



April 2016

COMMUNICATION ON PROGRESS, 2015

Message from the President

By signing the United Nations' Global Compact in 2004, Renault Trucks clearly stated its commitment to uphold the values associated with making human rights, labour rights, environmental protection and the fight against corruption the cornerstones of its corporate responsibility and to promote them within its sphere of influence. This commitment and initiative is perfectly in line with that of the Volvo Group, also a Global Compact signatory, to which Renault Trucks belongs.

Having inherited more than 100 years of French expertise in the truck segment, Renault Trucks provides haulage professionals worldwide with the tools they need to carry out their assignments with maximum efficiency. We offer operators and users an extensive choice of vehicles and services suitable for a wide range of activities.

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 gives us the opportunity of strengthening this responsibility and disseminating it more widely among all Renault Trucks employees throughout the world. For us, it is a means of making progress.

I am hereby renewing Renault Trucks' commitment to respect and implement the 10 Global Compact principles for 2016.

A handwritten signature in blue ink, appearing to read "Bruno Blin".

Bruno Blin
President of Renault Trucks SAS

Communication on progress, 2015

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 has been replicated at the Group level, serving to generate an annual report entitled "The Volvo Group Annual and Sustainability Report", as well as an additional GRI (Global Reporting Initiative) G4 report, which may be consulted on the www.volvogroup.com site.

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, a reference document applying to all Group executives and employees. Based on the guiding principles of the Global Compact, the Code of Conduct is perfectly aligned with the guiding principles of the United Nations' Declaration of Human Rights. Furthermore, the Volvo Group is committed to implementing the UN's guiding principles regarding human rights in a corporate context.

In 2015, Renault Trucks' senior managers and employees, together with 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 reference, the Volvo Group supports and respects all human rights protections, considered to be universal, and undertakes never to 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 with regard to gender, race, religion, physical or mental disability, sexual orientation, nationality, political and trade union affiliations, or social and ethnic backgrounds. 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 labour, as well as child labour.

A respect for human rights has been enshrined in the framework agreements entered into with Group suppliers. In order to avoid and minimise 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 initiatives are undertaken by the Volvo Group head office units on behalf of entities such as Renault Trucks and are described in the Volvo Group's Annual and Sustainability Report.

II/Principles relating to labour rights

Renault Trucks scrupulously respects labour rights wherever it does business and moreover acts in compliance with the Code of Conduct laid down by its parent Volvo Group.

- **Non-discrimination:**

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

- **Labour rights:**

No form of forced labour, compulsory labour or child labour is tolerated at Renault Trucks. The minimum hiring age corresponds to the end of mandatory education. 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 staff members are guaranteed a working environment that satisfies all requisite health and safety conditions.

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

Management-employee relationships

In 2006, Renault Trucks signed an agreement with all the unions concerning management-employee relationships. It granted social partners the means of carrying out their missions within the framework of the various bodies or negotiations, thereby establishing a quality dialogue with the management. These principles laid down the entitlements and obligations of both parties.

This was the context of the 23 central works council (CWC) meetings held in 2015, together with 2 CWC training commissions, 1 CWC commission on gender equality and 2 CWC economic commissions as well as various other meetings at each site. To make sure commitments would be met, the company and social partners took part in 6 agreement monitoring commissions. Furthermore, 2 meetings with the management (including the President), and a meeting of the France Group Committee took place in 2015. Finally, the social partners and management attended 21 negotiation meetings and 1 joint Group meeting.

In 2015, these negotiations led to some major agreements being signed, such as one concerning gender equality. This agreement reasserts that equal opportunity, non-discrimination and diversity underpin Renault Trucks' social policy.

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

Health and safety in the workplace

Over the past several years, Renault Trucks has been establishing a Workplace Health and Safety Management System designed to optimise how individuals' health and safety issues are being addressed on an ongoing basis. Within this context, all the company's manufacturing sites have already been certified or are in the process of obtaining certification.

In 2015, this management system continued to be extended to tertiary divisions, particularly in the field of Development.

A Safety network made up of some 40 correspondents, work safety coordinators, ergonomists and doctors, has been consistently active throughout the year. In 2015, the management team of over 100 at the Blainville-sur-Orne manufacturing site followed a training course in the prevention of psychosocial

risks that will subsequently be extended to all the company's organisations. A tool designed to assess these risks in the context of change has also been developed and made available.

