

2007 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 [2007 Sustainable Development and Annual Report](#)
- ▶ its [2007 Sustainable Development Indicators](#)
- ▶ its [2007 Registration Document](#)
- ▶ its [Sustainable Development Website](#)

PSA's commitment to sustainable development:

As Christian Streiff, Chairman, pointed out (see [Message from the Chairman](#)), PSA Peugeot Citroën plays an active role in the search and implementing solutions for a sustainable mobility. Thierry Peugeot, Chairman of the Supervisory Board, also declared recently that corporate social responsibility is part of PSA PEUGEOT CITROËN' DNA.

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 fulfill its social and environmental responsibilities to society.

In 2007, the Group defined an action plan entitled "[10 sustainable development objectives for 2010-2011](#)" to guide its teams' actions in each area of responsibility (environment, social responsibility, governance, society).

The main objectives of the [2007 priority action plan](#) were achieved, including the following:

The improvement of the energy efficiency of the vehicles and the reduction of greenhouse gas emissions remain the main issues.

- The Group leads the way for vehicles emitting less than 120g of CO₂/km in Europe, with market share of 33%.
- For the second year in a row, PSA Peugeot Citroën sold one million vehicles emitting less than 140 g of CO₂/km in Europe, including 500,000 emitting less than 120 g of CO₂/km.
- In the context of its research and development policy to produce power units with reduced CO₂ emissions, PSA Peugeot Citroën is continuing to develop hybrid technology, and to roll out CNG vehicle and flex-fuel vehicles where these product solutions are adapted to local context.

With regard to road safety, in addition to the scores obtained by the Group's vehicles in Euro NCAP crash tests, PSA Peugeot Citroën is the only car manufacturer to successfully achieve wide deployment of the emergency call system (with 540,000 vehicles equipped on the road at year-end 2007), approved in 2007 by the French authorities in charge of emergency services.

In the social area, in 2006, the Group signed a [global framework agreement on social responsibility](#) with the European Metalworkers' Federation (EMF) representing 85 trade-union organizations and the International Metalworkers' Federation (IMF).

Since then, the global framework agreement has been rolled out in 105 subsidiaries in 30 countries and on four continents, along with an application guide. The first review, presented to the extended European Works

Council, showed that commitments are respected. Coordination and follow-up now focus on three main action plans based on a new guide sent out in mid-2007 to all subsidiaries.

In France, the Group's commitment and achievements in the area of gender equality were recognized in January 2007 and early 2008, when the country's AFAQ AFNOR certification agency renewed its "Equal Opportunity Employer" label. This made PSA Peugeot Citroën the first French company to have its national label renewed, after having been the first company to receive the distinction from the Ministry of Gender and Professional Equality in 2005.

In 2007, evidence of the Group's excellent environmental management performance was seen in the global decrease of energy consumption, water consumption, direct greenhouse gas emissions, VOC emissions. The ratios per painted vehicle are also lower compared to 2006.

The Trnava (Slovakia), Vesoul and La Garenne-Colombes (France) sites, in particular, obtained ISO 14001 certification in 2007. The ISO 14001 certification process of all of the Group's production facilities worldwide was thus completed.

The Group continues its efforts to raise its suppliers' awareness of sustainable development. In 2006, the Group had set out its [environmental and social requirements for suppliers](#) in order to obtain an official commitment from them. A total of 79 suppliers accounting for 44% of standard purchases, and 69 suppliers accounting for 16% of non-standard purchases signed up at end-2007. The action plan was stepped up in early 2008.

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. An audit grid and questionnaire of evaluation were drafted in 2007. Sustainable development criteria were included in the Group's Global Sourcing approach.

To strengthen the conformity of the communication actions of the Group and its brands with the principles of sustainable development, a PSA Peugeot Citroën Responsible Communication Charter was developed during the year 2007. This charter, applying to any form of communication, will be deployed in 2008 in all the concerned operational entities in the world, and its effective implementation will be controlled with the stakeholders. At the same time, PSA Peugeot Citroën signed the UDA (French advertisers' union) responsible communications charter.

PSA Peugeot Citroën 2007 report on sustainable development.

PSA Peugeot Citroën has published its first integrated Sustainable Development and Annual Report. The decision to enrich the annual report with information on sustainable development PSA PEUGEOT CITROËN strategy, the achievements and performance, reflects our will to make this information easily accessible to all stakeholders.

For the fifth year, the on-line report on sustainable development shows our continuing determination to improve transparency, with the implementation of the GRI 3 (Global Reporting Initiative) reference system for the second year.

A [GRI Index](#) and a [correlation table for Global Compact 10 principles](#), included in the Sustainable Development Indicators document (page 126 to 131), and also available on PSA Peugeot Citroën's sustainable development site, give direct access to performance indicators and related targets.

The scope of environmental reporting was extended with the addition of Automobiles Peugeot and Automobile Citroën sales subsidiaries' data to the data of 28 automobile division sites, PCI, PMTC, GEFCO subsidiaries, and the parts manufacturer Faurecia.

The Group's methods for measuring and consolidating 2007 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.