



PSA PEUGEOT CITROËN



2009

SUSTAINABLE DEVELOPMENT PERFORMANCE INDICATORS



2009 Sustainable Development Performance Indicators

In addition to the 2009 Annual Report and its website (www.ar2009.psa-peugeot-citroen.com), this document covers the economic, environmental, social, societal and governance aspects of the sustainable development performance of PSA Peugeot Citroën companies. In addition, readers may visit the dedicated sustainable development website (www.sustainability.psa-peugeot-citroen.com/) to find out the latest news, deepen their understanding of the Group's sustainable development challenges and impacts and learn more about its policies, programmes and accomplishments. Taken together, these media make up PSA Peugeot Citroën's Sustainable Development Report for 2009.

Global Reporting Initiative (GRI) Guidelines

For the seventh straight year, the Group's sustainable development reporting follows the Sustainability Reporting Guidelines issued by the Global Reporting Initiative, using the G3 version for the fourth year. According to the criteria recommended in the «G3 Guidelines, Application Levels», the Group's own assessment of the 2009 sustainable development reporting results in a GRI-checked A+ application level, for the first time this year.



Audit

In their capacity as PSA Peugeot Citroën's Statutory Auditors, PricewaterhouseCoopers has performed the necessary verifications aimed at expressing moderate assurance on:

- the Group's procedures for compiling i) the environmental indicators from PCA, PCI and PMTC production plants, Peugeot and Citroën dealerships, Gefco and Faurecia, and ii) the social indicators from the Automotive Division, Peugeot and Citroën dealership and Gefco published in this Report. These indicators are preceded by this symbol:
- certain PCA environmental indicators and certain Automotive Division social indicators. These indicators are preceded by this symbol: provided by:

Unaudited indicators are preceded by this symbol:

The full review report by one of the statutory auditors, PricewaterhouseCoopers, may be found on page 155 below.

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The Group's Sustainable Development Commitments

Message from the Chairman

Interview with Philippe Varin.

You were appointed Chairman of the Managing Board in June 2009. How would you describe your first year on the job?

In a year of major crisis for the automobile industry, I discovered a Group that was sharply focused on maintaining the vibrancy of its brands, preparing new model launches and carefully managing its production resources. I applaud the collective efforts that allowed PSA Peugeot Citroën to gain market share, handle employment issues in a socially responsible manner and help suppliers weather the crisis.

Financially speaking, our results reflected the recession's severity, with a consolidated loss of €1,274 million for 2009. That said, performance improved significantly in the second half of what was a very mixed year. We were able to substantially pare down debt thanks to disciplined cash management and effective reductions in inventory.

You presented a performance plan in November. Can you tell us how it is aligned with the vision you have defined for the Group?

The goal of the plan for 2010-2012 is to return to profitable growth and gradually eliminate the profitability gap between PSA Peugeot Citroën and its top rivals. The €3.3 billion plan focuses on enhancing our sales momentum and reducing our costs.

Our vision sets the course for the next ten years, through 2020, and structures all of the company's projects and operations. The performance plan is a shorter-term application of this vision with quantified targets and four key ambitions that all our team members have embraced.

Could you summarise the highlights of this vision for us?

Our first ambition is to stay a step ahead in automobile products and services. We want to be ahead of the pack in low-carbon vehicles, design and automobile services.

In environmental performance, we are still Europe's leading manufacturer of low-carbon vehicles, based on unit sales. In 2009, we sold more than 750,000 vehicles emitting less than 120g/km of CO₂. For 2012, our goal is to sell one million. The multiple technologies in our line-up will strengthen this position. We will be the first, for example, to sell electric passenger cars in 2010.

We will also maintain our advance in design, an area where our talent is widely recognised. Peugeot and Citroën now have a clearly defined and differentiated positioning. What's more, 2009 was shaped by new model launches that greatly exceeded registration forecasts, notably for the Citroën C3 Picasso and the Peugeot 3008 in Europe.

Our third focus is mobility services. Automobile usage patterns are fundamentally changing, particularly in cities, where most of the world's population lives. We're therefore working on new services, such as Mu by Peugeot, or new monthly fee concepts for our EVs.

You also want to become a more global and more efficient Group.

It's true that we have to become a more global player and that's our second ambition. In the next ten years, most of the global market's growth will come from Asia. This means that we need to substantially increase our unit sales outside Europe, which currently account for a third of total sales. To achieve critical mass in market share in China, as well as Latin America, we are working faster to align our models to local customer needs. It's critical that we lift our brand awareness and global image to the same level as our top competitors if we want to play in the same league. For all these reasons, we will be ramping up our local teams.

Our vision's third ambition is to achieve operating excellence across our skills sets, which is crucial to our competitiveness and profitability. The deployment of the PSA Excellence System will help us become a benchmark in operating efficiency. This will allow us to meet our goal of ranking among the top five for product and service quality. This ambition is also informing our approach to suppliers, with whom we want to nurture relationships based on shared values.

Lastly, our entire vision is built on the concept of responsible development. Among other things, this means promoting our employees' career development and ensuring their well-being, with an emphasis on workplace health and safety. The new Workplace Health and Safety Management System rolled out since end-2009 should allow us to meet our target of reducing work accident frequency by a factor of three by 2012. I also want to encourage more diversity in our teams, for more effective and rewarding collaboration.

 The entire interview is available in the 2009 Annual Report.

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The Automobile Industry's Major Sustainable Development Challenges

By enabling individual mobility, automobiles are an intrinsic part of economic and social development. At the same time, they present challenges throughout their lifecycle for society and the environment. This is particularly the case during the "in use" phase, which is associated with three key challenges: the greenhouse effect, road safety and urban mobility. The impact of the Group's technological responses is heavily influenced by relations with customers, suppliers, legislators and other stakeholders. Everyone

involved needs to pull together and take meaningful action to address these challenges effectively. PSA Peugeot Citroën is also taking appropriate steps to deal with other issues raised by automobiles throughout their lifecycle and, more generally, by the Group's size and businesses.

Greenhouse Effect

There is now a broad consensus in the scientific community that the level of greenhouse gases (GHG) in the atmosphere from human activity has increased and is affecting the global climate. The transport industry in general and the automobile industry

in particular account for a significant and rising share of global greenhouse gas emissions. For this reason, PSA Peugeot Citroën has made it a priority to continue reducing the CO₂ emissions of its entire line-up.

Road safety

Thanks to extensive optimisation, vehicles now offer a very good level of passenger protection in the event of a crash (secondary or passive safety). Safety also means inventing effective ways to avoid accidents (primary or active safety) and to facilitate speedy

response and rescue if an accident occurs (tertiary or post-accident safety). Driver training and better infrastructure are also key factors in solving the equation of road safety.

Urban Mobility

The number and size of megacities worldwide is constantly growing, notably in the emerging economies. Intensive and growing road transport creates urban congestion that is both costly and harmful for the environment. From PSA Peugeot Citroën's perspective, the solution lies in more widespread use

of low-emission, networked or smart cars that leverage the latest technological advances, as well as in more effective policies for traffic management, alternative transportation systems and land-use planning.

Air quality

Automobiles contribute to air pollution, with health consequences that are particularly noticeable in cities. For this reason, the Group

is working to eliminate contaminants like NO_x, HC and particulates from tailpipe emissions and to introduce zero-emission vehicles.

Resource Management and Recycling

Automobiles also have an environmental impact at the start of their lifecycle, in terms of raw materials, and at the end, with end-of-life recovery and recycling. PSA Peugeot Citroën carefully manages

resources starting at the drawing board and does everything it can to facilitate end-of-life recycling.

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■ The Environmental Impact of Manufacturing Operations

Although automobile manufacturing in itself does not entail any major environmental risks, series production requires large facilities that use water and energy and generate waste. These impacts can be attenuated by using natural resources and energy responsibly and by taking steps to lower contaminant and GHG emissions, reduce effluent, carefully manage hazardous waste and materials,

eliminate the risk of accidental pollution, respect biodiversity and diminish noise and odours. As part of its continuous improvement drive in the areas of safety, health and the environment, PSA Peugeot Citroën has deployed an environmental management system and best available technologies at an acceptable cost.

■ Employee Relations Policies

Automobile production is labour intensive and traditionally uses a largely male workforce. In response to this situation, PSA Peugeot Citroën has made improving working conditions and safety, developing and rewarding talent and promoting equal opportunity

a major focus of its global human relations policy. The Group is committed to respecting and promoting human rights and best practices in all host countries.

■ Supplier Relations

Standard parts and components represent 70-75% of a vehicle's average production cost. Work done by suppliers to fulfil Group orders contributes to the automobile industry's overall social and environmental impact. For PSA Peugeot Citroën, solid, long-

term supplier relations cannot be solely based on quality, costs and deadlines. Suppliers must also comply with social and environmental responsibility requirements that are aligned with the Group's and be committed to continuous improvement in this area.

■ Customer Relations

As a big-ticket item, automobiles must respond to growing consumer expectations for comfort, safety, environmental friendliness and other features while remaining affordable. Customers need to have all the necessary information to make the right buying decision. PSA Peugeot Citroën is committed to offering customers quality products and services to meet their

specific requirements, with appropriate financing packages if needed. Customer satisfaction is a top priority starting in the showroom and continuing on through years of use. The Group has published a responsible communication charter to support transparent, respectful customer relations.

■ Partnerships in Host Countries and Communities

With nearly 190,000 employees worldwide and numerous facilities (around 30 manufacturing plants; a dozen administrative, R&D and design complexes; and hundreds of dealerships –just for the Automotive Division), the Group has a considerable impact on its host communities as a business partner and employer.

PSA Peugeot Citroën is committed to forging deep ties in these communities by listening closely to employees, local officials and neighbours and by getting involved in infrastructure projects, sponsorship campaigns and other local programmes.

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Sustainable Development Commitments and Objectives

A real desire to understand and effectively manage these issues enabled PSA Peugeot Citroën to deploy a sustainable development process that is now mature and fully integrated into the Group's strategic vision defined by the Managing Board in late 2009. This vision, which is aligned with the Group's core values of respect, responsibility, continuous improvement and boldness, has set the course for the next ten years. It is structured around operating priorities, expressed in the form of three strategic ambitions: to

stay one step ahead in products and services, to become a more global Group and to set the industry benchmark for operating efficiency. These three ambitions are all underpinned by a fourth, a commitment to responsible growth.

At the heart of all of the Group's strategic decisions is the sustainable development process, which is designed to meet a series of commitments in the form of measurable objectives.

Commitments	Objectives	2009 achievements and results
Ambition 1: Stay one step ahead in products and services		
Fuel-efficient, low carbon vehicles	<p>Increase the proportion of low-carbon vehicles in the sales mix</p> <p>→ Sell one million vehicles emitting less than 120 g/km of CO₂ in Europe each year as from 2012.</p> <p>Offer hybrid and electric vehicles</p> <p>→ Put four electric vehicles on the market by end-2010.</p>	<p>In 2009, PSA Peugeot Citroën sold in Europe more than 750,000 passenger cars and light utility vehicles emitting less than 120 g/km of CO₂.</p> <p>In September 2009, the Group signed two major international initiatives: <i>Caring for Climate</i> and the <i>Copenhagen Communiqué on Climate Change</i>.</p>
Eco-design	<p>Sharply increase the proportion of green materials* in Peugeot and Citroën vehicles</p> <p>→ Use 20% green materials in vehicle polymers in 2011 and up to 30% in 2015.</p> <p>Optimize vehicle mass</p> <p>→ By 2012, reduce new vehicle mass by 100kg compared with the vehicles they replace.</p>	<p>Green materials make up around 11% of the polymers in the new Citroën C3 Picasso.</p>
Safety and mobility	<p>Extend driver support, passenger restraint, emergency assistance and other safety systems across the vehicle line-up</p> <p>→ Equip one million vehicles in Europe with the emergency call system in 2011.</p> <p>Be the first carmaker to offer customised, multi-product mobility services</p> <p>→ Mu by Peugeot deployed in leading European capitals;</p> <p>→ Introduce a Citroën mobility service solution by 2011.</p> <p>Leverage innovative, broadly accessible telematics services such as traffic information and fleet management to help customers optimise their driving</p> <p>→ Deploy the Peugeot Connect and Citroën eTouch systems.</p>	<p>At end-2009, 630,000 Peugeots and Citroëns on the road were equipped with the Premium emergency call system in the nine European countries where the service is available.</p> <p>Peugeot Connect and Citroën eTouch were launched in early 2010.</p> <ul style="list-style-type: none"> • Peugeot Connect offers a location-aware emergency call system, repair assistance and fleet management services; • Citroën eTouch offers an emergency call system, an online service record and an eco-driving service accessible via the Internet.
Ambition 2: Become a global player		
Meeting customer expectations	<p>Offer products and services aligned with the needs of PSA Peugeot Citroën's different markets and delivering the quality customers expect</p> <p>→ Rank among the top five carmakers in customer satisfaction in Europe by 2014;</p> <p>→ Offer vehicle and service solutions (flex-fuel, CNG, etc.) aligned with the environmental concerns of every market.</p> <p>Manage the environmental footprint and social impact of the Peugeot and Citroën dealership networks even more effectively</p> <p>→ Deploy an environmental and social scorecard in the proprietary dealership network in 2011.</p> <p>Pursue a responsible communication strategy developed with an honest view of the environmental, societal and business challenges posed by automobiles</p>	<p>JD Power's annual surveys show steady improvement in Peugeot's and Citroën's customer satisfaction scores, year after year.</p>

* Recycled organic materials, natural materials, polymers not coming from the petrochemical sector.

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Ambition 3: Set the industry benchmark in operating efficiency		
<u>Environmental management</u>	<p>Continue to reduce the environmental footprint of the Group's manufacturing operations</p> <ul style="list-style-type: none"> → Carefully manage energy consumption, with a target of 2.05 MWh per vehicle produced in 2010. → Reduce VOC emissions to 3.42 kg per vehicle produced in 2012. → Reduce water consumption to 4 cubic meters per vehicle produced in 2012. 	<p>Greenhouse gas emissions per vehicle have been almost halved since 1995, while volatile organic compound emissions have been more than halved, to less than 4kg per vehicle from more than 8kg in 1995. Over the 1995-2009 period, water withdrawn per vehicle has been reduced by 64%, to 5.12 cubic metres from 14.16 cubic metres.</p>
<u>Supplier relations</u>	<p>Develop sustainable, mutually beneficial relationships that comply with the highest social responsibility and environmental responsibility requirements</p> <ul style="list-style-type: none"> → 90% of purchasing expenditure covered by a supplier commitment in 2012. 	<p>By late 2009, 385 suppliers had pledged to comply with PSA Peugeot Citroën social and environmental responsibility requirements, representing 67% of purchasing spend. The objective for 2010 is 500 suppliers. In addition, the Group continues to include sustainable development clauses in standard parts purchasing contracts. Including these contracts, 465 suppliers are involved in the process, covering 77% of purchasing outlays.</p>
Ambition 4: Support responsible growth		
<u>Respect for human rights</u>	<p>Promote respect for basic human rights and the principles of ethical conduct throughout the Group's worldwide operations</p> <ul style="list-style-type: none"> → Renew the Global Framework Agreement. 	<p>A review of the Global Framework Agreement's deployment conducted in June 2009 showed a good level of buy-in after three years of application. Between 2006 and 2009, the number of subsidiaries that apply all the commitments increased by 10 points, for a full deployment rate of 87%.</p>
<u>Promote all types of diversity</u>	<p>Promote all types of diversity, ensure equal opportunity and prevent discrimination</p> <ul style="list-style-type: none"> → Raise the percentage of women in the senior management team to 15% in 2012. 	<p>In 2009, women accounted for 21% of all Group employees, 19.1% of managers and 5.5% of senior managers.</p>
<u>Well-being in the workplace and skills development</u>	<p>Provide employees with a safe, healthy workplace in which their talent can flourish</p> <ul style="list-style-type: none"> → Reduce the incident frequency rate by two-thirds in 2012. → Continue to improve plant workstation ergonomics, with the goal of reducing the percentage of "heavy" workstations to 8% and increasing the percentage of "light" workstations to 58% in 2012. <p>Develop and recognise employee capabilities so that each team member can contribute more fully and autonomously to the company's performance</p> <ul style="list-style-type: none"> → Open a corporate university and devise a worldwide training plan in 2010. 	<p>In 2009, the lost-time incident frequency rate (LTIF) stood at 3.43. Temporary workers were included in the tracking statistics in 2009, bringing the rate to 4.63.</p>
<u>Ethical practices and corporate governance</u>	<p>Strengthening the rules of ethical behaviour across the Group</p> <ul style="list-style-type: none"> → Deploy an updated and expanded Code of Ethics in 2010, along with an operating guide, and set up a new ethics governance system. 	
<u>Corporate citizenship</u>	<p>Provide an additional contribution to civil society in response to environmental and social issues such as road safety, mobility, local development and community outreach</p> <ul style="list-style-type: none"> → In liaison with the City on the Move Institute (IVM), launch mobility initiatives such as trials of the "City at your Doorstep" mobility and services programme in France and sponsoring the Better Mobility, Better Life Prize for innovative mobility solutions as part of the Expo 2010 in Shanghai, China. 	<p>In 2009, IVM organised a series of public hearings and debates on "Climate Change, Urban Mobility and Cleantech," in which a host panel of European experts exchanged ideas with their visiting North American counterparts.</p>

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Organisation

The Group's sustainable development policy and management system are an integral part of its corporate governance.

The Sustainable Development Department, which reports directly to a member of the Executive Committee, has pursued a structured approach since 2003. It works with a network of front-line correspondents in all the Group's departments who are experts in the different areas of corporate responsibility (human resources, environmental management, purchasing, marketing, sponsorship, etc.). The department convenes a Sustainable Development Committee every quarter to meet with the network's members.

The correspondents who participate in the Sustainable Development Committee often have a network of correspondents within their own departments. The environmental network, for example, has nearly 500 members and is present in all host countries, facilities and subsidiaries.

The main sustainable development indicators are included in the Executive Committee's monthly scorecard, along with the traditional business indicators.

Standards and Commitments

In implementing its sustainable development approach, the Group refers to a structured set of international or industry standards and benchmarks, including:

- International Financial Reporting Standards (IFRS) for accounting.
- ISO 9001 for quality.
- ISO 14001 for the environment.
- The third generation (G3) Sustainability Reporting Guidelines issued by the Global Reporting Initiative for reporting.
- The Global Compact for ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. PSA Peugeot Citroën joined the Global Compact and committed to these principles in 2003.
- The responsible advertising charter issued by the French Advertisers' Association (UDA) for advertising.

In September 2009, the Group signed two major international initiatives:

- *Caring for Climate*, a voluntary and complementary action platform for UN Global Compact participants who seek to demonstrate leadership on the issue of climate change.
- The *Copenhagen Communiqué on Climate Change*, which set out the business case for an ambitious, robust, effective and equitable UN climate framework ahead of the United Nations Climate Change Conference in Copenhagen in December 2009.

Gefco joined the UN Global Compact in December 2009, signalling its commitment the Compact's ten principles. Gefco intends to include those principles in its operations and strategy and to promote them among its suppliers and contacts.

Also in December, Gefco signed the voluntary charter of commitments to reduce carbon emissions from road haulage companies in the greater Paris area, which was prepared jointly by the French Ministry of the Environment, Energy, Sustainable

Development and Sea (MEEDDM) the French Environment and Energy Management Agency (ADEME). Covering the period 2010-2012, the charter includes provisions on driver training, fuel consumption, fleet upgrades, improved fill rates and supply chain planning.

In addition, the Group has developed its own benchmarks and guidelines in the following areas:

- Social responsibility: Global Framework Agreement on Social Responsibility signed with the International Metalworkers' Federation (IMF) and the European Metalworkers' Federation (EMF) in March 2006.
- Ethics: The Code of Ethics. An updated and expanded Code of Ethics will be deployed in 2010, along with an operating guide and a new ethics governance system.
- Purchasing: PSA Peugeot Citroën's Requirements Regarding Social and Environmental Responsibility with Respect to its Suppliers.
- Responsible marketing and advertising: PSA Peugeot Citroën's Responsible Communications Charter.

The Group belongs to several French organisations that promote corporate social responsibility (CSR), including Comité 21, the Study Centre for Corporate Responsibility (ORSE) and the college of sustainable development managers (C3D), of which PSA Peugeot Citroën's representative is Vice-Chairman. The Group also joined the French Businesses for the Environment association (EpE) in 2009. PSA Peugeot Citroën participates in a variety of working groups within these organisations.

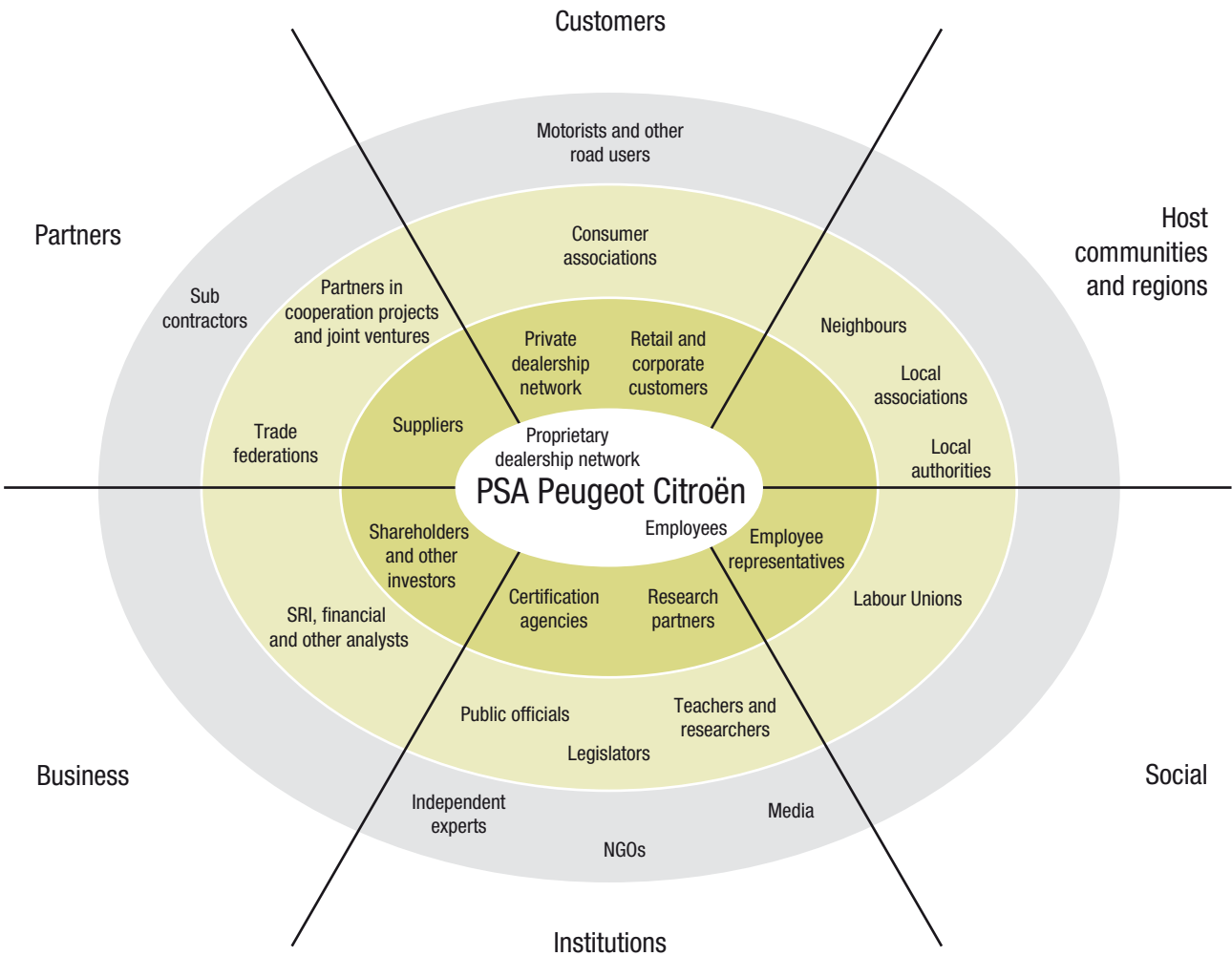
Lastly, PSA Peugeot Citroën has been a member of the China Business Council for Sustainable Development (CBCSD) since March 2006.

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Relations with Stakeholders

Stakeholders and Forums

Stakeholders



Dialogue Resources

The expectations of customers, employees and shareholders are a core concern at PSA Peugeot Citroën. The Group is gradually adding community representatives to its circle of dialogue alongside industrial and business partners.

Stakeholder	Information - communication	Dialogue - consultation	Agreements - partnerships
Employees	<ul style="list-style-type: none"> Internal communication through newsletters, websites, events, etc. Awareness campaigns on sustainable development, diversity, disabilities, eco-driving, safe driving, etc. 	<ul style="list-style-type: none"> Daily dialogue with management Discussion within teams: Basic Production Units, Basic Design Units and Basic Innovation Units Suggestion boxes Dialogue through employee representatives 	<ul style="list-style-type: none"> Training Support for individual outreach projects, for example through the solidarity trophies programme
Employee representatives		<ul style="list-style-type: none"> Social agenda European Works Council International Joint Union-Management Strategy Committee Specific sessions on site 	<ul style="list-style-type: none"> Global Framework Agreement on Social Responsibility More than 150 agreements signed in 2009, of which 120 outside France
Customers	<ul style="list-style-type: none"> Peugeot and Citroën websites Responsible Communications Charter Information on road safety features when a vehicle is delivered 	<ul style="list-style-type: none"> Dealership network and its customer service Consumer panels 	
Consumer associations		<ul style="list-style-type: none"> Consumer relations teams 	
Dealership networks	<ul style="list-style-type: none"> Citroën's GreenPact environmental programme in France. 	<ul style="list-style-type: none"> Customer satisfaction and quality feedback Seminars with environmental correspondents from the dealership host countries 	<ul style="list-style-type: none"> Analysis of all types of risk (including ethics) before a dealership contract is signed Inclusion of sustainable development clauses in dealership contracts
Shareholders and other investors	<ul style="list-style-type: none"> Letter to Shareholders Annual Report and Registration Document Corporate website Annual and interim financial results 	<ul style="list-style-type: none"> Consultation Committee Annual Shareholders' Meeting. Investors' Day Numerous conferences 	
Suppliers	<ul style="list-style-type: none"> Monthly information meetings 	<ul style="list-style-type: none"> Supplier trophies Innovation days Supplier relations teams Strategy meeting (CEO + 300 largest suppliers) and products/projects meeting 	<ul style="list-style-type: none"> Social and environmental responsibility requirements guidelines for suppliers Sustainable development clauses in contracts and general selling conditions
Partners in cooperation projects and joint ventures		<ul style="list-style-type: none"> Presence in national (CCFA), regional and global organisations 	<ul style="list-style-type: none"> Joint development and production of vehicle components and bases, notably for electric vehicles and new generation, high efficiency engines
Other carmakers		<ul style="list-style-type: none"> Member of the European Automobile Manufacturers' Association (ACEA) Member of national associations in all host countries 	
Financial and SRI rating agencies	<ul style="list-style-type: none"> Publication of sustainable development performance indicators Corporate and sustainable development websites Annual Reports 	<ul style="list-style-type: none"> Respond to questionnaires and periodic requests Take rating agencies' expectations into account 	
NGOs and associations	<ul style="list-style-type: none"> Annual Reports Corporate and sustainable development websites 	<ul style="list-style-type: none"> Discussions with the French Advertisers' Association (UDA) Respond to requests 	<ul style="list-style-type: none"> Sponsorship (vehicles loans and donations, etc.) Peugeot Carbon sink
Institutions		<ul style="list-style-type: none"> Regular contacts with European and international institutions, as well as with French authorities 	
Host communities and site neighbours	<ul style="list-style-type: none"> Events on road safety, environmental issues, sustainable mobility and other topics 	<ul style="list-style-type: none"> Discussions with local officials Open houses 	<ul style="list-style-type: none"> Sponsorship focused on local development
Media	<ul style="list-style-type: none"> Press releases Website and media centre (corporate and brands) 	<ul style="list-style-type: none"> Technologies and environment workshop 	
Teachers and researchers	<ul style="list-style-type: none"> Forum for France's leading business and engineering schools Awareness campaigns with local schools 	<ul style="list-style-type: none"> Internships, laboratory space for doctoral candidates under a CIFRE contract Dialogue on urban mobility within the City on the Move Institute (IVM) 	<ul style="list-style-type: none"> Partnerships with national educational systems in each host country

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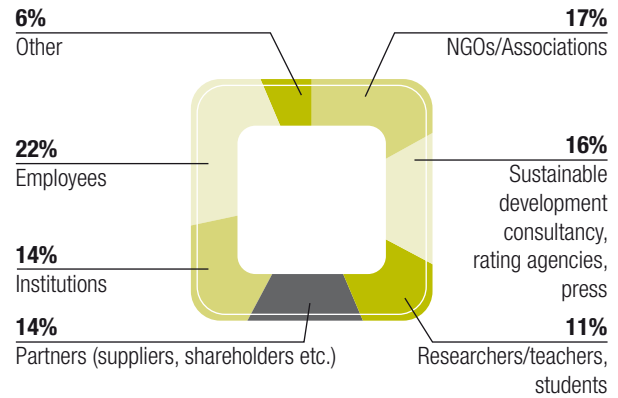
Reporting Survey

■ Presentation

The Sustainable Development Department sent a survey on the Group’s sustainable development commitment and reporting to a select panel of stakeholders to collect feedback. The survey was also posted on the sustainable development website.

