



February 2013

COMMUNICATION ON PROGRESS, 2012

Message from the President

When Renault Trucks put its name to the United Nations Global Compact in 2004, the company demonstrated its commitment to making human rights, labour rights, environmental protection and anti-corruption measures the focus of its corporate responsibility policy. To translate this commitment into concrete action, Renault Trucks ensures that all its manufacturing and commercial activities incorporate respect for the Global Compact's ten principles. We sincerely believe that the Global Compact is a source of progress and that its philosophy directly corresponds with our will to meet society's expectations to the best of our ability.

As a leading truck manufacturer, we have significant economic and moral responsibilities towards our customers, partners, staff members and fellow citizens. The core values of the Volvo Group, to which we belong, and the principles with which Renault Trucks has chosen to comply, provide us with a general framework that ensures our policies and actions are consistent with these responsibilities.

We are particularly keen to use all our expertise, conviction and passion to design high performance, safe, eco-friendly vehicles, which we can produce without harming our living environment or life-style.

The Global Compact offers an opportunity to present the progress we have made and thereby further strengthen our commitment to these responsibilities and share them with all Renault Trucks workforce members throughout the world, providing us with a further tool to help increase our influence and progress in these important areas.

I hereby renew Renault Trucks' commitment to implementing the 10 principles of the Global Compact in 2013.

Bernard Modat
President of Renault Trucks SAS

Communication on progress, 2012

Renault Trucks SAS, a subsidiary of the Volvo Group, conducts its business as a manufacturer of commercial vehicles with integrity, respecting both international regulations and the principles and values of its parent company, which itself adheres to the UN Global Compact. Renault Trucks' contribution to sustainable development is further consolidated at Group level and used for drafting the annual Volvo Groupe CSR and Sustainability Report, based on the GRI (Global Reporting Initiative) framework.

I/Principles related to human rights

Renault Trucks shares the AB Volvo Group's vision regarding human rights, as described in its Code of Conduct, a reference document which applies to all the Group's managers and staff, and is in line with the principles of the Global Compact initiative, expressing total support for the United Nations' Declaration of Human Rights.

In 2012, the Volvo Group's Code of Conduct was revised and extended to better reflect the company's responsible commitments. As with all staff working for the Group, all Renault Trucks managers and employees had access to this Code of Conduct and were made aware of its importance via an online training course on a company intranet website.

The Code of Conduct stipulates that, throughout its sphere of influence, the Volvo Group supports and respects universal human rights and ensures that it is not a party to any acts which might violate such rights.

Renault Trucks supports human rights in its business activities and in the workplace by respecting individuals and offering good working conditions. The company promotes diversity and does not tolerate any kind of discrimination whether with respect to gender, race, religion, disability, sexual orientation, nationality, political opinion or trade union affiliation, social or ethnic origin. It provides its staff with a safe workplace, respects freedom of association and collective bargaining, and refuses to tolerate either forced or compulsory labour, or child labour.

Framework agreements with the Group's suppliers all incorporate respect for human rights. Company suppliers are assessed by sector and geographical location, so as to avoid and minimise any risk of human rights violations. As part of efforts to guarantee respect for human rights throughout the supply chain, supplier performance regarding corporate responsibility is also assessed. Such actions are conducted by centralised divisions of the Volvo Group, acting on behalf of organisations like Renault Trucks. These activities are described in the Volvo Group CSR and Sustainability Report.

Apart from applying the relevant principles and procedures in its everyday business, Renault Trucks does not have any specific human rights actions to report for the year 2012.

II/Principles related to labour rights

Renault Trucks respects labour rights scrupulously wherever it conducts its business and acts in compliance with the Code of Conduct established by its parent company, the Volvo Group. The Code of Conduct affirms the following principles:

- Non-discrimination:

The Volvo Group hires and treats its employees in a manner which does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social or ethnic origin. Workplace diversity at all levels is encouraged.

- Labour rights:

No form of forced, compulsory or child labour is tolerated by the Volvo Group. The minimum employment age is the age of completion of compulsory school.

Freedom of association and the right to collective bargaining and agreements shall be respected in all Volvo Group entities.

- Working environment:

The necessary conditions for a safe and healthy working environment shall be provided for all Volvo Group staff.

