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COMMUNICATION ON PROGRESS, 2013

Message from the President

By signing on to the United Nations Global Compact starting in 2004, Renault Trucks demonstrated its commitment to make human rights, labour rights, environmental protection and preventing corruption the basis of its corporate responsibility.

As a leading truck manufacturer, we have significant economic and moral responsibilities towards our customers, partners, staff members and fellow citizens. We are working to advance sustainable mobility by undertaking to design ever more efficient vehicles that are safer and more environment-friendly, to produce them while protecting the health of our employees and our lifestyle, and to sell them with full integrity.

As we set out to present our progress, the Global Compact allows us to enhance that responsibility and share it further with all Renault Trucks employees the world over. For us, it is a measure of progress.

I hereby renew the commitment by Renault Trucks to comply with and implement the 10 principles of the Global Compact in 2014.

Olivier Vidal de la Blache
President, Renault Trucks SAS

Communication on progress achieved in 2013

Renault Trucks SAS, a subsidiary of the Volvo Group, conducts its business of manufacturing industrial vehicles with integrity, in compliance with international regulations and in accordance with the responsibility and sustainability model of its parent company, also a signatory to the United Nations Global Compact since 2001. Renault Trucks' contribution to sustainable development is consolidated at the level of the Group and provides input to an annual report, the Volvo Group Sustainability Report, which is based on the G3.1 guidelines of the GRI (Global Reporting Initiative) and the Global Compact Communication on Progress principles.

1/Principles related to human rights

Renault Trucks shares the AB Volvo Group's vision on human rights as stated in its Code of conduct. That reference document, which applies to all managers and employees of the group, is in line with the principles of the Global Compact initiative and fully subscribes to the United Nations Declaration of Human Rights.

In 2013, both managers and employees of Renault Trucks, along with all of staff of the group, took on-line training on the Code of conduct that was revised and expanded in 2012 in order to better take into account internal and external changes in the organization.

The Code of conduct stipulates that, within its sphere of influence, the Volvo Group subscribes to and complies with the principle of universal human rights and makes every effort to ensure it is in no way in violation of them.

Renault Trucks seeks to defend human rights as part of its business activities and in the workplace, through proper treatment of every person and by offering proper working conditions. The company promotes diversity and does not tolerate any form of discrimination in terms of gender, race, religion, disabilities, sexual orientation, nationality, political opinions and union preferences, as well as social or ethnic origins. It provides its employees with a safe work environment, respects freedom of association and the right to collective bargaining, and does not accept forced, mandatory or child labour.

Our respect for human rights forms part of framework agreements signed with the group's suppliers. In order to prevent and minimise any human rights violations, those agreements are evaluated based on the pertinent business sector and geographic point of origin. As part of our efforts to protect human rights in the supply chain, we evaluate our suppliers' performance in terms of social responsibility. These actions are carried out by central units of the Volvo group that act on behalf of entities such as Renault Trucks. They are described in the Volvo Group Sustainability Report.

II/Principles related to labour rights

Renault Trucks scrupulously respects labour rights wherever it does business and acts in accordance with the Code of conduct of the Volvo group, of which it is part.

- Non-discrimination:

Renault Trucks recruits and treats its employees without any discrimination based on gender, race, religion, age, disabilities, sexual orientation, nationality, political opinion, union affiliation, or social and ethnic origin. At all levels, diversity in the workplace is encouraged.

- Labour rights:

No form of forced, mandatory or child labour is tolerated at Renault Trucks. Our minimum employment age is the same as the age at the end of compulsory education. Freedom of association, the right to collective bargaining and the right to sign agreements are respected in all of our establishments.

- Work environment:

All Renault Trucks employees are guaranteed a work environment that provides all of the required conditions for health and safety.

Renault Trucks undertakes to actively promote the health, safety and well-being of its employees, whether from the physical, psychological or social point of view.

