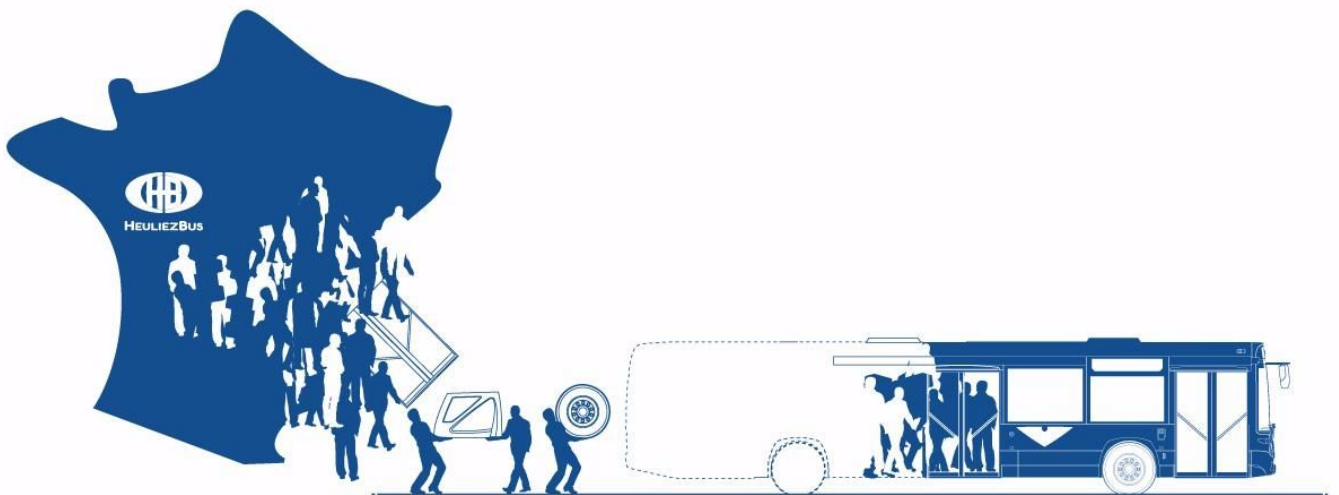




Sustainable Development Commitments



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As a designer and manufacturer of urban buses and systems of transport, HEULIEZ BUS is involved in economic, social and environmental issues and undertakes through its activity, its products and its staff to participate in the sustainable development.

1. Economic commitments

1.1 The Company

HEULIEZ BUS is a company of the IVECO Group. This world-size group ranks as second position on the European market. HEULIEZ BUS pursues the ambition to be a manufacturer at the best quality level in Europe, to constitute an indispensable and additional industrial tool to the other sites of his shareholder IVECO.

In France, the HEULIEZ BUS Company sells the Access'Bus range under its own brand and produces for IVECO, the "Cristalis" trolleybuses and the "Civis" tramways on tire under the IRISBUS brand. Since 2005, HEULIEZ BUS also develops export activities by marketing its range under the IRISBUS brand with the assistance of the commercial organization IRISBUS-IVECO abroad.

All the departments of the company: R&D, production, sales, after-sales, training, spare parts, accounts, purchasing, human resources are merged on a site located in RORTHAIS (79).

1.2 The economic performance of the company

HEULIEZ BUS is known in France as an important leader in the field of urban transport. This sector has known a regular growth for several years now and is directly involved in the qualitative and environmental challenges facing by local authorities, in terms of image, noise and transport emissions reduction.

More and more, the urban transport will stand out as a major alternative to the private car and will provide a long-term sustainable growth to this sector.

With its positioning of 3rd manufacturer of buses in France and its membership to the 2nd European group of public transport vehicles in terms of sales, HEULIEZ BUS undertakes to devote the economic resources necessary to its ambitions regarding quality, environment and sustainable development.

During the last years, HEULIEZ BUS has shown its capacity to ensure a regular growth of its stockholders' equity and to maintain its debt at a low level in spite of the significant and regular investments carried out. They are the best indicators of a management impregnated with this will to ensure our commitments within the framework of careful, modern and implied governance.



1.3 To be attentive to the customers

HEULIEZ BUS is permanently attentive to the customers.

All departments, in touch with customers, are in charge of collecting and transmitting the information in-house, i.e.:

The after-sales department transmits the anomalies detected by the customers on buses in operation and makes detailed reports, which are taken into account by our Product Quality Department.