Renault Trucks fully implements the Volvo Group policy of actively promoting its staff members' physical, psychological and social health, safety and well-being in the workplace.

Social dialogue

In 2006, Renault Trucks concluded a social dialogue agreement whose purpose is to use dialogue or negotiation to find a solution to any of the difficulties or differences of opinion inherent in any business activity. The agreement sets out principles defining the rights and responsibilities of each party, which must be respected, thereby regulating and sustaining good relations between management and staff representatives. The social dialogue based on these principles must be part and parcel of every aspect of company life, both in its management style and in relations with staff representatives.

It was in this context that many constructive dialogues took place between social partners in 2012. At company level, and without counting the various meetings taking place at individual sites, 6 ordinary and 5 extraordinary Central Works Council (CWC) meetings were held, as well as 2 economic CWC commissions, 2 training commissions and 1 CWC commission focusing on gender equality.

To make sure that these undertakings would be adhered to, the company and social partners took part in 8 commissions monitoring the agreement. Finally, 16 joint or negotiation meetings took place, plus 2 other meetings with the senior management (the company president), as well as a French Group Committee meeting. Altogether, almost 50 different meetings were organised with staff representatives in 2012. During this same year, collective negotiations between the Management and social partners led to the signature of 2 additional clauses to the company agreements. Negotiations on staff members' rights of expression were also initiated.

Well-being in the workplace

In 2012, the company actively pursued its initiatives in favour of well-being in the workplace.

Renault Trucks, which distinguished itself in 2011 for its initiatives designed to prevent stress in France, once again won the Volvo Group world Health, Safety and Well-being in the workplace award in 2012. This was earned by the highly organised "risk hunt" initiative, strongly encouraged by management at all levels, designed to reduce accidents involving sick leave in a sheet metal unit at the Blainville-sur-Orne site in Normandy.

Among the other initiatives in a manufacturing context, the Lyon site stood out for the excellent way it took into account ergonomics in a project involving new generations of engines, from product design right through to the production lines manufacturing them.

During the year, moves to combat addiction in the workplace in France were made by working groups including members from different professional backgrounds. Their task was to supply colleagues and managers of staff experiencing difficulties with information and recommendations designed to help them. Two awareness raising campaigns were carried out, one at the Bourg-en-Bresse assembly plant and the other in Lyon in a spare parts logistics department, altogether reaching almost 2,500 people. At the same site in Lyon, a Fitness facility was opened. This was in addition to the existing facilities which already include a crèche and concierge service.

Equal opportunities and the fight against discrimination

Renault Trucks fully supports the Volvo Group's policy on Diversity and Inclusion. This policy, which is displayed and shared with everyone employed by the company, sets out its determination to increase diversity within its teams and combat exclusion in all its forms. The policy is based on four fundamental principles:

- Equal treatment.
- Equal opportunities based on skills and regardless of gender, age, ethnic origin, religion, disability or sexual orientation.
- Working and employment conditions offering equality to all concerned.
- Zero tolerance for discrimination or harassment based on gender, age, ethnic origin, religion, disability or sexual orientation.

The Diversity and Inclusion policy governs the company's recruitment policy. Final selection of applicants for a post must reflect diversity and every effort must be made to achieve this. Initiatives undertaken by Renault Trucks for many years in this area may also be expressed in the form of a contract.

By signing an 8th company agreement with its social partners in 2012, Renault Trucks gave fresh impetus to its initiatives in the field of integration, training, career path tracking and continued employment for the disabled. In the course of the year, the company embarked on a number of wide reaching awareness raising initiatives such as the "*Taste buds & Disability*" event during National Disability Week which enabled staff members in France to experience a meal while "suffering" from a visual, auditory or motor disability. A training programme for managers launched in 2011 was completed. Other initiatives were also taken at the company's partner schools. In particular this involved the National Institute for Applied Sciences (INSA) in Lyon, France, where managers went to lead managerial case studies or give talks on the subject of disability.

The hiring of new ergonomists and putting into service two shuttles adapted for those with limited mobility at the Lyon site are two examples of the type of initiatives taken that enable the disabled to continue working. The Bourg-en-Bresse assembly plant went even further to incorporate the disabled staff of an ESAT (sheltered sector company) by employing 12 people in its logistics processes, under the

terms of a result driven contract which makes them responsible for the regularity of the outgoing flow provided by their team.

