



March 2015

COMMUNICATION ON PROGRESS, 2014

Message from the President

As a signatory to the United Nations' Global Compact since 2004, Renault Trucks clearly states its commitment to making human rights, labour rights, environmental protection and the fight against corruption the cornerstone of its corporate responsibility.

Our responsibilities as a truck manufacturer to our customers, partners, employees and fellow citizens are tremendous. We strive to further the cause of sustainable mobility through a dedication to designing vehicles that are increasingly efficient, safer and more environmentally-friendly. We guarantee their production while preserving both the health of our workforce and the quality of our workplace, in addition to ensuring commercial practices of the highest integrity.

Presenting our breakthroughs, within the scope of the Global Compact, provides us the opportunity to strengthen this responsibility and disseminate it more widely among all Renault Trucks employees across the world. This affiliation with the Global Compact offers us a tool for progress.

I am hereby renewing Renault Trucks' commitment to respect and implement the 10 Global Compact principles for year 2015.

A blue ink signature, appearing to read "Olivier Vidal de la Blache", written in a stylized, cursive script.

Olivier Vidal de la Blache
President of Renault Trucks SAS

Communication on progress, 2014

Renault Trucks SAS, a Volvo Group subsidiary, performs its industrial vehicle manufacturing activities with integrity, in full compliance with international regulations and in accordance with the responsibility and sustainable development model promoted by its parent company, which since 2001 has also been a signatory to the U.N. Global Compact. Renault Trucks' contribution to sustainable development has been replicated at the Group level and has served to generate an annual report entitled "The Volvo Group Sustainability Report", whose format follows guidelines G3.1 of the GRI (Global Reporting Initiative) framework and which adheres to the progress reporting principles stipulated in the Global Compact.

I/ Principles relative to human rights

Renault Trucks shares the Volvo Group's view of human rights, as expressed in the Group's Code of Conduct. This reference document, which applies to all Group executives and employees, is perfectly aligned with the guiding principles set forth in the Global Compact initiative and pledges full support to the United Nations' Declaration of Human Rights.

In 2014, Renault Trucks' senior managers and employees, in the image of the Group's entire workforce, were invited to learn about the Code of Conduct through an online module accessed via the company's Intranet. These training materials, as well as the electronic and print versions of the Code of Conduct, are available in 12 languages.

The Code of Conduct stipulates that within its sphere of influence, the Volvo Group supports and respects all human rights protections, which are considered as universal, and moreover promises to never take actions that could lead to their violation.

Renault Trucks defends human rights both within the scope of its activities and in the workplace, through respecting the rights of individuals and offering them decent working conditions. The company promotes diversity and does not tolerate any form of discrimination, whether it target gender, race, religion, physical or mental disability, sexual orientation, nationality, views towards politics and trade unions, or social and ethnic background. It also offers a secure working environment for employees, protects the freedom of association and the right to collective bargaining, while completely rejecting forced or compulsory labor as well as child labor.

A respect for human rights has been enshrined in the framework agreements entered into with Group suppliers. In order to avoid and minimize any risk of human rights violations, suppliers are evaluated on the basis of their sector of activity and geographic origin. As part of the effort to defend human rights throughout the supply chain, supplier performance as regards social responsibility is measured. These actions are undertaken by Volvo Group head office units on behalf of entities like Renault Trucks, as described in the Volvo Group's Sustainability Report.

II/ Principles relative to labor rights

Renault Trucks ensures strict respect of labor rights wherever it does business and moreover acts in compliance with the Code of Conduct of its parent Volvo Group.

- **Non-discrimination:**

Renault Trucks recruits and treats its employees without any discrimination whatsoever regarding gender, race, religion, age, disabilities, sexual orientation, nationality, political opinions, trade union affiliation, or social or ethnic origin. Workplace diversity, at all levels, is strongly encouraged.

- **Labor rights:**

No form of forced labor, compulsory labor or child labor is tolerated at Renault Trucks. The minimum hiring age corresponds to the end of mandatory schooling. The freedom of association, as well as the right to collectively bargain and sign agreements, is upheld at all company sites.

- **Work environment:**

All Renault Trucks employees are guaranteed a work environment that satisfies all the requisite health and safety conditions.

Renault Trucks agrees to actively promote workplace health and safety for all personnel, and this applies to their physical, psychological and social environment.

Management-employee relationships

Framed by this agreement, 20 central works council meetings were held during 2014, along with the assembly of 2 training council committees, another committee devoted to gender equality, 2 economic council committees, plus a host of management-employee meetings across the various sites.