The sales department collects the needs of the customers, examines the perception of our offers and is in charge of the vehicle acceptance

We are also conducting customer survey in interviews form to evaluate the satisfaction and dissatisfaction levels concerning our products and services.

Lastly, to show our vehicles in exhibitions enables us to collect information concerning the new needs of our customers.

1.4 The quality of service

In response to the customer's requests, a special attention is paid to the following points:

- Strong presence by customers' and dealers'.
- Maximum of spare parts delivered in 24 hours.
- 7 000 spare parts in warehouse.
- Training courses adapted to the customers vehicles and to the service jobs.
- Visits of the plant by the customers to show our know-how.

2. Social commitments

2.1 The satisfaction of the Customer

The vocation of HEULIEZ BUS is to satisfy its customers, offering them adapted products and services whose level of quality perfectly meets their requirements and comply with the regulations in force.

2.1.1 Adapted products

HEULIEZ BUS is able, to design innovative vehicles, of different sizes to comply with the requirements of a more and more segmented market, to develop customizations and interior equipments and thus to propose its customers reliable vehicles adapted to their own operating conditions, for example:

- Access without step.
- An enclosed driver's compartment.
- Moulded front wheel arches enabling a lower sitting height.
- Straight aisle for an easy moving inside the bus and easy access to the rear seats.
- Luggage, bicycles racks.
- Well-being improved with the use of high quality materials and a bright interior of the vehicle thanks to a glazed roof or light manholes in the roof or triangular windows.

2.1.2 Accessible vehicle

Complying with the regulation, all the vehicles manufactured by HEULIEZ BUS are designed to welcome people with reduced mobility, thanks to an access ramp, a wheelchair space, 4 PRM (People with Reduced Mobility) seats, an acoustic passenger information system and specific stop request buttons.

2.1.3 Training of the customers

To improve the know-how and product knowledge of the technicians, HEULIEZ BUS is offering training courses and personalized education which enable the customer's staff to acquire a high level of reliability in order for them to carry out maintenance of quality, ensuring a good service for their vehicles. Each year, more than 70 courses in topics as varied as electronic diagnosis, mechanics or bodywork are suggested to the customers.

These courses are given by “home” trainers with practical experience having good knowledge i.e.:

- They perfectly know the last new techniques, such as:
 - Diesel engines Euro 5 and E.E.V. (Enhanced Emission Vehicle),
 - CNG engines,
 - Electrical engineering of trolley bus and their electric driveline...
- They work in collaboration with the different departments of our plant to be up-to-date with the specific equipments made on the vehicles in operation by the customers'.
- They follow the evolutions of our products, remaining in contact with the work groups that develop the new products.

2. Social commitments

2.2 Human resources

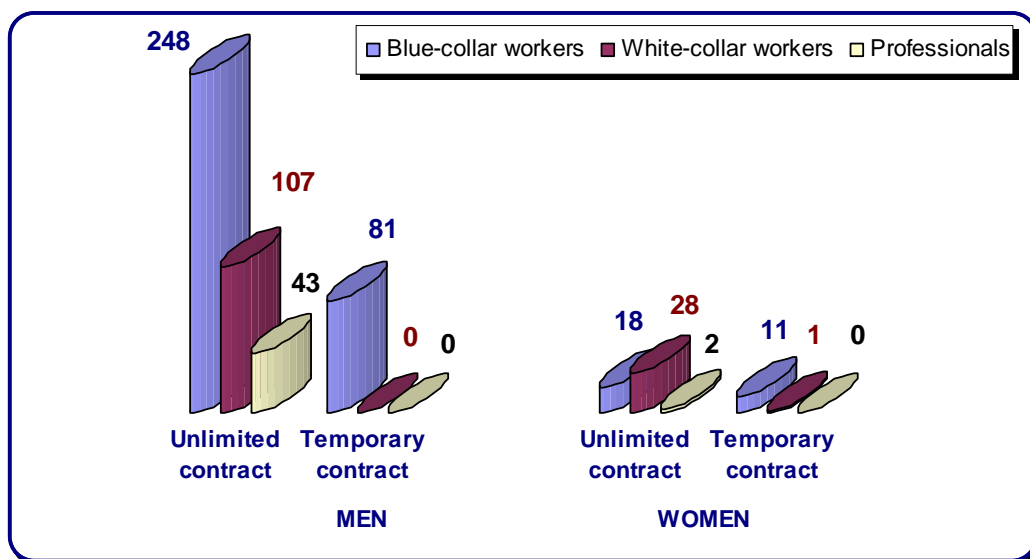
Thanks to **the social policy** led by HEULIEZ BUS, a peaceful atmosphere reigns among the 446 employed persons (2009 figures). The well-being of the employees remains a major cause for concern.