As a signatory to the Workplace Diversity Charter, in 2012, Renault Trucks was presented with an award in the Professional Equality category. This comes in recognition of a policy which has, in particular, consolidated greater equality between men and women in terms of salaries as well as education leading to a diploma and managerial responsibility. Under the terms of a company agreement on gender equality signed in 2011, an in-house WIN (Women Inclusive Network) network was set up to encourage women's personal and professional development and promote diversity. Open to men, the network has 150 members in France. Renault Trucks is also working to promote its activities to young women. This is taking place in the Lyon region where, for the third year running, the company has been involved in the "Déployons nos elles" program which has led to events in junior high schools as well as an agreement signed with the "Managerial Employment Objectives in the Rhône Alps region" (OPE) Association to carry out similar initiatives in secondary schools.

Using constant terms of reference, women accounted for 37% of all new recruits (excluding temporary staff) in 2012. Their share of the workforce is stable at 20% whereas their numbers at management level have slightly dropped to 18%. The seniors (aged 50 and over) make up 25% of the company's total staff. Their numbers have increased by almost 2%.

III/Principles related to the environment

Protecting the environment is another Volvo Group value shared by Renault Trucks, and one that takes the form of an ongoing commitment to reducing both the impact of the company's own industrial activity and that of the vehicles it sells. The company is fully involved in developing a virtuous and sustainable road haulage transport system to serve the community.

Renault Trucks applies an environmental policy based on specific commitments and a stringent management system which involves both its own network, its suppliers and its partners. The Renault Trucks industrial facilities are organised in such a way as to limit consumption of energy, water and raw materials, reduce waste production and deliver ongoing improvements in environmental performance. Its vehicles are designed to maximise reuse of materials, and every plant has achieved ISO 14001 certification.

To meet the challenge of climate change, Renault Trucks has continued in its efforts to develop concrete, successful solutions to the problem of carbon emissions, such as hybrid and all-electric vehicles, vehicles powered by natural gas, optimised diesel engines, training in responsible driving, fleet management software and on-board computers.

Protecting the environment at manufacturing sites and throughout the distribution network

In 2012, Renault Trucks continued with measures to improve the environmental performance of its production systems in France and also its sales network.

Renault Trucks has carried out a review of greenhouse gas emissions at all its sites. A 3 year plan involving over 100 different initiatives has been deployed with the aim of reducing the company's entire emissions by 10%. Each individual initiative is taken into account by the environmental management

system which regularly monitors results. Furthermore, the carbon footprint made by manufacturing the major vehicles in the range has been calculated so that their operators can draw up their own carbon audits.

Many initiatives designed to improve energy efficiency have been carried out at all sites (renovation of roofs, insulation, modernisation of interior and exterior lighting systems, improved electricity and heating consumption, acquisition of electrical vehicles for maintenance operations, etc.). Equipping 136,000 m² of warehouse space at a spare parts distribution centre in Lyon with lighting triggered by the detection of movement has enabled electricity consumption to be reduced by almost 60% and maintenance by 80%.

Following the resumption of mechanical component production (Drive axles & axles) near Lyon, rehabilitation work to achieve environmental compliance was begun. This involved the decontamination of soil polluted by machining activity in the past. Almost 4,000 m³ of polluted soil was removed and processed in 2012 at a cost of more than €500,000.

In its French branches, Renault Trucks has deployed an IT tool enabling it to constantly monitor the environmental compliance of each of its sites with national regulations as well as accurately steering its action plans focused on respecting the standards. Furthermore, all sites have been audited on their compliance using an in-house environmental management self assessment system. An improvement action plan has been defined for each one of them with implementation priorities.

Sustainable goods transport

In 2012, Renault Trucks made the reduction of fuel consumption and CO₂ emissions a watchword for the entire company, from the design office right through to aftersales.

With its *All for fuel eco* as a leitmotif, Renault Trucks continued supplying the market with its products and services designed to save fuel. These included its range of vehicles with optimised internal combustion engines, its *Optifuel Solutions* (technical equipment, instruction in rational driving, consumption measurement and analysis software) and its Clean Tech range made up of all-electric Renault Maxity delivery vans (GVW 4.5 t) and vehicles powered by hybrid diesel electric engines, the Renault Premium Distribution Hybrys Tech (GVW 19/26 t).