To ensure its commitments are being met, the company and labor representatives convened 5 agreement monitoring committees. Moreover, 2 sessions with senior management (meetings attended by the President) and a Group Committee meeting for France were held during 2014. Management and employee representatives also participated at 25 negotiation meetings and 4 exchange sessions.

In 2014, these negotiations led to signing some major agreements, one of which pertained to creating an Economic and Social Database to provide employee representatives with real-time access, via a computer, to a vast array of economic and social data and statistics to facilitate completion of their missions.

The high quality of labor relations and management-employee dialogue within the company has also produced a majority agreement on an employment protection plan, which has been successfully implemented to prevent hundreds of forced layoffs through a whole panoply of measures favoring voluntary severance and internal job transfers.

2014 was the year in which health and pension costs could be standardized across all Volvo Group divisions and corporate entities in France (accounting for 13,000 employees), featuring: an increase in many coverage levels without raising fees; service startup of a call center dedicated exclusively to personnel; and the opening of local benefits offices.

Workplace health and safety

Over the past several years, Renault Trucks has been instituting a Workplace Health and Safety Management System for the purpose of continuously optimizing how individuals' health and safety issues are being addressed. Thanks to this set-up, the company's industrial sites have already been certified or are undergoing certification. In 2014, six entities were audited and all certifications previously acquired were renewed, while at the same time system extension to tertiary divisions maintained its course, notably for the development activity, which is now in the certification process as well.

A Safety network, composed of 20 work safety coordinators and ergonomists, joined by 8 physicians, was busy on a regular basis. In 2014, the frequency rate of workplace accidents with lost time remained stable (at 4.70%), whereas the rate of severity was nearly halved (0.16% vs. 0.26% in 2013). Some 100 new managers received training in the prevention of psychosocial risks; this topic was also addressed during special actions conducted as part of the adopted employment protection plan (call center, on-call psychologists at the various facilities, individualized career accompaniment, training sessions).

Efforts to fight discrimination and promote equal opportunity

Within the Volvo Group's scope of action, Renault Trucks is committed, in particular through negotiating various agreements, to implementing a four-pronged Diversity and Inclusion policy, i.e.:

- equal treatment (skill-based equal opportunity, without distinction for gender, age, ethnicity or place of origin, religion, disability and sexual orientation);
- an anti-discrimination campaign;
- harassment prevention;
- a recruitment policy favoring diversity.

According to the terms of its 8th corporate agreement 2013-2015, as signed by all relevant unions, the company confirms its commitment to recruit by offering permanent employment contracts with part-time inclusion of the disabled into the workforce, despite these challenging economic times. Renault Trucks also plans on expanding the number of disabled interns being hosted, especially through strengthening its partnerships with schools. The company is actively seeking to streamline and optimize the way it accommodates and integrates disabled employees and assist them in retaining their jobs. A centralized piloting system and a network of 15 coordinators in France serve to enforce this agreement.

Workstation adaptation steps and internal awareness-building campaigns conducted throughout 2013 spanned all of 2014 as well, for the most part in France: distribution of brochures relative to the national RQTH initiative (official recognition of a person's status as disabled employee); photography exhibition during the National Disability Employment Awareness Week; custom training for in-house network coordinators and personnel representatives; and participation at *Handicafé*® gatherings with young disabled job applicants. A program of financial assistance for disabled employees, with extensions to their children, has also been adopted. When renovating buildings to accommodate tertiary activities at the Lyon site, access ramps for the mobility-impaired were systematically installed.

According to the terms of a corporate agreement reached in 2011 on gender equality, an internal WIN (Women Inclusive Network) was created in order to aid women's personal and professional development and promote greater gender balance. In 2014, WIN's membership reached 350 (+34%), including 13% men. Renault Trucks also takes steps to showcase its trades, especially technical positions, to audiences of young women. Such is the case in the Lyon Region, where for the fourth straight year the company has taken part in the "Spread your Wings" program sponsored by the *IMS-Entreprendre pour la cité* association, which works in underprivileged districts and has hosted events at the middle school level. Similar actions have been conducted in high schools via the associations OPE (for Targeting Managerial Positions in the Rhône-Alpes Region) and "*Elles bougent*" ("Women on the move").

Over the same territory, women in 2014 accounted for 47% of total recruitment (permanent employment, fixed-term, part-time, excluding temp workers). Their share of the workforce has remained stable at 20.7% (vs. 20.6% in 2013), while their representation in managerial posts has edged up a point to 18%. Seniors (50 and older) accounted for approx. 25% of total personnel and nearly a third of the permanent recruitment. Keep in mind that this pool of recruits was extremely limited during a challenging year for employment in 2014.

