



July 2018

COMMUNICATION ON PROGRESS, 2017

Message from the President

When it joined the United Nations Global Compact in 2004, Renault Trucks demonstrated its commitment to placing values that respect human rights and labour standards, protect the environment and help fight corruption at the core of its corporate responsibility and to promote them within its sphere of influence.

Benefiting from a century of truck expertise in France, Renault Trucks provides the transport industry worldwide with the tools it needs to perform tasks successfully and efficiently. We offer operators and users an extensive range of vehicles and services designed for a wide range of activities.

As a manufacturer, we have considerable responsibilities towards our customers, partners, employees and fellow citizens. We are striving for progress in sustainable mobility, by endeavouring to offer vehicles with ever-increased performance that are safer and more respectful of the environment. We ensure we design, produce, distribute and maintain them with utmost integrity, preserving the health of both our employees and our living environment.

I therefore re-confirm the commitment of Renault Trucks to comply with, implement and promote the 10 principles of the Global Compact in 2018.

Bruno Blin
President of Renault Trucks SAS

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, ending with a small 'X' mark.

Communication on progress, 2017

Renault Trucks performs its role as a manufacturer of industrial vehicles with integrity, in compliance with international regulations and according to the model of responsibility and sustainable development of the Volvo Group, of which it is a subsidiary. Based on the principles of the UN Global Compact, of which the Volvo Group has also been a signatory since 2001, this model also includes the 17 UN Sustainable Development Goals (SDG).

The contribution of Renault Trucks is consolidated at group level and forms parts of the [Volvo Group Annual and Sustainability Report](#), as well as a supplementary report, the [GRI G4](#), both available on www.volvogroup.com.

Renault Trucks sustainability is assessed by the independent rating agency Ecovadis.

I/Principles regarding human rights

Renault Trucks conducts its business in a responsible manner, in accordance with the principles set out in the Volvo Group's [Code of Conduct](#). This mandatory policy is a reference that applies to all group directors and employees.

The Code of Conduct, which was updated in 2017, sets out what is expected from all employees in clear and practical terms. It covers the question of human rights and specifically deals with harassment, non-discrimination, health and safety in the workplace, freedom of assembly and union membership, working hours, forced labour and child labour. The Code of Conduct confirms the group's full support for the United Nations Declaration of Human Rights. In addition, the Volvo Group is committed to implementation of the UN guiding principles on business and human rights

Renault Trucks directors and staff, together with all Volvo Group employees, are required to train in the Code of Conduct online by means of an intranet game called the Game of Conduct. Available in 14 languages, this game is completed by discussions on ethical dilemmas organised within the services and departments of the company. 75% of the Renault Trucks SAS managerial staff underwent this training in 2017.

Renault Trucks defends human rights both in its business and in the workplace by respecting individuals and providing good working conditions. The company encourages diversity and does not tolerate any form of discrimination with regard to gender, race, religion, handicap, sexual orientation, nationality, political opinions, union membership or social and ethnic origin. It offers its employees a safe working environment, respecting freedom of assembly and collective negotiations. It does not tolerate either compulsory/forced labour or child labour.

Respect for human rights is included in framework agreements signed with Renault Trucks suppliers. To avoid and minimise the risks of human rights violations, suppliers are evaluated according to their business sector and geographical origin. As part of the programme introduced to defend human rights in the supply chain, supplier performance in terms of corporate responsibility is also evaluated. These assessments are conducted by the centralised structures of the Volvo Group and detailed in the [Volvo Group Annual and Sustainability Report](#).

II/Principles regarding labour standards

Renault Trucks scrupulously complies with labour law wherever it does business and acts in accordance with the Volvo Group Code of Conduct.

- **Non-discrimination**

Renault Trucks recruits and treats its employees without discrimination as regards gender, race, religion, age, handicap, sexual orientation, nationality, political opinions, union membership or social and ethnic origin. Diversity in the workplace is encouraged at all levels.

- **Labour law**

No form of forced labour, compulsory work or work by children is tolerated at Renault Trucks. The minimum age of hiring is the age of the end of compulsory schooling. Freedom of assembly, together with collective bargaining rights and the signing of agreements, is respected in all sites.

- **Working environment**

All Renault Trucks employees are guaranteed an environment that meets all required health and safety conditions.

Renault Trucks undertakes to actively promote health and safety, whether physical, psychological or social, in the workplace for its employees.

Social dialogue

Renault Trucks respects freedom of assembly and recognises collective bargaining rights. The company is committed to encouraging social dialogue at all levels and promotes relations of trust with its social partners, based on consultation and dialogue for the benefit of developing economic performance and the well-being of employees.

