

## 2006 COMMUNICATION ON PROGRESS GLOBAL COMPACT

In harmony with its commitment to the Global Compact, PSA Peugeot Citroën reports its progress in the area of sustainable development to stakeholders by means of:

- its [on-line 2006 report on sustainable development](#)
- its [registration document and 2006 annual report](#)

### PSA's commitment to sustainable development:

PSA Peugeot Citroën is mustering its forces to tackle three major issues, [greenhouse effect, road safety and urban mobility](#) with the aim of providing sustainable mobility for users now and in the future. Working through these challenges and beyond, the Group is careful to fulfil its social and environmental responsibilities to society.

These commitments underpin the PSA Peugeot Citroën strategy of growth and profitability, and are included in a priority action plan which involves all of the Group's divisions.

Each year, PSA Peugeot Citroën publishes the results of this priority action plan. It consists of annual and multi-year initiatives relating to the 3 major challenges and 6 other motor industry concerns (social policy, recycling, industrial environment, solidarity, customer relations, purchasing and subcontracting). This plan reflects the Group's commitment to promoting sustainable development.

The main objectives of the [2006 priority action plan](#) were achieved, including the following:

Regarding our efforts to reduce the greenhouse effect:

- The Group leads the way for vehicles emitting less than 120g/km of CO<sub>2</sub> in Europe, with market share of 38%. At the same time, it has 72% of the market for vehicles emitting less than 110g/km of CO<sub>2</sub>.
- In 2006, Peugeot and Citroën sold a total of more than one million vehicles emitting less than 140 g of CO<sub>2</sub>/km.
- In the context of its research and development policy to produce power units with reduced CO<sub>2</sub> emissions, the EP6 engine, first member of a new category of petrol engines, was successfully marketed in 2006. It cuts consumption by around 13% compared with petrol engines of the previous generation. In addition, the third automated gearbox (MCP) designed for medium-torque engines made a successful debut, notably on the C4. On this vehicle, mated to the HDi 110 DPFS engine, it cuts CO<sub>2</sub> emissions to 120g/km.

With regard to road safety, as well as the scores obtained by the Group's vehicles in Euro NCAP tests, PSA Peugeot Citroën is the only car manufacturer to successfully achieve wide deployment of the emergency call, recently approved by the French authorities in charge of emergency services.

In the social area, in 2006, the Group signed the [global framework agreement on social responsibility](#) with the European Federation of Metallurgists (FEM) representing 85 trade-union

organizations and the Federation of Metallurgical Workers' Organizations (FIOM). This agreement, translated into 21 languages, was ratified in the 10 countries where the Group employs more than 500 staff.

Also, the Group's efforts with regard to female employment and equal opportunities were rewarded with the renewal of its label for equal opportunities at work and the 1<sup>st</sup> prize for Diversity in 2006 awarded by the French government.

In 2006, evidence of the Group's excellent environmental management performance was seen in [water consumption](#) and [SO2 and NOx emissions](#) lower than the targets set for 2007.

The Group continues its work of raising its suppliers' awareness of sustainable development. In 2006, the Group set out its [environmental and social requirements for suppliers](#) in order to obtain an official commitment from them. These requirements are part of a complete system aimed at making the social and environmental responsibility of suppliers a selection and performance monitoring criterion, in the same way as price and quality.

Through its [2007 priority action plan](#), the Group is continuing its improvement drive, adding new programmes to it:

- increased integration of recycled materials in its vehicles;
- responsible communication with customers and the general public;
- optimization of energy consumption during production;
- developing suitable alternative energy products for each market.

#### PSA Peugeot Citroën 2006 report on sustainable development.

The fourth on-line report on sustainable development shows our continuing determination to improve transparency, with the implementation of the GRI (Global Reporting Initiative) 3 reference system from this year. A [GRI Index](#) and a [correlation table for Global Compact principles](#) on PSA Peugeot Citroën's sustainable development site give direct access to performance indicators and related targets.

Environmental consolidation coverage increased by two sites in 2006 (the Trnava factory and the research centre in La Ferté Vidame, not previously counted). It now includes 28 motor industry sites, PCI, PMTC, GEFCO subsidiaries, and the parts manufacturer Faurecia.

The Group's methods for measuring and consolidating 2006 environmental and social data have been checked by an independent company, which has issued a moderate level insurance certificate.

Through the results obtained and the PSA Peugeot Citroën teams' endorsement of the programmes undertaken, we are confident that the Group will continue to contribute to sustainable development.