The results provided valuable feedback on stakeholder perceptions concerning the quality of PSA Peugeot Citroën’s reporting and the appropriateness of the Group’s sustainable development measures. The survey also gave a better view of stakeholder expectations.

The table below is based on data from the 64 surveys that were completely filled out. Respondents identified themselves as follows:



Of the respondents, 70% answered “completely” or “somewhat” to the statement “Sustainable development is a subject on which you are well informed”, and 65% answered “completely” or “somewhat” to the statement “Sustainable development is a subject in which you are involved”. Environmental issues were the most important to the respondents.

■ Opinion on 2008 Reporting Presentation

Overall, respondents found the Group’s annual sustainable development publications pleasant and practical.

However, the number of pages and amount of text in the 2008 Sustainable Development and Annual Report – often found excessive – do not make it easy for readers to get a quick overview of the Group’s challenges and actions.

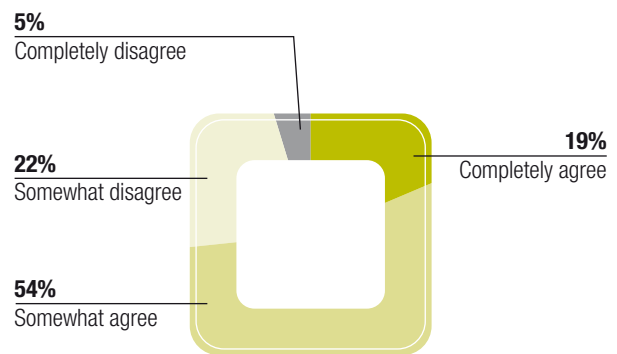
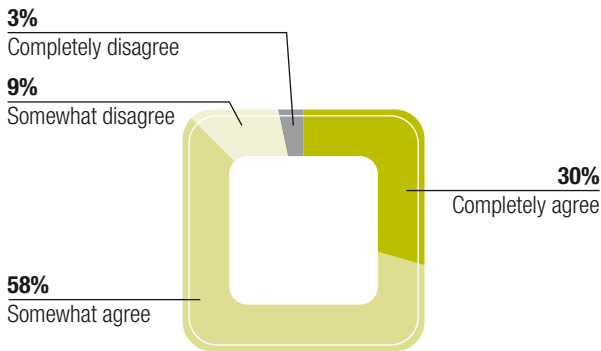
Opinion on 2008 Reporting Content

71% of respondents answered “completely” or “somewhat” to the question “Do you think the Group has correctly informed you of its sustainable development activities?”.

The Group’s communication concerning these challenges was found useful and substantiated. It was also found relatively exhaustive and sincere, despite the difficulty involved in convincing an audience with an often very critical viewpoint.

“PSA Peugeot Citroën has an ambitious approach to sustainable development.”

“PSA Peugeot Citroën sets a good example compared with its competitors or other large companies on sustainable development.”



Type of stakeholder	Remarks	PSA Peugeot Citroën’s response
NGO/Association	Does PSA Peugeot Citroën plan to improve its biodiversity indicators? Do you manage open spaces/natural environment at your sites?	The biodiversity section in the chapter on the environment has been enhanced. Initiatives such as plant inventories, protection of certain species or rehabilitation of open spaces at Group sites are not listed in this document. Certain of these good practices are presented on the Group’s sustainable development website.
Sustainable development specialist	The section on eco-design is not very detailed. It would have been interesting to see this issue treated cross-functionally, starting with raw materials and on through to the processed material used to make the car.	The Group chose to discuss eco-design by topic (optimising engines, reducing vehicle mass, improving aerodynamics, using green materials, recycling, etc.). A lifecycle presentation was prepared for the Planète Durable sustainable consumption trade show in 2010.
NGO/Association	Do not hesitate to acknowledge that there are problems and that not everything can be solved in the short term. It’s better to discuss difficult issues rather than sweep them under the carpet.	PSA Peugeot Citroën has adopted a positive and assertive attitude in its approach to the challenges of sustainable development. The Group addresses all issues, no matter how difficult, because it knows that acting otherwise would damage its credibility as a responsible corporate citizen.
NGO/Association	How can you get employees more involved?	Many sites organise periodic campaigns to raise awareness and get employees involved. A number of them are described in the section on community commitment.
NGO/Association	Be careful not to exaggerate your low emissions, which primarily reflect your small-car positioning – a decision that was not originally made for environmental reasons.	While it is true that PSA Peugeot Citroën is a volume carmaker, it offers a better emissions performance than most of its direct competitors. The Group is committed to offering the broadest range of low emission vehicles in the market.
Sustainable development specialist	The section on financing new mobility solutions is not very detailed.	In 2000, PSA Peugeot Citroën created the City on the Move Institute (IVM), which has initiated and promoted research and trials aimed at understanding how urban mobility is changing. Each year, the Group devotes more than €1 million to the IVM and integrates the results of this research into its innovations and developments. On-demand mobility services such as Mu by Peugeot are now available, delivering mobility without car ownership.

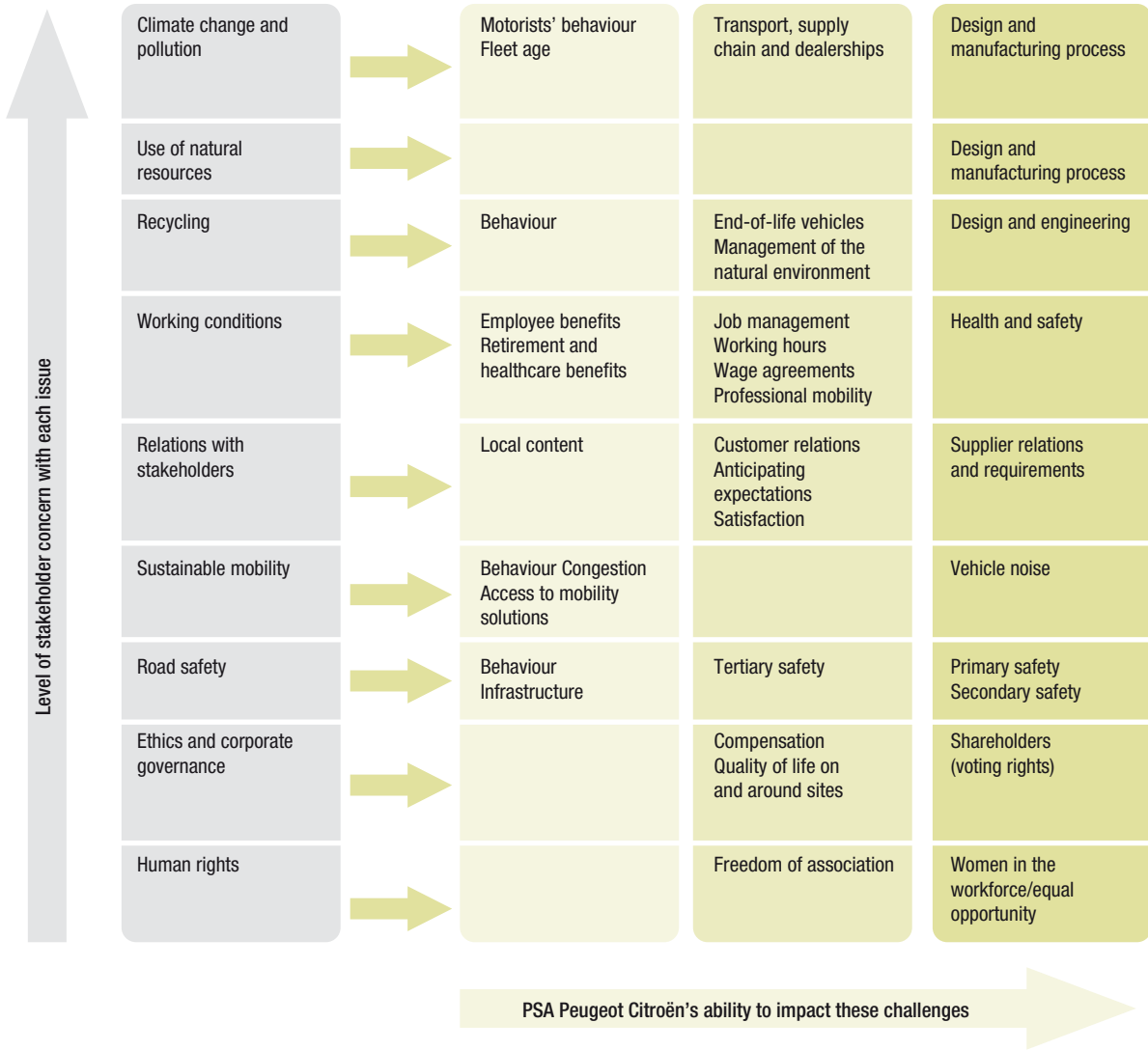
OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Relations with Stakeholders | Reporting Survey

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Respondents' identities have been withheld for reasons of confidentiality.

■ Importance of the Main Challenges and Issues Involved



The level of concern with each issue has been ranked on the basis of the survey results and therefore reflects the opinions of a limited panel, with a majority of French participants.

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Public Policy and Lobbying

■ Automotive Carbon Emissions

At a time when people are increasingly aware of climate change issues, particularly with the Copenhagen Conference, the eco-car of the future remains a major topic of public debate.

Following on from the directive on passenger car emissions in Europe adopted in December 2008, similar standards for light commercial vehicles are now on the table, with PSA Peugeot Citroën defending the position that test cycles and procedures should be harmonised worldwide.

More generally, PSA Peugeot Citroën feels that there is not a “one-size-fits-all” technology that will produce a carbon-free automobile. Instead, reducing overall carbon emissions will require the commercial development of several closely related technologies to meet the differing usage patterns and price requirements of carbuyers around the world. It is widely believed that internal combustion vehicles will still account for 80% of automobile sales

in 2020. PSA Peugeot Citroën is involved in several ambitious programmes to develop low-carbon technologies.

Working with public authorities, the Group is helping to define the conditions that would enable the emergence of a market for low-carbon vehicles. As part of this process, it is helping to develop and assess electric infrastructure technologies and standards, particularly EV recharging technologies and plug-in hybrids. In addition, PSA Peugeot Citroën would like for governments to support the development of electric vehicles, hybrids and plug-in hybrids with incentives to stimulate emerging demand for these vehicles. For this new market to reach maturity, it is vitally important that these incentives be highly visible and stable over time.

■ Biofuels

The Group regularly shares its experience as a carmaker by taking part in discussions on the technical, business and political issues raised by biofuels.

In Europe, PSA Peugeot Citroën is encouraging the use of weak biofuel blends, which can already be used in existing cars, thereby helping to reduce overall carbon emissions.

The Group supports the introduction in France of B10, a diesel blend with 10% biofuel, whose use would enable the country to meet the ambitious biofuel blend targets it has set for 2010. Any Peugeot or Citroën diesel can run on B10.

The use of ethanol or FAME blends exceeding 10% will have to wait for the second generation of biofuels, derived primarily from fuel crops as well as organic waste, such as biomass. Aware of the potential conflict between using crops for fuel instead of food, PSA Peugeot Citroën is supporting several research programmes being conducted on second-generation biofuels.

■ Road Safety and Telematics

In the future, cars will be increasingly connected to roadway infrastructure and, more generally, to the outside world, which will help to improve both safety and the driving experience. PSA Peugeot Citroën supports the deployment of intelligent transport systems, such as electronic toll collection, traffic information, freight management systems, parking guidance and the eCall.

The pan-European eCall must be compatible with PSA Peugeot Citroën’s emergency call system, which is already widely deployed on some 750,000 vehicles. It is part of a high performance PSA Peugeot Citroën telematics solution that can serve as a springboard for innovative telematics services, including emergency calls, assistance, fleet management support and electronic service records.

■ The Environmental Impact of Manufacturing Operations

Although the proposed carbon tax has been cancelled in France, proposals to increase energy taxes, particularly on fuel, are still being discussed in Europe. PSA Peugeot Citroën pays careful attention to the balance between carbon trading costs and a carbon tax, and to maintaining a level competitive playing field worldwide.

Manufacturing is already heavily regulated, in particular with the recast Industrial Emissions Directive (formerly IPPC). If the revised directive enables the deployment of best available technologies at affordable cost, it will help to further reduce the environmental impact of PSA Peugeot Citroën plants, which has already been declining for many years.

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Innovation

The automobile industry is facing major challenges that will be embodied in technological paradigm shifts.

France has a national R&D strategy based on companies cooperating on research projects upstream from the competitive stage. The government also wants to encourage cooperative ventures between companies and government or private-sector laboratories. PSA Peugeot Citroën is participating in 70 research programmes with public laboratories, covering such areas as alternative powertrains, engines, materials, electronics and safety, and in clean vehicle research with 80 laboratories belonging to the National Centre for Scientific Research (CNRS). It has also hired 50 doctoral candidates to work in collaboration with government laboratories under CIFRE contracts.

In addition, the Group is actively involved in government-sponsored automotive clusters, including *Véhicule du Futur* (Alsace, Franche-Comté), *Mobilité et Transports Avancés* (Poitou-Charentes), *Automobile Haut-de-Gamme* (Brittany, Pays de Loire) and *Mov'eo* (Île de France, Normandy).

PSA Peugeot Citroën has proposed several R&D projects, including the HYdole plug-in hybrid, that have qualified for financing from the demonstrator fund managed by France's Agency for the Environment and Energy Management (ADEME) to promote innovative projects. At the European level, PSA Peugeot Citroën is participating in 10 EUCAR projects, most of which address road safety issues and intelligent transport systems. Lastly, the Group is participating in projects funded by the French National Research Agency (ANR) in association with the government-backed PREDIT network, as well as in the H-PAC programme to develop France's ability to produce carbon-free hydrogen and fuel cells.

These and other projects mean that PSA Peugeot Citroën must find new sources of R&D financing. In addition to research partnerships, the Group has received EU support from the European Investment Bank, which will continue to provide supplementary funding in 2011 and 2012. It also benefits from research tax credits in France and hopes to receive financing from the country's National Bond issue.

Economic Environment

As soon as the crisis became apparent, PSA Peugeot Citroën quickly sized up the serious economic and social consequences of the situation. Today, it is continuing to carefully track a business environment that remains challenging. To cushion and forestall the recession's negative impact, the Group moved swiftly to adjust production, in close dialogue with the unions and employee representatives, and to initiate discussions with the French government. The latter covered measures to support the French auto industry as financial markets fell into disarray and incentives to stimulate car sales so that the situation would not be worsened by an even greater collapse in production. Early on, it became

clear that the entire industry, including suppliers, would have to be taken into account for these measures to succeed in the short and medium term. PSA Peugeot Citroën's priority was to support suppliers in difficulty during the recession and to secure its supplies. The Group has also put together an expanded team to manage day-to-day relations with suppliers in difficulty and is developing more mutually supportive relationships with its suppliers. One example is the upstream collaborative working partnership with 14 strategic suppliers.

Taxation

To drive a general reduction in carbon emissions, PSA Peugeot Citroën supports the need for a technology-neutral regulatory and tax framework. However, certain high-cost technologies need incentives to jump-start wider demand for products that are currently too expensive for most people, such as electric vehicles and plug-in hybrids.

There is an increasing trend towards taxing cars based on the CO₂ emissions, with the goal of encouraging sales of lower-carbon models. However, this CO₂-based taxation is leading to greater market fragmentation, making the need for pan-European

coordination more pressing. Scrappage incentives, while effective in times of deep recession, should be phased out gradually, as is the case in France. In addition, PSA Peugeot Citroën and every other carmaker would like to make taxation, particularly on car purchases, more visible and foreseeable. In France, for example, feebate criteria have not been defined beyond 2012.

Lastly, PSA Peugeot Citroën does not support any move to discourage diesel sales, which would suddenly disrupt European car markets and hamper efforts to reduce vehicle CO₂ emissions.

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■ Social Responsibility

PSA Peugeot Citroën is building its growth on socially responsible action principles.

Its employee relations policies are therefore designed to encourage social cohesion through intensive social dialogue, which is driving innovation and leading, in every host country, to the signature of a large number of innovative, consistently pioneering agreements that reflect and embrace the social changes reshaping our world.

For example, PSA Peugeot Citroën was one of the first French companies to sign agreements concerning equal opportunity (2003) and diversity (2004), and was the first company to be awarded the “Equal Opportunity” and “Diversity” labels from French quality standards agency AFAQ/AFNOR.

In 2009, discussions with employee representatives, governments and institutions primarily addressed such issues as diversity, training, short-time work compensation, the prevention of

psychosocial risks and spousal abuse. They led to the signature of agreements like the Agreement on training and compensation for employees affected by short-time working, the Agreement on assessing and preventing psychosocial risks and the Memorandum on the prevention of spousal abuse.

These agreements also reflect the Group’s commitment to extending best human resources policies and to promoting such strong values as respect for human rights, equal opportunity, team diversity and workplace health and safety.

In addition, PSA Peugeot Citroën approves the adoption of the ISO 26000 social responsibility standard and will ensure that its guidelines are incorporated into the Group’s sustainable development process and in every aspect of its business.

Sustainable Development Reporting

Reporting Scope and Methodology

The Group reports on its sustainable development performance annually on the basis of operating indicators. The audited results are presented in this Sustainable Development Performance Indicator document and on the sustainable development website.

This report concerns the economic, social and environmental performance of fully consolidated PSA Peugeot Citroën companies.

For the seventh year in a row, the Group’s reporting follows the Sustainability Reporting Guidelines issued by the Global Reporting Initiative, with the goal of continuously improving transparency. The third generation (GG3) guidelines have been applied for the past four years.

According to the criteria recommended in the “G3 Guidelines, Application Levels”, the Group’s own assessment of its 2009 sustainable development reporting results in a GRI-checked A+ application level, for the first time this year.



The information in this document complies with French corporate governance legislation (“*Nouvelles Régulations Économiques*” Act), as described in the Registration Document.

All of the information concerning Faurecia, a listed company, may be found in its Registration Document.

■ Scope of Reporting

Indicator scope and consolidation methods are described at the beginning of each section, or, as appropriate, with the indicator concerned.

The scope of reporting does not include subsidiaries jointly owned with other carmakers or joint ventures accounted for by the equity method.

PSA Peugeot Citroën owns a stake in five automobile manufacturing joint ventures:

- TPCA, located in Kolin in the Czech Republic, in cooperation with Toyota Motors.

- DPCA, located in Wuhan and Xiangfan, Hubei Province, China, in cooperation with Dongfeng Motor Corp.
- Sevelnord, located in Hordain, France, in cooperation with Fiat. Sevelsud, located in Val di Sandro, Italy, in cooperation with Fiat.
- Française de Mécanique, located in Douvrin, France, in cooperation with Renault.

In these joint ventures, PSA Peugeot Citroën exercises its role as shareholder and industrial partner in a commitment to supporting each one’s long-term development. As part of this process, it maintains regular dialogue on environmental and social issues. All the plants have earned ISO 14001 certification, for example.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Sustainable Development Reporting | Audit

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In 2006, the Group agreed to present its Global Framework Agreement on Social Responsibility to its industrial partners, thereby encouraging them to apply the international ILO conventions on which the Agreement is based.

Depending on the management structure adopted with the industrial partner, the joint ventures report on their social and environmental performance at different levels.

In 2007, at PSA Peugeot Citroën's initiative and with the agreement of co-shareholder Dongfeng Motor Corp., DPCA published its first Sustainable Development Report – the first such report ever prepared by a carmaker in China. The report was updated in 2008, 2009 and 2010.

■ Period under Review

The data and indicators presented in this document concern 2009 and provide values as of 31 December, to which several first-quarter 2010 highlights have been added.

Comparative data is generally provided for three years, wherever possible, or more to include information from a reference year in which a policy or action plan was implemented.

Most of the indicators are presented with comments explaining any changes in their scope of reporting or calculation method.

Audit

■ Audit

The methods for compiling the social and environmental data from Group production plants, Peugeot and Citroën sales subsidiaries and Gefco, as well as the Faurecia environmental indicators published in this report and certain other indicators have all been checked by PricewaterhouseCoopers, an independent audit firm.

Indicators for which the processes for establishing data have been audited are preceded by this symbol: ■■.

Unaudited indicators are preceded by: ■.

Indicators for which data has been audited are preceded by this symbol: ■■■.

PricewaterhouseCoopers report on their audit is presented in full on page 155.

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Presence in Indices, Awards and Distinctions Received

Presence in Indices

A number of SRI indices, including FTSE4Good, ASPI Eurozone® and the Ethibel Excellence Index®, have included PSA Peugeot Citroën in recognition of its sustainable development performance. PSA Peugeot Citroën awards Prime status in the sustainability rating carried out by oekom research AG.



FTSE4Good
Environmental Leader

EthiFinance is the French agency that rates PSA Peugeot Citroën and submits its research and analysis to EIRIS, which supplies data for the FTSE4Good index.



The ASPI Eurozone® (*Advanced Sustainable Performance Indices*) selects the 120 best rated listed companies in the euro-zone on the basis of Vigeo's corporate social responsibility ratings.

PSA Peugeot Citroën leads the automobile industry in four areas: human resources, human rights, market conduct and community commitment.



The Excellence Register comprises the stocks selected by Forum Ethibel, based on Vigeo research. It serves as the basis for the Ethibel Excellence index.



oekom research, German sustainable development rating agency, awards Prime status to those companies which according to the oekom Corporate Rating are among the leaders in their industry and which meet industry-specific minimum requirements.

The Group has responded to both the Carbon Disclosure Project Questionnaire (CDP) and the Carbon Disclosure Project SCLC Questionnaire (CDP SCLC). The Carbon Disclosure Project rates companies on the basis of a publicly disclosed methodology that changes each year. The rating is based on companies' transparency with respect to climate change issues. PricewaterhouseCoopers, CA Cheuvreux and Deloitte audit the responses for CDP. In 2009, PSA Peugeot Citroën obtained a rating of 86/100. As a result, it was included in the 2009 Carbon Disclosure Leadership Index

(CDLI), ranking first among 76 participating companies in the France SBF 120 geographic market index and sixth among 247 participating companies (out of 300 queried) in Europe. PSA Peugeot Citroën's responses may be viewed on the Carbon Disclosure Project website.

In accordance with its Global Compact commitments, the Group reports on improvements made during the year in each of the ten principles in its communication on progress.



The PSA Peugeot Citroën's communication on progress is available on the Global Compact's website, as well as on the Group's sustainable development website.

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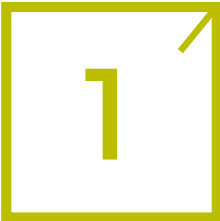
Awards

■ Awards Received in 2009

- In France, PSA Peugeot Citroën was one of the first companies to receive the Diversity label created by the government and awarded by the Ministry of Immigration, Integration, National Identity and Codevelopment.



- In Germany, the city of Cologne recognised Citroën Germany with an honorary award for its commitment to diversity.
- PSA Peugeot Citroën received the bronze medal at the 16th International Advertising Festival for its public service radio announcement highlighting the dangers of drunk driving, broadcast on China National Radio. Since 2008, the Group has promoted responsible driving in advertising campaigns, with advice on how to drive more safely and with a smaller impact on the environment.
- In China, the Group was elected Best Corporate Citizen by the 21st Century Business Herald for its contribution to road safety, environmental protection and urban mobility.



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ECONOMIC PERFORMANCE

1.1. Shareholders | 1.1.1. Ownership Structure and Form of Incorporation



Policies designed to generate direct economic value and distribute it among stakeholders are presented on the “Our Responsibility” pages in the following sections of the sustainable development website: Our Shareholders, Our Clients, Our Suppliers and Communities.

1.1. Shareholders

1.1.1. Ownership Structure and Form of Incorporation



Most of the financial and business information may be found in the 2009 Registration Document.

Ownership Structure

Main identified shareholders*	31 December 2007			31 December 2008			31 December 2009		
	Shares outstanding	% interest	% of exercisable voting rights	Shares outstanding	% interest	% of exercisable voting rights	Shares outstanding	% interest	% of exercisable voting rights
Établissements Peugeot Frères	6,923,760	2.96	4.72	6,923,760	2.96	4.64	6,923,760	2.96	4.56
La Française de Participations Financières (LFPF)	12,156,000	5.19	7.33	12,156,000	5.19	7.64	12,156,000	5.19	8.00
Foncière, Financière et de Participations (FFP)**	51,792,738	22.11	33.33	51,792,738	22.13	32.79	51,792,738	22.13	33.15
Comtoise de Participation	36,000	0.02	0.02	36,000	0.02	0.02	36,000	0.02	0.02
Peugeot family	70,908,498	30.27	45.40	70,908,498	30.30	45.10	70,908,498	30.30	45.73
Other individual shareholders***	10,797,076	4.61	3.80	14,246,389	6.09	4.89	14,908,642	6.37	5.11
Employees	5,900,338	2.52	2.01	6,468,981	2.76	3.80	6,546,866	2.80	4.00
BNP Paribas	2,641,800	1.13	1.80	2,641,800	1.13	1.77	2,641,800	1.13	1.74
Other French institutions	41,207,290	17.59	14.04	55,383,993	23.66	18.56	50,849,816	21.72	16.75
Other foreign institutions	96,727,582	41.29	32.95	77,210,923	32.99	25.88	81,006,070	34.61	26.67
Treasury stock	6,097,714	2.60	-	7,188,214	3.07	-	7,187,450	3.07	-
TOTAL	234,280,298	100	100	234,048,798	100	100	234,049,142	100	100

* The main identified shareholders have been determined based on registered shares and notifications to the Company that disclosure thresholds had been crossed. Sources: Euroclear France and Phoenix Investor Relations.

** Created in 1929, Foncière, Financière et de Participations (FFP) has been the Group's largest shareholder, alongside the other companies owned by the family group, since Peugeot was reorganised in 1966. The company's long-held primary asset is its 22.13% interest in the PSA Peugeot Citroën Group. It is included in the stake held by the Peugeot family group, Peugeot S.A.'s leading shareholder with 30.30% of the capital.

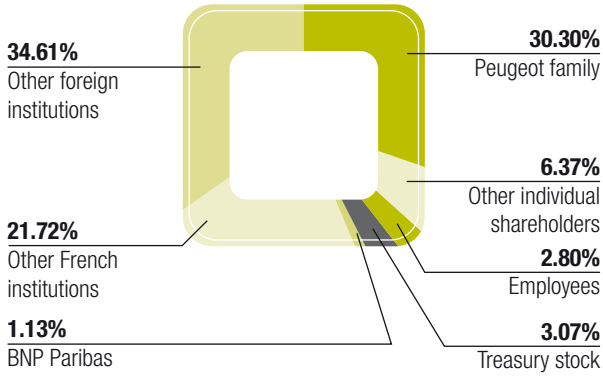
*** Shares held in individual securities accounts.

Each share entitles the holder to vote at the Annual Shareholders' Meeting. However, shares registered in the name of the same shareholder for at least four years carry double voting rights.

Percentages of voting rights are based on exercisable voting rights (i.e. not including rights attached to shares held in treasury). The breakdown of potential voting rights by shareholder is presented in section 18.1 of the 2009 Registration Document.

