

COMMUNICATION  
ON PROGRESS

## PROGRESS REPORT 2005

### Our commitment in 2005

Renault Trucks designs and manufactures almost 70,000 commercial vehicles each year and sells them in over 100 countries. Through their productivity, quality and reliability, our vehicles play a major economic and social development role. But, at the same time, they must feature real safety and environmentally friendly characteristics throughout their life cycle. Therefore, Renault Trucks feels enormous responsibility to the whole of society, and has a desire to provide concrete solutions and significant progress to fulfil those responsibilities.

Since January 1<sup>st</sup> 2001, Renault Trucks has been part of the Volvo Group, whose commitment to respecting the principles of the Global Compact were announced at the time. The values of the Volvo Group – quality, safety and the environment – are a common basis for its activities. Renault Trucks identifies with these fundamental values and has defined its own value system completely in keeping with that of the parent company.

At the very heart of our concerns, respect for the environment has, over recent years, translated into a broad investment throughout the company, with a particularly forceful commitment made during 2005. It is for this reason that we have chosen this year to talk more openly about Renault Trucks' efforts in this field.

### The company's environmental policy

#### Communications surrounding our environmental policy

Renault Trucks has prepared and published an environmental charter. This document, which carries the signature of the President and is broadly distributed amongst all employees of the company and its network, is a solemn commitment to apply the principles of the company's environmental policy

So as to better understand our efforts and results in the environmental protection field, Renault Trucks is publishing and distributing a document entitled "**Renault Trucks, the environment in its purest form**" in which the different environmental protection actions led are detailed, explained and illustrated. It concerns all the company's areas of activity. For our customers, our partners and our commercial networks, the publication is an information and reference document on Renault Trucks' commitment to protecting the environment.

For the first time in the company's history, a major awareness-raising operation has been led amongst members of staff in 2005 in the form of an "**Environment week**". This initiative was designed to ensure that the efforts and successes of each site, as well as Renault Trucks' objectives in the area of environmental protection, are better known. By insisting on the investment of each employee through his daily work and his life as a citizen, this programme is intended to demonstrate the great benefits such behaviour offers for society, through its propensity to protect our living environment.

This week of information and demonstrations is also intended to show the public and people living near our sites what the company is doing in the ecological field.

### **Actions in favour of the environment and their results**

Renault Trucks has obtained ISO 14001 certification for each of its industrial sites. However, in the life cycle of a truck, it is the truck's day-to-day use which raises the most serious environmental problems, on account of the nuisances it can create (pollution, noise, waste) through its use and maintenance.

Substantial progress has been made in reducing these nuisances using technologies and new methods and organisational approaches, but more importantly, through an unswerving commitment to success.

#### **Reducing vehicles' pollutant emissions:**

We have initiated very substantial efforts in new technologies which have, since 1990, allowed us to reduce Nitrogen Oxides (NOx) by more than 70%, and particulate emissions by 90%, within the framework of the Euro standards.

By way of an example, in France in 2005, we have contributed to an effort which has seen 85% of goods (expressed in vehicles x kilometres) being transported using recent and very low-pollution-technology vehicles. And progress is rapid: new and important steps forward are forecast for 2006 and 2009 to reduce NOx rejects and particulate emissions still further. They will involve new technologies such as selective catalytic NOx reduction (SCR) systems for all our vehicles combined with sophisticated electronic devices for monitoring and controlling emission performance. These mechanisms, which are currently under development, are monopolising much of our design personnel's time.

#### **Reducing vehicle noise still further**

Noise emissions from engines and mechanical units on our trucks have been reduced (80 dbA according to the most recent Euro standards) to a point where the noise generated by road contact is now greater than engine noise.

We are working on reducing the latter in collaboration with tyre manufacturers and road builders so that this nuisance, directly felt by those living around roads, can be substantially reduced.

In the area of urban delivery and waste collection, 2005 saw us start selling vehicles running on natural gas, offering high performance in terms of operating noise (a gain of 3 dbA). In the same way, research projects are under way to design totally silent urban delivery vehicles.

#### **The fight against the greenhouse effect**

Combating the greenhouse effect is a new and major challenge for Renault Trucks: diesel consumption has been reduced by 50% since 1960. Because of the considerable increase in demand for mobility, this effort needs to be continued and consumption reduced still further, to optimise consumption of fuel per m<sup>3</sup> / tonnes transported in the trucks that we design and manufacture.

The fact is that consumption is a major criterion in purchasing patterns and we, over recent years, have sought to ensure the best energy performance possible from our engines. These efforts are continuing today with the development of SCR systems which will, when they come into service within the next year, offer a new and substantial improvement to heavy-duty truck fuel consumption.

Renault Trucks is also working on the development of other mechanisms which may reduce a vehicle's consumption (aerodynamics, stop and start, etc...).