In 2006, an agreement on social dialogue was drawn up and signed by all unions. This offers social partners the resources to effectively perform their role with respect to various organisations and negotiations, thereby developing quality dialogue between human resources teams, the management and social partners.

In 2017, Renault Trucks and staff representation bodies negotiated 8 bargaining agreements, including on the Intergenerational Contract, the distribution of added value, a group retirement savings plan (PERCO), the right to disconnect, use of the time-saving account and a healthcare expense scheme. Twelve post-agreement commission meetings were held.

During the year, 11 central works councils (CWC) meetings were organised, together with 2 training commissions, 2 commissions on quality of life in the workplace, 1 economic commission and 2 meetings with the board of management (including the President) and a France group committee meeting.

Health and safety in the workplace

Renault Trucks is continually endeavouring to ensure the health and safety of its employees.

A Safety network, comprising 45 members - correspondents, working conditions/safety coordinators, specialists in ergonomics and doctors - met regularly in 2017 to share good practice, draw

up safety audits for each site, standardise behaviour and implement the current Health & Safety guidelines throughout the Volvo Group.

In the field of psycho-social risks, Renault Trucks provided its organisations with three different assessment methodologies to enable them to perform annual assessments adapted to the specific features of the various sectors of the company.

Lastly, a health and safety manager was appointed to provide support for dealerships in the distribution network throughout France.

Combating discrimination and promoting equal opportunities

Renault Trucks is committed - principally through the negotiation of various agreements - to implementing a Diversity and Inclusion policy based on 4 focal areas:

- equal treatment (equal opportunities based on competence, without distinction of gender, age, ethnicity or origin, religion, handicap, or sexual orientation)
- combating discrimination
- combating harassment
- a recruitment policy that promotes diversity

- *Employment and handicap*

Renault Trucks SAS and its social partners have embraced the 9th Handi'Accord agreement for 2016-2018. This provides the framework for the company's undertakings as regards the recruitment, integration, training, insertion, continued employment and support of the handicapped. It also includes initiatives to promote specially adapted and protected work environments (such as the sheltered-employment organisation ESAT and specially adapted companies) and measures to help employees with handicapped spouses or children. The agreement, which is managed by the company's Human Resources Centre of Expertise and coordinated by a network of correspondents, is applied throughout the five Renault Trucks SAS sites in France.

In 2017, Renault Trucks signed a Diversity and Handicap Charter with 5 partner temp agencies and participated in ten special events involving the employment of handicapped people.

- *Gender equality*

A company agreement on gender equality, drawn up in 2011, was renewed in 2015 for a further 3 years and signed by 5 trade unions. This agreement included undertakings on career promotions, the balance between working lives and the exercise of family responsibilities and the development of inclusion within staff teams. The agreement also encourages the expansion of internal networks, such as WIN (Women Inclusive Network), which was created to support the personal and professional development of women and promote diversity. In 2017, WIN had 407 members, 22% of which were men.

On a like-for-like basis, women represented 37% (42% in 2016) of total recruitments in 2017 (including permanent contracts, temporary contracts, sandwich course employees, but excluding agency temps). The proportion of women in the workforce increased 0.5% to 21.2%. They represented 20% of the management team, compared to 19% in 2016. Seniors (over the age of 50) accounted for around 25% of the total workforce. A little over 4.5% of recruitment involved those aged over 50.

Specific gender equality action plans were carried out in 2017, particularly in the Manufacturing division. Renault Trucks is working alongside its temp agencies to ensure increased diversity of recruitment. The proportion of women hired as operators has increased, for example, representing 14% of recruitment in engine assembly and 50% in replacement part logistics. Renault Trucks is also acting to promote careers for young women, especially in technical areas. An example of this can be seen in the high schools in and around Lyon, through the activity of the OPE (*Objectifs pour l'emploi des cadres en Région Rhône-Alpes*) Association.

- *Diversity and inclusion*

Renault Trucks, which has been a signatory to the LGBT Charter (created by the Association *L'autre Cercle*) since 2013, has undertaken to create an inclusive environment in France for employees concerned, as well as ensuring equal rights and treatment and supporting victims of discriminatory comments or acts. This undertaking is fully in line with the Volvo Group policy, which also supports a worldwide internal LGBT network called V-Eagle. All Renault Trucks sites actively took part in the 4th Diversity and Inclusion Week organised within the Volvo Group in October 2017.