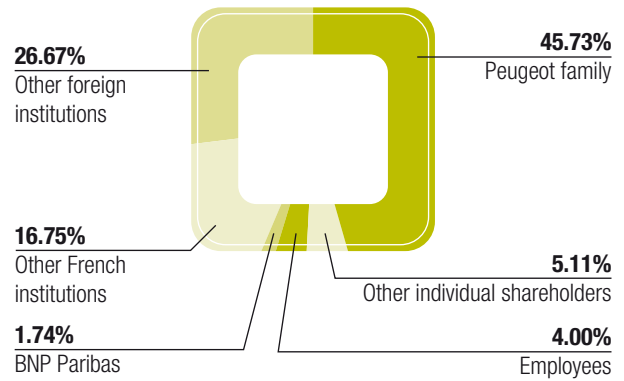
Shareholder Structure

(At 31 December 2009)



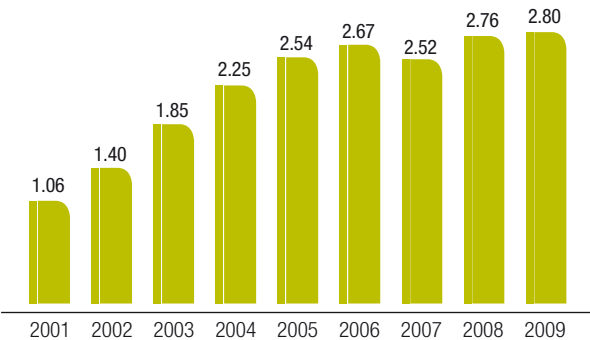
Exercisable Voting Rights, by Shareholder

(At 31 December 2009)



Percentage of Capital held by Employees through Employee Shareholding Plans

(In Germany, Spain, France, the United Kingdom and Portugal, at 31 December)

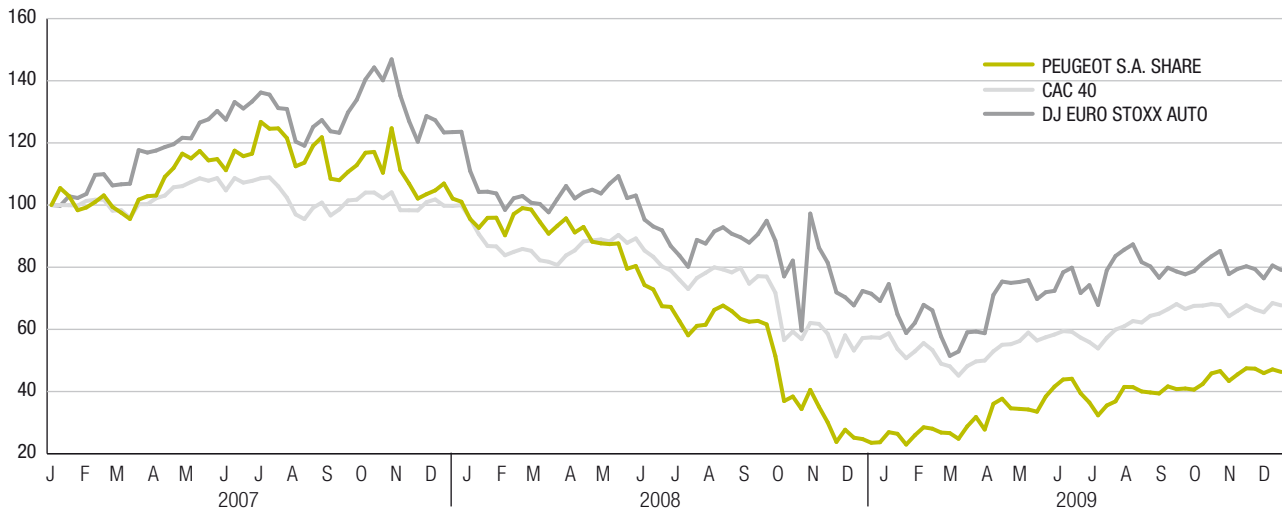


More than 44,500 employees or former employees are Peugeot S.A. shareholders.

1.1.2. Payments to Capital Providers

■ Performance of the Peugeot S.A. Share versus the CAC 40 Index and the DJ Euro Stoxx Auto Index

(1 January 2007 to 31 December 2009, base 100)



The Peugeot S.A. share gained 71% in 2009, ending the year at €23.67. This compared with increases of 19% in the CAC 40 index and of 9% in the DJ Euro Stoxx Auto index over the year.

Over the past three years, the Peugeot S.A. share has declined by 54%, compared with a 30% decrease in the CAC 40 index and a 20% decline in the DJ Euro Stoxx Auto index.



Track the Peugeot S.A. share price in real time at www.psa-peugeot-citroen.com/en/hp1.php

■ Dividend History

	2007	2008	2009
Dividend per share (in euros)	1.50	0	0*
Payout ratio	39.7%	N/R	N/R

N/R: Not relevant.

* Subject to shareholder approval at the 2 June 2010 Annual Meeting.

In light of 2009 results and the priority need to allocate financial resources to supporting the product plan and driving business development, shareholders at the Annual Meeting on 2 June 2010 were asked to waive the payment of a dividend with respect to 2009.

Total Shareholder Return (TSR)

(Total shareholder return on the Peugeot S.A. share, excluding tax relief)

	TSR compared with 31 December of the year before	TSR compared with 31 December 1999
31 December 2009	N/R	N/R
31 December 2008	N/R	N/R
31 December 2007	6%	62%

N/R: Not relevant.

Finance Costs

(In € millions)	2007	2008	2009
Interest on other borrowings	(205)	(218)	(401)
Interest on bank overdrafts	(65)	(72)	(33)
Interest on finance lease liabilities	(17)	(20)	(21)
Foreign exchange gain/(loss) on financial transactions	5	(16)	(28)
Net gain/(loss) on hedges of borrowings*	(7)	(1)	-
Other	(17)	(16)	(8)
TOTAL	(306)	(343)	(491)

* Net gains/(losses) on hedges of borrowings correspond to the remeasurement of loans linked to interest rate changes and to the remeasurement of hedging instruments at fair value.

Retained Earnings

Information concerning the appropriation of income for the year and the payment of a dividend may be found in the third resolution submitted to shareholders at the Annual Meeting, as presented in the Notice of Meeting.



The Notice of Meeting is available on the PSA Peugeot Citroën website.

Direct Economic Value Distributed

Revenue	€48 billion
Employee wages and benefits	€8 billion
Payments to government*	€800 million
Community investments	€4.3 million
Payments to providers of capital	€10 million
Payments to suppliers*	€23 billion
Economic value retained (R&D and capital expenditure)	€3.8 billion

* Automotive Division The difference between revenue and total economic value distributed concerns payments in the other businesses.

Financial Assistance Received from Governments

(Automotive Division, 2009)

A total of €102 million in financial assistance received from governments in Europe was recognized in income for the year.

1.2. Customers

1.2.1. Automobile Sales

■ Consolidated Worldwide Sales by Region

(Total assembled vehicles and Completely Knocked Down units, passenger cars and light commercial vehicles)

		2007	2008	2009
Europe*	Peugeot	1,317,800	1,168,000	1,116,200
	Citroën	1,171,700	1,062,700	1,017,100
	Total PSA Peugeot Citroën	2,489,500	2,230,700	2,133,300
Russia	Peugeot	26,300	48,300	28,300
	Citroën	10,800	10,900	12,200
	Total PSA Peugeot Citroën	37,200	59,200	40,500
Latin America	Peugeot	181,200	166,400	139,900
	Citroën	84,800	96,900	92,400
	Total PSA Peugeot Citroën	266,000	263,300	232,300
China	Peugeot	93,200	77,100	111,600
	Citroën	115,700	102,000	160,600
	Total PSA Peugeot Citroën	208,900	179,100	272,200
Rest of the world	Peugeot	167,300	153,000	118,500
	Citroën	65,000	66,300	48,900
	Total PSA Peugeot Citroën	232,300	219,300	167,400
Total assembled vehicles	Peugeot	1,785,800	1,612,800	1,514,500
	Citroën	1,448,000	1,338,800	1,331,300
	Total PSA Peugeot Citroën	3,233,800	2,951,600	2,845,800
Total CKD units	Peugeot	181,200	291,400	327,000
	Citroën	13,400	17,400	15,200
	Total PSA Peugeot Citroën	194,600	308,800	342,200
TOTAL ASSEMBLED VEHICLES AND CKD UNITS	Peugeot	1,967,100	1,904,100	1,841,500
	Citroën	1,461,300	1,356,200	1,346,400
	Total PSA Peugeot Citroën	3,428,400	3,260,400	3,188,000

* Europe: EU, EFTA and Croatia.

Figures have been rounded to the nearest 100.

■ Registrations on European Markets

(Passenger car and light commercial vehicle)

	2007		2008		2009	
	Units	Market share (%)	Units	Market share (%)	Units	Market share (%)
France	779,700	30.9%	794,200	31.6%	850,700	32.2%
Germany	185,600	5.5%	189,500	5.7%	249,800	6.3%
Austria	28,600	8.6%	29,500	9.0%	32,400	9.4%
Belgium and Luxembourg	127,200	19.6%	129,600	19.6%	111,000	19.1%
Denmark	39,400	18.0%	32,800	17.8%	22,800	17.8%
Spain	363,200	19.2%	254,300	19.1%	205,800	19.4%
Finland	13,000	9.0%	12,400	7.9%	6,100	6.2%
Greece	27,800	9.1%	21,200	7.3%	14,200	6.0%
Ireland	13,300	5.8%	10,200	5.6%	3,700	5.5%
Iceland	500	2.8%	200	2.4%	0	0.7%
Italy	268,900	9.8%	234,700	9.8%	251,300	10.8%
Norway	16,300	9.3%	12,600	8.6%	10,600	8.6%
Netherlands	71,200	12.1%	74,600	12.8%	56,400	12.8%
Portugal	46,400	17.2%	43,700	16.3%	32,000	16.0%
United Kingdom	286,000	10.4%	237,200	9.8%	204,000	9.3%
Sweden	34,200	9.7%	25,500	8.7%	16,800	7.0%
Switzerland	28,800	9.3%	28,000	8.9%	27,500	9.5%
Total Western Europe - 18 Countries	2,330,000	13.9%	2,130,300	13.8%	2,095,100	14.0%
Croatia	13,700	14.9%	13,900	14.2%	7,500	15.0%
Hungary	15,300	7.9%	14,200	8.1%	4,900	6.9%
Poland	41,500	11.9%	42,200	11.1%	29,600	8.1%
Czech Republic	19,600	10.1%	20,300	10.0%	16,800	9.3%
Slovakia	11,900	14.3%	13,200	13.6%	13,200	14.6%
Slovenia	12,100	15.9%	12,200	15.5%	9,400	15.0%
Total CEEC	114,000	11.5%	115,900	11.2%	81,400	9.9%
Baltic States*	9,500	9.6%	6,400	8.6%	2,500	9.8%
Bulgaria - Romania	29,500	7.3%	24,100	6.6%	12,400	7.1%
Cyprus - Malta**	1,800	6.2%	2,600	7.5%	1,800	7.0%
TOTAL EUROPE - 30 COUNTRIES	2,484,800	13.5%	2,279,400	13.5%	2,193,200	13.7%

* "Baltic States" includes: Estonia, Latvia and Lithuania.

** Malta: data not available in 2007.

Figures have been rounded to the nearest 100.

Worldwide Sales by Model

(Passenger cars and light commercial vehicles assembled vehicles and CKD units)

		2007	2008	2009	
Peugeot	107	104,400	106,500	118,600	
	1007	18,600	11,000	5,200	
	206	308,200	292,300	370,800	
	207	520,200	468,300	411,100	
	307	369,100	142,300	93,600	
	308	82,500	290,100	252,100	
	3008	-	400	59,500	
	5008	-	-	14,000	
	405	131,300	211,100	234,700	
	406	3,000	1,700	-	
	407	136,000	81,400	39,500	
	607	7,500	3,900	1,900	
	807	21,100	13,500	7,100	
	4007	6,300	13,700	9,400	
	Bipper	400	25,100	34,300	
	Partner	160,700	147,600	133,300	
	Expert	43,600	39,900	24,300	
	Boxer	54,200	55,300	31,900	
	RCZ			100	
	Total		1,967,100	1,904,100	1,841,500
		<i>Of which diesel-powered versions</i>	951,600	877,900	773,600
	<i>Of which passenger cars</i>	1,748,000	1,671,500	1,676,600	
	<i>Of which light commercial vehicles</i>	219,100	232,600	164,900	
Citroën	C1	99,500	106,700	117,000	
	C2	94,900	67,100	52,400	
	DS3	-	-	500	
	C3	276,700	241,500	226,700	
	C3 Picasso	-	600	86,500	
	ZX	59,500	68,500	75,500	
	Xsara	119,200	76,000	54,000	
	C4	437,900	194,500	216,900	
	C4 Picasso	-	188,800	143,800	
	Xantia	10,400	14,100	12,500	
	C5	50,900	87,900	87,600	
	C6	7,600	2,800	1,500	
	C8	12,700	8,800	5,800	
	C-Crosser	6,600	12,300	9,400	
	Nemo	400	30,600	43,300	
	Berlingo	187,700	162,400	159,700	
	Jumpy	38,700	39,500	22,800	
	Jumper	58,600	54,000	30,700	
	Total		1,461,300	1,356,200	1,346,400
		<i>Of which diesel-powered versions</i>	835,600	788,900	709,700
		<i>Of which passenger cars</i>	1,245,200	1,132,400	1,190,600
	<i>Of which light commercial vehicles</i>	216,100	223,900	155,800	
PSA Peugeot Citroën	TOTAL	3,428,400	3,260,400	3,188,000	
	<i>Of which diesel-powered versions</i>	1,787,200	1,666,800	1,483,300	
	<i>Of which passenger cars</i>	2,993,200	2,803,900	2,867,200	
	<i>Of which light commercial vehicles</i>	435,200	456,500	320,700	

Figures have been rounded to the nearest 100.

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1.2.2. Revenue

■ Consolidated Revenue by Business

<i>(In € millions)</i>	Automotive Division	Automotive Equipment Division	Transport and Logistics Division	Finance Division	Other businesses	Intersegment eliminations	TOTAL
2009 revenue							
- from sales to outside customers	38,250	7,432	1,046	1,532	157	-	48,417
- from intragroup sales	15	1,860	1,842	291	119	(4,127)	-
2009 TOTAL	38,265	9,292	2,888	1,823	276	(4,127)	48,417
2008 revenue							
- from sales to outside customers	41,621	9,532	1,365	1,651	187	-	54,356
- from intragroup sales	22	2,479	2,171	437	89	(5,198)	-
2008 Total	41,643	12,011	3,536	2,088	276	(5,198)	54,356
2007 revenue							
- from sales to outside customers	45,471	10,028	1,403	1,544	230	-	58,676
- from intragroup sales	48	2,633	2,151	455	266	(5,553)	-
2007 Total	45,519	12,661	3,554	1,999	496	(5,553)	58,676

■ Consolidated Revenue by Region

In the table below:

- revenue are presented by destination of products sold;
- capital expenditure and assets are presented by geographic location of the subsidiary concerned.

<i>(In € millions)</i>	Western Europe	Central and Eastern Europe	Latin America	Rest of the world	TOTAL
2009					
Revenue	38,384	2,845	3,236	3,592	48,417
Non-current assets excluding deferred tax assets and financial assets	16,013	956	977	305	18,251
2008					
Revenue	41,429	4,314	3,617	4,996	54,356
Non-current assets excluding deferred tax assets and financial assets	16,332	1,028	707	346	18,413
2007					
Revenue	45,821	4,047	3,377	5,431	58,676
Non-current assets excluding deferred tax assets and financial assets	16,807	1,066	610	316	18,799

PSA Peugeot Citroën is organised into five main business lines:

- The Automotive Division primarily encompasses the design, manufacturing and sale of Peugeot and Citroën brand passenger cars and light commercial vehicles.
- The Automotive Equipment Division corresponds to Faurecia, which manufactures vehicle interior modules, automobile seats, front-end modules and exhaust systems.
- The Transport and Logistics Division corresponds to Gefco, which provides end-to-end supply chain expertise and vehicle and freight transport services.

- The Finance Division corresponds to Banque PSA Finance, which provides retail and wholesale financing to Peugeot and Citroën customers and dealers.
- The other businesses include the operations of Peugeot S.A., the Group's holding company, and Peugeot Scooters.

Detailed information on the breakdown of net revenue by business and region may be found in section 20.3, notes 5.1 and 5.3 to the consolidated financial statements in the 2009 Registration Document.

1.3. Suppliers

1.3.1. Global purchases

■ Total Worldwide Purchasing Expenditure

(In Europe and Latin America, in € billions)

	2007	2008	2009
Total	30.3	24.6	22.5
Of which standard and replacement parts	23.1	20.3	17.2

PSA Peugeot Citroën's worldwide purchasing expenditure totalled €23.2 billion in 2009.

In 2009, PSA Peugeot Citroën committed €16 billion to purchase standard parts and components used in vehicle manufacturing, which together represent 70 to 75% of a vehicle's average production cost.

Half of these purchases were sourced from 20 suppliers: Arcelor Mittal, Bosch, Continental, Delphi, Faurecia, Gestamp Corporation, JTEKT, Lear, Magneti Marelli, Michelin, ThyssenKrupp, Total, TRW, Valeo, Visteon, Leoni, Plastic Omnium, CLN, Antolin and Johnson Controls.

As of 1 January 2010, the standard and replacement parts supplier base included 1,479 companies belonging to 631 groups.

1.3.2. Supplier Relations

■ Supplier Commitments

Alongside quality, lead times and cost, PSA Peugeot Citroën intends to make compliance with its social responsibility practices a core component of its purchasing policy. For example, one of the key criteria in the supplier approval process is compliance with International Labour Organisation principles. Suppliers who fail to respect human rights must respond immediately with corrective action plans, while continued violations will lead to sanctions, including exclusion from the Group's list of approved suppliers.

PSA Peugeot Citroën's social and environmental requirements have been extended to suppliers through guidelines published by the Purchasing Department and distributed to the 1,000 largest suppliers, who must formally pledge to comply with them. Together, these suppliers account for around 95% of the Group's worldwide purchases.

As of 31 December 2009, 76% of worldwide standard parts purchases were covered by a supplier agreement, compared with 43% two years earlier. Around 385 standard and non-standard parts suppliers are now involved in the process.

Every year, the Purchasing Department organises the "Best Supplier Awards," which celebrate around 15 suppliers for their best-in-class performance in five priority categories, one of which is sustainable development.



All of "PSA Peugeot Citroën's Requirements Regarding Social and Environmental Responsibility with Respect to its Suppliers" may be downloaded from the Group's business-to-business website.

■ The Strategic Supplier Process

Since 2008, PSA Peugeot Citroën has been developing a new supplier relationship process designed to create and nurture more win-win, partnership-like relations with strategic suppliers. It is helping to meet the Group's strategic profitability, quality and

product plan objectives by deploying leaner, more cooperative operating procedures and practices with suppliers.

Supplier Risk

Risks related to the quality of suppliers and their financial and commercial viability, as well as to the reliability of parts and components that they deliver are closely monitored. Temporary or permanent failure by suppliers to fulfil their commitments may have an impact on the Group, the most serious risk being an interruption of parts deliveries leading to production stoppages at the plants and delays in the execution of vehicle, mechanical engineering or industrial projects.

Suppliers are selected according to seven main criteria: price competitiveness, quality, the ability to develop new products and manufacture them in large quantities, supply chain efficiency, research and development capabilities, geographic reach and long-term viability.

In 2009, the entire automobile industry, from carmakers to automotive equipment suppliers, was hit by the cash crunch and plummeting demand.

In this environment, one of PSA Peugeot Citroën's priorities was to secure its supplies and support its suppliers so as to ward

off the most critical situations upstream. The Group has paid invoices more quickly (representing €1.3 billion in assistance), made a €200 million capital contribution to the FMEA fund set up to support automotive equipment suppliers, invested €323 million in Faurecia's rights issue and provided €240 million in cash assistance to struggling suppliers. PSA Peugeot Citroën is also supporting its suppliers by actively participating in the PFA – a platform set up in France in 2009 to foster ongoing discussion and exchange among auto industry stakeholders – and by diligently applying the High-Performance and Best Practices Code. Lastly, the Purchasing Department has put together an expanded team of technical, financial and human resources experts to manage day-to-day relations with suppliers in difficulty.

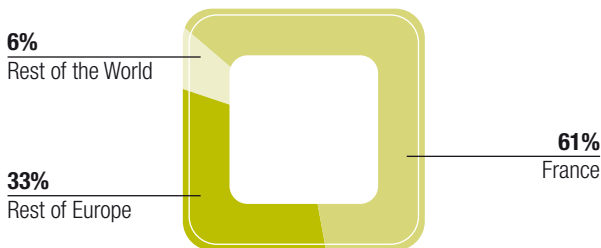
To build awareness of social and environmental issues, dedicated programmes have been undertaken with suppliers in sectors considered "at risk." In addition, a self-assessment questionnaire is sent to suppliers deemed potentially at risk, with the possibility of commissioning an audit of the most serious cases.

1.3.3. Purchasing by Country and Local Content

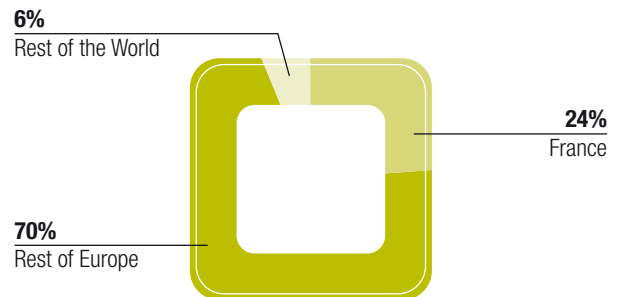
Standard Parts Production by Region of Origin

(Standard parts production by region of origin, as a percentage of 2008 standard/replacement parts purchasing expenditure. Europe: European Union)

French Plants



Other European Union Plants



PSA Peugeot Citroën actively supports the local production of inputs for its manufacturing plants around the world.

Local Content

In the Latin America region, an average 75% of the parts used at the Porto Real plant in Brazil are locally sourced in the region, while at the Buenos Aires, Argentina plant, local content varies between 60% and 75%.

In Central Europe, 65% of purchases at the Kolín facility in the Czech Republic are locally sourced and local content (from Central and Eastern European countries) at the Trnava, Slovakia plant has increased to around 75% at end-2009 from 5% in 2005.

The percentage of local content corresponds to the amount of local purchases divided by the plant's total purchasing expenditure,

including intragroup deliveries (such as PSA Peugeot Citroën Peugeot Citroën engines delivered to an assembly plant).

For example, the local region for the Trnava plant is Central and Eastern Europe, which, as defined by PSA Peugeot Citroën, comprises the following countries: Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

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ECONOMIC PERFORMANCE

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PRODUCTS AND SERVICES

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The environmental and social impacts of PSA Peugeot Citroën's products are described on the "Our Impacts" pages in the following subsections of the Environment section on the sustainable development website: Greenhouse Effect, Air Quality, Resource Use, and Recycling. Other aspects are presented in the "Our Responsibility" pages in the following sub-sections of the Corporate Citizenship section: Road Safety, Customers Relations and Urban Mobility.

R&D and Eco-Design

PSA Peugeot Citroën teams are deeply involved in the eco-design process, which helps to shrink a vehicle's environmental footprint to a minimum at every stage in its life cycle, by improving fuel efficiency, reducing carbon and pollutant emissions, using natural resources reasonably and enhancing recyclability. In addition to ensuring that its vehicles comply with local environmental legislation, eco-design also gives the Group a competitive advantage by helping it to create the automotive products of the future.

Despite the recession, PSA Peugeot Citroën is continuing to build the future by maintaining its capital expenditure and R&D budgets. Backed by a substantial budget – totalling €2,148 million in 2009 for the Automotive Division, including development costs on existing vehicles – the R&D commitment should enable the Group to reaffirm its leadership in low-carbon vehicles. More than half of

total R&D outlays are dedicated to clean technologies that help to shrink the environmental footprint of the Group's vehicles.

Attesting to its intensive commitment to innovation, PSA Peugeot Citroën was France's leading patent filer for the third year in a row, with 1,265 patents filed in 2009. These new patents have strengthened the portfolio of innovations that are supporting the Group's strategic vision, particularly its goal of staying one step ahead in the area of low-carbon vehicles. Covering the entire vehicle, the patents reflect the Group's strategic innovation objectives:

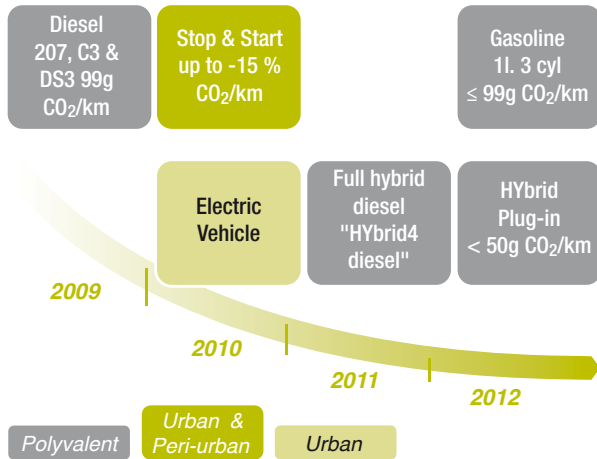
- Reduce CO₂ emissions with engine and emission control systems.
- Design attractive vehicles with passenger compartment innovations.
- Ensure safe driving with increasingly effective braking systems.

2.1. Greenhouse Effect

Fully aware of the automobile industry's responsibilities in reducing greenhouse gas emissions, PSA Peugeot Citroën is developing a range of increasingly fuel-efficient, carbon-free cars that continue to meet the growing mobility needs of individuals, giving them access to employment, education and healthcare. In a number of markets, Corporate Average Fuel Economy (CAFE) legislation is requiring automakers to improve their corporate average fuel economy and carbon emissions. While divergent today, the targets set by the European Union, the United States and China are closing in on 130 to 155 g of CO₂/km in 2015 and could converge by 2020. In Europe current legislation calls for carmakers to achieve corporate average CO₂ emissions of 130 g/km in 2015, corresponding to a threshold of 120 g/km including the impact of such additional measures as biofuels and eco-innovations.

There is no "one-size-fits-all" solution to reducing global carbon emissions. That's why PSA Peugeot Citroën is developing a number of complementary technologies to meet differing customer needs in terms of use and price, while driving emission reductions across its entire line-up. The Group is focusing on:

- Improving the fuel efficiency of petrol and diesel-powered internal combustion engines as well as the overall fuel efficiency of its vehicles, in particular by optimizing vehicle architecture (aerodynamics and mass) and equipment (gearboxes, tyres, air conditioning systems, etc.).
- Deploying Stop & Start, diesel hybrid and plug-in hybrid technologies designed to deliver powerful breakthroughs in reducing CO₂ emissions.
- Launching zero-emission electric vehicles (ZEVs) in 2010.



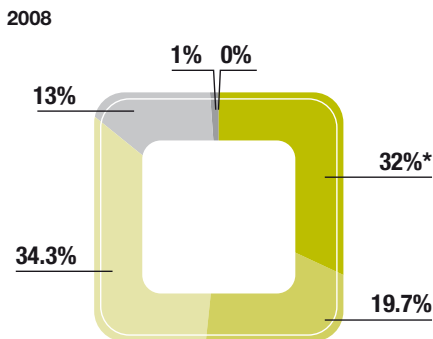
As of 2012, the Group has set the target of selling a million vehicles emitting less than 120 g/km of CO₂ in Europe each year. As announced in late 2009, it aims at reducing carbon emissions from its vehicles sold in China by 50% by 2020, thereby bringing them in line with projected European standards for that year, which will remain the world's strictest.

The Group's commitment to fighting climate change has been presented in a video, which showcases the various technological solutions being explored to reduce carbon emissions from Peugeot and Citroën vehicles, already on the market or introduced in the near future.

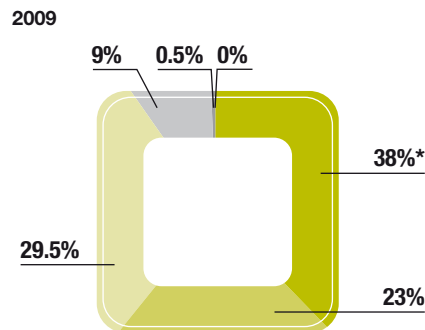
2.1.1. Registrations by CO₂ Emissions Level

PSA Peugeot Citroën Registrations by CO₂ Emissions Level

(Passenger cars, registrations in the 14-country Europe)



* Of which 11.4% emitting less than 110 g CO₂/km.