Finally, Renault Trucks has embarked upon an awareness-raising campaign targeting the whole of the road transport sector (hauliers, freighters, public authorities) in order to identify new ways of saving fuel together, with, for example, training for drivers in economical driving, the elimination of traffic blackspots and improved vehicle maintenance.

**Vehicle recycling**

The end-of-life phase of commercial vehicles presents no major environmental problem because of the small number of vehicles involved. However, it is taken into consideration by Renault Trucks through their three-pronged initiative in this area:

- at the time of design, the choice of materials and their use in the vehicle are studied in such a way as to allow recycling operations to be carried out under the best possible conditions. All product ranges from Renault Trucks are over 90% recyclable;
- the development and improvement of demolition and recycling channels;
- the creation of specific, acceptable economic conditions which encourage the development of recycling, in collaboration with specialised organisations.

The renovation of mechanical units has also seen big steps forward, with the opening of the new Limoges plant at the end of 2003, allowing us to recondition engines and gearboxes and thus contribute to substantial progress on the energy saving front.

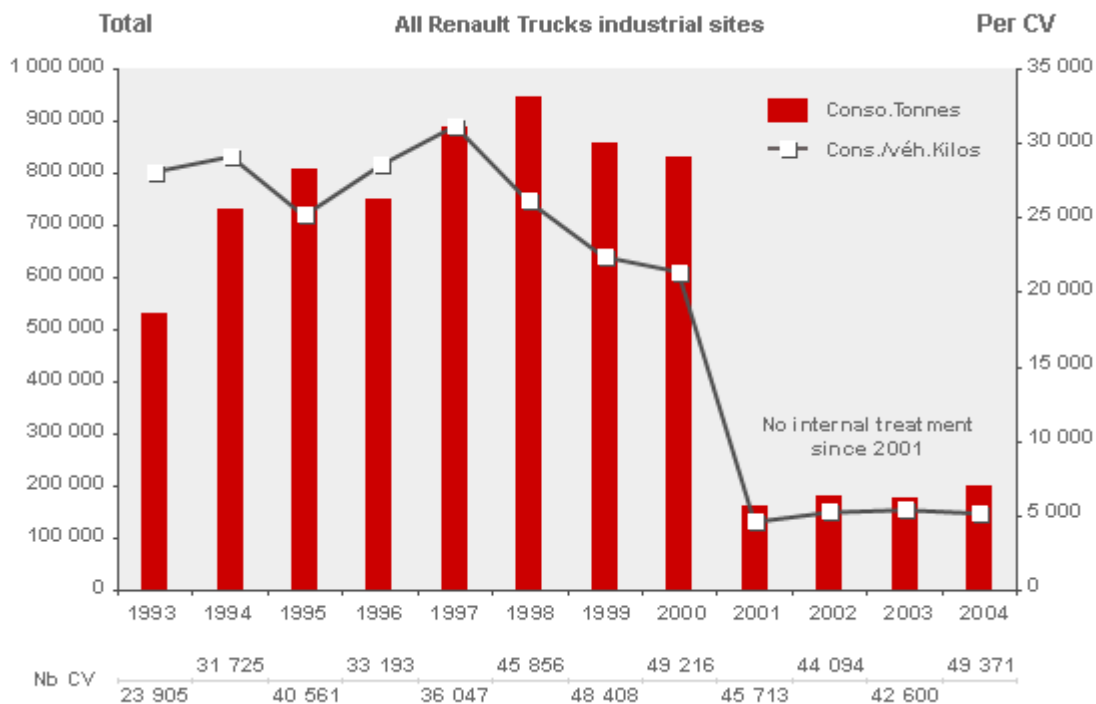
**Environmental management systems**

Renault Trucks has set up an environmental management system (EMS) which guarantees that its industrial apparatus will manufacture and its network will offer services under the best possible conditions of environmental protection.

The system is based on three basic fundamentals: standard organisation for each entity, shared methods and tools and shared documentation in order to ensure the generalised implementation of the company's environmental policy.

**The industrial apparatus**

Our production sites scrupulously take on board the requirements of environmental policy at every level: limiting waste, recovering special or ordinary industrial waste, solids and liquids, treating paint sludge and oil waste, etc... By way of an example, 85% of ordinary industrial waste (OIW) is recycled and reused.

