



February 2012

COMMUNICATION ON PROGRESS, 2011

Message from the President of Renault Trucks

When Renault Trucks put its name to the United Nations Global Compact, 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 integrate 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 fundamental values of the Volvo Group, to which we belong, and the principles to which Renault Trucks has chosen to conform, provide us with a general framework that ensures our policies and behaviours 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 another 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 2012.

Heinz-Jürgen Löw
President of Renault Trucks

Communication on progress, 2011

Renault Trucks, 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 informs the annual Volvo 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 employees, and is in keeping with the principles of the Global Compact initiative, expressing total support for the United Nations' Declaration of Human Rights.

As with all staff working for the Group, all Renault Trucks managers and employees are given a copy of the Code of Conduct and are made aware of its importance through an online training course available 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, or social or ethnic origin. It provides its employees 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 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 2011.

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 operations.

- Working environment:

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

Renault Trucks has also adopted 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 employee representatives.

It was in this context that many constructive dialogues took place between social partners in 2011. Not including meetings held locally at the various sites, there were 6 ordinary and 4 extraordinary meetings of the works council (CCE), 2 meetings of the Works Council Finance Committee, 2 meetings of the Works Council Training Committee, 1 meeting of the Works Council Gender Equality Committee, and 1 meeting of the CCE Stress Prevention Committee. 8 committees for monitoring agreements have also been set up, to ensure that company commitments are indeed met. There have also been 21 joint or negotiations meetings, 2 meetings of the company management bodies and 2 meetings of the France Group committees, totalling in 2011 nearly 50 meetings, all of which were attended by staff representatives. In the same year, successful collective negotiations between management and staff representatives also resulted in 3 agreements and 3 amendments.

Well-being in the workplace

In 2011, Renault Trucks was recognised for its efforts to prevent stress in France when it received the Volvo Group World Health and Well-Being Award. Renault Trucks SAS is one of the first companies in France to have set up a Stress Observatory. Last year, results from the fourth wave of staff surveys were delivered to the sectors of the company concerned, so that action might be taken. Training for managers

and human resources staff, which took place in 2010, was followed by stress prevention training for around a hundred executives and social partners.

The company condemns any act that might be described as violence or harassment. A charter has been drafted to make all employees aware of the mechanisms the company has introduced to combat harassment and violence at work, as required by the regulations (National Interprofessional Agreement on Violence and Harassment, dated March 26th, 2010). The charter describes the procedure to be followed if a staff member feels he or she has been the victim of violence or harassment. The procedure guarantees confidentiality, fair treatment, and the involvement of company specialists, who will take any necessary steps to ensure that the person concerned is able to return to a safe and serene working environment. In 2012, the charter will be attached as an appendix to all Renault Trucks internal regulations in France.

In France, Renault Trucks has a health and safety management system steered by a network of 30 health and safety representatives and 10 occupational physicians. In 2011, the Bourg-en-Bresse plant in the Ain department (1,900 people) was audited and achieved certification, increasing the number of staff covered by the system from 29% to 49%. If solely manufacturing staff are included, the total rises to 75%. Lastly, Renault Trucks undertook an assessment of the level of implementation of the Volvo Group's Health, Safety and Well-Being at Work policy in its various establishments, which revealed that 80% of the policy's objectives have been achieved.

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. Actions undertaken by Renault Trucks for many years in this area may also be expressed in the form of a contract.

By signing the 7th agreement with representative trade union organisations in 2010, the company injected new life into its actions to promote integration, training, career development and continued employment for people suffering from a disability. 2011 saw the introduction of a significant number of disability awareness campaigns: all managers discussed the issue at a department meeting, an interactive game based on the topic of disability and a brochure containing information about disabled worker status were distributed to the whole workforce, a film was made about the lives of various disabled workers employed by the company and made available to all company staff, and theme-based workshops took place during French National Disability Week. A special section on the company intranet was made available to all staff to help them find information about disability. Lastly, Renault Trucks launched a training program for managers, which was followed by over 200 people in 2011. The program will end in 2012.

A 3 year company agreement has been concluded in support of professional diversity in 4 areas: recruitment, training, promotion, and the home-work interface. The agreement fully supports the policies of both Renault Trucks SAS and the Volvo Group as regards diversity. According to this agreement, actions are to be undertaken targeting improved male/female distribution within job families, where the latter are over- or under-represented, including the creation of a professional network of women managers, and the introduction of scheduled exit interviews for staff starting maternity, parental or adoption leave.

In 2011, 33% of all newly hired staff were women (excluding temporary workers), as were 28% of managers appointed. Total female staff numbers rose from 19.9% to 20.4%, while their share of supervisory positions remained stable at 22%.

The action plan to support older workers, launched in 2010, continued in 2011 with 3% of permanent contracts going to people aged over 50, as targeted by the objective concerned. The first career continuation interviews have taken place, and a guide has been made available to all managers to ensure that these discussions about the second half of an employee's career are conducted in the best possible manner.

The company has also been working hard to help young people enter the world of work by taking on 280 sandwich students and 470 work placements in 2011. The company has also provided additional support for them by organising visits to all its sites (2,100 students and teachers visited the Lyon site alone!), pledging support to educational institutions, and creating partnerships with a number of higher education establishments (EM Lyon, INSA de Lyon, ECAM).