* Of which 15% emitting less than 110 g CO₂/km.

Gramms CO₂ emitted per kilometre



In these charts, the CO₂ emissions bands (in g/km) correspond to the ratings on French energy efficiency labels. A: <100, B: 101-120, C: 121-140, D: 141-160, E: 161-200, F: 201-250, G: >250.

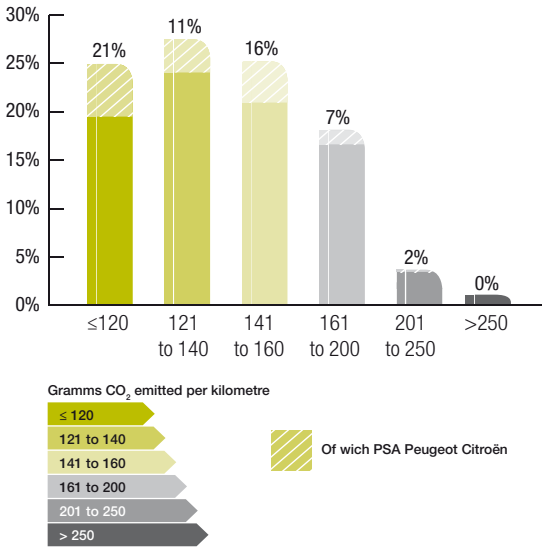
61% of Peugeot and Citroën vehicles sold in Europe in 2009 emit less than 140 g CO₂/km, with the figure rising to 71% in France.

Thanks to its range of highly fuel-efficient, low-emission engines, the Group's average corporate CO₂ emissions in Europe stood at 135.8 g/km in 2009, versus 140.1 g in 2008.

The results also reflect the Group's decision to focus on technological solutions applicable to mass-produced cars, which is the only way to have a real impact on the environment.

Breakdown of the European Automobile Market by CO₂ Emissions Level

(Passenger cars, 2009 registrations in the 14-country Europe)



A comparison of PSA Peugeot Citroën registrations and the total European market by range of CO₂ emissions in 2009 highlights the Group's contribution to reducing new vehicle emissions in Europe.

In 2009, for example, the Group sold nearly a million vehicles (947,000) emitting less than 130 g/km of CO₂ worldwide, and 805,000 emitting less than 120 g/km.

The Group is also the European leader in passenger vehicles emitting less than 120 g/km, with 20.9% of the market in 2009, and in vehicles emitting less than 110 g/km, with more than 31.4% of the market.

2.1.2. Fuel Efficiency and CO₂ Emissions

Fuel Consumption and CO₂ Emissions by Vehicle in 2009

Fifteen Peugeot and Citroën model families are sold in versions that emit less than 130 g/km of CO₂. The current model line-up also includes versions emitting less than 100 g/km of CO₂, such as the Peugeot 207, Citroën C3 and Citroën DS3.

The models below were selected on the basis of their sales and environmental performance. For each one, the table shows data for the petrol and diesel versions offering the lowest CO₂ emissions and fuel consumption. Models in boldface are the best-selling petrol or diesel version in France. In some cases, the best selling models are also the most fuel-efficient.

Peugeot		Fuel	Displacement	Horsepower	Fuel consumption (litres/100 km)			CO ₂	Noise
					P/D	cc	kW		
Peugeot 107	1.0	P	998	50	5.5	3.9	4.5	106	70.0
	1.4 HDi	D	1,398	40	5.3	3.4	4.1	109	71.2
Peugeot 1007	1.4	P	1,360	54	8.6	5.2	6.5	153	73.2
	1.6	P	1,587	80	8.6	5.4	6.6	156	72.6
	1.4 HDi	D	1,398	50	5.6	3.9	4.5	120	73.7
Peugeot 206+	1.1	P	1,124	44	8.0	4.5	5.7	135	71.4
	1.4	P	1,360	55	9.1	4.8	6.3	150	71.9
	1.4 HDi	D	1,398	50	5.4	3.5	4.2	110	71.4
Peugeot 207	1.4 VTi	P	1,397	70	7.9	4.8	5.9	140	72.0
	1.6 HDi 99 g	D	1,560	66	4.9	3.2	3.8	99	73.6
	1.6 HDi	D	1,560	66	5.6	3.6	4.3	115	73.6
Peugeot 308	1.6 VTi	P	1,598	88	9.3	5.2	6.7	159	73.9
	1.6 HDi	D	1,560	66	5.8	3.8	4.6	120	73.2
Peugeot 3008	1.6 VTi	P	1,598	88	9.8	5.6	7.1	165	73.3
	1.6 HDi FAP	D	1,560	80	5.9	4.3	4.9	130	72.9
Peugeot 5008	1.6 THP	P	1,598	115	9.8	5.7	7.1	167	72.9
	1.6 HDi	D	1,560	80	6.5	4.5	5.3	140	74.7
Peugeot 407	1.6 HDi FAP	D	1,560	80	6.4	4.1	4.9	129	73.5
Peugeot 407 Coupé	2.0 HDi FAP 163 hp	D	1,997	120	6.9	4.5	5.4	140	73.6
	2.0 HDi FAP 136 hp	D	1,997	100	7.8	4.8	5.9	156	73.7
Peugeot 4007	2.2 HDi FAP	D	2,179	115	9.2	5.8	7.0	185	74.9
Peugeot 607	2.0 HDi FAP	D	1,997	100	8.1	5.0	6.1	160	74.6
Peugeot 807	2.0 HDi FAP 120 hp	D	1,997	88	8.8	5.8	6.9	182	74.6
	2.0 HDi FAP 136 hp	D	1,997	100	9.0	6.0	7.1	188	73.3
Peugeot Bipper Tepee	1.4 HDi	D	1,398	50	5.7	3.8	4.5	119	71.0
Peugeot Partner Tepee	1.6 VTi	P	1,598	88	9.6	6.0	7.3	169	74.0
	1.6	P	1,587	80	10.8	6.8	8.2	195	73.3
	1.6 HDi	D	1,560	66	6.4	4.8	5.3	140	73.9
Peugeot Expert Tepee	1.6 HDi FAP	D	1,560	66	8.4	6.6	7.2	194	74.4
	2.0 HDi FAP	D	1,997	88	9.1	6.3	7.2	194	75.0
Peugeot RCZ*	1.6 THP	P	1,598	115	9.3	5.2	6.7	155	72.2
	2.0 HDi FAP	D	1,997	120	6.8	4.5	5.3	139	73.6

* Market launch scheduled for first-half 2010.

PRODUCTS AND SERVICES

2.1. Greenhouse Effect | 2.1.2. Fuel Efficiency and CO₂ Emissions



		Fuel Displacement		Horsepower <i>kW</i>	Fuel consumption (<i>litres/100 km</i>)			CO ₂ <i>g/km</i>	Noise <i>dB(A)</i>
		<i>P/D</i>	<i>cc</i>		City	Highway	Combined		
Citroën									
Citroën C1	1.0	P	998	50	5.5	3.9	4.5	106	70.0
	HDi 55	D	1,398	40	5.3	3.4	4.1	109	71.2
Citroën C2	1.1	P	1,124	44	7.5	4.8	5.8	138	72.9
	HDi 70	D	1,398	50	5.3	3.7	4.3	113	73.8
Citroën C3 Classic	1.1	P	1,124	44	7.6	5.0	6.0	140	73.5
	HDi 70	D	1,398	50	5.3	3.8	4.4	115	72.9
Citroën C3	1.4	P	1,360	54	8.0	5.0	6.1	140	73.8
	VTi 95	P	1,397	70	7.6	4.8	5.8	134	73.9
	HDi 90 FAP	D	1,560	68	4.7	3.3	3.8	99	72.1
Citroën DS3*	VTi 95	P	1,397	70	7.6	4.8	5.8	134	73.9
	HDi 90 FAP	D	1,560	68	4.7	3.3	3.8	99	72.1
Citroën C3 Pluriel	1.4	P	1,360	54	9.1	5.4	6.8	160	73.8
	HDi 70	D	1,398	50	5.7	4.2	4.7	125	72.6
Citroën C3 Picasso	VTi 95	P	1,397	70	9.1	5.5	6.8	157	74.0
	HDi 90	D	1,560	66	5.6	4.0	4.5	119	74.9
Citroën Nemo Combi	1.4	P	1,360	54	8.3	5.6	6.6	155	70.0
	HDi 70	D	1,398	50	5.7	3.8	4.5	119	71.0
Citroën Berlingo	1.6 16v	P	1,587	66	10.8	6.8	8.2	195	73.3
	VTi 120	P	1,598	88	9.6	6.0	7.3	169	74.0
	HDi 92 FAP	D	1,560	66	6.4	4.8	5.3	140	73.9
	HDi 92	D	1,560	66	7.0	5.0	5.7	149	74.2
Citroën Xsara Picasso	1.6 16v	P	1,587	80	9.5	6.0	7.3	172	71.9
	HDi 92	D	1,560	66	6.4	4.2	5.0	130	73.4
Citroën C4	1.4 16v	P	1,360	65	8.7	5.2	6.4	153	71.6
	HDi 92	D	1,560	66	5.6	3.7	4.4	115	74.1
Citroën C4 Picasso	VTi 120	P	1,598	88	10.0	5.9	7.4	174	73.8
	HDi 110 FAP	D	1,560	80	6.9	4.7	5.5	145	72.2
	HDi 110 FAP	D	1,560	80	6.4	4.7	5.3	140	70.1
Citroën C5	1.8 16v	P	1,749	92	10.8	6.2	7.9	188	72.1
	THP 155	P	1,598	115	9.8	5.5	7.1	167	71.4
	HDi 110 FAP	D	1,560	80	7.3	4.7	5.6	149	72.7
	HDi 110 FAP	D	1,560	80	6.6	4.6	5.3	140	71.7
Citroën C6	V6 HDi 240 FAP	D	2,993	177	10.2	5.8	7.4	195	72.8
	HDi 173 FAP	D	2,179	125	8.7	5.4	6.6	175	75.0
Citroën C8	HDi 120	D	1,997	88	8.9	5.6	6.8	175	74.0
	HDi 138 FAP	D	1,997	100	8.7	5.4	6.6	179	73.4
Citroën C-Crosser	HDi 160 FAP	D	2,179	115	9.2	5.8	7.0	185	74.9

* Market launch scheduled for first-half 2010.

In tests by an independent organisation, CO₂ emissions are measured with the vehicle on a chassis dynamometer running the European standard Motor Vehicle Emission Group (MVEG) test procedure, which covers both city and highway driving cycles. The measured emissions are then calculated per kilometre, providing a basis for determining consumption by type of fuel. The resulting data enable consumers to compare the performance of vehicles offered by different brands.

The method used to measure noise levels is described in UN-ECE Regulation no. 51 and is based on the ISO 362 standard, which defines speed and acceleration conditions for test runs. Noise levels are measured by microphones placed along the test track.

Units of measurement dB(A) express a level of intensity weighted to reflect the physiological characteristics of the human ear.

2.1.3. Petrol and Diesel Engines

PSA Peugeot Citroën is continuing to optimize conventional internal combustion engines to improve their fuel efficiency and reduce their carbon footprint, by deploying advanced technological solutions in engine architecture, fuel intake systems

and injection systems. For the past decade, the Group has been assertively downsizing its engines, enabling them to deliver the same performance in smaller, more fuel-efficient forms.

■ PSA Peugeot Citroën Sales by Region and Type of Fuel

(Billings – Western Europe, 18 countries)

Fuel		Western Europe	Rest of the world	TOTAL
Petrol	2009	752,072	914,123	1,666,195
	2008	663,203	939,320	1,602,523
	2007	801,420	828,410	1,629,830
Diesel	2009	1,257,036	166,925	1,423,961
	2008	1,384,742	289,917	1,674,659
	2007	1,510,937	269,605	1,780,542
TOTAL	2009	2,009,108	1,081,048	3,090,156
	2008	2,047,945	1,229,237	3,277,182
	2007	2,312,357	1,098,015	3,410,372

■ Improving Fuel Efficiency and Reducing Diesel Exhaust Emissions

PSA Peugeot Citroën has developed extensive expertise in diesel powertrains, which consume less fuel and emit less CO₂ while delivering the same performance as equivalent petrol engines. Developed in cooperation with Ford Motor Company, common-rail, direct-injection HDi diesel engines deliver outstanding driving comfort and reduce CO₂ emissions by a significant 20% compared with the previous-generation diesels. These benefits have made the HDi one of the best selling engines in Europe, where diesels represented more than 45% of unit sales in 2009. Ongoing programmes are steadily improving the emissions control performance of HDi engines, which have been equipped with a particulate filter since 2000. In 2009, the Group unveiled a new 3-litre V6 HDi diesel designed for the Citroën C5 and C6 and the Peugeot 407 Coupé. In compliance with Euro 5 emissions

standards, the new engine delivers a 15% reduction in CO₂ emissions compared with the 2.7-litre V6 engine it replaced.

Some 1.27 million HDi powerplants were produced in 2009, bringing total output to more than 13.7 million units since 1998.

In 2009, Peugeot introduced the 207 1.6-litre HDi, which emits just 99 g/km of CO₂ thanks to a particularly efficient technical package that includes special aerodynamics and optimized engine calibration. Citroën will also bring 99 g/km diesel versions of the DS3 and the new C3 to the European market in the first quarter of 2010.

■ Improving Fuel Efficiency and Reducing Petrol Exhaust Emissions

Since 2006, PSA Peugeot Citroën has been offering the 1.4-litre and 1.6-litre, 4-cylinder petrol engines developed jointly with BMW Group, which deliver a 10 to 15% reduction in CO₂ emissions compared with their predecessors. By the end of 2009, 1.3 million of these engines had already been produced.

At the same time, the Group is also working on a new family of 1-litre and 1.2-litre, 3-cylinder petrol engines, which are scheduled for launch in 2012. The new powerplant will make it possible to offer cars that emit less than 100 g of CO₂/km without additional technology.

A new stage in the cooperation began in January 2010 with the signature of an agreement to jointly develop the next generation of Euro 6-compliant 4-cylinder petrol engines.

To curb carbon emissions from its vehicles in China, the Group also plans to bring six new petrol engines to the local market by 2020, starting with the new 2.3-litre VTEC engine debuted on the Citroën C5.

2.1.4. Using Alternative Fuels

Another way to reduce a vehicle’s carbon footprint is to explore the use of other fuels than petrol and diesel, such as natural gas, LPG and biofuels. The energy efficiency and environmental performance of these alternative fuels vary widely depending on each market’s specific features.

Compressed Natural Gas (CNG)

(Billings – Western Europe, 18 countries)

	Western Europe	Rest of the world	Worldwide
2009	5,708	2	5,710
2008	3,792	11	3,803
2007	3,363	95	3,458

PSA Peugeot Citroën markets vehicles that run on compressed natural gas (CNG) in markets where CNG is already a viable alternative to petrol and diesel, such as China, Iran, Turkey and Argentina. CNG not only helps to reduce tank-to-wheel carbon emissions by 20% compared with petrol, it also enables engines to deliver exceptional fuel efficiency.

In addition, CNG versions of the Peugeot Partner and Citroën Berlingo light commercial vehicles and the Citroën C3 supermini are already available in a number of European countries:

- Italy, for the Peugeot Partner, Citroën Berlingo and Citroën C3, as well as the retrofit CNG C4 Picasso.
- The Netherlands, for the Citroën C3 CNG.
- France, for the Citroën Berlingo and C3 CNG.

In 2005, PSA Peugeot Citroën signed the third CNG protocol aimed at developing this solution in France.

In 2008, the Group completed development of a global 1.6-litre dual-fuel petrol/CNG engine and introduced it in Iran, on the Peugeot 206 notchback, and in China.

As part of the cooperation with Karsan, it is also working on CNG versions of the stretch Peugeot Partner Origin and Citroën Berlingo First produced in Turkey, which are scheduled to be launched in Turkey and other Middle-Eastern markets in mid-2010.

Lastly, retrofit CNG versions of the Citroën Berlingo and C4 and the Peugeot Partner, 207 and 307 are sold in Argentina.

Liquefied Petroleum Gas (LPG)

Manufactured as a by-product in refineries or extracted from natural gas fields, LPG generates fewer greenhouse gas emissions than petrol (well-to-wheel emissions are on a par with diesel) and emits very little particulate matter. This is why its use is encouraged by tax

incentives in certain countries, such as Italy and the Netherlands, which make it a particularly interesting alternative fuel.

In Italy, Peugeot offers a retrofit LPG kit for the Peugeot 206+, 207 and 207 SW.

Biofuels

The wider use of biofuels raises a host of social and environmental issues. This is why PSA Peugeot Citroën supports the development of so-called “sustainable” biofuels, which comply with the standards being explored in Europe and globally, for example to avoid the adverse impact of diverting farmland from food to energy crops. According to European Union directive 2009/28/EC on renewable energies, to be certified as sustainable, biofuels must have a positive environmental, economic and social impact. In particular, they must:

- Effectively reduce greenhouse gas emissions by at least 35% today and by at least 60% in 2018.

- Avoid any negative impact on natural habitats or biodiversity.
- Enable energy diversification.
- Provide new markets for farmers without threatening food supply.
- Help to reuse organic waste, such as biomass.

Ethanol and Flex-Fuel Vehicles

(Billings – Western Europe, 18 countries)

	Western Europe	Of which France	Rest of the world	Worldwide
2009	951	19	117,501	118,452
2008	2,927	576	103,524	106,451
2007	3,417	1,122	88,651	92,068

Ethanol and its derivative, ethyl tertiary butyl ether (ETBE), which are made from cereals and sugar beets in Europe and sugar cane in Brazil, are biofuels that can be blended with petrol.

SP95-E10, a fuel introduced in France in 2009, is a blend of regular unleaded petrol (SP95) and 10% plant-derived ethanol. All of the Group’s petrol-powered models produced since 1 January 2000 can run on SP95-E10.

PSA Peugeot Citroën has also developed flex-fuel engines that can run on ethanol/petrol blends of up to 85% ethanol in Europe (E85) and from 20 to 100% ethanol in Brazil. In the latter country, the

world’s largest market for ethanol and flex-fuel vehicles, the Group markets flex-fuel versions of the Peugeot 206 and the Citroën C3, C4 and Xsara Picasso. In 2009, these vehicles accounted for more than 65% of the petrol vehicles sold by the Group in Latin America (Argentina, Brazil and Paraguay) and close to 85% of those sold in Brazil.

In addition, flex-fuel versions of the Peugeot 308 and Citroën C4 and C5 were marketed in several European countries in 2009, with the majority sold in Sweden.

Biodiesel

Biodiesels are a blend of diesel fuel and vegetable oil methylesters (VOMEs), which come from oilseeds such as rapeseed. The biodiesels currently on retail sale (at the pump) in Europe contain up to 7% VOMEs.

Higher biofuel blends are more beneficial when used in captive fleets, where fuel storage and refuelling issues are easier to resolve. For example, the Group’s service fleet, which totals around 700 vehicles travelling some 14 million kilometres per year, has been running on B30 biodiesel for more than a decade.

In fact, all of the Group’s diesel vehicles can run on a biodiesel blend of up to 30%, provided that the fuel is of high quality and the vehicle is maintained accordingly (diesel filter, lubricant, etc.).

PSA Peugeot Citroën has participated in various research programmes in Europe (notably in France where it is a member of the Diester Partners association), in China, where it conducted research with the China Automotive Technology & Research Centre (CATARC), and in Brazil in association with the Ladetel laboratory. Phase two of the joint Ladetel research programme, which studied the properties of Brazilian B30 biodiesels made from soybean, castor and palm oils, was completed in 2009. The biodiesels were tested on six vehicles – a Peugeot 206, a Citroën Xsara Picasso, two Peugeot Partners and two Citroën Berlingos – travelling 60,000 kilometres over a three-year period. Two of the vehicles were used by local non-profit organization GACC, which meets the mobility needs of children with cancer.

Advanced Biofuels

Extending the use of biofuels, without detracting from their positive social and environmental impact, requires the development of so-called “advanced” biofuels, which can be made from biomass feedstocks, such as crop residue, non-food crops, organic waste or even microalgae. PSA Peugeot Citroën is contributing to this process by participating in research projects and real-world trials.

In 2009, PSA Peugeot Citroën and EADS Innovation Works joined the Shamash project, which aims to produce a lipid biofuel from microalgae supplied by Alpha Biotech. In addition to funding, the two companies are contributing their considerable expertise in the fuel standards and specifications applicable in the automotive and aerospace industries. The goal is to produce enough algae-based biofuel to enable testing of its physical-chemical properties and its

compatibility with current and future engines, in particular during engine trials scheduled to be undertaken by the Group in 2010. The project will also provide more detailed data about the technical and economic viability of making biofuels from microalgae in France.

In 2010, PSA Peugeot Citroën will partner the administrative authority for the greater Lille region to test the use of biogas in public transit applications. The greater Lille authority, which is a member of the European Biogasmax and Biofuel Cities networks, will manage the entire chain, from collecting municipal waste and methanising it into biogas to supplying a fleet of 100 CNG-fuelled city buses with a grade of biogas compliant with the quality standards set by France’s national gas distribution utility, GrDF.

Biogas, which can be made locally from renewable resources, offers a viable alternative to natural gas, a fossil fuel that has to be transported over long distances. Using biogas as an automotive fuel would significantly reduce global greenhouse gas emissions, by:

- limiting the amount of methane released to the atmosphere by the natural and controlled methanation of waste;
- converting methane (CH₄) into carbon dioxide (CO₂) – estimated to have a global warming potential 24 times lower

than that of methane – during the internal combustion process using, in this case, a bio-methane made entirely from organic sources.

By contributing two CNG Citroën Berlingos to the project, PSA Peugeot Citroën can broaden its knowledge of biogas and confirm that its CNG powertrains are compatible with this energy resource of the future, in terms of durability and compliance with emission standards.

2.1.5. Deploying Breakthrough Technologies: Hybrids and Zero-Emission Vehicles

More than ever, the environmental challenges associated with automobile use are being met by technological solutions designed to drive powerful breakthroughs in fuel efficiency and CO₂ emissions. PSA Peugeot Citroën will soon introduce hybrid and zero-emission vehicles, consolidating its position in the European low-carbon vehicle segment and extending its expertise to other markets.

PSA Peugeot Citroën is actively preparing the deployment of a range of hybrid technologies, combining an internal combustion engine with an electric motor, that will deliver significant improvements in fuel efficiency and carbon emissions (to less than 99 g/km), particularly in city driving. The Stop & Start system will be gradually rolled out across all the Peugeot and Citroën ranges starting in the second half of 2010, the HYbrid4 full-hybrid diesel drivetrain will be introduced in 2011, followed by the Group's first plug-in hybrids in 2012.

■ Stop & Start System

Stop & Start technology shuts down the engine automatically when the vehicle is standing still or in neutral – at a red light, for example – and starts it up again instantly and noiselessly when reactivated by the driver. As a result, it helps to reduce carbon emissions by up to 15% in city driving. When combined with the system's cost-effectiveness, these features make Stop & Start an efficient solution to a number of traffic-related issues in cities, where 75% of Europeans live.

Europe in 2011, marketed under the name "e-HDi". Economies of scale from the forecast volumes will ensure that the system is widely affordable. The Group's objective is to have sold a total of one million vehicles equipped with Stop & Start technology by the end of 2013.

First-generation Stop & Start technology was introduced on the Citroën C2 and C3 in 2004. The second generation, equipped with a more powerful integrated starter-generator that allows regenerative braking, will be launched in the second half of 2010 and deployed on virtually every Peugeot and Citroën model in

At the Shenzhen Auto Show in China in late 2009, the Group unveiled the new Citroën C-Quatre featuring a Stop & Start system mated to a petrol engine. Developed by teams at the Group's China Tech Centre in Shanghai, the vehicle will undergo wide-scale testing in 2010 before being introduced to the local market.

■ Hybrids

PSA Peugeot Citroën's HYbrid4 diesel hybrid technology represents a major breakthrough in terms of fuel efficiency and CO₂ emissions in the European market, offering gains of nearly 35% compared with the equivalent HDi diesel model. The drivetrain combines the high fuel efficiency of the HDi diesel in highway driving with all the benefits of electric propulsion on city and suburban roads. It also offers all-wheel drive capability, thanks to the electric motor mounted on the rear axle assembly, as well as the Stop & Start system and a particulate filter.

Unveiled at the 2008 Paris Motor Show on the Peugeot Prologue and Citroën Hypnos concept cars, the technology will initially equip distinctive Peugeot and Citroën models, starting with the Peugeot 3008 HYbrid4 and the Citroën DS5 HYbrid4 scheduled for market launch in 2011. They are expected to emit just 99 g/km of CO₂.

As part of its strategy to reduce the carbon footprint of vehicles sold in China, the Group plans to bring HYbrid4 petrol hybrids to the Chinese market by 2015.

■ Plug-in Hybrids

The Group is working on a plug-in hybrid, i.e. an EV that can be recharged almost anywhere from a simple electric socket. An enhanced battery pack will enable the plug-in to run in all-electric mode for between 15 and 50 kilometres, which corresponds to most motorists' daily needs. It therefore offers all the benefits of an EV for day-to-day use, but can also handle longer distances thanks to its internal combustion engine. Wide-scale testing will be

carried out on an initial fleet of around a hundred vehicles starting in 2011, ahead of the technology's market launch in 2012. The long-term objective is to reduce these plug-ins' CO₂ emissions to less than 50 g/km.

■ Electric Vehicles

In late 2010, PSA Peugeot Citroën will introduce two new-generation city EVs developed in conjunction with Mitsubishi Motors, the Peugeot iOn and the Citroën C-Zero. With a driving range of 130 kilometres, these vehicles are capable of satisfying 90% of motorists' daily transport needs. The lithium-ion battery pack placed under the vehicle floor can be fully charged in six hours from a simple electric socket or fast-charged to 80% of its rated capacity in 30 minutes. In addition, these city cars are aligned with customer expectations in terms of both spaciousness, with four seats and 166 litres of storage space, and comfort and safety, with ESP as standard equipment, six airbags and a system to protect the battery in the event of a collision. The Group is exploring various avenues for getting these vehicles on the road, including direct sales, all-inclusive leasing contracts and participation in car-sharing schemes. PSA Peugeot Citroën aims to ensure that these

EVs have similar total cost of ownership to internal combustion engine vehicles. It will also help to set up systems for battery collection, reuse and recycling.

The Group's EV line-up will also include two electric commercial vehicles, the Peugeot Partner Origin and Citroën Berlingo First, developed in cooperation with Venturi Automobiles. Designed more specifically for fleet use, these vehicles offer three cubic metres of storage space and can carry loads of up to 500 kilograms. Their Zebra sodium nickel chloride battery, located under the bonnet, offers a range of 100 kilometres and can be charged from a simple mains socket. 250 of these vehicles have already been ordered under a pilot tender from the French Post Office.

■ Fuel Cell Vehicles

Over the longer term, the Group is exploring possible applications of hydrogen fuel cell technology. In December 2009, it presented its Peugeot 307 CC FiSyPAC demonstrator, which is equipped with a range extender and the Genepac fuel cell stack developed jointly with the French Atomic Energy Commission (CEA). It uses less than one kilogram of hydrogen per 100 kilometres, ranking it among the best-in-class worldwide.

PSA Peugeot Citroën has successfully quadrupled the fuel cell's lifespan and increased its efficiency by nearly 20% since 2006.

As a result, process engineering and mass marketing would seem foreseeable as from 2020-2025. However, hydrogen fuel cell vehicles are still a long way from the technical and economic maturity needed to support mass-market production. Although considerable progress has been made, hydrogen fuel cell technology must still overcome a number of obstacles, such as the cost of the fuel cell system and the lithium ion batteries, the fuel cell's lifespan and the deployment of the necessary infrastructure to market hydrogen to the general public.

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2.1.6. Optimising Vehicle Architecture and Equipment

Further gains in fuel efficiency and carbon emissions are being driven by improvements in various vehicle sub-assemblies and equipment, as well as in vehicle architecture and aerodynamics. These improvements are being made without sacrificing any of the vehicle's critical features, such as safety, handling, comfortable ride, attractive styling and equipment.

They are also being incorporated into models designed specifically for markets outside Europe.