Efforts to fight discrimination and promote equal opportunity

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

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

According to the terms of its 2013-2015 eighth corporate agreement, as signed by all relevant unions, the company confirms its commitment to offer new permanent employment contracts with part-time inclusion of disabled staff members into the workforce, despite these challenging economic times. Renault Trucks also plans to expand the number of disabled interns being hosted, especially through further developing its partnerships with schools. The company is actively seeking to streamline and optimise the way it accommodates and integrates disabled employees into the workforce and assists them in retaining their jobs. A centralised piloting system and a network of 15 coordinators in France serve to enforce this agreement.

During the period covered by the agreement, Renault Trucks worked with the protected and adaptive sector in France by calling upon 37 ESAT centres (providing assistance and service to help disabled persons find employment) and EAs (sheltered companies) for various activities such as packaging, catering, seminars, meal trays, printing, etc. These measures included granting a total of 352 days' leave to staff members so that they could familiarise or re-familiarise themselves with the quality of work provided by disabled people (with officially recognised "RQTH" disabled employee status). 146 days' leave was also granted to parents with disabled children, as well as 29 social and financial assistance measures (adapting vehicles and bathrooms, purchase of specific equipment, etc.).

In 2015, 20 workstations and situations were adapted for use by disabled persons (adjustable chairs and desks, ergonomic seats, etc.). Communications and awareness raising initiatives were launched, particularly during Diversity Week with the Volvo Group's involvement and the European Disability Employment Week (meals in wheelchairs, "Taste buds and disability", an in-house prize draw focused on disability, etc.).

A company gender equality agreement signed with 4 unions in 2011 was extended for a further three years in 2015. Under the terms of this agreement, commitments were made concerning opportunities for promotion (a Careers Committee specifically set up for women guarantees equal opportunities for access to managerial positions), a means of balancing professional and family responsibilities, the development of inclusion within the teams (training in diversity and inclusion, a reference group, and a guide for managers). The agreement also encourages the growth of in-house networks such as WIN (Women Inclusive Network), set up to encourage women's personal and professional advancement and promote diversity. In 2015, WIN had a total membership of 435 (up 24%), 20% of which were men (compared with 13% in 2014).

Renault Trucks also actively promotes its requisite skills, particularly those of a technical nature, to young women. This has been demonstrated in the Lyon region where, for the 5th consecutive year, the company has been involved in the "Spread our wings" programme set up by the IMS-Entreprendre Association. This organises activities in inner-city middle schools. Similar initiatives have been carried out in high schools with the OPE (Executive Position Objectives) Association in the Rhône Alps Region and with the "Women on the Move" Association.

Over the same territory, in 2015, women accounted for 48% (47% in 2014) of total recruitment (permanent employment, fixed term and part-time, excluding temporary workers). Their share of the workforce has remained stable at 21%, while their representation in managerial posts stands at 18%. Seniors (50 years and over) accounted for approximately 25% of the total workforce and 3.5% of permanent recruitments, bearing in mind that they were extremely limited during a challenging year for employment.

As a signatory in France of the LGBT (Lesbian, Gay, Bisexual and Transgender) charter sponsored by the "*L'autre Cercle*" ("Other Circle") since 2013, Renault Trucks has undertaken the initiative to create an inclusive environment for all employees concerned, 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 2nd Diversity Week organised by the Volvo Group from 14 - 18 September 2015. A whole range of activities were staged across all Group sites: presentations given by outside speakers, theatrical plays, meetings, 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 favour of older employees, Renault Trucks is committed to implementing an array of measures over a 3-year period designed to enhance and improve the company's recruitment, induction and integration of personnel below the age of 30. Other initiatives will help develop intergenerational cooperation and consolidated 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, utilising the set of existing tools in an effort to remove some of the physical obstacles to employment.

III/Principles relating to the environment

Renault Trucks is constantly seeking to minimise the environmental impact 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 via 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 company also contributes to the Group's long-term environmental plan. The industrial tool, established in France, has been organised to limit the consumption of energy, water and raw materials, in addition to reducing waste production and overseeing ongoing improvements in environmental performance. The vehicles are designed with the aim of maximising 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: optimised Diesel engine designs, all-electric vehicles, vehicles running on natural gas, training offered in rational driving techniques, a fleet management tracking tool and on-board electronics.