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 a continued commitment to reducing both the impact of the company's own industrial activity and that of the vehicles it sells. The company plays a full part 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 ensure continued 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 2011, Renault Trucks continued with measures to improve the environmental performance of its production systems in France and also its sales network.

The company has acquired software enabling it to continuously monitor regulatory compliance at every one of its sites, as well as accurately manage action plans set up in order to achieve set standards. Moreover, Renault Trucks has published a Health, Safety and the Environment policy which applies to its network of subsidiaries, and created an internal reference document in the form of a self-assessment questionnaire, which enables organisations which have achieved ISO 14001 certification to check compliance levels, and other companies to measure their progress, prioritise their actions and, where appropriate, begin to work towards certification. The company has also added a new on-line course for new recruits to its training catalogue, called *Accueil Qualité Sécurité Environnement* (An Introduction to Quality, Safety and the Environment). A sustainable development awareness campaign has also been conducted, targeting a selected internal audience.

A new stamping unit has come into operation at the Lyon site. The unit represents a €32M investment, taking into account the environmental performance and energy efficiency achieved: reduced oil consumption, energy-saving equipment, optimised lighting, noise and waste control, and a water-tight basement incorporating an oil-leak detection system.

Acting before it became compulsory in France and going beyond official requirements, Renault Trucks has conducted a greenhouse gas emissions audit at its site in Blainville-sur-Orne, Normandy (cab production and medium duty range vehicle assembly). The company now knows which are the main sources of CO₂ emissions and the reductions that have been achieved by investments in its manufacturing base in recent years. For example, the total renovation of the cab paint shop in 2010 resulted in a fall in emissions from this site totalling some 6,500 tons of CO₂ equivalent per year.

Renault Trucks introduced a large number of energy-saving measures across its industrial sites in 2011, including setting up a network of Energy representatives, week-end security patrols in the workshops, and thermographic roof inspections, while full energy audits were conducted at some installations. In 2011, Renault Trucks successfully brought the amount of water used for each manufactured vehicle back down to 2008 levels, despite a 34% fall in production volumes over the period in question. The same positive developments were also recorded regarding the recovery and recycling of ordinary waste, now back to 94%.

Sustainable goods transport

Once operational trials had confirmed the success of its *Clean Tech* technology, in 2011 Renault Trucks began to produce and sell its Renault Maxity all-electric delivery trucks (AGW 4.5 tons) and diesel-electric hybrid versions of some of the vehicles in the Renault Premium Distribution range (AGW 19/26 tons). Big names in the retail industry, in partnership with leading haulage contractors, have begun to use the vehicles and are contributing to the research and development studies which are currently underway. Thus today's biggest all-electric goods vehicle, a 16 ton Renault Midlum, has been delivered to the French retail group Carrefour. Lastly, new configurations have been added to the range of natural gas vehicles.

Renault Trucks has been focusing intently on promoting 'Optifuel Solutions', which is the name it has given to the range of products and services the company has developed in support of improving fuel economy and reducing carbon dioxide emissions. These include fuel efficient vehicles and technologies, responsible driving courses, and fuel consumption measurement and analysis software. Its efforts were recognised in Germany, when an independent jury composed of scientists, economists, road transport

professionals and journalists awarded the company the first ever European Transport Award for Sustainable Development.

In 2011, nearly 7,500 HGV drivers and European fleet managers were trained in responsible driving techniques (which have the potential to deliver a 15% reduction in fuel consumption over a fleet of goods vehicles), and a website to help them retain their skills was also launched. For the third year running, the Optifuel Tour introduced 500 haulage companies in 9 different European countries to long haul vehicles with robotised gearboxes, a guarantee of even greater fuel economies. A number of optimised models have been put on the market, such as the Renault Premium Optifuel 2011 tractor, fitted, amongst others, with a new controlled free-wheeling function, connected to the speed regulator, which makes maximum use of the vehicle's inertia. Renault Trucks' *Optifuel Solutions* are all presented on a website available in 22 languages, offering a simulator for calculating the savings that can be made.

In 2011, Renault Trucks also launched the first first HGV-specific GPS available on Smartphone, NAV'TRUCK, making drivers' jobs easier as well as helping them to achieve fuel savings through optimal guiding. In addition, the company is taking part in the European FREILOT research project, which targets making urban deliveries more energy efficient. Renault Trucks are involved in a life-size experiment in Lyon, France, whereby the vehicles have been fitted with automatic speed and acceleration regulators, which are activated on entering certain pre-defined areas, as well as devices intended to help achieve real-time fuel savings and therefore reduce carbon dioxide emissions. Similarly, the vehicles will also benefit from applications giving delivery vehicles priority at traffic lights.

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 jeopardizes Renault Trucks' sound governance, reputation, and ethics and 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 2011, all sales contracts between Renault Trucks and its distributors worldwide, whether new or renewed, underwent an anti-corruption audit and were redrafted to include anti-corruption provisions. Worldwide, 150 Renault trucks employees, working chiefly in sales and finance, have followed some ten different anti-corruption courses provided by the company.