■ Equipment

In addition to working on engines, PSA Peugeot Citroën is improving the overall fuel efficiency of its vehicles by optimizing various vehicle components and equipment:

- Equipping certain models with electronic manual gearboxes, which can improve fuel efficiency by up to 5%.
- Optimizing air-conditioning components, like the evaporator and compressor, to reduce the energy required to run the system, and eventually replacing R134a, the current refrigerant, with new solutions that contribute less to global warming.

- Selecting tyres that offer the best trade-off between grip (primary safety) and low rolling resistance, given that a 10% reduction in rolling resistance reduces a vehicle's carbon emissions by an average of 2 g/km. PSA Peugeot Citroën prefers very low rolling resistance (VLRR) tyres and is widely deploying tyre pressure sensors.
- Equipping certain models, such as the Peugeot 207 and 207 SW and the Citroën C3 and DS3, with a gear change indicator that promotes eco-driving by indicating the best time to upshift.
- Offering an online service record and eco-driving service via Citroën's e-Touch telematics service.

■ Vehicle Mass and Aerodynamics

Mass has a direct influence on a car's fuel efficiency, and therefore on its carbon emissions, with a 100 kg reduction in weight delivering a gain of an average 4 g/km. To shrink the environmental footprint of its models, PSA Peugeot Citroën is therefore actively reducing their mass, with the goal of making vehicles in development more than 100 kg lighter than the previous models, while continuing to meet cost and performance specifications, particularly in the area of safety. Teams also pay careful attention in selecting a vehicle's base materials, starting with the metals that on average account for around 70% of its total weight. One example is the increasing use of very stiff high-tensile steel. Whenever technically feasible and cost effective, mass is being reduced by choosing lower density materials, such as the aluminium or plastics used in the

place of steel. Another source of improvement lies in the use of innovative assembly techniques, such as hot stamping and laser welding, which help to reduce car body weight while improving impact resistance.

A vehicle's performance also depends on its aerodynamics. PSA Peugeot Citroën uses wind tunnel testing and digital modelling to reduce a car's drag area (CdA) without compromising on the other technical, practical, aesthetic and regulatory parameters involved in vehicle design, such as styling, safety, stability, storage space, engine cooling, rainwater drainage and acoustics. A 0.05 m² reduction in drag area reduces a vehicle's carbon emissions by 2.5 g/km.

2.2. Air Quality

2.2.1. Reducing Vehicle Exhaust Emissions

Complying with Standards

In Europe, the Group's petrol and diesel-powered passenger cars comply with Euro 5 standards for new models introduced after September 2009, and at least with Euro 4 standards, in the case of other models. In 2011, all of the vehicles sold by the Group will comply with Euro 5 standards.

The following stage, Euro 6, will come into effect on 1 September 2014 for new models and in September 2015 for all new car registrations.

These standards set maximum admissible levels of CO, HC, NO_x and particulate matter emissions. Euro 5 and Euro 6 standards reduce the maximum admissible levels of particulate matter and NO_x emissions of diesel-powered vehicles to very low levels.

In the rest of the world, vehicles sold by PSA Peugeot Citroën meet or exceed the applicable standards in each local market and are equipped with the new technologies developed for the European market.

Euro 4, Euro 5 and Euro 6 Standards

Exhaust emissions	Petrol vehicle* - CNG - LPG (g/km)			Diesel vehicle (g/km)		
	Euro 4	Euro 5	Euro 6	Euro 4	Euro 5	Euro 6
CO	1.00	1.00	1.00	0.50	0.50	0.50
Non-methane HC	0.10	0.068	0.068	-	-	-
THC	-	0.10	0.10	-	-	-
NO _x	0.06	0.06	0.06	0.25	0.18	0.08
THC+NO _x	-	-	-	0.30	0.23	0.17
Particulate matter	-	0.005/0.0045**	0.0045**	0.025	0.005/0.0045**	0.0045**
Durability (km)	100.000	160.000	160.000	100.000	160.000	160.000

Evaporation emissions	Petrol vehicle* - CNG - LPG (g/test cycle)			Diesel vehicle (g/test cycle)		
	Euro 4	Euro 5	Euro 6	Euro 4	Euro 5	Euro 6
HC	2.00	2.00	2.00	-	-	-

* Applies only to vehicles with lean-burn, direct-injection petrol engines since Euro 5.

** In 2013, a change in the measurement procedure will reduce the maximum admissible level to 0.0045 from 0.005 (equivalent theoretical value). Euro 6 will also introduce particle number emission limits.

HC: Unburned hydrocarbons. CO: Carbon monoxide. NO_x: Nitrogen oxides.

Petrol-Engine Emissions Control Technologies

To reduce petrol-engine emissions at source, PSA Peugeot Citroën has introduced such technological advances as:

- Direct-injection systems.
- The variable valve time (VVT) engine timing system on the inlet and exhaust camshafts.

Advances in after-treatment technologies have primarily concerned improving the efficiency of three-way catalytic converters by

positioning them as close to the engine as possible, generally in the engine well, and by using a high cell density honeycomb substrate to heat the converter more quickly.

In addition, ignition and injection management has been optimised to reduce emissions at source and maximise the efficiency of after-treatment systems.

■ Diesel-Engine Emissions Control Technologies

Technological advances introduced by the Group to reduce diesel emissions at source include:

- Higher common-rail injection pressures, with a focus on reducing compression ratios.
- Improved combustion chamber aerodynamics and heat performance with the Extreme Conventional Combustion System (ECCS).

- Introduction of a variable percentage exhaust gas recirculation (ERG) system, for better control of NO_x emissions.

In addition, exhaust after-treatment is being taken to the next level by extending the particulate filter to all of the Peugeot and Citroën ranges.

■ Eliminating Particulate Emissions with the Particulate Filter

The FAP particulate filter is an after-treatment system that eliminates close to 100% of even the smallest particulate matter in exhaust gases. It has further enhanced the environmental performance of diesel engines and is playing an important role in improving the quality of air in urban environments. Launched by PSA Peugeot Citroën in 2000, the FAP particulate filter has set the new standard for European diesels. Peugeot and Citroën models equipped with the FAP particulate filter already more than meet Euro 5 and Euro 6 particulate emissions standards.

A pioneer in this field, PSA Peugeot Citroën had sold a total of 3.5 million FAP-equipped diesel vehicles by the end of 2009 (of which 3.3 million even before Euro 5 standards made filters

mandatory in September 2009). The FAP is now available on every model in the Peugeot and Citroën line-up except for the Peugeot 107 and the Citroën C1. In 2009, more than 37% of the diesels sold worldwide by PSA Peugeot Citroën were equipped with a particulate filter.

The third generation of the FAP filter introduced to comply with Euro 5 standards is service-free.

The additive technology chosen by PSA Peugeot Citroën results in significantly lower NO₂ tailpipe emissions (which can irritate the respiratory tract) than catalytic converter technology. This environmental benefit has been recognised by the French Agency for Environmental and Occupational Health Safety (AFSSET).

■ Reducing NO_x Emissions with Selective Catalytic Reduction (SCR)

To build the future, PSA Peugeot Citroën has developed an after-treatment technology that substantially reduces nitrogen oxide (NO_x) emissions, bringing them into compliance with the strictest standards while contributing to the overall advancement of diesel technology.

This new technology, selective catalytic reduction (SCR), abates NO_x emissions by injecting urea into the exhaust stream before

it enters a special catalyst chamber. A new emissions control architecture, including a particulate filter and SCR, has been designed to optimise fuel efficiency and limits CO₂ emissions. Group programmes are underway to optimise the system in every real-life situation, ensure its durability, verify its compliance with standards and alignment with customer expectations and resolve any process engineering issues.

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2.3. Resource Management and Recycling

2.3.1. Use of Materials

■ An Assertive Commitment to Using Green Materials

To optimise the use of resources, PSA Peugeot Citroën is focusing much of its research on polymers, since most of the other materials, such as metals and fluids, are already recyclable and extensively recycled. Polymers account for almost 20% of a vehicle's total mass.

Since 2008, the Group has deployed an ambitious plan to increase the proportion of green materials, by weight, in a vehicle's total polymers (excluding tyres) to 20% by 2011 and to 30% by 2015, from an average 6% in 2007. For the Group, green materials include three families of materials: recycled plastics, natural materials (wood, vegetable fibres, etc.) and biomaterials (made from renewable instead of petrochemical feedstocks). Their use offers a number of benefits, such as reducing the use of fossil plastics and fostering the development of plastics recycling processes by increasing demand.

The wider application of green materials requires the development of robust supply chains and more research on new materials. To meet its targets, the Group is actively selecting and certifying materials that offer the best cost/technical trade-offs, to create a portfolio of solutions for future vehicle projects. In 2009, this portfolio was expanded to include 13 new green materials, representing 33% of all materials certified during the year.

To spur faster development of the biomaterials industry and expand the use of these materials in automobiles, PSA Peugeot Citroën is involved in a large number of scientific partnerships. In particular, it is leading the MATORIA project to develop new injection plastics made from renewable resources and suitable for automobile applications. The work undertaken in 2009 suggests that a pilot phase may be launched in 2010. In addition, the Group is helping to financially support the Bioplastics university chair at the MINES ParisTech engineering school, notably by funding three doctoral dissertations.

■ Using Green Materials in Vehicles

Each vehicle project has a contractual objective for the use of green materials.

Progress towards fulfilling the green materials plan may be illustrated by the Citroën C3 Picasso, in which green materials make up around 11% of its 170 kg of polymers (excluding tyres). Examples include natural fibres, used to make the rear parcel shelves, boot carpeting and door insets, and recycled automotive plastics, used as raw material for mudguards.

Green materials represent nearly 20% of the Citroën C3 Picasso e-HDi demonstrator unveiled in early 2010, in such new components as floor mats, seat cushion foam, wheel trims and the fuel tank.

On the Peugeot 207, rear view mirror support stalks are made of hemp-fibre reinforced polypropylene instead of the traditional fibreglass. A life cycle assessment performed in 2009 by French environmental consulting firm EVEA showed that the new component delivered significant environmental benefits, reducing weight by 4%, energy consumption and greenhouse gas emissions by 14% and water use by 43%.



A green materials module is available on the PSA Peugeot Citroën website.

2.3.2. Recycling End-of-Life Vehicles

■ Eco-Designing for Disassembly and Reuse

Peugeot and Citroën cars are all eco-designed for recycling, based on principles that facilitate the disassembly and decontamination of end-of-life vehicles (ELV). The Group works closely with disassembly organisations, to keep them informed of procedures that facilitate the elimination of fluids and the disabling of airbag pyrotechnics.

Vehicle materials are selected according to increasingly strict criteria, which are designed to foster the development of recovery and recycling facilities.

The Group is ensuring that its vehicles are highly recyclable in a variety of ways, including:

- Using easily recyclable materials.
- Reducing the variety of plastics in a car, to facilitate sorting after shredding, optimize the related recovery processes and ensure their profitability.
- Using a single family of plastics per major function, so that an entire sub-assembly can be recycled without prior dismantling.
- Marking plastic parts with standardized codes, to ensure identification, sorting and traceability.
- Using recycled materials in new vehicles.

This approach is enabling the Group to comply with the current requirement that a new car must be 95% recyclable to be homologated in the EU, based on European directive 2005/64/EC on type-approval of motor vehicles with regard to their reusability, recyclability and recoverability. French testing laboratory UTAC has certified that PSA Peugeot Citroën is able to implement the processes needed to meet this requirement.

At least 95% of the average weight of new Peugeot and Citroën vehicles is reusable and recoverable, according to prevailing ISO standards and the calculations carried out by the Group. Of this total, 85% is actually reusable or recyclable and 10% reflects the use of recovered resources as fuel in waste-to-energy facilities.

Since 2002, PSA Peugeot Citroën has asked suppliers to provide compliance certificates for all their deliveries or for each part supplied for forthcoming vehicles. As a participant in the International Dismantling Information System (IDIS) project, the Group provides scrap yard facilities with disassembly instructions for Peugeot and Citroën vehicles.

The Group is continuing to work with suppliers to eliminate four heavy metals (lead, cadmium, chromium and mercury) from its vehicles and to find technical solutions for their replacement.

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2.4. Road Safety

PSA Peugeot Citroën has considered the safety of all road users to be a top priority for many years, a position that has enabled it to develop some of the safest vehicles in the world.

However, addressing road safety issues involves more than just installing increasingly sophisticated onboard safety systems, which make vehicles heavier and therefore less fuel-efficient.

Roadway infrastructure must also be upgraded, while motorists and other road users must be effectively educated in safe driving and road use practices

PSA Peugeot Citroën is focusing on technologies that have shown a proven ability to make automobiles fuel efficient and safe, at an affordable cost for the largest number of motorists.

2.4.1. Primary Safety: Avoiding Accidents

■ Chassis Systems

Capitalizing on its recognized expertise in suspensions, steering, braking and other chassis systems, PSA Peugeot Citroën designs cars that are naturally safe to drive, with technology that compensates, to the extent possible, for bad driving, faulty infrastructure and adverse weather conditions. Their architecture is engineered to deliver handling performance, precision steering and braking power that rank among the best in the market.

Moreover, to attenuate the consequences of certain emergency situations, the Group offers such driver assistance technologies as anti-blocking systems (ABS), which are now standard on every model, Electronic Brakeforce Distribution (EBD), Emergency Braking Assist (EBA), and Electronic Stability Programme (ESP), which help drivers maintain control even in a skid.

Introduced in 2009, the Grip Control system is available on the Peugeot 3008 and new Partner and on the Citroën C4 Picasso, C5 and new Berlingo. It comprises Michelin 16-inch Mud & Snow tyres and an intelligent traction control system integrated into the ECU of the Electronic Stability Programme (ESP™), which optimises management of front-wheel traction. It improves the vehicle's ability to maintain grip and traction on all types of slippery or loose terrain, with five modes selected at the driver's option: standard, snow, all-terrain, sand and ESP off.

Tyre pressure monitoring systems help to detect under-inflated tyres that can reduce vehicle stability and threaten occupant safety. By regularly prompting motorists to check their tyre pressure, such systems help to reduce tyre noise, improve fuel efficiency and increase tread life.

■ Visibility, Speed and Safe Following Distances

Certain Peugeot and Citroën models come with such efficient, practical innovations as:

- Innovative lighting systems: static directional lighting even in the compact segment, Xenon dual-function directional headlights in the executive segment, automatic activation of emergency flasher lights in the event of sudden deceleration, LED daytime running lights as standard in the second trim level on the Citroën DS3 introduced in 2010.
- A speed warning device that sounds a warning and flashes when the vehicle exceeds a speed limit pre-set by the driver.
- A speed limiter system that deactivates the accelerator pedal when the driver tries to exceed his or her pre-set speed limit.

When necessary, however, pressing strongly on the pedal overrides a hard spot and allows the driver to exceed the set limit. PSA Peugeot Citroën is the European leader in driver-activated speed limiter equipment.

- A distance alert system, available on the Peugeot 3008 and 5008, that indicates on the head-up display the time it would take to close with the vehicle in front at the current speed. The alert time point can be set by the driver.
- The AFIL lane departure warning system, which alerts the driver who drifts across a lane by vibrating the seat on the side the lane was crossed.

■ Ergonomics and Man-Machine Interface (MMI)

Road safety is a major concern that is consistently designed into onboard systems, such as driver assistance, comfort and information/entertainment systems, and into the man-machine interfaces (MMI) of controls and displays. In addition to integrating driver needs and expectations to ensure that the systems are useful and efficient, design criteria and robust validation methods help to deliver systems and interfaces that are not only easy to use, but also safe, leaving no room for manual error and involving no cognitively demanding tasks, distractions or risks of inappropriate use. Upstream scientific studies are helping to enhance Group standards for addressing the emerging ergonomic issues associated with new onboard technologies.

Environmental concerns are also channelled into the development of driver assistance systems that promote “eco-responsible” driving habits.

Head-up displays project speed, navigation system prompts and other driving data onto the windscreen in the driver’s direct line of vision. This eliminates the need to look down at the instrument panel, enhancing safety and shortening reaction times by around a half a second, based on the time it takes to look away from the road and refocus on the screen.

2.4.2. Secondary Safety: Protecting Passengers and Pedestrians during an Accident

■ Body Structure

Secondary safety is an absolute priority that is designed into every Peugeot and Citroën vehicle, whose structural components resist impact and absorb energy to provide the highest degree of occupant protection regardless of the type of collision – frontal, side, rear or even rollovers.

Vehicles are structurally engineered to gradually dissipate the kinetic energy from an impact, with effectively positioned impact absorption structures and deformable crash boxes transforming

the passenger compartment into a survival cell. At the same time, these structures make the body components easier to repair.

On cabriolet models, the roll-over protection system consists of active, pyrotechnically-charged roll-bars and windscreen pillar stiffener tubes.

■ Airbags and Other Pyrotechnic Equipment

In addition to structural impediments to impact injury, Peugeot and Citroën models are equipped with up to nine airbags:

- Two front airbags, whose pressure and volume when inflated adjust automatically to the severity of impact.
- Two front side airbags, which protect the thorax, pelvic region and abdomen of the driver and front-seat passenger.
- A steering column (or knee) airbag, which protects the lower limbs by cushioning the impact on the knees and shins.
- Two curtain airbags, which protect the side of the head of the front and rear passengers.
- Two rear lateral airbags, which protect the thorax of the rear passengers in the event of a side impact.

On Citroën models, the multifunctional fixed-centred controls steering wheel offers motorists a more comfortable driving experience and greater safety by enabling access to controls without taking their hands off the steering wheel. Because its hub is fixed, the wheel houses an airbag that can be optimally shaped to protect the driver.

Thanks to an impact sensor and pyrotechnic mechanism, the active bonnet rises automatically in the event of a pedestrian impact, thereby absorbing more energy and limiting the risk of injury to the pedestrian’s head. The system is available on both the Citroën C6 and Peugeot RCZ.

■ Restraint Systems

Restraint systems – which include Isofix attachment points for easy and efficient installation of child seats, seatbelt load-limiting retractors and, on some models, airbags with dual energy levels – are all carefully calculated to maximize protection for everyone in the vehicle, regardless of their age or where they are seated. Already fitted on front seatbelts, load-limiting retractors are now gradually being installed for back seats as well. These systems adjust occupant restraints while limiting pressure on the chest, thereby reducing the frequency of thoracic and abdominal injuries.

According to the *Laboratoire d’Accidentologie et de Biomécanique* (LAB), 23% of people killed in traffic accidents in France in 2008 were not wearing seatbelts. Any means of encouraging people to fasten their seatbelts therefore leads to a real increase in safety. Buckle-up reminders sound a warning and light up when someone has not buckled their belt. Rear seat reminders are also gradually being introduced across all the model ranges.

Euro NCAP Safety Ratings

Every Peugeot and Citroën model from the entry level on up ranks among the world's best in secondary safety, as attested by the results of impact tests conducted by the European New Car Assessment Programme (Euro NCAP), an independent organization that rates vehicle occupant protection.

As of year-end 2008, thirteen of the Group's vehicles had been awarded the maximum five stars for adult protection.

In 2009, Euro NCAP developed a new rating system that rewards the overall safety of a vehicle. The new overall rating reflects the protection offered to adult and child occupants as well as pedestrians and, for the first time, considers the safety potential of advanced driver assistance technologies. Seven Group vehicles have obtained the maximum 5-star overall rating under the stricter new protocol.

Model	Year launched	Assessment protocol in effect until 2008			Assessment protocol in effect from 2009		
		Year tested	Adult Occupant Rating*	Pedestrian Test Rating*	Child Protection Rating	Year tested	Overall rating
New Citroën C3	2009					2009	****
Citroën DS3	2009					2009	*****
Peugeot 5008	2009					2009	*****
Peugeot 3008	2009					2009	*****
Citroën C3 Picasso	2009					2009	****
Peugeot 308 CC	2008	2008	****	**	***	2009	*****
Citroën Berlingo Peugeot Partner**	2008	2008	****	**	****		
Citroën C5	2008	2008	*****	**	****	2009	*****
Peugeot 308	2007	2007	*****	***	****	2009	*****
Peugeot 207 CC	2007	2007	*****	**			
Citroën Grand C4 Picasso	2006	2006	*****	**	****	2009	*****
Peugeot 207	2006	2006	*****	***	****		
Citroën C6	2006	2005	*****	***	****		
Peugeot Coupé 407	2005	2005	*****	**	****		
Citroën C1 Peugeot 107**	2005	2005	****	**	****		
Peugeot 1007	2005	2005	*****	**	***		
Citroën C4	2004	2004	*****	***	****		
Peugeot 407	2004	2004	*****	**	****		
Citroën C2	2003	2003	****	**	***		
Peugeot 307 CC	2003	2003	****	**			
Citroën C3 Pluriel	2003	2003	****	**			
Peugeot 807 Citroën C8**	2002	2003	*****	*			
Citroën C3	2002	2003	****	**			
Peugeot 307	2001	2001	****	**			
Peugeot 607	2000	2002	****	*			
Citroën Xsara Picasso	2000	2001	****	**			
Peugeot 206	1998	2000	****	**			

Source: Euro NCAP.

* Occupant protection rated out of 5 stars/Pedestrian protection rated out of 4 stars.

** Vehicles appearing on the same line have the same technical specifications.

2.4.3. Tertiary Safety: Post-Accident Emergency Response

■ Emergency Call System

PSA Peugeot Citroën has played a pioneering role and remains the European leader in post-accident or tertiary safety, which helps to attenuate the effects of an accident by facilitating emergency rescue. It is the only volume carmaker to have deployed a wide-scale, location-aware emergency call system, without a subscription or any cut-off date.

In the event of an accident or medical emergency in a car equipped with a telematics device, occupants can alert a dedicated assistance centre simply by pressing the SOS button. In the case

of a collision, the same alert is sent automatically. Calls are routed to operators speaking the occupants' language.

Thanks to the car's GPS system and onboard GSM mobile phone link, assistance personnel can pinpoint the car's location, thereby enabling rescue services to respond more quickly and effectively.

According to the European Commission, equipping every vehicle on the road with such a system would save 2,500 lives a year in Europe.

	Total as of end-2007*	Total as of end-2008*	Total as of end-2009*
Number of Peugeot and Citroën vehicles equipped with the Premium emergency call service**	433,390	546,000	630,000
Alerts sent to emergency services	1,840	2,700	3,300
Countries in which the Premium emergency call service is available***	France, Germany, Italy, Belgium, Luxembourg, Spain, the Netherlands, Portugal and Austria		

* Cumulative figures since the service was introduced in January 2003.

** In the countries where the Premium emergency call service is available, the vehicle alerts the Inter Mutuelles Assistance (IMA) emergency assistance call centre, which verifies the incident and notifies the local public rescue or ambulance services. In other European countries, the vehicle dials 112, the European emergency number.

*** The Premium service is scheduled for introduction in Switzerland in 2010.

In addition, there are currently 120,000 Peugeot and Citroën vehicles equipped with the standard emergency call system (based on 112, the European emergency number, which does not support GPS localization) in European countries where the Premium service is not available. In all, around 750,000 Peugeot

and Citroën vehicles equipped with the emergency call system are on the road in Europe.

More than 3,300 emergency alerts have been sent to local rescue services since the service was introduced in 2003.

■ Victim Removal Instructions

To facilitate the job of rescue workers after an accident, PSA Peugeot Citroën works with French rescue teams to prepare victim removal instructions for each of its models, which are regularly distributed in 27 European countries.

2.5. Telematics and Mobility

2.5.1. Telematics

PSA Peugeot Citroën's new telematics services are designed to make mobility more efficient and environmentally friendly.

Since 2002, Peugeot and Citroën have offered a range of assistance services based on the shared RTx/NaviDrive telematics platform that combines, in a single unit, a radio, CD player, GSM hands-free telephone, GPS navigation system and traffic information. Thanks to the GPS system, customers benefit from much faster roadside assistance, including repairs and towing service.

■ Peugeot

The deployment of autonomous telematics boxes is going to extend onboard connected services to the wider carbuying public, starting with the 2010 launch in 10 European countries of the

In addition, the Group's Active Fleet Data remote fleet management service, introduced in 2008, provides remote access to all the data needed to support fleet use and maintenance, including odometer readings, the number of kilometres before next inspection and diagnostics for mechanical components such as the gearbox and emissions control system. Fleet managers are alerted in real time by e-mail if the system detects safety issues such as low oil, worn brake pads or under-inflated tyres. By promoting regular maintenance, the Active Fleet Data service also helps reduce the fleet's environmental impact.

Peugeot Connect solution, which delivers three high value-added services:

- Peugeot Connect SOS, for location-aware emergency calls.
- Peugeot Connect Assistance, for repair assistance.
- Peugeot Connect Fleet, for fleet management.

■ Citroën

Citroën is pursuing the same objective with eTouch, a package of services that include emergency calls and assistance (via an integrated SIM card), an online service record and an online eco-driving service.

Citroën's highly innovative Send-To-Car service allows users to forward the results of a Google Maps search from their computer

to the onboard NaviDrive 3D platform, which then guides them to their destination or connects them to a phone number. Available in France and Italy since September 2009, the service will be launched in Germany before the end of 2010.

2.5.2. Mobility Services

■ Mu by Peugeot

Mu by Peugeot is an innovative card-based mobility service that enables anybody, whether a Peugeot customer or not, to access a package of mobility services using a prepaid card that can be topped up online. It offers two types of service:

- The rental of Peugeot products or accessories. As and when needed, cardholders will be able to rent a bicycle, scooter, car, light utility vehicle, replacement car or scooter or accessories like a GPS device or a roof box.

- Access to mobility services offered by Peugeot partners. For example, cardholders can contact a partner travel agent to book a train or plane ticket, or arrange a get-away weekend. Driving lessons, eco-driving courses or advanced driving techniques can also be booked via the same call centre.

After a pilot programme in four French cities, the service is being gradually deployed in first-half 2010 in several European capitals, including Paris, Berlin, Brussels, London, Madrid and Rome.

■ Citroën

Citroën plans to launch its own mobility service in 2010.

2.6. Customer Relations

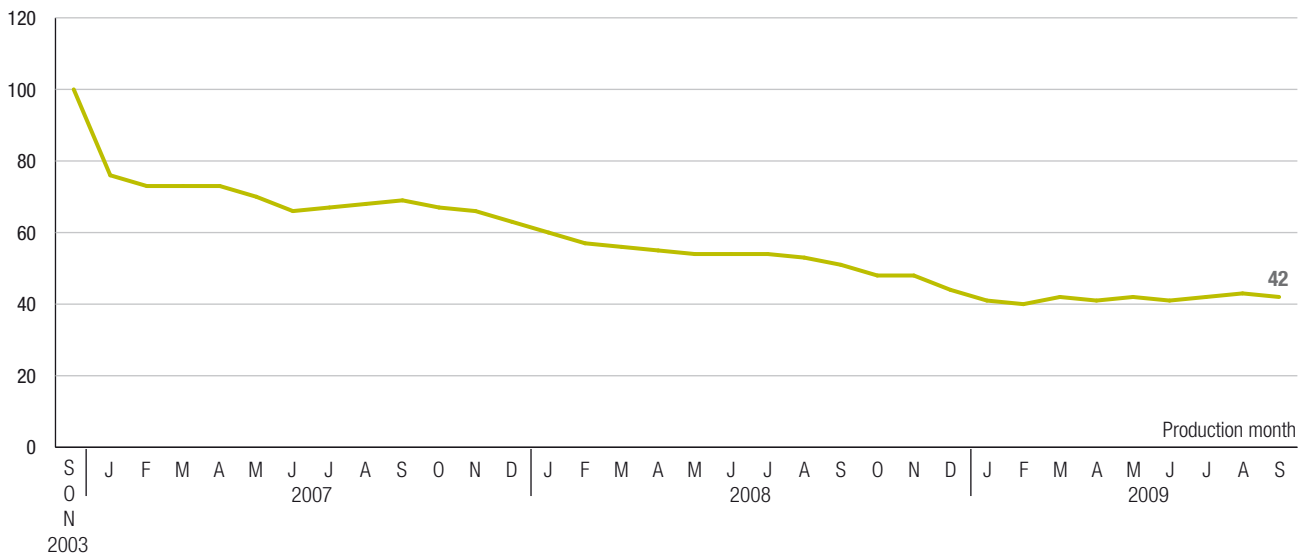
2.6.1. Quality

PSA Peugeot Citroën is delivering continuous improvement in the quality of its vehicles and services. In customer service, both brands are making steady progress in the purchase/delivery experience and in maintenance/repair services. The frequency of

warranty claims has been slashed by more than 58% and their cost by over 66% over the past six years in Europe. The number of end-of-line factory defects declined by 40% in 2009.