Renault Trucks signed a new 2017-2020 agreement on the Intergenerational Contract introduced by French law in 2013. The agreement provides for new measures to promote the long-term insertion of young people aged under 30 (recruitment targets, induction and integration, mentoring and tutoring) and employment of the over 55s (continued employment, facilitating the latter years of careers, transfer of skills/knowledge and ergonomics). Partnerships with schools have been strengthened and the support and follow-up provided for students on sandwich courses has been increased. The company has continued its work on improving working conditions and reducing physical strain. In 2017, young people represented 34.31% of new recruits on permanent contracts. The Engineering Graduate Programme, designed to target graduates, led to the recruitment of 6 engineers. Senior employees accounted for 6.55% of all recruitments and 24.9% of the total workforce (permanent contracts).

In 2017, Renault Truck supported a range of initiatives in France to promote equal opportunities in partnership with a number of associations in the Lyon region. These included *Article 1* to assist students from underprivileged backgrounds, *Social Builder* to encourage women into digital careers, the *Rhône Développement Initiative* to support start-ups in disadvantaged urban areas and *ALPES*, which organises back-to-work projects for young people in disadvantaged neighbourhoods. In addition, the company has continued to develop relations with the education sector to encourage closer ties between schools and the company.

III/Principles regarding the environment

Renault Trucks is continuously working to reduce the impact of its activities on the environment and contributing to the development of a sustainable system for transporting goods by road.

Renault Trucks applies an environmental policy based on a management system that involves its distribution network, suppliers and partners. The company also plays a role in the group's long-term environmental plan. The industrial facilities in France are organised to limit consumption of energy, water and raw materials, as well as reducing waste and ensuring continued improvement in environmental performance. Vehicles are designed to maximise re-use of materials and all Renault Trucks vehicles are assembled in ISO 14001 certified plants (first certification in 2001).

Renault Trucks has introduced an operational standard throughout its distribution and repair network of 1,440 service and sales outlets worldwide. It sets minimum environmental requirements with respect to local regulations, covering the sorting and disposal of waste, consumption of energy and natural resources and the prevention of environmental risks. Renault Trucks also requires its suppliers and partners to be certified ISO 14001 or to have implemented a programme of continuous progress.

In light of the challenges created by climate change, Renault Trucks develops and markets practical solutions to effectively reduce CO₂ emissions, including optimised diesel engines, all-electric vehicles, vehicles powered by natural gas, eco-driving training, fleet management tracking tools and embedded data.

Protection of the environment on sites and in the distribution network

Renault Trucks continued the rollout of its plan to reduce emissions and promote energy savings following its carbon footprint audit updated in 2015 and the energy audits performed the same year. These initiatives will directly contribute to environmental cooperation on reducing the carbon footprint established in 2010 between the Volvo Group and the WWF. Under its WWF *Climate Savers* programme, the Volvo Group is committed to lowering its CO₂ emissions by 8% in production, by 40 million tons for the use of its products and by 20% for its logistics, all by 2020. At the end of 2017, energy savings already totalled 102 GWh of the targeted 150 GWh. Between 2012 and 2017, energy consumption per Renault Trucks manufactured vehicle fell 38%.

In 2017, plants, recycled and reprocessed 99.4% of non-hazardous waste (95% in 2012), as a result of ongoing actions to reduce the volume of waste, improved sorting and the sourcing of new recycling channels. Sites are committed to a programme aimed at zero landfill waste and obtaining the Volvo Group's own *Landfill Free* certification.

Production and logistics sites take the environment into account in all their renovation or reorganisation programmes (changing processes or equipment, installing more efficient lighting, new boilers, improving insulation, double glazing, etc.). In its plant in Bourg-en-Bresse (Ain-France), Renault Trucks signed a partnership with an Intercommunal Association to help rehabilitate a watercourse running through its site.

Operations to provide information and raise awareness of environmental issues are organised throughout the year for all company employees, as well as sector by sector, targeting specific activities and departments. Renault Trucks organised a series of events to mark the European Sustainable Development Week from 29 May to 2 June 2017 and encouraged employees to participate in the WWF *Earth Hour* initiative on 25 March.

In 2017, Renault Trucks introduced environmental clauses in contracts with its distributors and organised the recovery of end-of-life utility vehicles in its network in France, in compliance with regulatory requirements.

Sustainable transport of goods

In 2017, Renault Trucks continued market distribution of products and services that render road transport more efficient and help reduce its effects on the environment, notably via the Renault Trucks D Wide CNG with horizontal exhaust, designed for the distribution sector.