As a signatory in France since 2013 of the LGBT (Lesbian, Gay, Bisexual and Transgender) charter sponsored by the association "*L'autre Cercle*" ("The Other Circle"), Renault Trucks in this capacity

has undertaken the initiative to create an inclusive environment for all employees concerned, in ensuring equal rights and treatment and providing support for victims of verbal or physical aggression. This commitment is perfectly aligned with Volvo Group policy, which moreover supports a worldwide internal LGBT network, called V-Eagle.

Renault Trucks played an active role in the 1st Diversity Week organized by the Volvo Group on September 21-26, 2014. A myriad of activities were staged across all Group sites: conferences with outside speakers, theatrical plays, meetings and discussions among employees, testimonials, etc.

As outlined in the intergenerational contract instituted by French law in 2013 and as a continuation of its action plan in favor of older employees, Renault Trucks is committed to implementing over a 3-year period an array of actions designed to enhance and improve the company's recruitment, induction and integration of personnel younger than 30. Other actions will help develop intergenerational cooperation and consolidate initiatives aimed at fostering well-being and recognition in the workplace, with an emphasis on older employees. This plan calls for: creating a network of ambassadors reaching out to students; facilitating the integration of new hires and part-time workers; and, more generally, utilizing the set of existing tools in an effort to remove some of the physical obstacles to employment.

III/ Principles relative to the environment

Renault Trucks is constantly seeking to minimize the environmental impacts caused not only by its industrial and tertiary activities, but also by the vehicles it sells. The company contributes to developing a virtuous circle in the road freight transport sector, benefiting the community through its sustainability.

Renault Trucks applies an environmental policy grounded in specific commitments and a rigorous management system involving the company's network, its suppliers and partners. The industrial tool has been organized to limit the consumption of energy, water and raw materials, in addition to reducing waste production and overseeing continuous improvements in environmental performance. The vehicles are designed with the aim of maximum material reuse. Renault Trucks vehicles are assembled in ISO 14001-certified plants (initial certification dates back to 2001).

Confronted with the challenge of a changing climate, Renault Trucks pursues its development of practical solutions targeting an efficient reduction of CO₂ emissions: optimized diesel motor designs, 100% electric vehicles, vehicles running on natural gas, training offered in rational driving techniques, a fleet management tracking tool, and onboard electronics.

Environmental protection at individual sites and within the distribution network

In 2014, Renault Trucks continued its actions towards enhancing the environmental performance of its production system, its individual sites and its entire network.

The various building renovation and fit-out projects at industrial and tertiary sites have systematically taken into account pollution prevention and energy efficiency. At the Lyon site, the closure of a painting activity at the stamping facility was accompanied by dismantling underground storage tanks and verifying the absence of pollution. The spare parts distribution center installed a temperature control inside some of its larger-sized warehouses, and then proceeded with insulation works and the replacement of neon fixtures by a timed lighting system. At this same center, a diesel-powered service vehicle was replaced by an electric vehicle. In 2014, the Normandy site of Blainville-sur-Orne completed a vast project to create a separate drainage (wastewater/stormwater) network with a €700,000 investment.

Also in 2014, the company's plants recycled and reused over 99% of all non-hazardous waste (vs. 95% in 2012), as the result of permanent actions aimed at reducing waste volumes, improving the sorting step and identifying new recycling streams. Water consumption per unit of production declined from 14 to 11 m³ between 2012 and 2014. Moreover, during this same period, energy consumption dropped 25%.

Renault Trucks has created and made available to its distribution network a risk analysis method adapted to garages. Special training and accompaniment in the implementation of appropriate action plans have been provided to all branches within the French territory.

Environmental information on products

A life cycle analysis was conducted on the entire new line of vehicles satisfying the Euro VI anti-pollution standards; this analysis has given rise to an environmental statement that Renault Trucks customers are free to consult. The analysis encompasses all life cycle phases of a truck, from its production using raw materials until ultimate disposal and recycling.

Sustainable freight transport

In 2014, Renault Trucks continued to supply the market for products and services contributing to road transport efficiency and the mitigation of road transport impacts on the environment.