Social dialogue

Each year, Renault Trucks makes every effort to fulfil its agreement on corporate social dialogue, established in 2006 and signed by all the unions. It grants its partners in labour relations additional ways to carry out their missions within the various fora or negotiations, and to thereby conduct frank discussions with management. Principles contained therein define the rights and responsibilities of each of the parties. The social dialogue thus engendered must comprise every aspect of the company's life, both in terms of management style and in its relations with personnel representatives.

As part of this approach, we held 6 ordinary and 7 special Central Workers Council (CCE) meetings, 3 economics commission meetings, 2 training commission meetings and 1 gender equality commission meeting, as well as various gatherings within our establishments.

In order to ensure that our engagements are properly met, the company and its labour relations partners have taken part in 8 agreement monitoring commissions. In addition, 2 meetings with senior management (meetings with the company president) and one negotiation meeting on renewal of the mandates of the members of the France Group Committee were held in 2013. Lastly, our labour relations partners and management took part in 29 discussion or negotiation meetings.

In 2013, those negotiations led specifically to the signing of 6 company agreements and 3 amendments. All told, 69 meetings were held with our labour relations partners.

Renegotiation of the agreement on work time was undertaken and will continue in 2014. Negotiations on standardization in the area of healthcare costs and retirement led to the selection of a single service provider for all of the divisions and legal entities in the Volvo group in France (13,000 persons). These enabled us to obtain an increase in the level of a substantial number of types of

coverage without increasing contributions, the establishment of a telephone support centre exclusively for the use of our employees and the creation of local agencies.

Well-being in the workplace

For several years now, Renault Trucks has instituted a Management System for Health, Safety and Well-being in the Workplace in order to continuously enhance our ability to ensure personal health and safety. In this respect, our production sites have already been certified or are in the process of obtaining certification. In 2013, this process was also undertaken in 2 major tertiary entities (IT system and IT engineering; analysis and research).

In 2013, Renault Trucks proceeded to completely renew its line of vehicles, a broad-reaching project where the ergonomics of our work stations was given due consideration starting with the designs for our products and production lines. Our high-standard goals, specifically to reduce physical loads and muscular-skeletal disorders, were achieved.

Preventing discrimination and promoting equal opportunity

As part of the Volvo group's activities in this sense, Renault Trucks has undertaken, especially by negotiating various agreements, to deploy a Diversity and Inclusion policy based on 4 basic principles:

- equal treatment (equal opportunity based on skills and experience without distinction by gender, age, ethnicity or origin, religion, disability and sexual orientation)
- efforts to prevent discrimination
- efforts to prevent harassment
- a recruitment policy that promotes diversity.

Embodied in its 8th company agreement, for 2013-2015, signed by all the unions, the company has maintained its commitment to permanent and temporary employment of persons with disabilities, despite the current economic crisis. It also intends to step up its placement of trainees with disabilities by enhancing its partnerships with schools.

In addition to operations to adapt work stations and its awareness campaigns for employees conducted throughout 2013, Renault Trucks has undertaken to promote its recourse to establishments and services promoting assisted work opportunities (ESAT) and disability-friendly employers (EA), by providing its administration with a handbook that lists them by area of activity. Financial assistance measures have been adopted to help both employees and their children with disabilities. When tertiary buildings were renovated at our site in Lyon, access ramps for persons with reduced mobility were systematically installed.

Our company actively strives to promote and optimise the recruitment and integration of its disabled employees, as well as their capacity to remain in their job. A centralised coordinating body and network of 15 coordinators throughout France enable us to maintain that commitment.

Under the terms of a corporate agreement on gender equality, signed in 2011, a "Women Inclusive Network" was set up to promote the personal and professional development of women and to promote the

involvement of women side by side with their male colleagues at all levels. This WIN network, which has 260 members and is also open to men, started a mentoring programme in 2013. Renault Trucks is also striving to promote awareness of its job sectors, especially the technical sectors, among young women. An example of this in the Lyon region is the company's participation, for the fourth year in a row, in the "Déployons nos ailes" [Spreading our wings] programme of the "IMS-Entreprendre pour la cité" association, which organises presentations in secondary schools. Similar events are held in senior-level secondary schools with the OPE association ("Managerial Employment Objectives in the Rhone-Alpes region") and, as of last year, with the association "Elles bougent" ('They're on the move').

