges not eligible for tax deduction

No expense or overhead expense referred to by article 223 *quinquies* of the French general tax code was recorded in the financial year.

15.5 Tax audit

No tax audit is under way.

16 — Off-balance sheet financial commitments

Commitments given	31/12/2020	31/12/2019
1. Subsidiaries and equity investments		
Guarantee for RATP Habitat	0	0
Commodity hedges	13	11
2. Not-for-profit entities		
Compagnons du voyage	0	0
RATP Foundation	4	0
3. Employee benefits		
Employees: guarantee for the MCS	0	0
Employees: "Low income housing" guarantees	88	110
Retirement benefits	300	336
Death indemnities for current employees	23	22
Death indemnities for retirees	45	43
Work-related accident and disability allowance for retirees and those with vested rights	424	381
Early retirement	1	2
4. Financial transactions		
Cross currency swaps on bonds	174	
Cross currency swaps on deposits	52	53
Foreign exchange swaps on commercial paper	133	381
Train lease transactions and leaseholds	118	166
TOTAL	1,375	1,505

Commitments received	31/12/2020	31/12/2019
Cross currency swaps on bonds	174	
Cross currency swaps on deposits	52	53
Foreign exchange swaps on commercial paper	133	381
Commodity hedges	13	11
Bank guarantees received from suppliers	399	344
TOTAL	771	789

The discount rate used to calculate post-employment benefits was 0.25% as at 31 December 2020. It was 0.75% as at 31 December 2019.

17 — Train lease transactions and leaseholds

17.1 Leasehold transactions

	31/12/2020	31/12/2019
Lease receivables	211	200
Lease payables	214	203
Net capital gain to be spread	2	3
Change in NPV = effect on net income	0	0

The impact on 2020 income of the net present value is €0.1 million. The effects are recognised as extraordinary income and expense.

17.2 Swedish lease transactions

Impacts on cash position on the lease signature date

Agreements	
Swedish lease tranche 1 completed in 2002	1
Swedish lease tranche 1 completed in 2004	0
Swedish lease tranche 2 completed in 2004	1
RATP NET GAIN	2

18 — Leases

RATP has two real estate lease-purchase contracts with floating rate payments. They are covered by fixed-rate hedging instruments. The figures presented below include the hedges.

Agreements	Original value	Term (years)	Residual value as at 31/12/2020
Philidor Maraïchers	25	25	14
Lagny offices	12	15	7

Leased assets

Balance sheet item	Initial cost	Depreciation allowance		Net value
		for the financial year ⁽¹⁾	accumulated ⁽¹⁾	
Land	3			3
Buildings	40	1	22	18
Technical plant, equipment and industrial tooling				
Other intangible assets	1			1
Fixed assets in progress				
TOTAL	44	1	22	22

(1) Depreciation for the financial year and the accumulated depreciation that would have been recorded if RATP owned these assets.

Lease commitments

Balance sheet item	Lease payments		Outstanding lease payments			Residual price
	of the financial year	accumulated	up to 1 year	1 to 5 years	more than 5 years	
Land					3	
Buildings	2	23	3	16	7	2
Technical plant, equipment and industrial tooling						
Other intangible assets		1				
Fixed assets in progress						
TOTAL	2	24	3	16	10	2

19 — Statutory Auditors' fees

The statutory audit fees incurred for the legal audit of the financial statements are broken down as follows:

	KPMG	Mazars
Statutory Auditors	0.3	0.3
Work/services directly related	0.1	0.0
TOTAL	0.4	0.3

20 — Subsidiaries and equity investments

20.1 Breakdown of subsidiaries

The table below provides financial information on the companies in which RATP holds more than 20% interest or equity investments of more than €1.5 million.

	Share capital	Additional paid-in capital	% of interest held by RATP	Book value of shares held		Loans and advances granted by RATP and not yet repaid	Guarantees granted by the RATP	Revenue excluding taxes at end December 2020	Provisional net result at end December 2020	Dividends received by RATP in 2020
				Gross	Net					
RATP PARTICIPATIONS 54, quai de la Rapée 75012 Paris (Siren 844 839 415)	517		100	517	517	0	0	0	0	0
RATP COOPÉRATION 54, quai de la Rapée 75012 Paris (Siren 419 997 044)	91	24	100	91	91	2	0	0	2	0
RATP PARIS RÉGION 54, quai de la Râpée 75012 Paris (Siren 844 695 890)	5		100	5	5	0	0	0	0	0

20.2 Items relating to related parties

Related parties concern companies included in the consolidation scope.