Among other things, Renault Trucks has finalized the commercial deployment of all its new trucks launched in 2013. For markets with very strict environmental requirements, these vehicles have been equipped with motor designs meeting the Euro VI anti-pollution standard, in recognition of a 5% reduction in fuel consumption compared to previous models and CO₂ emissions lowered by the same proportion. The operations of Euro VI motors are regularly being adapted to ensure the best performance of the exhaust gas pollution elimination system they contain, regardless of the vehicle's mode of usage. The succession of chemical transformations taking place leads to a nearly complete removal of nitrogen oxides and particulates, including the smallest fines. In 2014, Renault Trucks also proposed two of these motor designs in versions accommodating up to 100% biodiesel fuel.

Associated with this new line, a service offering labeled *Solutions Optifuel* makes it possible to configure and equip vehicles in an optimal manner, while: training drivers in the eco-driving techniques, measuring and analyzing fuel consumption by means of adapted software, and improving truck performance throughout the operations cycle through updates.

2014 will have witnessed many developments under the banner of lower fuel consumption. Three models of Renault Trucks' "T" long-haul line and its "D" and "D WIDE" lines for distribution were brought to market in 2014 in an *Optifuel* version, offering optimized fuel consumption thanks to special equipment and services. Renault Trucks organized the 3rd edition of its international economical driving competition, drawing 6,000 contestants from 15 European countries. The progress made towards reducing vehicle consumption has been demonstrated by a presentation of the *Optifuel Lab 2* vehicle-laboratory featuring 20 onboard technologies related to energy management, aerodynamics, rolling resistance and driving aids. Lastly, Renault Trucks offered its customers a total of 3,560 days of training in economical driving techniques, up nearly 30% from 2013.

Renault Trucks has continued to market vehicles running on diesel substitute energies, 100% electric small-capacity trucks and medium-duty trucks running on compressed natural gas. Emitting little or no CO₂ and relatively silent, these models are adapted to urban uses with stringent environmental constraints. In the field of electrical mobility, new experiments under actual operating conditions were conducted in 2014, with a focus on preparing a future addition to the heavy-duty vehicle line. A Renault Trucks' 100% electric, 16-ton "D" model was introduced in Paris to supply the Guerlain perfumery shops.

WWF's Climate Savers program

In 2014, Renault Trucks contributed to the environmental cooperation aimed at reducing the carbon footprint, in place since 2010, between the Volvo Group and the World Wide Fund for Nature

(WWF). By participating in the *Climate Savers* program, the Group has recorded a 20% drop in its production-related CO₂ emissions and total lifetime carbon emissions of its products were reduced by 40 M tons between 2009 and 2013..

IV/ Principles relative to the fight against corruption

Renault Trucks places great emphasis on its credit reputation throughout the world and conducts business in full compliance with ethical standards and all laws and regulations governing its activities. The anti-corruption campaign demands legal compliance. Renault Trucks has every interest in preventing corruption since such practices interfere with the normal rules of competition and prevent transactions from being concluded under proper conditions of profitability. Corruption hinders Renault Trucks' governance and tarnishes both its reputation and ethics. Moreover, it jeopardizes the company as well as all individuals implicated in protracted legal cases.

In order to protect its reputation, Renault Trucks has adopted the Volvo Group's anti-corruption program, which consists of various rules described in a series of internal documents, including the Code of Conduct and Anti-Corruption Policy. This program is intended to caution against any temptation of corruption and prevent Renault Trucks and its partners from getting involved.

Renault Trucks is prohibited from offering bonuses or benefits of any kind to existing or prospective customers, governments, governmental agencies or representatives of these entities, or in violation of applicable laws or generally authorized commercial practices. This ban is aimed in particular at reliance on third parties to carry out, whether directly or indirectly, unjustified payments to international civil servants, official government representatives or affiliated individuals and institutions.

The anti-corruption program applies to all Renault Trucks employees, as well as the company's agents and commercial partners, within all geographic zones where the company has a presence. A training course on the content and requirements of this anti-corruption program is open to all personnel. Program documentation can be consulted from the Intranet portal, which may be accessed from any of the 11,600 computers available for such use, including those located in certain offices and on production lines for those employees whose daily missions do not require access to a computer. Members of the commercial, financial and legal staff receive priority and mandatory training.

Any suspicion of anti-corruption program violation must be notified to the program manager within the Volvo Group. As need be, this manager must inform the competent authorities of all acts of corruption committed and is to remain available to answer questions about the program's implementation. As indicated in the Code of Conduct, in the event of a conflict of interest between applicable local law and provisions set forth in this Code, the law shall prevail.

In 2014, the majority of commercial contracts tying Renault Trucks to its distributors throughout the world, whether renewed or newly administered, have been audited to prevent corruption; moreover, their clauses now include anti-corruption provisions.