Based on constant terms of reference, women in 2013 accounted for 48% of all new recruits (permanent, short-term and part-time contracts, excluding temporary staff). Their share of the workforce has risen to 20.6% and their presence at the management level is now 17%. "Senior" workers (ages 50 and over) account for 25% of all company employees. Their recruitment amounts to nearly 3% of permanent positions and is stable.

In 2013, Renault Trucks signed the LGBT charter (Lesbians, Gays, Bi- and Trans-sexuals) of the "L'autre cercle" association and has specifically undertaken in that respect to provide an inclusive work environment for those employees concerned, to ensure equal rights and treatment, and to provide assistance for victims of discriminatory speech or actions. This commitment is fully in line with the policy of the Volvo group, which also provides assistance to a worldwide in-house LGBT network, V-Eagle.

As part of the "Generational Contract" instituted by French legislation in 2013, and in furthering its action plan to support older employees, Renault Trucks has undertaken to deploy various actions over the next 3 years in order to promote and improve its recruitment, reception and integration of young people under age 30 within the company, to enhance inter-generational cooperation and to step up actions intended to promote the well-being and recognition of older employees in the workplace. This plan calls for the creation of a network of ambassadors to work with students, for improving the integration of new recruits and part-time workers, and more generally for the mobilisation of existing means for removing material obstacles to employment.

III/Principles related to the environment

Renault Trucks is constantly striving to reduce the environmental impact of its industrial activities and those of its suppliers, and of the vehicles it sells. Our company is contributing to the development of a virtuous, sustainable road haulage transport system to benefit society.

Renault Trucks applies an environmental policy rooted in specific commitments and a rigorous management system that involves its network, its suppliers and its partners. Our industrial facilities are structured to control the use of energy, water and raw materials, to reduce waste production and to provide continuous improvement of our environmental performance. Our vehicles are designed for maximum recycling of the materials used. Vehicle assembly at Renault Trucks is done in plants with ISO 14001 certification (first certified in 2001).

Given predictions for nefarious climate changes, Renault Trucks is continuing its efforts to develop concrete ways to effectively reduce CO₂ emissions: optimised diesel engines, all-electric vehicles, natural gas-powered vehicles, hybrid technology, training courses in responsible driving, fleet management systems and on-board computer systems.

Environmental protection at our sites and in our distribution network

In 2013, Renault Trucks carried on with its actions to enhance the environmental performance of its production systems, its sites and its sales network.

The complete overhaul of our line of Renault trucks, launched mid-year, required us to restructure our main production plants, where many actions were taken to promote greater energy efficiency (renovating roofs, insulation, upgraded lighting systems). Major external services buildings at the Lyon site were also redone. At our Blainville-sur-Orne site in Normandy, work was done to enhance the prevention of soil pollution (storage of petroleum products, fluids and chemicals; containment) and to improve water use (separating system; supply sources).

Renault Trucks updated the operating standards (Dealer Operating Standards) that apply to all dealers in its distribution network. We reinforced the requirements in terms of environmental performance, regulatory compliance and risk management.

Product-based environmental information

A life-cycle analysis was performed on the entire new line of Euro VI vehicles and forms part of an environmental report that Renault Trucks makes available to its customers. This analysis covers all the life-cycle phases of a truck, from production of the raw materials to final disposal and recycling.

Sustainable goods transport

In 2013, Renault Trucks continued to introduce into the market products and services that promote efficient road transport and reduce its effects on the environment.