2.2.1 Workforce

As HEULIEZ BUS wish to offer secure and stable employment, all the employees are covered by unlimited term contracts. Therefore 20 new unlimited term contracts have been concluded on 1st January 2010 (among these contracts 4 wives were employed). Nevertheless, the specificities of the market conditions and the production volumes variations, or the missing people replacement, involve the use of temporary workers.*

**The number of temporary employees fluctuates during the year; the figure shown in the graph below is an average for 2009.*

- Classification by socio-professional group :



Because of the activity field of HEULIEZ BUS and the jobs that require a production of heavy vehicles, the staff is mainly made of men, women representing only 11 % of the global staff and 63 % of these women work in administrative or technical sectors.

Even though, it is difficult to make comparisons regarding equality, each year the employees' representatives are informed by the company regarding equal opportunities for men and women. This reports draws up an inventory of:

- Positions.
- Salary.
- Equality according job categories.

HEULIEZ BUS is also involved in a rehabilitation plan for the employees with physical contra-indications by improving the ergonomic of the workstations when it is possible or by offering opportunities for transfers towards sectors less physical.

2. Social commitments

2.2.2 Social dialogue

A social policy which has been emphasizing since 1980 the dialogue and consensus thanks to:

- 1 company agreement each year
- 2 profit sharing schemes
- 9 profit sharing agreements
- 1 agreement for funds from salaries
- 1 early retirement agreement
- 2 time savings schemes
- 3 employee savings schemes
- 1 agreement for senior people jobs
- 1 "GPEC" agreement (Management of jobs and skills)

2.2.3 Training and continuing education of the employees

Priority is given to the training, the know-how and new qualifications with 6 688 hours of training received by the employees in 2009, which represent 2.86 % of the wage bill.

The company has also adopted a training policy, offering students the possibility to be trained partly in an educational institution and partly in the workplace. (19 contracts in progress from "BEP" diploma to "bac + 5" diploma – 2009 figures).

2.2.4 Health and safety of the employees

- A social policy which emphasizes prevention and safety with an accident contribution rate being equal to 1.13 % * (2009 figures).
** This rate is taking into account all the social security benefits paid during the last 3 years.*
- Each new coming employee visits the workshops with the person in charge of the in-house safety and receives the company safety book enclosing the instructions to be carried out inside the plant, the risky areas, the pictograms regarding dangerous products, the safety protections, the emergency call numbers and the instructions in case of accident...
- Every additive is submitted for approval before being used in the workshops, so that the user or the handler is aware of the safety instructions regarding the product.
- First-aid worker and rescuer training periods are forecasted each year to reduce the number of accidents.
- "Green cross" boards showing the company safety figures have been set up to inform the staff every day of the number of cares or accidents.

3. Environment commitments

3.1 Environmentally-friendly products

HEULIEZ BUS takes part in **environmental protection** and design vehicles which more and more preserve the quality of the air and which use materials partly recyclable.

3.1.1 Clean vehicles

- **Diesel:** All the vehicles equipped with diesel engines comply with Euro 5 regulations on pollutant emissions, thanks to the SCR technology (Selective Catalytic Reduction). The SCR technology is the only one that offers the customers a reduction in consumption of about 3 %, both advantageous regarding the operating costs and the environment. The E.E.V. standard (Enhanced Emission Vehicle) is also available in option on the diesel range, with the addition of a particle filter; the E.E.V label regulatory emission threshold is easily achieved.
- **CNG:** In order to meet the customers requirements who wish to fight against exhaust emissions and noise troubles, HEULIEZ BUS has acquired a specific know-how regarding CNG drivelines and 2 models of the range are powered by CNG engines.
- **Overhead cable vehicles:** HEULIEZ BUS has been asked by its shareholder IRISBUS-IVECO to develop and to deal with the industrialization of a range of trolleybuses and guided transport systems. The company thus developing skills concerning electric drivelines.
- **Hybrid vehicles:** In cooperation with BAE Systems, HEULIEZ BUS will develop and sell a hybrid version of its 12 m and 18 m long models. The hybrid Access'Bus range, which marketing is forecasted in 2011, is equipped with the "stop & start" system enabling to save fuel and to decrease CO₂ emission from -20 to 30% and NOx emission from -50%.