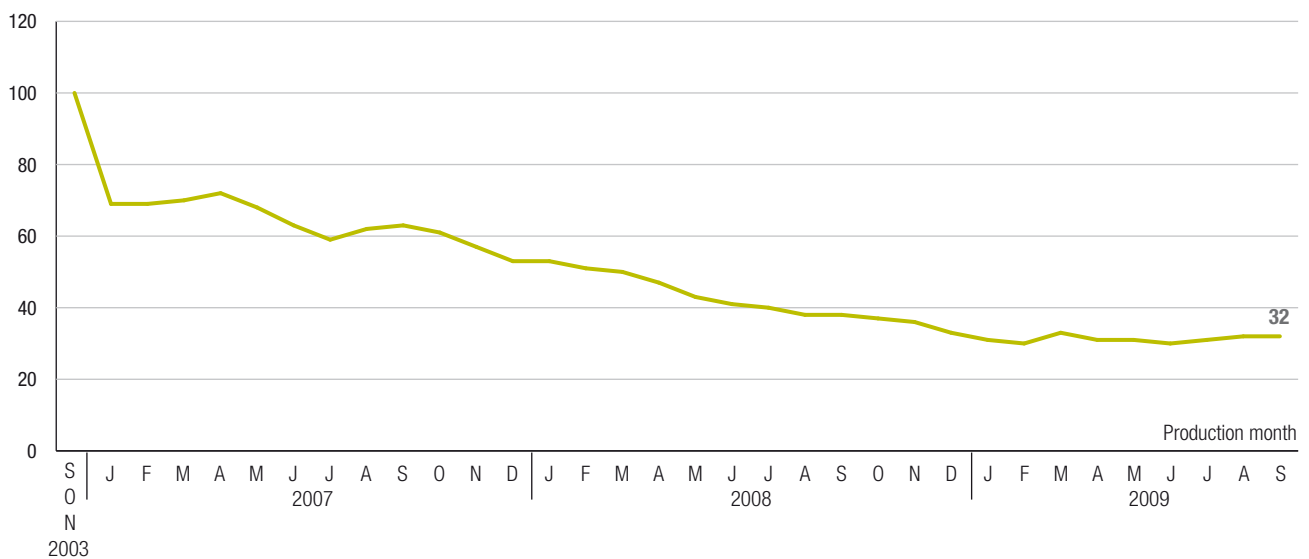
Customer Quality: Frequency of Warranty Claims

(8-country Europe, first 3 months in service, base 100 = September-November 2003)



Customer Quality: Warranty Costs

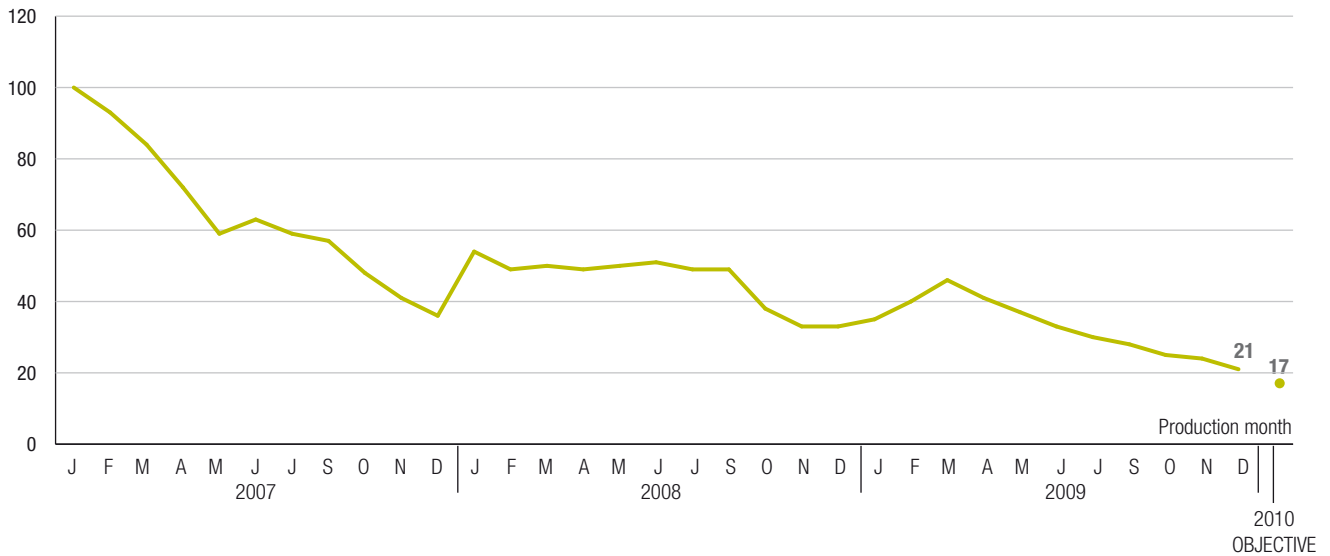
(8-country Europe, first 3 months in service, base 100 = September-November 2003)



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■ Production Quality: Number of Factory Defects per Vehicle

(End-of-line defects in European plants, base 100)



2.6.2. Compliance with Health, Safety and Customer Privacy Standards

■ Non-Compliance with Regulations Concerning Customer Health and Safety

(Peugeot and Citroën subsidiaries)

Three cases of non-compliance with regulations concerning customer health and safety caused by operating defects resulted in fines ranging from €300 to €2,600 in Argentina. Nine other cases in Latin America are being appealed:

- The main ones concern the late launch of Peugeot and Citroën recall campaigns in Brazil.

- The others concern operating defects and warranty failures, with fines of up to €11,000.

All vehicles homologated in 2009 were certified as fully compliant with regulations concerning consumer health and safety.

■ Non-Compliance with Regulations Concerning Customer Privacy

(Personal data protection legislation, Peugeot and Citroën subsidiaries)

PSA Peugeot Citroën was not cited for any cases of non-compliance with regulations concerning customer privacy in 2009.

2.6.3. Advertising, Communication and Consumer Information

■ Non-Compliance with Regulations Concerning Advertising, Marketing, Labelling and Consumer Information

(Peugeot and Citroën subsidiaries)

In 2009, four incidents of non-compliance with regulations concerning advertising, marketing, consumer information or product labelling were reported:

- Italy's competition authority (AGCM) found Peugeot Italia guilty of unfair business practices because the company's television advertising used characters too small to read. While awaiting the decision by the Appeals Court, Peugeot Italia has paid the €180,000 fine.
- Citroën Russia has been fined around €980 for failure to properly display the financial terms and conditions of its auto loans.
- Peugeot Brazil paid a fine for advertising deemed to be misleading due to the lack of essential consumer information.

- Citroën Hungary paid a €180 fine for an independent dealership's failure to display vehicle fuel consumption and CO₂ emissions data.

In addition, the UK Advertising Standards Authority asked Peugeot to withdraw a print advertising campaign that could have misled consumers about the Peugeot 308's fuel consumption under normal driving conditions. In Brazil, Peugeot and Citroën also amended financing information in an advertising following a complaint from a consumer protection association.

■ Labelling and Consumer Information

To improve car buyer information, Peugeot and Citroën provided their dealers with fuel-efficiency labels in early 2006, ahead of the regulatory deadline. The labels display each model's average fuel consumption and carbon emissions.

In September 2007, the brands introduced new eco-labels to identify environmentally friendly cars.

Peugeot's Blue Lion eco-label

The Blue Lion label is awarded to Peugeot's most eco-friendly models, which must meet the following three criteria:

- Emit less than 130 g/km of CO₂ (for fossil-fuel powered vehicles).
- Be manufactured in a plant certified to ISO 14001 standards, which are based on continuous improvement in environmental performance. All Peugeot models are built in ISO 14001-certified facilities.
- Be 95%-recyclable at end-of-life, including resource recovery and the possibility of being used as fuel in waste-to-energy plants.

Citroën's AIRDREAM® eco-label

The AIRDREAM® label identifies the most environmentally friendly vehicles in the Citroën line-up in three areas:

- CO₂ performance. Fossil-fuel powered AIRDREAM® vehicles emit less than 140 g CO₂/km.
- Manufacturing performance. AIRDREAM® vehicles are manufactured in ISO 14001-certified plants.
- Materials performance. AIRDREAM® vehicles are designed to be 95% recyclable at end-of-life, including resource recovery and the use of some materials as fuel in waste-to-energy plants.

Responsible Communications Charter

Prepared in 2007 by PSA Peugeot Citroën corporate teams in association with the Peugeot and Citroën marketing departments, the responsible communications charter helps to ensure that Group advertising reflects corporate social responsibility concerns, such as respect for people, the environment and awareness of the economic issues involved in buying a car.



The PSA Peugeot Citroën responsible communications charter is available on the Group's sustainable development website.

The charter applies to all of the advertising produced by the Group, the brands, regional offices or dealer networks, including TV, online and print advertising, events and POS displays and collaterals, regardless of target audience, media or country.

Available in French, English, Spanish and Chinese, the charter has been distributed since 2008 to Group and brand teams involved in communication, marketing, Legal Affairs, procurement and other departments, as well as to their suppliers.

The charter defines the internal process for validating advertisements with input from the operating unit and the Legal Affairs department, which can call in the sustainable development representative if necessary.

Since the Group first participated in the *Planète Durable* sustainable consumption trade show in Paris, the PSA Peugeot Citroën booth has been eco-designed to focus on planet-friendly materials and reduce the quantities used. Examples include using less varnish on the floor, selecting wood from sustainable sources, and making the panels recyclable. In 2009, take-away kits distributed at the show were made in a sheltered workshop from PSA Peugeot Citroën advertising tarps. In addition, the Group now distributes less print collateral and offers reusable bags at all its trade fair exhibits.

In November 2007, the Group also signed the responsible advertising charter published by France's *Union des Annonceurs* (UDA). In late 2009, PSA Peugeot Citroën shared its best practices with other signatories.

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3

ENVIRONMENT

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PSA Peugeot Citroën's environmental actions and priorities are presented on the "Our Impacts" pages of the Environment section of the Group's sustainable development website: Greenhouse Effect, Air Quality, Resource Use, Recycling and Natural Habitats.

Reporting Methodology

The following environmental indicators comply with articles L. 225-102-1 and R. 225-105 of the French Commercial Code and with the recommendations of the Global Reporting Initiative.

The reported data concern the production plants, the main engineering, tertiary and design sites and the logistics platforms of fully consolidated companies, and the Peugeot and Citroën proprietary dealership networks.

Faurecia, a listed company 70.86%-owned by Peugeot S.A. in 2009 (57.4% since February 2010), manages its business independently

and therefore prepares and publishes its own indicators in its Registration Document. The company's performance in its main indicators is presented below, however.

Certain 2007 and 2008 results have been restated to reflect more detailed data reported after their publication in 2009. The restatements have been explained each time the difference with last year's published figure exceeded 1%.

Scope and Boundary

The scope of reporting covers the following plants and facilities operated by the Automotive Division (PCA), Process Conception Ingenierie (PCI) and PMTC (since renamed Peugeot Scooter).

PCA (32 sites)	France	Asnières Aulnay Belchamp Bessoncourt Caen Carrières-sous-Poissy Charleville Hérimoncourt La Ferté Vidame	La Garenne Melun-Sénart Metz Meudon Mulhouse Paris Grande-Armée Paris 17 ^e Poissy Poissy Pôle Tertiaire	Rennes Saint-Ouen Sept-Fons Sochaux Trémery Valenciennes Vélizy Vesoul	
	Spain	Madrid	Vigo		
	Portugal	Mangualde			
	Slovakia	Trnava			
	Brazil	Porto Real			
	Argentina	Buenos Aires			
	PCI (1 site)	France	St Etienne		
	PMTC (2 sites)	France	Dannemarie	Mandeure	

In the case of Automobiles Peugeot and Automobiles Citroën (AP/AC) the scope of reporting includes:

- Proprietary Peugeot and Citroën dealerships.
- Head offices of the import subsidiaries.
- PSA Peugeot Citroën replacement parts warehouses.

The list of subsidiaries reporting data in 2009 is presented below. Changes in the scope of reporting compared with 2008, other than those resulting from subsidiary openings or closings, were

as follows:

- Additions: Peugeot Mexico, Peugeot Slovakia, Citroën Argentina, and Citroën South Africa.
- Exclusions: Peugeot Czech Republic, Citroën Brazil and Citroën Slovenia.

A subsidiary may have more than one site, with the result that more than 400 Peugeot and Citroën facilities, dealerships and other sites are covered by the scope of reporting.

Brands (48 subsidiaries)	Peugeot (25 subsidiaries)			
		Algeria	Germany	Slovakia
		Argentina	Hungary	Slovenia
		Austria	Italy	South Africa*
		Belgium	Japan*	Spain
		Brazil	Mexico	Switzerland
		Chile	Netherlands	Turkey
		China	Poland	United Kingdom
		Croatia	Portugal	
		France	Russia*	
	Citroën (23 subsidiaries)			
		Argentina	Hungary	Russia*
		Austria	Italy	Slovakia
		Belgium	Japan*	South Africa*
		Croatia	Netherlands	Spain
		Czech Republic	Norway	Sweden
		Denmark	Poland	Switzerland
		France	Portugal	United Kingdom
		Germany	Romania	

* Joint Citroën/Peugeot subsidiary.

Gefco's indicators reflect data reported only from the logistics sites, excluding offices, the head office and outsourced operations in customer or sub-contractor facilities.

A subsidiary generally has a large number of sites, with the result that more than 150 Gefco facilities are included in the scope of reporting.

Gefco (18 subsidiaries)			
	Argentina	Germany	Romania
	Baltic States	Hungary	Russia
	Benelux*	Italy	Slovakia
	Brazil	Morocco	Spain
	Czech Republic	Poland	Switzerland
	France	Portugal	United Kingdom

* Belgium and Netherlands.

The total number of sites covered the Peugeot and Citroën brands and for Gefco has changed because of site closings, openings or relocations and the consolidation of operations.

Note that failure to report data may also be due to the inability to calculate the indicator concerned, for example if metering systems are not installed.

Coverage rates for the Peugeot and Citroën brands presented under each chart correspond to the percentage of total sites concerned by the given indicators that reported data for the year.

Managing the Group's Industrial Environment

For many years, PSA Peugeot Citroën has been engaged in assertive environmental stewardship at its production facilities. Manufacturing strategy integrates environmental protection as part of a continuous improvement process, based on a disciplined organisation, a method structured around ISO 14001 certification and the allocation of substantial funding. Deployed worldwide, this process efficiently manages the most significant environmental aspects of the Group's operations.

A corporate-level Industrial Environment Section leads and coordinates general activities in this area and manages the environmental reporting and management application created in 1989, with its own capital budget. In addition, at each plant, an environmental compliance officer is backed by a dedicated service and correspondents appointed in each workshop and facility. The Technical Department also has environmental specialists who provide technical support for the plants, particularly during new capital projects. In all, nearly 500 people are involved in managing the Group's industrial environment on a day-to-day basis.

An Active Certification Policy

Environmental management systems have been introduced at all production facilities worldwide, based on ISO 14001 certification, the internationally recognised standard for environmental management and organisation.

Contract workers employed at the plants undergo similar training.

As part of the ISO 14001 process, all employees, whether fixed-term or permanent, as well as temporary workers and interns, receives training in environmental skills or awareness tailored to their job and business.

Launched more than 10 years ago, the certification process is now fully implemented in the production plants, which are all ISO 14001 certified. Today the process is being deployed in the technical centres, replacement parts facilities and new production plants.

ISO 14001-certification timetable for the manufacturing plants' environmental management systems:

1999	2000	2001	2002	2003	2004	2005	2007
Mulhouse Sochaux	Poissy Vigo Trémery Madrid Buenos Aires	Aulnay Rennes Porto Real	Caen Charleville Sept-Fons Valenciennes	Metz Mangualde	Saint-Ouen	Hérimoncourt*	La Garenne Vesoul Trnava

* Included in PCA data since 2005 (certified since 2001).

The Asnières plant is no longer included in the table, having ceased production in 2009.

Five automobile production joint ventures are also certified: TPCA in Kolín, Czech Republic; DPCA in Wuhan and Xiangfan (Hubei Province), China; Sevelnord in Hordain, France; Sevelsud in Val Di Sangro, Italy; and Française de Mécanique in Douvrin, France.

Gefco

All of Gefco's logistics and overland, maritime and air transport businesses are ISO 9001:2000-certified. These operations are carried out through an integrated international network comprising more than 250 sites.

In this way, it can not only enhance their productivity and competitiveness, but also deliver real environmental value added thanks to a wide range of resources deployed in several key areas. First, a global network of 150 environmental correspondents continuously tracks energy use, waste production and other environmental impact indicators in all of the company's operations.

The company is also actively certifying its facilities to ISO 14001 standards, with certification already earned by operations in Argentina and Slovakia, and in 2009 an initial site in Germany and two sites in France. The process will gradually be extended across the organisation, particularly in France, Germany and the Czech Republic.

Since 2008, environmental data has been collected, verified and consolidated using an intranet system.

In its day-to-day operations, Gefco constantly strives to respond as proactively as possible to its customers' sustainable development

needs. In a further commitment to the environment, logistical platforms are now being built in compliance with French HQE environmental quality standards.

■ Citroën and Peugeot Brands

Environmental initiatives undertaken in the Peugeot and Citroën dealership networks are led and coordinated by a corporate team, supported by a correspondent for each brand (or for both brands) in every host country. The correspondent network cascades down environmental management policies and monitors changes in local legislation and practices.

Since 2008, environmental data has been collected, verified and consolidated using an intranet system.

In addition, particular attention has been paid to new buildings, with the definition of new dealership construction guidelines covering energy efficiency, insulation, heating and ventilation, lighting, water and waste management and recycling.

Lastly, the brands have deployed a number of country-specific initiatives. In France, for example, Citroën has introduced the GreenPact environmental programme, which is designed to help local dealers keep up with changing French and European legislation while continuously reducing their environmental footprint. The programme leverages a full range of communication resources – including a website, an environmental guide, a magazine, a newsletter and information meetings – and facilitates contacts between dealers and other specialised stakeholders, such as organisations that collect end-of-life vehicles and parts or process waste coolant.

■ Faurecia

In line with its environmental stewardship commitment and as part of the Faurecia Excellence System, Faurecia's facilities are gradually deploying environmental management systems based on the international ISO 14001 standard. ISO 14001 certification is also enabling Faurecia to comply with customer requirements. The number of ISO 14001-certified facilities is steadily increasing, with a total of 107 sites certified in 2009 and another 49 introducing a management system as part of the certification process. New or recently acquired facilities with more than 50 employees are expected to earn certification within three years.

Deployment of ISO 14001 management systems in Faurecia facilities has been supported by environmental training and awareness building programmes. In 2009, for example, 12,151 people attended more than 13,000 hours of training across the Group, representing €102,000 invested in enhancing employee skills and expertise.

In 2006, Faurecia installed a database and an environmental, safety and health data reporting system for all its plants worldwide, which enable the company to track improvements in its environmental performance.

3.1. Greenhouse Effect

3.1.1. Direct and Indirect Energy Consumption

Direct Energy Consumption by Primary Energy Source

(Consolidated Group)

(Unit: MWh ncv)		HSFO	LSFO	VLSFO	HHO	NG + LPG	Coke	TOTAL
PCA	2009	-	-	26,789	11,494	2,014,738	88,807	2,141,828
	2008	-	-	8,313	13,242	2,305,628	122,936	2,450,119
	2007	-	-	50,990	14,717	2,408,351	117,188	2,591,246
AP/AC	2009	-	-	1,578	36,338	169,486	-	207,402
	2008	-	-	1,678	35,066	191,727	-	228,471
	2007	-	-	562	36,100	168,617	-	205,279
PCI	2009	-	-	-	-	3,420	-	3,420
	2008	-	-	-	-	4,458	-	4,458
	2007	-	-	-	-	4,880	-	4,880
PMTC	2009	-	-	-	16	23,660	-	23,676
	2008	-	-	-	29	23,113	-	23,142
	2007	-	-	-	2	24,214	-	24,216
Gefco	2009	-	-	-	3,539	50,999	-	54,538
	2008	-	-	-	3,924	50,832	-	54,756
	2007	-	-	-	18,386	41,954	-	60,340
TOTAL	2009	0	0	28,367	51,387	2,262,303	88,807	2,430,864
	2008	0	0	9,991	52,261	2,575,758	122,936	2,760,946
	2007	0	0	51,552	69,205	2,648,016	117,188	2,885,961
Faurecia	2009	4	43	2,032	8,467	527,184	-	537,730
	2008	4	103	980	10,174	650,863	-	662,124
	2007	12	85	983	9,363	650,865	-	661,308

HSFO = High-Sulphur Fuel Oil. LSFO = Low-Sulphur Fuel Oil. VLSFO = Very Low-Sulphur Fuel Oil. HHO = Home Heating Oil. NG = Natural Gas. LPG = Liquefied Petroleum Gas.
 -: Not relevant.

PCA's home heating oil consumption in 2008 was revised downwards by 35% after data from the Mulhouse plant was corrected.

The increase in consumption of VLSFO by the Peugeot and Citroën brands in 2008 was due to the first-time consolidation of data from sites that burn large quantities of this type of oil.

Until 2007, Gefco France's LPG consumption was included in the HHO category. Correcting this resulted in significant changes in consumption levels in 2008 in both categories.

Energy indicators are expressed in the same unit of measurement (MWh ncv) by applying officially recognised conversion coefficients.

Energy use data are reported from the meter readings or registration for energy delivered to each PCA site.

Data for the Peugeot and Citroën brands were reported from 93% of the sites concerned by this indicator in 2009, versus 94% in 2008 (when the reported figures were based on total direct consumption of primary and secondary energy).

Data for Gefco were reported from an average 93% of the sites concerned by this indicator in 2009, versus 88% in 2008 and 78% in 2007. Most of the Gefco sites that did not report data are leased facilities, where consumption figures are included in rental expense and were therefore unavailable for reporting.

Data for Faurecia have been reported from all of the company's sites since 2007.

Direct Energy Consumption by Secondary Energy Source

(Consolidated Group)

(Unit: MWh)		Electricity	Steam	TOTAL
PCA	2009	2,386,040	262,130	2,648,170
	2008	2,601,683	275,393	2,877,076
	2007	2,794,310	296,636	3,090,946
AP/AC	2009	155,463	12,979	168,442
	2008	157,673	16,809	174,482
	2007	163,752	9,007	172,759
PCI	2009	1,104	-	1,104
	2008	1,473	-	1,473
	2007	2,138	-	2,138
PMTC	2009	10,196	-	10,196
	2008	13,849	-	13,849
	2007	16,155	-	16,155
Gefco	2009	40,760	-	40,760
	2008	65,927	-	65,927
	2007	49,289	-	49,289
TOTAL	2009	2,593,563	275,109	2,868,672
	2008	2,840,605	292,202	3,132,807
	2007	3,025,644	305,643	3,331,287
Faurecia	2009	870,879	17,459	888,338
	2008	1,063,532	19,876	1,083,408
	2007	1,080,257	22,151	1,102,408

-: Not relevant.

PCA's steam consumption in 2007 and 2008 was revised downwards by 8% after data from the Rennes site was corrected.

Improvements in Gefco's environmental data collection system have enabled electricity consumption to be assessed more accurately, resulting in an apparent increase in the amount consumed in 2008 versus 2007. The decline in Gefco's electricity use in 2009 reflected the slowdown in business during the year, particularly in France.

Energy use data are reported from the meter readings or registration for energy delivered to each PCA site.

Data for the Peugeot and Citroën brands were reported from 94% of the sites concerned by this indicator in 2009, versus 94% in 2008 (when the reported figures were based on total direct consumption of primary and secondary energy).

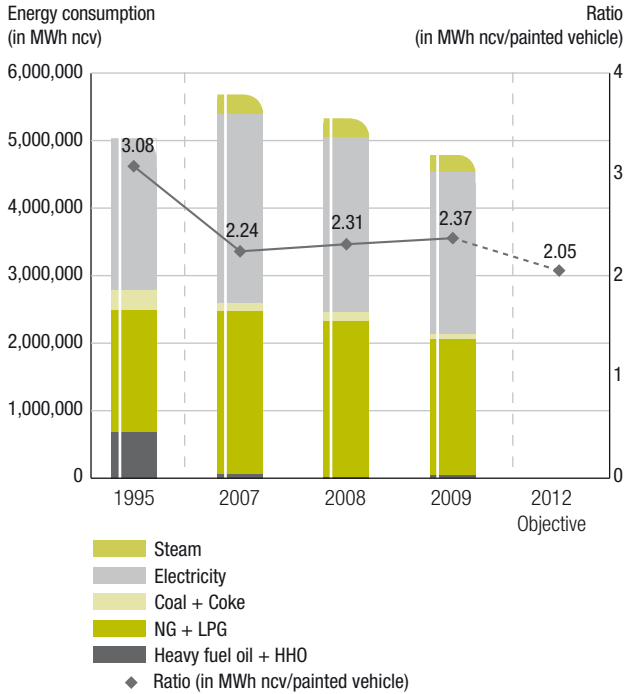
Data for Gefco were reported from an average 95% of the sites concerned by this indicator in 2009, versus 84% in 2008 and 79% in 2007. Most of the Gefco sites that did not report data are leased facilities, where consumption figures are included in rental expense and were therefore unavailable for reporting.

Data for Faurecia have been reported from all of the company's sites since 2007.

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Energy Consumption

(PCA)



(HHO = Home heating oil; NG = Natural gas; LPG = Liquefied petroleum gas)

In the chart showing PCA energy consumption, the consumption figures and the target include energy used by the Group's integrated foundries.

Energy use rose sharply from 1995 to 2007, reflecting:

- The increase in PCA's automobile output.
- The production of engines for other carmakers.
- The increased used of water-based paints, which reduce VOC emissions but require more electricity in the drying phase.
- The increase in the scope of reporting.

Over the years, the Group's energy profile has been improved by the implementation of energy management policies, the deployment of energy-saving programmes (to build employee awareness, install metering and automated systems and share best practices) and upgrades of heating plants (to replace oil-fired boilers with natural gas units).

However, the slowdown in production output since mid-2008, combined with the impact of relatively harsh winters, led to a slight 6% increase in energy consumption per painted vehicle from 2007 to 2009.

Geographically, 95% of the Group's energy in 2009 was used in Europe and 5% in the rest of the world.

3.1.2. Greenhouse Gas Emissions

Direct Greenhouse Gas Emissions by Weight

(Consolidated Group)

(Unit: tonnes)		CO ₂	NO ₂	CH ₄	TOTAL CO ₂ equivalent
PCA	2009	454,097	18.4	29.3	460,405
	2008	520,303	20.9	33.3	527,472
	2007	552,020	22.1	35.2	559,601
AP/AC	2009	45,086	1.7	2.7	45,679
	2008	49,343	1.9	3.0	50,002
	2007	44,483	1.7	2.6	45,069
PCI	2009	703	0.0	0.1	714
	2008	916	0.0	0.1	930
	2007	1,003	0.0	0.1	1,018
PMTC	2009	4,868	0.2	0.3	4,941
	2008	4,759	0.2	0.3	4,830
	2007	4,978	0.2	0.4	5,053
Gefco	2009	11,805	0.5	0.6	11,966
	2008	11,648	0.5	0.7	11,811
	2007	13,591	0.5	0.7	13,755
TOTAL	2009	516,559	20.8	32.9	523,703
	2008	586,969	23.5	37.3	595,046
	2007	616,075	24.5	38.9	624,495
Faurecia	2009	112,857	4.8	7.2	115,025
	2008	138,374	5.9	8.8	140,393
	2007	136,922	5.9	9.4	138,955

CO₂ = Carbon dioxide. N₂O = Nitrous oxide. CH₄ = Methane.

PCA's 2008 greenhouse gas emissions were recalculated to reflect adjusted home heating oil consumption data.

Direct greenhouse gas emissions are calculated using consumption data for fossil fuels (fuel-oil, coal, coke and gas) and applying international emission factors recommended by French authorities (ruling of 31 March 2008 for CO₂ and circular of 15 April 2002 for all other gases).