When the new Euro VI pollution-reduction standard was introduced, Renault Trucks undertook to entirely renovate its line of trucks. Our new generation of vehicles aims to reduce fuel consumption - and thus CO₂ emissions - by up to 5% relative to our older models. We are constantly adjusting the operation of our Euro VI engines in order to provide the highest possible efficiency for the exhaust-gas treatment systems with which they are equipped, regardless of the type of use of the vehicle. The series of chemical transformations that this entails leads to nearly complete elimination of nitrogen oxides and particles, even the finest ones.

In conjunction with this new line, our *Optifuel Solutions* service offer provides for the optimal configuration and equipment of vehicles, for training drivers on environmentally-friendly driving habits, for the analysis of fuel consumption using specially-suited software, and for adjusting truck performance throughout their life-cycle by means of upgrades. Lastly, Renault Trucks has developed a large line of PDA applications to help drivers do their jobs more efficiently. The EcoCalculator application allows them to calculate the environmental impact of their trucks, fuel savings and reductions in contaminant emissions (nitrogen oxides, carbon monoxide, hydrocarbons and particles) that can be achieved, as well as the amount of CO₂ emitted for each trip.

Renault Trucks sells vehicles that use renewable fuels instead of diesel fuel. This includes 100% electric small-tonnage vehicles and natural gas-powered medium-tonnage vehicles. These vehicles, which emit little or no CO₂ and have low noise levels, are suited for use in urban areas where

environmental regulations are stricter. In the area of electric-powered vehicles, experiments under actual conditions of use were undertaken in 2013, in part to evaluate new applications for the Maxity electric model (4.5 t GVW), and in part to prepare a future additional line of all-electric or hybrid heavy vehicles.

IV/Principles related to preventing corruption

Renault Trucks values its reputation throughout the world very highly and conducts its business ethically and in compliance with the laws and regulations that pertain to its business sector. Preventing corruption is an area where obedience of the law is primordial. Renault Trucks has every interest in preventing corruption because such practices jeopardize the customary give-and-take of competition and hinder our ability to conduct profitable business transactions. Corruption negatively affects our good governance, reputation and ethical principles at Renault Trucks. It leaves both the company and the persons involved open to serious legal consequences.

In order to protect its reputation, Renault Trucks adheres to the Volvo Group's Anti-corruption Programme, which consists of various rules set forth in a series of internal documents, including its Code of Conduct and Anti-Corruption Policy. The Anti-Corruption Programme is intended to thwart attempts at corruption and to prevent Renault Trucks and its partners from taking part in them.

Renault Trucks refuses to offer any sort of rewards or special benefits to its customers and potential customers, or to governments and government agencies or their representatives in breach of applicable laws or generally accepted commercial practices. This prohibition is especially aimed at recourse to third parties to directly or indirectly make illicit payments to international civil servants, to official government representatives or to persons and institutions related to them.

The Anti-Corruption Programme applies to all Renault Trucks employees, as well as to our commercial agents and business partners, in every geographic area where Renault Trucks does business. Training on the contents and requirements of the Anti-Corruption Programme is available to all employees. They have access to all Anti-Corruption Programme documents via the Renault Trucks intranet, using any of the 11,600 computers placed at their disposal, including the computers located in some offices and on production lines for those employees who do not use computers in their daily line of work. Priority and mandatory training are given to staff working in our sales, financial and legal sectors.

Any suspected breach of the Anti-Corruption Programme must be reported to the person in charge of the Anti-Corruption Programme within the Volvo Group. That person must, as needed, report any corrupt practices to the competent authorities. He/she is available to answer any questions concerning implementation of the Anti-Corruption Programme. As stated in the Code of Conduct, in the event of a discrepancy between applicable local laws and the provisions of the Code, local law shall prevail.

In 2013, essentially all of the sales contracts binding Renault Trucks to its distributors throughout the world, whether renewals or newly-drafted, were subjected to a corruption prevention audit and their wording included corruption prevention clauses. A new, in-house awareness campaign was instituted, at the end of which all Renault Trucks employees were encouraged to take the updated, on-line training course on the Volvo Group's Anti-Corruption Programme.