3.1.2 Protecting the environment and taking part in recycling

All vehicles manufactured in Rorthais have in common stainless steel frames and composite panels. The lightness of these materials enables to save fuel and therefore means a reduction of pollution.

The use of:

- Stainless steel, material which can be recycled enables to limit the use of solvents.
- Composite panels marking on production line with a standardized labeling allows the sorting and recycling at the end of the lifetime.

The recyclability rate and the re-using rate of our vehicles are of 88% and 94% (ISO 22628 standard frame).

3.1.3 Promoting eco-design

In order to consider environment criteria in the design and development of its products, the company, has started an eco-design awareness approach. The first step was the training of the R&D manager's team and the CAO CATIA drawers. Since then, the technicians' environmental awareness is weekly increased thanks to an internal policy:

This publicity campaign, which has begun in 2008, is done in visuals form displayed all year long to enable R&D technicians to keep in mind an eco-design notion in their daily work.

The goal is to include eco-design in the development of new models of vehicles, in technical evolutions made on the present range and in the customizations and personalization required by customers.

Example:

- The first publicity campaign concerns a weight reduction plan for the vehicles. All reduction obtained is followed by an indicator in our quality system. In 2009, the weight reduction for all the Access'Bus range is of **86,78 kg**, of which - 32,15 kg for the Access'Bus GX 327.



***1 kg= 10 litres of fuel consumption on the life cycle of the bus (SORT 1 cycle)**

3. Environment commitments

3.2 ISO 14001 approach

Since more than ten years, the quality approach is fundamental for our company. After getting the ISO 9002, then ISO 9001 certification, the company is willing today to control the impacts of its activities on the environment and has obtained the ISO 14001: 2004 certification, which promotes the continuous improvement of the processes, the optimization of the costs and the resources, the valorisation of the company by an organized system, the motivation and the implication of the staff. Within the scope of this approach, **HEULIEZ BUS** shows its responsibility to the environment and how is involved in controlling the impacts of its activities on the environment (in particular production of waste, rejections, harmful effects ...):

- By the improvement of the sorting and storage of waste.
- With modern installations of painting preserving the quality of the air and by adapting the manufacturing processes to reduce the discharges of solvents.
- By a better control of the water use and treatment.

Examples:

- Recycling in offices with the recovery of flat papers, batteries, printer's cartridges...
- Sorting of the plastic packaging in the plant.
- Stop of the rejections of industrial water.
- Set up since November 2008 of a new painting box. This new equipment enables, still complying with the regulation ($< 290 \text{ g/m}^2$ of painted area), to work with new products and use new process of painting (aqueous basis painting).
- In 2009, works have been undertaken to change the gravel resistant protection made on the chassis and reduce the total rate at about 200 g/m^2 .
- Use of FSC (Forest Stewardship Council) papers and vegetable inks to print our brochures and leaflets.
- The memos are sent by E-mail to reduce the number of copies.
- In 2009, start-up of a SPRINT system in order to:
 - *reduce the number of printers, i.e. - 70 sprinters
 - *reduce the number of printing papers by using double-sided printing,
 - *use ecological materials.
- In 2010, an electronic season's greetings card was put at disposal as an alternative to the traditional paper card in order to increase people awareness for the environmental stakes.
- Heuliez Bus « Carbon Neutral »: the CO_2 emission produced by the computing bays is compensated with the participation to a program to fill the equivalent of 8 tons of CO_2 . Our IT department became "Carbon Neutral", because the CO_2 emission produced by the bays is compensated with this action. This "GREEN" process is made in partnership with the company TERAPASS which makes a commitment in processes of sustainable development such as: the land consolidation of forests, installation of wind turbines...
- Modification of the floor covering process by using a self adhesive floor covering involving the suppression of glue use. This new process means better working conditions for the staff (odourless) and a reduction of COV emission by 1 852 kg. The total COV emission rate has been reduced by 7 973 kg in 2009 (from 29 472kg in 2008 to 21 499 in 2009).



3.3 Suppliers selection

For many years, the purchasing department has been singling out suppliers with an officially approved quality organization (ISO 9001, ISO TS...).

Today, an inventory of the actions in favour of the environment undertaken by the HEULIEZ BUS suppliers is made (ISO 14001 certification, wastes recycling, chemicals management...); these signs of commitments are selection criteria for the new coming suppliers.

The set up organization and the capacity of the company to control its environmental impact have just been certified ISO 14001, that is why the chosen suppliers are being asked to work towards the same aims.



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