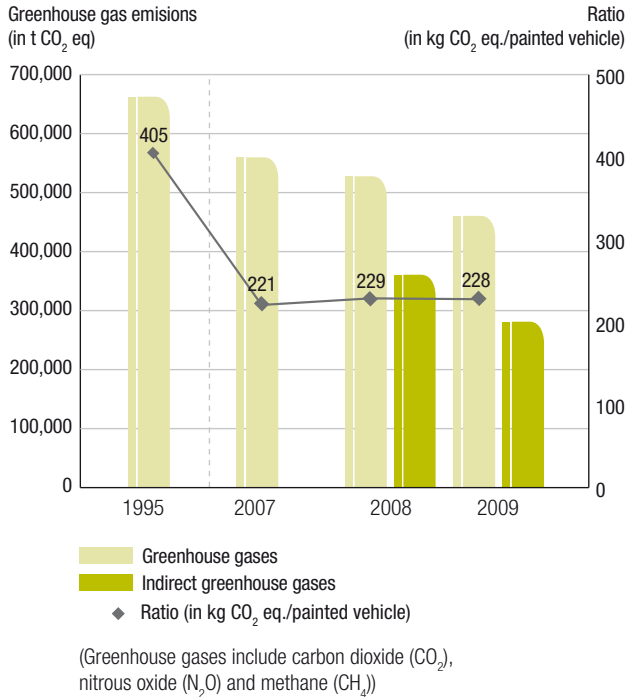
To be compared and consolidated with CO₂ emissions, N₂O and CH₄ emissions have been expressed in terms of CO₂ equivalent.

This has been calculated using Global Warming Potential (GWP) coefficients of 310 for N₂O and 21 for CH₄, in line with recommendations issued by the *Centre Interprofessionnel Technique d'Études de la Pollution Atmosphérique* (CITEPA) and the 1995 IPCC Report.

Data for Gefco and for the Peugeot and Citroën brands were reported from the same percentage of sites as for direct primary energy consumption data.

Greenhouse Gas Emissions, 1995-2009

(PCA)



Since 1990, programmes to upgrade installations, shift from oil and fuel to natural gas, develop combined heat and power (CHP) plants and scale back energy use have helped to improve energy efficiency and reduce greenhouse gas emissions.

CHP (or cogeneration) is a highly energy efficient technology that uses the same fuel (natural gas, for example) to produce both heat and power, thereby reducing both energy consumption and the resulting greenhouse gas emissions.

In all, greenhouse gas emissions per vehicle produced have been almost halved since 1995.

Geographically, 94% of the Group's direct greenhouse gases in 2009 were emitted in Europe and 6% in the rest of the world.

Participation in the Carbon Emission Allowance Scheme

(Transposition of European Directive 2003/87/EC of 13 October 2003)

For the 2008 to 2012 period, eight plants (Sochaux, Mulhouse, Rennes, Poissy, Vesoul et Vélizy in France; Madrid and Vigo in Spain) that operate installations rated over 20 MW qualify for the carbon emission allowance scheme set up in application of European Union Directive 2003/87/EC, amended, on greenhouse gas emissions trading.

For the eight plants, changes in the allocation rules have led to an 18% reduction in allowances compared with the 2005-2007 period. Thanks to the deployment of energy management policies, however, this has not had any impact on the Group, which remains self-sufficient in terms of allowances.

Annual emissions are calculated on the basis of energy use, according to a method prescribed by regulations and verified by a certified organisation.

PSA Peugeot Citroën is closely tracking plans to implement the third phase of the carbon trading scheme, scheduled for 2013-2020, but many of the practical procedures have yet to be defined at either the EU or national level.

3.1.3. Indirect Greenhouse Gas Emissions

Indirect CO₂ Emissions

(Unit: tonnes)		Indirect CO ₂ emissions	
PCA	2009	281,109	
	2008	360,667	
AP/AC	2009	N/A	
	2008	N/A	
PCI	2009	42	
	2008	63	
PMTC	2009	388	
	2008	589	
Gefco	2009	N/A	
	2008	N/A	
TOTAL	2009	281,539	
	2008	361,318	
Faurecia	2009	N/A	
	2008	N/A	

N/A: consolidation not available.

PCA's 2008 indirect CO₂ emissions were recalculated to reflect adjusted steam consumption data.

2008 was the first year that data for indirect CO₂ emissions from PCA, PCI and PMTC plants were consolidated.

Indirect greenhouse gas emissions (CO₂) are calculated based on applying emissions factors obtained from suppliers to the purchased electricity and steam.

Fuel Consumption and CO₂ Emissions in Logistics Operations

	2007		2008		2009		% change vs.2008	No. of lorries			% change vs.2008
	(cu.m)	CO ₂ (kg)	(cu.m)	CO ₂ (kg)	(cu.m)	CO ₂ (kg)		2007	2008	2009	
Argentina	1,222	3,250,520	1,583	4,211,091	1,290	3,432,812	-18%	46	33	33	0%
Benelux	2,093	5,567,380	1,775	4,721,021	1,662	4,421,319	-6%	57	47	51	+9%
France	16,968	45,134,848	16,913	44,988,101	13,846	36,830,982	-18%	620	569	529	-7%
Switzerland	311	827,260	292	777,013	337	896,686	15%	10	10	10	0%
United Kingdom	1,294	3,441,551	1,376	3,661,224	893	2,375,380	-35%	67	66	57	-14%
Russia	372	989,520	372	989,520	289	769,644	-22%	7	7	5	-29%
TOTAL	22,260	59,211,079	22,311	59,347,970	18,318	48,726,824	-18%	807	732	685	-6%

The fleet continued to be renovated and streamlined in 2009.

The decline in CO₂ emissions reflected the substantial 18% falloff in Gefco's business in 2009.

Gefco calculates its carbon emissions based on fuel consumption of its 7.5 tonne lorries, using CITEPA recommended conversion factors.

On 9 December, Gefco signed the voluntary charter of commitments to reduce carbon emissions from road haulage companies in the greater Paris area, which was prepared jointly by the French Ministry of the Environment, Energy, Sustainable Development and Sea (MEEDDM) and the Environment and Energy Management Agency (ADEME).

Covering the 2010-2012 period, the charter targets four pathways to progress:

- The lorry, by upgrading the fleet, installing speed governors, using semi-automatic transmissions, mounting new tyres, etc.
- Fuel, in particular by improving fuel management and monitoring.
- Drivers, by offering eco-driving courses. Since the 1980s, for example, Gefco has organised annual "Good Driver Contests" in France and Switzerland to raise driver awareness of fuel-efficient driving techniques.
- Logistics flows, by focusing on multimodal transport and the use of lorry loading and routing support software.

As part of this commitment, Gefco engineering offices constantly revise the transport and logistics routing plans to achieve the most efficient cost/quality/carbon ratio. This is driving a greater shift to alternatives to road haulage, which currently carry 25% of Gefco’s shipping volumes, compared with the European industry average of 17%. More specifically, of the 2.5 million vehicles transported in 2009, 30% were shipped by sea and 25% by rail.

For example, for the past 35 years, Gefco has used the sea highway between Saint-Nazaire, France and the PSA Peugeot Citroën production plant in Vigo, Spain. Every year, the link transports around 100,000 cars, primarily for delivery to French customers. This keeps the equivalent of nearly 14,000 car carriers off the road between Spain and France. Outbound France, the sea highway keeps the equivalent of nearly 25,000 tractor-trailers of automotive components and miscellaneous merchandise off the road.

To supply the new joint PSA Peugeot Citroën-Mitsubishi assembly plant in Kaluga, Russia, which is scheduled for start building mid-sized passenger cars in April 2010, Gefco has joined forces with Captrain Deutschland (a subsidiary of French National Railways SNCF) and Transcontainer Russia to deploy a rail link to deliver semi-knocked down (SKD) units from Vesoul, France. The multimodal system, one of the Europe’s most ambitious in terms of freight volumes carried, saw the first complete trainload of SKD components arrive at the Kaluga plant on 10 March, after travelling 3,000 kilometres in five days. The Vesoul-Kaluga line also reflects Gefco’s sustainable development strategy, in that multimodal transport offers an ideal alternative to road haulage as a means of shrinking a supply chain’s environmental footprint. By replacing the equivalent of 36 outbound lorries a day and shortening delivery times from eight to five days, the daily deliveries are helping to drive a sharp reduction in carbon emissions, while constantly keeping 576 lorries off the road between France and Russia.

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3.2. Air Quality

PSA Peugeot Citroën is committed to abating atmospheric emissions of sulphur oxides, nitrogen oxides and volatile organic compounds, not only because they are regulated, but also because they are a contributing factor in acidification (by forming

acid rain), eutrophication (by increasing nitrogen availability and disrupting an ecosystem's biological balance) and photochemical smog (by forming oxidising agents such as ozone).

3.2.1. NO₂, SO₂ and VOC Emissions

Direct SO₂ and NO₂ Emissions by Business

(Consolidated Group)

(Unit: tonnes)		SO ₂	NO ₂
PCA	2009	56.2	455.7
	2008	24.1	507.9
	2007	101.7	556.7
AP/AC	2009	15.6	50.7
	2008	15.4	55.1
	2007	13.7	49.8
PCI	2009	0.0	0.7
	2008	0.0	1.0
	2007	0.0	1.1
PMTC	2009	0.1	5.1
	2008	0.1	5.0
	2007	0.1	5.2
Gefco	2009	1.4	12.3
	2008	1.5	12.4
	2007	6.4	15.7
TOTAL	2009	73.3	524.5
	2008	41.1	581.3
	2007	121.9	628.4
Faurecia	2009	9.0	119.0
	2008	7.3	144.9
	2007	8.3	144.6

SO₂ = Sulphur dioxide. NO₂ = Nitrogen dioxide.

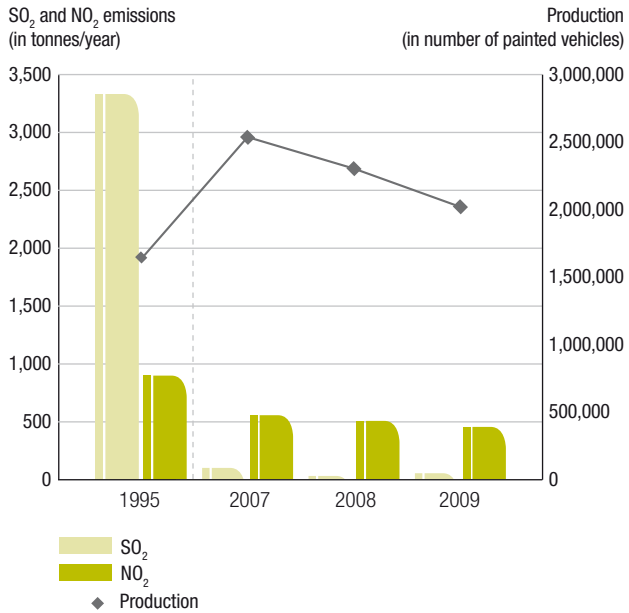
PCA's 2008 SO₂ and NO₂ emissions were recalculated to reflect adjusted home heating oil consumption data.

Data for Gefco and for the Peugeot and Citroën brands were reported from the same percentage of sites as for direct consumption data.

NO₂ and SO₂ emissions are calculated using consumption data for fossil fuels (fuel-oil, coal, coke and gas) and applying international emission factors. Figures for fuel sulphur content are stated in regulations.

Direct SO₂ and NO₂ Emissions, 1995-2009

(PCA)



SO₂ = Sulphur dioxide; NO₂ = Nitrogen dioxide

The Group's assertive commitment to replacing fuel oil by natural gas whenever possible and buying more cogenerated steam has resulted in a spectacular decline in NO₂ and SO₂ emissions since 1995, with reductions of, respectively, 49% and 98% over the period. These improvements have helped to improve air quality on Group sites.

In 2009, the Rennes and Sochaux plants eliminated the use of heavy fuel oil, which has effectively reduced SO₂ emissions to very low levels (although such emissions did increase in 2009 because the Sochaux plant used up its remaining heavy fuel stocks during the year).

NO₂ emissions, which are generated primarily from the burning of natural gas, are now beginning to peak thanks to the Group's energy management policies, and are expected to stabilise at less than 500 tonnes a year.

Paintshop VOC Releases by Business

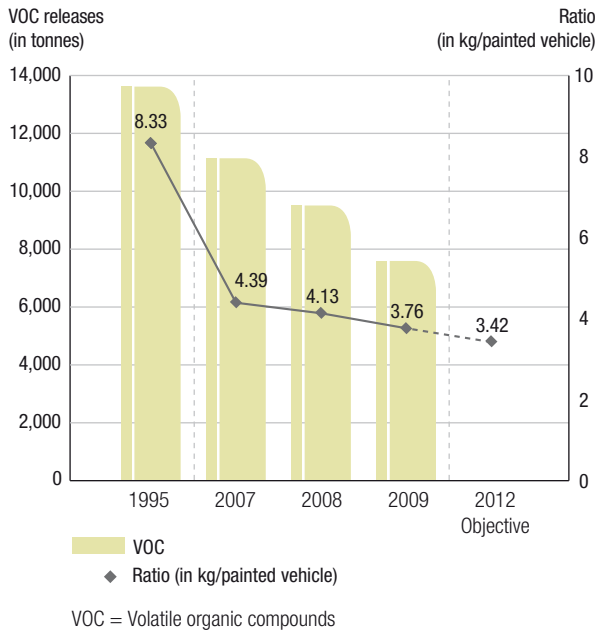
(Tonnes)

		COV
PCA	2009	7,589
	2008	9,505
	2007	11,136
PMTC	2009	7
	2008	12
	2007	101
TOTAL	2009	7,597
	2008	9,517
	2007	11,237

VOC = Volatile Organic Compounds

Paintshop VOC Releases, 1995-2009

(PCA)



In France, the Group's automobile assembly plants account for less than 1% of total volatile organic compound (VOC) emissions produced by human activity (In 2007, human activity produced 1,199 kt of released VOCs, source: CITEPA).

Thanks to PSA Peugeot Citroën's strict abatement programmes, VOC emissions per painted vehicle have been more than halved since 1995. The goal is to lower per-vehicle releases to 3.42 kg in 2012 through the sustained implementation of the best, most cost-effective technologies. Examples include:

- Shifting to water-based paints.
- Optimising robotic painting processes and operating conditions.
- Installing thermal oxidation units.

This same process is being applied at the Sochaux, Mulhouse and Caen mechanical component plants, where existing production facilities are being brought into compliance with European directives on VOCs and end-of-life vehicles (elimination of chromium VI).

All of the European plants comply with release standards set in the European directive.

Geographically, 91% of the Group's VOCs in 2009 were emitted in Europe and 9% in the rest of the world.

VOC emissions from PCA and PMTC paintshops are calculated using the materials balance method, in compliance with European directive 1999/13/EC on the limitation of emissions of volatile organic compounds due to the use of organic solvents in certain activities and installations.

3.2.2. Use and Emissions of Ozone-Depleting Substances

Use and Emissions of Ozone-Depleting Substances

Reducing emissions of ozone-depleting gases is a key concern in the Group's Environmental Management System.

While the use of trichloroethane and halon was discontinued between 1999 and 2003, CFCs and HFCs are still present in some refrigerating units used to cool production resources (such as machine tool cutting fluids), electrical control enclosures or workplace areas.

Leak-tightness of installations containing ozone-depleting fluids is checked every year and corrective action is taken in the event leaks are detected. Refilling equipment with CFCs has been prohibited since 2001, while refills with HCFCs will be phased out in 2015. CFCs and HCFCs are being replaced by fluids that respect the ozone layer, such as HFCs.

3.3. Use of Resources

3.3.1. Total Water Use

■ Total Annual Water Withdrawal by Source and by Business

(Consolidated Group)

(Unit: cu.m)		City water	Surface water	Underground water	TOTAL
PCA	2009	2,232,974	3,632,252	4,465,777	10,331,003
	2008	2,611,790	4,036,944	4,943,993	11,592,727
	2007	2,703,266	4,534,027	5,069,449	12,306,742
AP/AC	2009	684,335	4,740	5,004	694,079
	2008	732,905	9,140	6,554	748,599
	2007	744,993	11,298	6,551	762,842
PCI	2009	1,987	-	-	1,987
	2008	2,684	-	-	2,684
	2007	4,104	-	-	4,104
PMTC	2009	16,132	0	-	16,132
	2008	12,914	11,604	-	24,518
	2007	10,817	12,280	-	23,097
Gefco	2009	128,240	100	26,441	154,781
	2008	201,060	286	28,079	229,425
	2007	231,183	291	25,702	257,176
TOTAL	2009	3,063,668	3,637,092	4,497,222	11,197,982
	2008	3,561,353	4,057,974	4,978,626	12,597,953
	2007	3,694,363	4,557,896	5,101,702	13,353,961
Faurecia	2009	1,127,576	1,159,318	365,152	2,652,046
	2008	1,368,065	944,179	415,166	2,727,410
	2007	1,409,523	906,093	518,739	2,834,355

-: Not relevant.

Water withdrawn is calculated based on meter readings from the PCA sites.

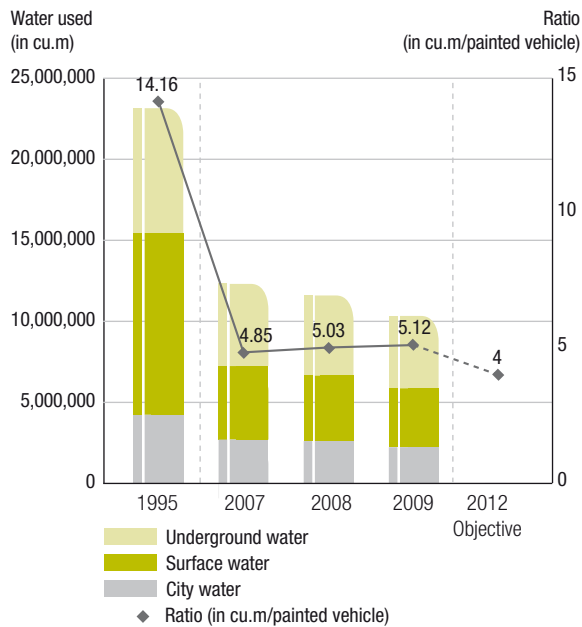
Data for the Peugeot and Citroën brands were reported from 90% of their sites in 2009, versus 84% in 2008 and 93% in 2007.

Data for Gefco were reported from 76% of the company's sites, compared with 70% in 2008 and 84% in 2007. Most of the sites that did not report data are leased facilities, whose consumption figures are included in rental expense and were therefore unavailable for reporting.

Data for Faurecia have been reported from all of the company's sites since 2007.

Total Water Withdrawal by Source, 1995-2009

(PCA)



Launched in 1995, the programme to reduce water use, in particular through the deployment and upgrading of recycling systems, was pursued in 2009, resulting in an 11% reduction in water withdrawal compared with the previous year.

Due to the slowdown in production output since mid-2008, this reduction did not show up in the ratio, which remained more or less unchanged, at 5.12 cu.m per painted vehicle in 2009.

Over the full 1995-2009 period, however, water withdrawal per painted vehicle have been reduced by a factor of 2.8.

The 2012 target is 4 cu.m per painted vehicle. Geographically, 93% of the Group's water in 2009 was withdrawn in Europe and 7% in the rest of the world.

Annual Water Withdrawals

The concept of available resources is specific to each site. Impact studies include an analysis to determine the future facility's water requirements, such as how much river water will need to be withdrawn.

When there is a risk of depleting water sources, particularly from the water table, programmes are undertaken to reduce withdrawals

to a minimum, in particular through the use of metering systems, the display of the least water-intensive operating parameters for each workstation and the deployment of recycling systems. In 2009, this was the case at the Aulnay and Rennes plants, which delivered a very good performance, at respectively 1.4 cu.m and 2 cu.m per painted vehicle during the year.

3.3.2. Raw Materials Used

Raw Materials Used

The Group estimates its 2009 raw materials use as follows:

- Direct: 930,000 tonnes of steel and 56,000 tonnes of non-ferrous metals.
- Indirect: 1,450,000 tonnes of steel, 210,000 tonnes of non-ferrous metals and 600,000 tonnes of synthetics (of which 15,000 tonnes of recycled materials).

Managing Paper Use

The use of paper, both for internal office printing or for outsourced brochures, marketing collateral, annual reports and other publications, is managed and measured at every level across the Group, including production plants, office facilities and dealerships.

One example is the awareness building campaign and shared-printer print management system installed at most of the French sites, which drove a 25% reduction in office printer paper use in 2009, representing some 49 million pages. Most waste printer paper is now sorted and collected by outside service providers who deliver it to recycling plants.

In producing print publications, the Group pays careful attention to the origin of the paper used, with a preference for PEFC and FSC-certified papers made exclusively with fibres from responsibly managed forests. In addition, as a founding member of the French government's paper-recycling programme EcoFolio, PSA Peugeot Citroën annually reports the tonnage of produced publications and pays an eco-tax to local authorities to finance the collection, recycling and reuse of the paper.

3.4. Recycling

3.4.1. Total Weight of Waste by Type and Disposal Method

Total Weight of Waste by Business

(PCA in 2009)

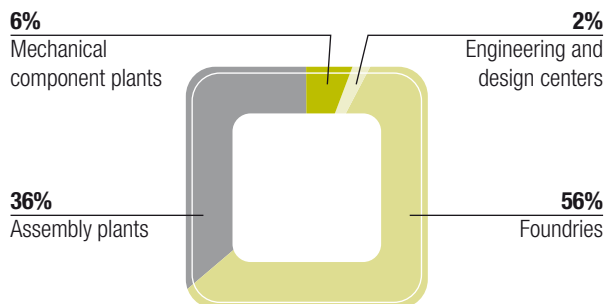
In 2009, PSA Peugeot Citroën sites produced around 841,400 tonnes of waste. Most of this (553,500 tonnes) was metal waste, which is not included in the charts and tables below because all of it is recovered as a by-product and reused either in steel mills or, for around 82,750 tonnes, directly in the Group's foundries. In addition, the foundries purchased 32,650 tonnes of outside metal waste for reuse in 2009.

The other process waste, totalling 287,900 tonnes, breaks down very unevenly by facility as follows: 160,590 tonnes from foundries, 103,120 tonnes from assembly plants, 17,560 tonnes from mechanical component plants and 6,630 tonnes from engineering and design centres.

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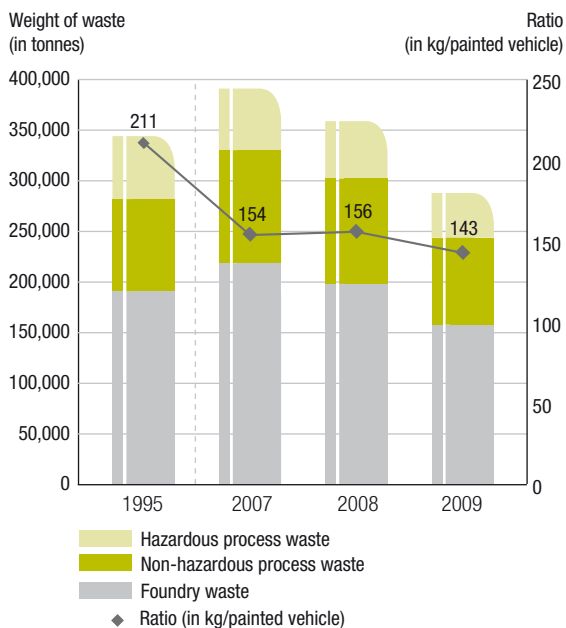
Waste Production by Facility

(PCA in 2009, excluding metal waste)

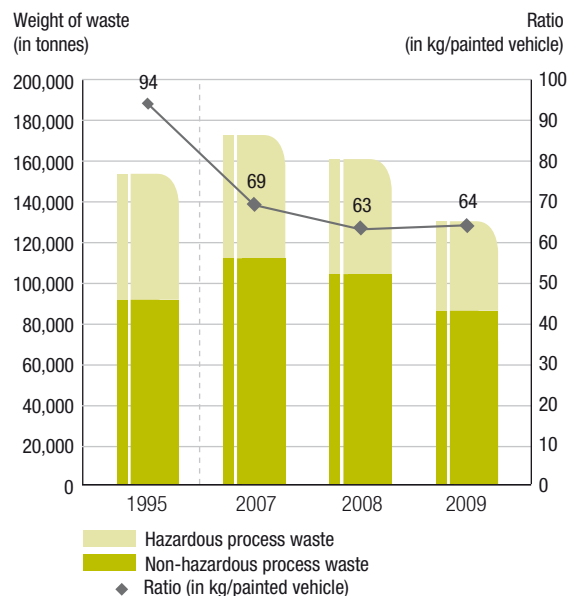


Total Weight of Waste by Type, 1995-2009

(PCA, excluding metal waste, nearly 100% of which is recycled)



(PCA, excluding foundry waste and metal waste, nearly 100% of which is recycled)



The rise in waste volumes was due in very large part to the increase in business activity at the Group's foundries. The Charleville and Sept-Fons foundries alone accounted for more than half of total waste volumes.

The quantity of waste generated per painted vehicle declined to 143 kg in 2009.

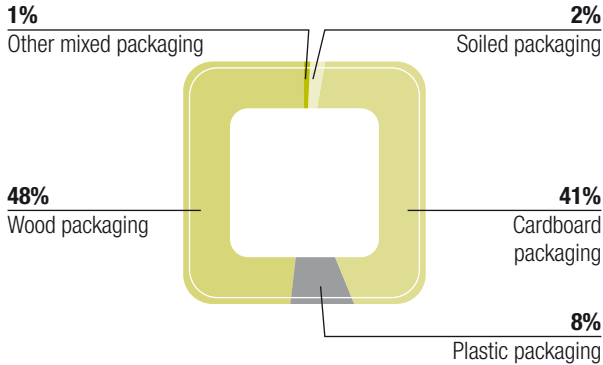
Geographically, 93% of the Group's waste in 2009 was produced in Europe and 7% in the rest of the world.

Waste production data are based on European Union definitions of waste types and disposal methods.

The quantity of waste generated per painted vehicle is around 64 kg, excluding foundry waste.

■ Packaging Waste

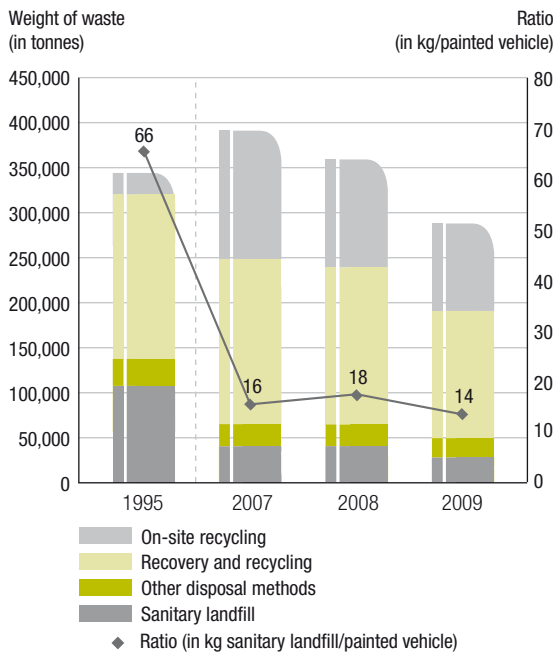
(PCA in 2009)



Primarily composed of wood and cardboard, packaging waste accounted for 50,870 tonnes, or 18%, of total non-metal waste produced in 2009. A full 98% is classified as non-hazardous process waste and more than 99% is recovered, reused or recycled.

■ Total Weight of Waste by Disposal Method, 1995-2009

(PCA, excluding metal waste, nearly 100% of which is recycled)



Improved on-site waste management systems have considerably increased the percentage of waste that is recovered or recycled, resulting in a 74% reduction in landfilled waste between 1995 and 2009. Much of this progress has been driven by the on-site reuse of spent foundry sand, which has increased fivefold over the period.

Today, PSA Peugeot Citroën is pursuing the process of increasing the amount of waste that is recycled instead of landfilled.

When metal waste is taken into account, for example, around 94% of the process waste generated by PCA plants is now reclaimed or recycled.

Recovery and recycling, landfilling and other waste disposal methods are defined as follows:

Recovery and recycling:

- Resource recovery involves reclaiming resources for use in a different application (e.g. recovering foundry sand for use in road building).
- Recycling involves reclaiming resources for use in the same application (e.g. repairing wooden pallets).
- Energy recovery involves burning the waste as fuel to generate steam or electricity.