In 2012, Renault Trucks also contributed to promoting eco-driving by organising the *Optifuel Challenge*, a European competition first held in the autumn of 2012 in Seville, Spain, which brought together 33 drivers from 16 different countries. Finally, the smartphone application offering for road haulage professionals launched in 2011 was extended by the addition of *Truck Fuel Eco Driving*, a game for learning how to reduce fuel consumption without sacrificing efficiency and the *EcoCalculator* making it possible to assess the amount of NO_x and above all CO₂ emitted by each vehicle on each journey.

On the research front, Renault Trucks explores all technical possibilities which will enable fuel consumption to be reduced even further. One of the areas under study is the transformation of exhaust gas heat into electricity that can supply vehicles' auxiliary equipment with energy which does not come directly from the engine driveshaft. The company is also examining ways of incorporating a system based on the Rankine cycle into its long haul vehicles involving the recovery of exhaust gas enthalpy to be transformed into electricity via a generator built into the turbine. The Rankine system makes it possible to produce several kilowatts of electricity.

In the field of electromobility, new partnerships for experimental purposes have been set up. This has led to the Nestlé Group receiving two 13 ton all-electric Renault Midlum vehicles for assessment under actual operating conditions in Swiss towns. Similarly, Renault Trucks has contributed to developing a hybrid vehicle equipped with a refrigerated body using indirect cryogenics for the French haulier STAF and its customer, the Casino Group. This makes the refrigeration unit totally silent so that the vehicle can be operated at night or in the early morning by reducing noise nuisance to a minimum.

IV/Principles related to anti-corruption

Renault Trucks greatly values its reputation around the world and conducts its business ethically and in compliance with the laws and regulations governing its activities. Anti-corruption is a field in which legal compliance is of paramount importance. The prevention of corrupt practices is in Renault Trucks' interest since such practices undermine fair competition and present an obstacle to sound profitable transactions. Corruption jeopardises Renault Trucks' sound governance, reputation, and ethics. It exposes the company, as well as the individuals involved, to potentially severe legal consequences.

To protect its reputation, Renault Trucks adheres to the Volvo Group anti-corruption program, which consists of a number of rules outlined in a series of internal documents, including the Code of Conduct and the Anti-Corruption Policy. The Program is designed to detect and prevent Renault Trucks and any of its business partners from attempting to take part in corrupt activities.

Renault Trucks' policy is to not offer customers, potential customers, governments, government agencies, or any representatives of such entities, any rewards or benefits that may violate either applicable laws or generally accepted business practice. This applies in particular to the use of third parties, either directly or indirectly, to channel inappropriate payments to international civil servants or government officials, or to individuals or entities connected with such persons.

The anti-corruption Program applies to all Renault Trucks employees, and Renault Trucks agents and business partners, in every geographical location in which Renault Trucks operates. Training in the Program's content and requirements is available to all employees, who can also access the anti-corruption Program documentation on the Renault Trucks intranet, from any one of approximately 11,600 computers available to employees, including computers accessible in some of the offices and on the production line for any employees who do not use computers in the normal course of their employment. Employees working in the sales, finance and legal departments undergo priority, compulsory anti-corruption training.

Any suspected violation of the Anti-Corruption Program must be reported to the Head of Legal Affairs, who is in charge of the Renault Trucks Anti-Corruption Program. The person responsible for the Anti-Corruption Program must, where necessary, report any incidents of corruption to the appropriate authorities. Any questions concerning the implementation of the Anti-Corruption Program should be addressed to the person in charge of the Program. As stated in the Code of Conduct, in cases of conflict between the relevant local law and the provisions of this Code, the local law shall prevail.

In 2012, the most important sales contracts associating Renault Trucks with its distributors worldwide, whether renewals or newly drafted, were subject to an anti-corruption audit and also included anti-corruption clauses. A new in-house awareness raising campaign was also deployed, following which

all Renault Trucks staff members were invited to follow an online training course on the Volvo Group Anti-Corruption Program.