The main transactions with related companies and the amounts due to these related companies, or from them, are broken down as follows:

	31/12/2020	31/12/2019
Assets		
Financial assets	777	754
Trade receivables and related accounts	17	14
Other receivables	4	5
Other financial receivables	9	8
TOTAL	807	781
Liabilities		
Financial liabilities		
Trade and related payables	74	15
Other liabilities		
TOTAL	74	15

20.3 Major stakes and takeovers

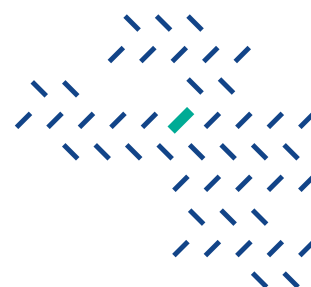
In accordance with the provisions of article L. 233-6 of the French commercial code during the previous financial year, RATP did not acquire a direct stake in any company having its registered office in France.

20.4 Inter-company loans

During the last financial year, RATP did not grant loans on an ancillary basis of less than two years to micro-companies, SMEs or mid-sized companies with which it has an economic relationship that would justify these loans (article L. 511-6 of the French commercial code).

21 — Economic interest groups

	RATP share of operating expenses
EURAILTEST 1, boulevard Saint-Martin 75003 Paris (Siren 421 526 468)	10.00%
COMUTITRES 21, boulevard Haussmann 75009 Paris (Siren 433 136 066)	59.50%



22 — Differentiated accounts of separate accounting activities

The Greater Paris law imposed, as from 1 January 2012, the accounting separation of RATP's activities as a rail network infrastructure manager and as a transport operator.

The LOM extends the obligation of accounting separation by requiring separate accounts for the following activities:

- the transport operations activity;
- the infrastructure management activity;
- technical management of the Greater Paris public transport network;
- the activity carried out by its internal security department (from 1 January 2021).

"Other" activity covers, from 1 January 2021, the other operations carried out by the EPIC, distinct from the previous ones, notably the activities associated with the parent company function held by the EPIC.

In accordance with the provisions of article L. 2142-16 of the French transport code, the purpose of the accounting separation is to prohibit any cross-subsidisation, direct or indirect, of the separate accounting activities and to ensure that no public aid paid to one of these activities can be assigned to another.

The accounting separation meets the following general principles:

- **stability over time:** the general principles of accounting separation have been applied since the separation of the public passenger transport service and infrastructure management activities on 1 January 2012, and are used for the creation of new separate accounting activities. The rules and methods governing the definition of the scopes and the allocation principles remain stable from one year to the next, unless circumstances change which would justify their review;

- **transparency:** the balance sheet and income statement items of each separate accounting activity are periodically justified by assets, operations or transactions, ensuring a clear identification of the assets, liabilities, income and expenses allocated to each activity. The allocation keys are formalised and justified. The allocation rules are described in the accounting separation framework;
- **homogeneity:** the rules described in these guidelines are applicable in a homogeneous manner to all activities that are accounted for separately;
- **auditability:** the financial statements of the separate accounting activities are certified annually, in accordance with article L. 2142-16 of the French transport code;
- **priority to direct allocation:** the direct allocation of assets, liabilities, income and expenses is applied as soon as the event giving rise to the transaction allows it to be linked to a specific separate accounting activity;
- **non-discrimination:** the principle of direct allocation is preferred. In the case of re-invoicing, expenses are re-invoiced on a priority basis; otherwise, allocation keys are identified by type of transaction.
Moreover, the public institution guarantees accounting separation with a duplication of modules by separate accounting activity, and an accounting and analytical allocation directing transactions to an activity;
- **traceability in general accounting:** RATP EPIC's financial statements are the consolidation of the financial statements of the various activities that are accounted for separately. The reconciliation between the financial statements of the separate accounting activities (balance sheet and income statement items) and the financial statements of the RATP EPIC entity is regularly carried out and justified.

RATP submits the rules governing the accounting separation of these activities to the control of the Transport Regulatory Authority (ART). The Transport Regulatory Authority approved the rules for accounting separation in its decision No. 2021-012 released on 11 February 2021.

Key figures (2020)

	Transport operations	Infrastructure management	Infrastructure management for Greater Paris	Excluding transactions between accounting-separated activities	Epic
Balance sheet total	12,904	11,937	11	(159)	24,693
Revenue	5,000	1,017	2	(1,255)	4,764
Net income	(147)	164	0		17

The "security" and "other" activities will be separate accounting activities from financial year 2021.

23 — Post-balance sheet events

Nil.

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PRACTICALITIES

RATP Group's activity and sustainable development report and the financial & CSR report are also available at www.ratp.fr under the heading "Group".

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