Environmental protection at individual sites and within the distribution network

In 2015, Renault Trucks updated its greenhouse gas emission figures, recording a 27% reduction in emissions between 2011 and 2014. An action plan was drawn up based on this report, which also takes into account 2015 energy consumption audits at the main sites. These initiatives will make a direct contribution to environmental cooperation aimed at reducing the company's carbon footprint as defined in 2010 between the Volvo Group and the World Wildlife Fund (WWF). Within the context of the *Climate*

Savers programme, the Volvo Group must reduce its CO₂ emissions by 8% in the field of production, by 40 million t in product usage and 20% in its logistics between now and 2020.

In 2015, the various efforts undertaken to renovate and equip buildings at the manufacturing and tertiary services sites, as well as optimisation of industrial procedures, have systematically taken pollution prevention and energy efficiency into account (insulation, sunscreens, more efficient procedures and heating, as well as a reduction in lighting requirements). The fleet of 470 company cars or shared vehicles has been equipped with fuel consumption and CO₂ emission monitoring software. Furthermore, it now includes 6 electrical vehicles.

In 2015, the production plants recycled and reused over 99% of non-dangerous waste (95% in 2012), as a result of ongoing initiatives to reduce the volume of waste generated, better sorting methods and a search for new recycling channels. Water consumption for each unit produced dropped from 14 m³ to 10 m³ between 2012 and 2015. Finally, over the same period, energy consumption was down by 35%.

Training programmes on the transport of dangerous goods were set up and adapted to the various activities concerned within the company (principally reception, storage and dispatch). Throughout its dealership network, Renault Trucks has set up and made available a risk analysis method adapted to meet garages' requirements. Specific training and ongoing assistance for implementing appropriate action plans have also been set up throughout all subsidiaries in France. Implementation of this methodology continued throughout 2015.

Sustainable goods transport

In 2015, Renault Trucks continued to provide products and services that contributed to the efficiency of road haulage and the reduction of its effects on the environment.

In the field of reducing fuel consumption, the efficiency of models optimised by means of specific equipment and services was officially demonstrated. This led to the independent TÜV Rheinland body certifying a reduction in consumption of 10.9% for the Renault Trucks Long distance T *Optifuel* tractor compared with an equivalent standard model, after drivers had benefited from an *Optifuel Training* programme in economic driving. Furthermore, Renault Trucks organised the 4th edition of its international economic driving competition which attracted 9,000 drivers from 20 European countries. During the year, Renault Trucks also provided its clients with more than 3,000 days of training in economic driving.

After three years of experiments as part of the *Optimod' Lyon* research project, designed to improve traffic flow in urban areas, Renault Trucks presented a prototype application providing truck drivers with real-time predictive traffic information, as well as economic driving advice to reduce their impact on town centre traffic. Finally, Renault Trucks and six partners launched the EDIT (Efficient Distribution Truck) project designed to reduce commercial vehicles' consumption by 13%, using innovative technologies. A Renault Trucks D Wide Euro 6 fitted with a refrigerated body will be used for carrying out this research.

Renault Trucks continues to sell vehicles running on Diesel substitutes: all electric low tonnage trucks and medium tonnage vehicles fuelled by compressed natural gas or bio diesel. With very low or zero CO₂ emissions and low noise levels, these are suitable for applications in urban areas, or where environmental restrictions are particularly stringent. Renault Trucks has now completed its offering by adding a Renault Trucks D Wide CNG Euro 6 model to its Distribution range, a medium tonnage truck using natural gas or biomethane. The latter is a renewable energy fuel produced from organic materials, making it possible to generate significantly lower CO₂ emissions than a conventional Diesel vehicle.

When it comes to electro-mobility, several experiments were carried out under actual operating conditions in 2015. Renault Trucks and the French Post Office put a truck running on electricity with an operating range extender running on hydrogen into service. This 4.5 t Renault Maxity Electric vehicle with an operating range extended to 200 km, generates no noise and only emits water vapour.

IV/Principles relating 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 anticorruption 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 jeopardises 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 programme, which consists of various rules described in a series of internal documents, including the Code of Conduct and Anti-Corruption Policy. The anti-corruption programme 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 authorised 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 programme 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 Programme is open to all personnel. Programme documentation can be consulted on 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 programme violations must be notified to the programme manager, within the Volvo Group. As and when necessary, this manager must inform the competent authorities of all acts of corruption committed and must remain available to answer questions about the programme'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 2015, 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.