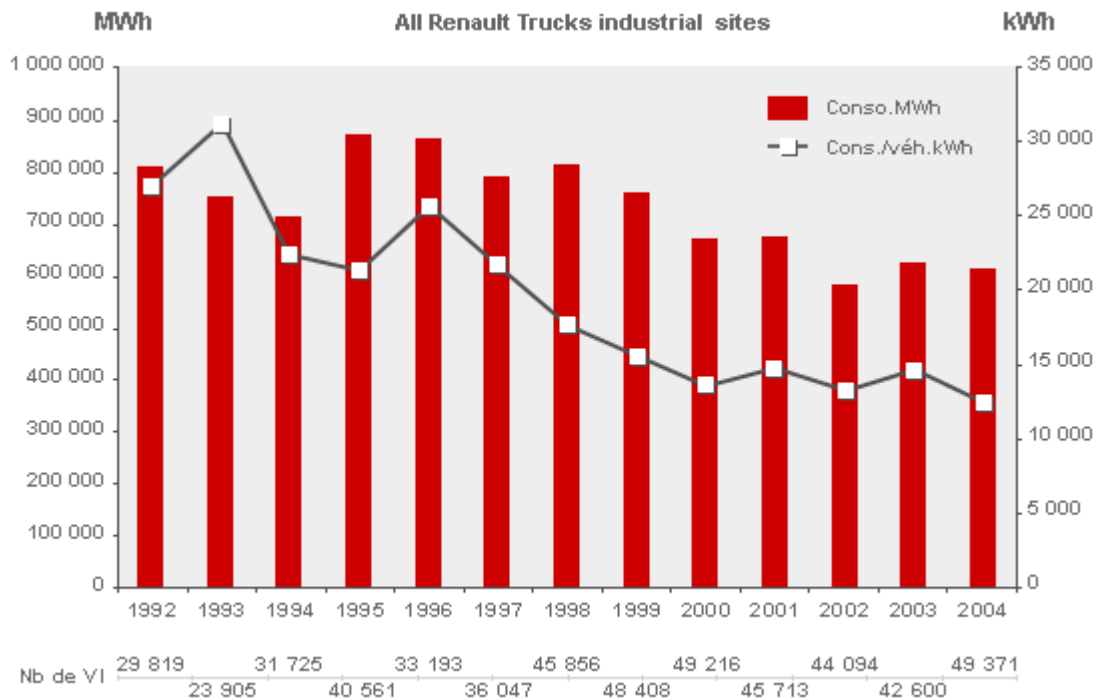


**Waste consumption per CV produced**

Each site has set up systems of re-processing and introduced surveillance operations which monitor liquid emissions (waste and treated water) and gaseous emissions (incineration) and the capacity to respond to emergency environmental situations. It is also committed to training employees and communicating its commitment to protecting the environment by distributing good practice guides to all members of staff, for example.

Major efforts have been made to replace products which damage the environment or their users by products which are little- or non-pollutant. This is illustrated, for example, by the use of solvent-free hydro-soluble paints.

Energy consumption (natural gas and electricity) are subject to constant monitoring.



**Waste consumption per CV produced**

Our suppliers, who are very much involved in the creation of each truck we manufacture, must also respect our environmental values in their own manufacturing processes.

**In our service network**

The life of a truck is also about maintenance and repair, both of which are activities which generate waste we must manage.

Renault Trucks has set up an extension to its environmental management system throughout the network so that each establishment which provides services for it respects very strict environmental standards. This organisation is particularly demanding, on account, in particular, of the broad distribution of this activity over the country and throughout the world, and the level of staff mobilisation involved.

### **Alternative energies**

Almost all the vehicles Renault Trucks manufactures are equipped with diesel engines. Given the irreversible and progressive disappearance of petroleum resources and the disadvantages of using fossil fuels – in particular in terms of the greenhouse effect and the need to use other sources of energy over the long, and indeed, medium term – Renault Trucks has undertaken several research projects to identify alternative fuel sources.

Thus, a range of natural gas vehicles has been launched in 2005 for urban distribution, waste collection and road works. This range will be added to and supplemented by new gas engines over the years to come. Research work is concentrating on the use of synthetic fuels over the medium term and more sophisticated technologies, such as fuel cells, over the longer term.

### **Other actions**

#### **The environmental management Masters diploma**

Renault Trucks is involved in the operations and work done for the environmental management masters created by the "Mécènentreprise" in Lyon. This masters course deals with all sorts of environmental issues and teaches techniques designed to protect the living environment.

This commitment to an educational initiative is all part of our desire to make as many fellow citizens as possible aware of ecological issues, to contribute to helping them think about environmental issues and enhance the dissemination of technologies and means to help protect the environment.

#### **Lyon trucks and bus competitiveness centre 2015**

The French government has launched a series of regional competitiveness centres seeking to develop wide-ranging, federating research projects.

Along with other companies, Renault Trucks has, since the beginning of 2005, led a joint commitment to the "Lyon Trucks and Bus 2015" centre on transport systems. Several research avenues explored by this centre target improvements to the environmental qualities of vehicles or their components, including such things as the reduction of noise in urban use and the development of alternative clean, energy-saving powertrains.

This initiative is an additional commitment by the company to the development and distribution of environmentally respectful technologies.