In the field of electro-mobility, Renault Trucks has prepared its future range of zero-emission vehicles by supplying the French haulage company Delanchy with the prototype 13-ton fully-electric Renault Trucks D Wide. Equipped with a refrigeration unit that is fully powered by the vehicle's traction batteries, the truck is being tested in real operating conditions for the delivery of fresh produce in city centres.

Renault Trucks has continued its research into improving the energy efficiency of trailer trucks by launching FALCON, an experimental project to develop a complete heavy goods combination that reduces fuel consumption and CO₂ emissions by 13% compared to a standard coupling. Technological developments focus on the optimised aerodynamics of the truck and trailer combination, connected low rolling resistance tyres and predictive energy-saving driving aid and fuel management functions, together with an improved powertrain using a new-generation Rankine heat recovery system and optimised lubricant formulations.

Testing continued of the UrbanLab2 laboratory vehicle, conducted as part of the EDIT (Efficient Distribution Truck) project that aims to reduce distribution vehicle consumption by 13%. Based on a Renault Trucks D Wide model, this vehicle is fitted with a low-voltage micro-hybrid system that recovers

part of the braking energy to drive auxiliary equipment. It also connects to traffic lights, enabling it to anticipate changes in the lights to set a speed profile that minimises fuel consumption. Renault Trucks won the "Low Emissions Driveline Award" for this project, awarded by the LUTB Transport & Mobility Systems cluster and the PFA Automotive Industry and Mobilities, which brings together representatives from the road transport and automotive industries in France.

Renault Trucks has explored the potential of metal additive manufacturing as an engine manufacturing process. Renault Trucks engineers demonstrated that this technology could be used to reduce the number of parts of a 5-cylinder engine by 25% and reduce its weight proportionally by 120 kg. Lighter engines use less fuel, thereby reducing CO₂ emissions.

Lastly in 2017, Renault Trucks organised the 4th edition of its international Optifuel Challenge eco-driving competition, attracting 2,500 drivers from 30 countries. Renault Trucks provided its customers with over 3,000 hours of eco-driving training.

IV/Principles regarding corruption

Renault Trucks attaches significant importance to its credibility worldwide and conducts its business ethically and in compliance with the laws and regulations that govern its activities. The fight against corruption is an area in which compliance with laws is of primary importance. It is in the interest of Renault Trucks to combat corruption, since such practices distort the normal forces of competition and prevent transactions from being agreed under normal terms of profitability. Corruption is harmful to the governance, reputation and ethics of Renault Trucks, as well as exposing the company and the individuals concerned to prosecution for serious wrongdoing.

To protect its reputation, Renault Trucks belongs to the Volvo Group anti-corruption programme, which consists of a range of rules set out in a series of internal documents, including the Code of Conduct and the Anti-corruption Policy, as well as a wide range of tools for training, dialogue, advice, assistance and auditing. Its aim is to anticipate attempted corruption and prevent Renault Trucks and its partners from becoming involved.

The Anti-corruption programme is based on identifying and reducing risks through appropriate training and processes. These corruption risks are established in accordance with sales distribution models, the type of client and the country involved. They are continuously evaluated to ensure the programme remains relevant. Inspections are regularly performed on commercial partners and are a key element in reducing risks. In addition, the programme sets out specific procedures governing the signing of contracts.

Renault Trucks is prohibited from offering any awards or benefits to its clients/prospective clients, governments, government agencies or the representatives of these entities, which breach applicable laws or generally accepted commercial practice. This prohibition specifically targets the use of third parties to make unjustified payments, directly or indirectly, to international public sector employees, government officials or to related individuals and institutions.

The Anti-corruption programme applies to all Renault Trucks employees, together with its commercial partners and agents, in all geographic areas in which Renault Trucks has a presence. Training in the content and requirements of the Anti-corruption programme is available. They can view Anti-corruption programme documents on the Renault Trucks intranet accessible on computers provided, including those located in specific offices and on production lines for employees that do not use computers in their daily work. Training for staff in the sales, financial and legal departments is priority and mandatory.

Any suspected breaches of the Anti-corruption programme must be reported to the Volvo Group anti-corruption programme manager, who then reports the acts to the authorities concerned, if appropriate. The manager is also available to answer any questions regarding implementation of the Anti-corruption programme. As stipulated in the Code of Conduct, in the event of a conflict between applicable local laws and the provisions of the Code, local law prevails.

In 2017, the majority of sales contracts between Renault Trucks and its distributors worldwide, whether renewed or newly established, were subjected to an anti-corruption audit and the drafting of the contract included anti-corruption clauses.