Landfilling involves storing or burying waste. Landfills are classified according to the type of waste as hazardous, non-hazardous or inert.

Other disposal methods:

- Incineration without energy recovery.
- Physical/chemical treatments, such as neutralisation, oxidation reduction and metal precipitation.
- Biological treatments, such as aerobic or anaerobic decomposition.

Total Weight of Waste by Type and Disposal Method

(PCA)

(Unit: tonnes)		Landfill	Recovery and recycling	On-site recycling	Other disposal methods	TOTAL
Foundry waste	2009	9,705	52,867	95,283	46	157,900
	2008	15,734	64,605	117,927	49	198,315
	2007	14,707	64,831	138,838	30	218,405
Non-hazardous process waste	2009	13,496	69,147	1,832	1,352	85,828
	2008	18,373	83,143	1,985	402	103,904
	2007	19,397	87,069	3,705	1,547	111,719
Hazardous process waste	2009	4,788	19,313	-	20,067	44,168
	2008	6,570	26,716	-	23,473	56,759
	2007	6,392	31,470	-	22,968	60,830
TOTAL	2009	27,989	141,327	97,115	21,465	287,896
	2008	40,678	174,464	119,912	23,924	358,978
	2007	40,496	183,370	142,543	24,545	390,954

-: Not relevant.

The table does not include the 553,500 tonnes of metal waste produced in 2009, almost all of which was recycled.

(Automobiles Peugeot and Automobiles Citroën)

(Unit: tonnes)		Landfill	Recovery and recycling	Other disposal methods	TOTAL
Non-hazardous process waste	2009	6,988	9,517	607	17,113
	2008	11,309	8,430	739	20,479
	2007	11,954	5,611	1,672	19,236
Hazardous process waste	2009	1,906	3,120	553	5,579
	2008	1,331	2,781	922	5,034
	2007	2,132	2,207	883	5,223
TOTAL	2009	8,894	12,638	1,160	22,692
	2008	12,640	11,211	1,661	25,512
	2007	14,085	7,819	2,555	24,459

-: Not relevant.

This table does not include the 4,300 tonnes of metal waste produced in 2009, 74% of which was recycled during the year.

Data for the Peugeot and Citroën brands were reported from an average 87% of the sites concerned by this indicator in 2009, versus 78% in 2008. When the disposal method is not known, the waste is considered to have been landfilled.

(PCI and PMTC)

<i>(Unit: tonnes)</i>		Landfill	Recovery and recycling	Other disposal methods	TOTAL
Foundry waste	2009	-	-	107	107
	2008	-	-	227	227
	2007	-	-	407	407
Non-hazardous process waste	2009	157	551	1	709
	2008	220	885	-	1,105
	2007	339	1,140	-	1,479
Hazardous process waste	2009	12	145	469	627
	2008	11	186	589	785
	2007	5	220	889	1,114
TOTAL	2009	168	697	577	1,442
	2008	231	1,070	816	2,117
	2007	344	1,361	1,296	3,001

-: Not relevant.

The table above does not include the 270 tonnes of metal waste produced in 2009, almost all of which was recycled.

(Gefco)

<i>(Unit: tonnes)</i>		Landfill	Recovery and recycling	Other disposal methods	TOTAL
Non-hazardous process waste	2009	6,715	3,695	192	10,601
	2008	5,645	3,891	324	9,860
	2007	6,596	4,542	1,725	12,863
Hazardous process waste	2009	145	532	1,163	1,839
	2008	438	1,001	124	1,563
	2007	61	8	135	204
TOTAL	2009	6,859	4,227	1,354	12,441
	2008	6,083	4,892	448	11,423
	2007	6,657	4,550	1,860	13,067

Data in the above table do not include the 430 tonnes of metal waste produced in 2009, nearly 95% of which was recycled.

Data from Gefco were reported by an average 61% of the sites concerned by this indicator in 2009, versus 51% in 2008 and

47% in 2007. Most of the sites that did not report data are smaller facilities located outside France, where waste is managed by municipal sanitation departments. As a result, the related tonnages are not available. When the disposal method is not known, the waste is considered to have been landfilled.

(Faurecia)

<i>(Unit: tonnes)</i>		Landfill	Recovery and recycling	On-site recycling	Other disposal methods	TOTAL
Non-hazardous process waste	2009	36,902	35,594	9,178	4,074	85,748
	2008	71,093	44,220	9,387	16,990	141,690
	2007	64,362	33,222	7,085	10,959	115,628
Hazardous process waste	2009	1,725	4,527	-	6,228	12,480
	2008					
	2007					
TOTAL	2009	38,627	40,121	9,178	10,302	98,228
	2008	71,093	44,220	9,387	16,990	141,690
	2007	64,362	33,222	7,085	10,959	115,628

There are no individual figures for hazardous and non-hazardous process waste for 2007 and 2008.

The table does not include the 48,400 tonnes of metal waste produced in 2009, almost all of which was recycled.

Data for Faurecia have been reported from all of the company's sites since 2007.

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3.4.2. Transported Waste Shipped Internationally

■ Transported Waste Shipped Internationally in 2009

In 2009, less than 0.3% of total waste produced (excluding metal waste) was shipped from France to other EU member states (Belgium and Germany). This waste included:

- Various types of sludge (704 tonnes).
- Soiled metal and plastic packaging (65 tonnes).
- Spent filter media (46 tonnes).
- Special cardboard packaging (1 tonne).

Disposal involved resource recovery processes that were selected, in the same way as other recovery methods, following a positive assessment of their reliability.

Plants and other facilities based outside France did not ship any waste to other EU member states during the year.

3.5. Natural Habitats

3.5.1. Material Effluent Discharge

■ Gross Effluent Discharge, ex-Works

(Consolidated Group)

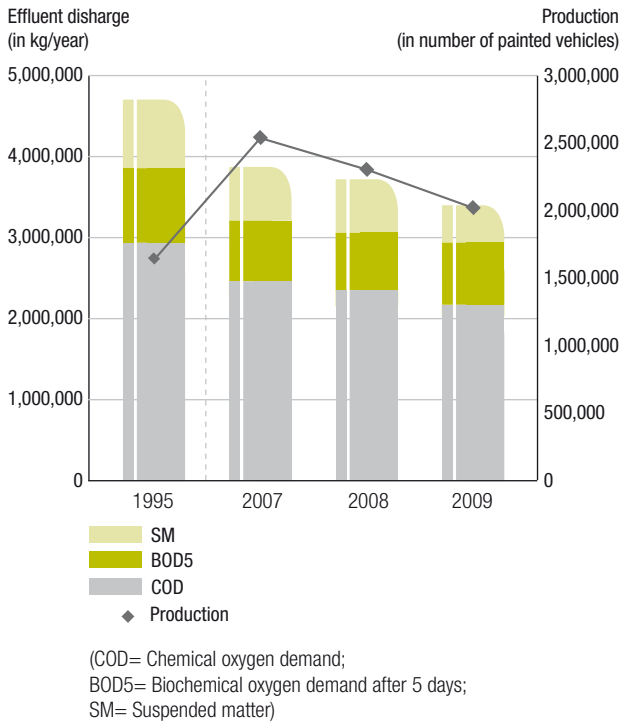
(Unit: kg/year)		COD	BOD5	SM
PCA	2009	2,170,531	766,040	461,662
	2008	2,351,932	705,537	661,771
	2007	2,459,755	747,668	663,813
AP/AC	2009	-	-	-
	2008	-	-	-
	2007	-	-	-
PCI	2009	-	-	-
	2008	-	-	-
	2007	-	-	-
PMTC	2009	838	288	192
	2008	536	122	83
	2007	1,119	322	72
Gefco	2009	-	-	-
	2008	-	-	-
	2007	-	-	-
TOTAL	2009	2,171,369	766,328	461,854
	2008	2,352,468	705,659	661,854
	2007	2,460,874	747,990	663,885
Faurecia				N/A

COD = Chemical oxygen demand. BOD5 = Biochemical oxygen demand after 5 days. SM = Suspended matter. -: Not relevant. N/A: Not available.

Before release into the environment, 10% of these discharges are treated in an integrated plant and 90% are further treated in a public wastewater plant.

Gross Effluent Discharge, ex-Works, 1995-2009

(PCA)



Whether connected to the public wastewater treatment network or equipped with their own integrated treatment plant, each facility systematically tracks releases using indicators, defined in the operating permits. In particular, these include chemical oxygen demand, biochemical oxygen demand after 5 days and suspended matter.

Efficient on-site effluent management, in particular by expanding and optimising wastewater treatment facilities, drove a considerable improvement in the quality of process effluent between 1995 and 2009.

For example, mechanical component plant cutting fluids and washing machine effluent are increasingly treated by new evaporation-based concentration technologies that separate the oil phase from the water phase, so that the oil can be treated by specialty processes and the water discharged into the sewage network.

In 2009, none of the facilities exceeded the maximum limits stipulated in their authorisations.

Geographically, 98% of the Group's process effluent in 2009 was released in Europe and 2% in the rest of the world.

The effluent discharge performance indicator measures the gross annual discharge by sites that carry out regular self-monitoring, which accounted for 97% of all the water withdrawn by PCA facilities in 2009.

Annual discharge is measured using an in-house standard, based on the new procedure for calculating pollution fees charged by France's Water Agencies, applicable since 1 January 2008.

3.5.2. Accidental Spills

Accidental Spills in 2009

In 2009, several production facility incidents were reported to the authorities in France, including a fire on the Sochaux chrome plating line when it was restarted after the year-end holidays, a fire in the Sochaux paintshop during summer turnaround maintenance and an accidental PCB spill during disassembly of a transformer at the Poissy plant. All of these incidents were effectively controlled

by local emergency response crews and did not result in any off-site discharge.

An accident is said to have a material impact on the environment if it is serious enough to be reported to the public authorities.

Amount of Penalties Paid Following a Legal Ruling Concerning the Environment

The Group did not have to pay any penalties in this regard in 2009.

3.5.3. Biodiversity

■ Respecting the Biological Balance and Managing Odours and Noise

Measures required to preserve natural habitats, flora and fauna, as well as to ensure the tranquillity of neighbouring communities, are assessed and defined during initial or supplemental environmental impact studies, in accordance with prevailing legislation. These studies assess the sensitivity of the plant's immediate surroundings, particularly their proximity to areas specially regulated for the protection of flora and fauna. They are conducted when new facilities are built and again at every important phase in a facility's development, such as capacity extensions or the installation of new plant or equipment. In accordance with legislation, they are submitted to public hearings and to the approval of administrative authorities.

Around ten such impact studies are conducted on Group sites a year. In addition, all of the ISO 14001-certified sites perform annual

audits of the environmental impact of their operations as part of the ISO 14001 environmental management system. These audits cover:

- Environmental issues such as greenhouse gas emissions, biodiversity, energy use and health impacts.
- A description of the site's immediate environment (environmental protection area, built-up urban area, etc.).
- The possibility of ranking environmental aspects depending on their impact.

Their findings support the management of these issues, by helping to set targets and track results.

■ Facilities Located near Protected Areas

PSA Peugeot Citroën's global manufacturing base mainly comprises 22 production plants and six engineering and design centres. Together, these facilities cover around 3,600 hectares, of which 45% has been waterproofed. Waterproofing prevents water from leaching into the ground, and as such, can be a factor in flooding, depending on the receiving stream. In response, the Group has deployed a variety of systems to manage rainwater runoff, particularly during extension projects with, for example, the installation of stormwater detention basins.

In addition, most of these facilities are located in suburban industrial estates. None are located in wetlands (as defined under the Ramsar Convention) or in areas that are specially regulated for the protection of flora and fauna (natural parks, Natura 2000 areas, nature reserves, areas covered by decrees on biotopes, etc.). While a few facilities, such as Aulnay, Charleville, La Ferté-Vidame, Melun-Sénart, Mulhouse, Valenciennes, Vesoul and Sept-Fons, are sited near areas of this type, their presence has not yet had any identifiable impact on the nearby natural habitats.

Facility	Operations	Surface area		Proximity to a regulated area	
		(sq.m)	Waterproofed surface area	Distance from the facility to the area	Type of area
Aulnay	Automobile production	1,685,814	72%	Between 1 and 3 km	Natura 2000 area
Charleville	Aluminium and iron castings	550,000	35%	Between 1 and 3 km	Nature reserve
Ferté-Vidame	Test centre	8,080,000	4%	Between 1 and 3 km	Natura 2000 area
Melun-Sénart	Replacement parts warehouse	615,736	27%	More than 3 km	Nature reserve
Mulhouse	Automobile production	3,048,474	79%	Less than 1 km	Natura 2000 area
Valenciennes	Gearbox production	890,000	35%	Between 1 and 3 km	Regional natural park
				Less than 1 km	Natura 2000 area
Vesoul	Replacement parts warehouse	1,275,051	84%	Less than 1 km	Prefectural biotope decree
		1,685,814	48%	More than 3 km	Nature reserve
Sept-Fons	Iron castings	550,000	48%	Less than 1 km	Natura 2000 area

Forests located on the edge of the Belchamp and La Ferté Vidame facilities have earned Pan-European Forest Certification (PEFC) for their sustainable forest management practices.

■ Soil Contamination

PSA Peugeot Citroën is committed to identifying and preventing any soil contamination at its sites, in particular by performing soil contamination assessments:

- Based on the procedure developed by France's Geological and Mining Research Bureau (BRGM), such assessments were carried out from 1999 to 2005 at the Sochaux, Mulhouse, Poissy, Sept-Fons, Valenciennes, Caen, Asnières, Saint-Ouen, Metz and Trémery sites in France.
- In the rest of Europe, assessments have been conducted since 1999 in Vigo, Mangualde and Trnava.
- Studies are also performed during disposals or acquisitions of production facilities or dealerships.

According to the findings of these assessments, all of these sites were eligible for self-monitoring procedures. In certain cases, additional studies were commissioned and appropriate decontamination programmes were undertaken as needed.

Upstream, the Group is also applying strict procedures to prevent soil contamination in the first place, in particular by:

- By installing retention basins liquid storage facilities.
- By avoiding, to the extent possible, the use of underground pipelines to carry liquid contaminants.



4

SOCIAL AND SOCIETY

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PSA Peugeot Citroën's social actions and priorities are presented in the "Our Responsibility" pages of the Employee section of the Group's sustainable development website: Dialogue, Human Rights & Ethics, Working conditions, Employment, Remuneration.

■ Reporting Methodology

PSA Peugeot Citroën's social responsibility policies have been deployed worldwide and are regularly monitored. Data are reported annually by every subsidiary around the world via a dedicated social reporting system, in full compliance with France's *Nouvelle Régulation Économique* legislation and Global Reporting Initiative recommendations.

For each indicator in the following chapter, information is provided about the results or the programmes underway. For reasons of space, however, information about calculation procedures and reference agreements has been omitted. The definitions used are those found in international standards.

■ Scope of Reporting

The following employee relations indicators comply with French decree no. 2002-221 of 20 February 2002. With the exception of tables concerning headcount and hiring, the indicators have been prepared on the basis of data from all the companies fully consolidated by PSA Peugeot Citroën, other than Faurecia, the Automotive Equipment Division.

The "Other Businesses" comprise SCEMM, PMTC France, PMTC Germany and PMTC Italy.

Faurecia, a listed company 70.86%-owned by Peugeot S.A. in 2009 (57.4% since February 2010), manages its business independently and therefore prepares and publishes its own human resources and other indicators in its Registration Document. Consequently, the policies described in this chapter do not concern Faurecia.

The "production organisation" includes all of the Group's automobile production plants, mechanical component plants and foundries. "Offices and R&D facilities" refers to Group's offices and automotive innovation and research facilities. The "sales organisation" comprises all of the Group's sales subsidiaries.

The "Automotive Division" in this chapter includes both the Automotive Division and the Peugeot S.A. holding company.

The scope of reporting does not include employees of joint ventures with Dongfeng (DPCA), Toyota (TCPA), Fiat (Sevelnord and Sevelsud) and Renault (*Française de Mécanique*).

■ Definitions

The "manager" category includes engineers and managers with a job description similar to managers in France.

ETAM is the French acronym for "administrative employees, technicians and supervisors".

4.1. Jobs and Capabilities

4.1.1. Group Workforce

■ Number of Employees under Permanent or Fixed-Term Contracts by Division, 2004-2009

(Consolidated Group, at 31 December)

	2004	2005	2006	2007	2008	2009
Automotive Division	139,480	140,050	140,000	134,345	129,890	121,365
Banque PSA Finance	2,360	2,370	2,365	2,330	2,390	2,470
Gefco	8,840	9,370	9,900	9,980	10,060	9,335
Faurecia	54,430	54,960	57,810	59,765	58,140	52,065
Other businesses	2,140	1,750	1,675	1,430	1,220	985
TOTAL	207,250	208,500	211,750	207,850	201,700	186,220

PSA Peugeot Citroën took a responsible, pro-active approach in dealing with the sharp reduction in unit sales caused by the international economic and financial crisis. Measures were taken to align operations with business levels, while preserving social cohesion through voluntary jobs and capabilities redeployment, compensated short-time working and inter-site mobility. These initiatives were either negotiated with unions in advance or developed from human resources planning and development

agreements. Extensive measures were taken to support the employees concerned.

The Automotive Division's workforce declined by 8,525 employees in 2009, while the total Group workforce, including Gefco and Faurecia, shrank by nearly 15,480. This downsizing process was carried out responsibly and without disruption or conflict.

■ Number of Employees under Permanent or Fixed-Term Contracts by Region and Division

(Consolidated Group, at 31 December 2009)

	France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	81,085	30,590	9,690	121,365
Banque PSA Finance	815	1,540	115	2,470
Gefco	4,660	3,695	980	9,335
Faurecia	13,825	23,925	14,315	52,065
Other businesses	945	40	0	985
TOTAL	101,330	59,790	25,100	186,220

PSA Peugeot Citroën employs 186,220 people in three core businesses.

Excluding Faurecia, the Group had 134,155 employees at 31 December 2009, of which 127,290 under permanent contracts (94.9% of the total) and 6,865 under fixed-term contracts.

■ Number of Employees under Permanent or Fixed-Term Contracts by Region

(Consolidated Group, at 31 December)

	2007	2008	2009
France	113,710	108,620	101,330
Rest of Europe	68,540	66,050	59,790
Rest of Western Europe	52,050	48,885	45,045
Central and Eastern Europe	16,490	17,160	14,745
Rest of the world	25,600	27,030	25,100
Africa	1,715	2,115	2,150
South America	12,355	13,665	12,135
North and Central America	8,325	7,635	7,165
Asia and Middle East	3,205	3,620	3,650
TOTAL	207,850	201,700	186,220

Western Europe: Austria, Belgium, Denmark, Germany, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Central and Eastern Europe: Croatia, Czech Republic, Hungary, Latvia, Poland, Romania, Russia, Slovakia, Slovenia, Turkey and Ukraine.

Africa: Algeria, Morocco, South Africa and Tunisia.

South America: Argentina, Brazil and Chile.

North and Central America: Canada, Mexico and the United States.

Asia and Middle East: China, India, Iran, South Korea, Malaysia and Japan.

In 2009, nearly 46% of employees worked outside France, of which 32% in other European countries and 14% in the rest of the world.

■ Managing Human Resources Internationally

Nearly 84,890 employees work outside France, in more than 150 countries. In each one, PSA Peugeot Citroën is committed to hiring locally and to leveraging local skills. Fully 89.62% of managers based outside France in the Automotive, Finance, and Transportation & Logistics Divisions are nationals. Particular attention is paid to the orientation and integration of newly hired local managers, with programmes designed to improve their understanding of how the Group works and their knowledge of its basic management principles and practices.

Around the world, PSA Peugeot Citroën deploys experts and managers with capabilities and profiles that match the global

diversity and local specificities of the markets in which the Group wants to expand. To promote international career paths and ensure smooth management, a dedicated Peugeot Citroën subsidiary for international skills management was created in 2009. The Group is committed to creating an international talent pool to:

- Motivate experts and managers from all countries.
- Create career paths that give a view of the international challenges stemming from the globalised economy.
- Give local team members the opportunity to take on more responsibility within the Group.

■ Number of Seconded Employees by Division

(Consolidated Group, excluding Faurecia, at 31 December)

	2007	2008	2009
Automotive Division	655	660	620
Banque PSA Finance	25	30	30
Gefco	70	70	60
Other businesses	5	5	5
TOTAL	755	765	715

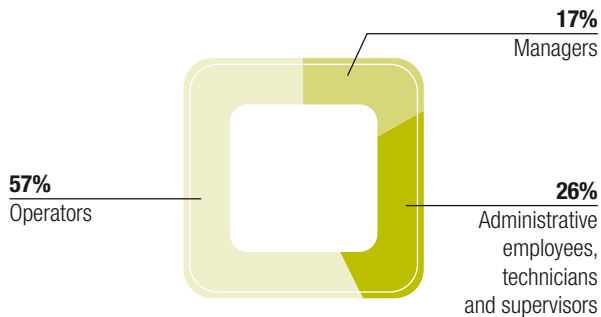
In 2009, 715 employees were involved in foreign postings, with an average assignment of 36 months. 70 employees were seconded in France, 265 in the rest of Europe and 380 outside Europe. The above table does not include the 175 Faurecia employees

seconded during the year. In addition, 335 employees had long-term assignments outside France and 2,836 in France (excluding Faurecia).

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Employees under Permanent or Fixed-Term Contracts by Category

(Consolidated Group, at 31 December 2009)



Employees under Fixed-Term Contracts

(Consolidated Group, excluding Faurecia and Gefco, average annual number)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	2,610	3,100	965	6,675
	2008	2,980	5,315	1,850	10,145
	2007	2,595	5,875	1,655	10,125
Banque PSA Finance	2009	30	155	5	190
	2008	0	150	5	155
	2007	20	130	0	150
Other businesses	2009	35	0	0	35
	2008	45	5	0	50
	2007	55	5	0	60
TOTAL	2009	2,675	3,255	970	6,900
	2008	3,025	5,470	1,855	10,350
	2007	2,670	6,010	1,655	10,335

Gefco had 410 employees under fixed-term contracts at 31 December 2009.

In 2009, 1,215 employees (29.8%) worldwide (excluding Faurecia) were hired under permanent contracts following a fixed-term assignment.

For information, Faurecia had 4,415 employees under fixed-term contracts at 31 December 2009.

The average annual number of employees under fixed-term contracts is calculated by dividing by 12 the sum of the number of these employees at each month-end.

Temporary Employees

(Consolidated Group excluding Faurecia, average annual number)

Along with seven temporary employment agencies, PSA Peugeot Citroën applies the charter governing working conditions for temporary workers in France. In particular, the charter stipulates that temporary employees cannot work for more than

11 consecutive months in the Group, so that they can take vacation leave and have an idea of when their assignment will end. The charter also guarantees temporary workers that they will enjoy the same working conditions as regular employees.

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	3,665	440	240	4,345
	2008	5,650	490	300	6,440
	2007	4,135	520	240	4,895
Banque PSA Finance	2009	0	110	5	115
	2008	15	85	5	105
	2007	20	65	0	85
Gefco	2009	310	600	150	1,060
	2008	680	960	405	2,045
	2007	840	980	250	2,070
Other businesses	2009	40	0	0	40
	2008	90	0	0	90
	2007	45	0	0	45
TOTAL	2009	4,015	1,150	395	5,560
	2008	6,435	1,535	710	8,680
	2007	5,040	1,565	490	7,095

In 2009, more than 230 people (5.7%) were hired worldwide (excluding Faurecia) under permanent contracts following a temporary assignment with the Group.

The average annual number of temporary employees is calculated by dividing by 12 the sum of the number of these employees at each month-end.

The above table does not include the average 4,690 people who worked on temporary assignments at Faurecia in 2009.

■ Number of Contractor Employees Working on Group Sites

(Consolidated Group, excluding Faurecia, at 31 December, full-time equivalents)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	5,875	2,185	2,600	10,660
	2008	6,130	2,590	4,750	13,470
	2007	7,130	2,660	4,900	14,690
Banque PSA Finance	2009	30	35	35	100
	2008	25	40	35	100
	2007	0	60	0	60
Gefco	2009	245	260	75	580
	2008	220	265	95	580
	2007	365	705	60	1,130
Other businesses	2009	20	0	0	20
	2008	20	0	0	20
	2007	25	0	0	25
TOTAL	2009	6,170	2,480	2,710	11,360
	2008	6,395	2,895	4,880	14,170
	2007	7,520	3,425	4,960	15,905

Only long-term positions with annual service contracts are included, such as food services staff or watchmen.

4.1.2. Changes in the Workforce

■ Net Jobs Created or Eliminated, 2003-2009

(Consolidated Group, at 31 December)

	Employees at 31 December 2003	Net jobs added (lost) through acquisitions and disposals	Net jobs created (eliminated)	Employees at 31 December 2009
Rest of Europe	63,520	(2,015)	(1,715)	59,790
Africa	1,200	275	675	2,150
North and Central America	4,630	370	2,165	7,165
South America	5,470	(625)	7,290	12,135
Asia and Middle East	380	755	2,515	3,650
Worldwide except France	75,200	(1,240)	10,930	84,890
France	124,710	(840)	(22,535)	101,330
WORLDWIDE	199,910	(2,080)	(11,605)	186,220

Between 2003 and 2009, the Group shed 11,605 jobs. The decrease since 2007 primarily reflects measures taken to align the workforce with business levels. This downsizing process was carried out quickly, responsibly and without disruption or conflict.

■ Employees Hired under Permanent Contracts

(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	975	1,340	1,045	3,360
	2008	1,995	3,155	1,695	6,845
	2007	1,320	2,605	2,870	6,795
Banque PSA Finance	2009	40	105	10	155
	2008	45	170	10	225
	2007	20	130	5	155
Gefco	2009	30	300	220	550
	2008	315	875	580	1,770
	2007	305	765	400	1,470
Faurecia	2009	80	1,280	4,660	6,000
	2008	625	5,405	4,160	10,190
	2007	740	4,975	4,540	10,255
Other businesses	2009	10	0	0	10
	2008	0	0	0	0
	2007	15	10	0	25
TOTAL	2009	1,135	3,025	5,915	10,075
	2008	2,980	9,605	6,445	19,030
	2007	2,400	8,485	7,815	18,700

In 2008, the Group hired 10,075 people, of which more than 60% in the Automobile Equipment Division (Faurecia) and 5.5% in the Transportation & Logistics Division (Gefco).

Nearly 89% of new employees were hired outside France.

■ Employees Hired under Permanent Contracts by Category

(Consolidated Group, at 31 December 2009)

	France			Rest of Europe			Rest of the world			TOTAL		
	Operators	ETAM	Managers	Operators	ETAM	Managers	Operators	ETAM	Managers	Operators	ETAM	Managers
Automotive Division	175	460	340	620	565	160	625	335	80	1,420	1,360	580
Banque PSA Finance	0	35	0	0	95	10	0	10	5	0	140	15
Gefco	5	15	10	95	175	25	55	160	10	155	350	45
Faurecia	30	20	35	1,065	170	45	4,065	315	255	5,160	505	335
Other businesses	0	5	5	0	0	0	0	0	0	0	5	5
TOTAL	210	535	390	1,780	1,005	240	4,745	820	350	6,735	2,360	980

New employees hired under permanent contracts represented 5.4% of the total workforce in 2009, versus 9.4% in 2008 and 9% in 2007.

Employees Hired under Fixed-Term Contracts

(Consolidated Group, at 31 December 2009)

	France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2,080	2,825	65	4,970
Banque PSA Finance	25	180	0	205
Gefco	80	85	10	175
Faurecia	335	1,580	2,765	4,680
Other businesses	25	0	0	25
TOTAL	2,545	4,670	2,840	10,055

Of the total employees hired under fixed-term contracts during the year, 30.8% were women, 82.6% were operators, 16.1% were administrative employees, technicians and supervisors (ETAM) and 1.3% were managers.

Separation Rates

(Consolidated Group, excluding Faurecia)

	2007	2008	2009
Separation rate	10.6%	8.7%	9.0%

In 2009, the Groupwide separation rate (excluding Faurecia) was 9%. The increase from 2008 reflects the number of employees who took part in jobs and capabilities redeployment plans, notably in France, Spain and Slovakia.

The separation rate is calculated by dividing the total number of separations involving employees under permanent or fixed-term contracts (resignations, redundancies, dismissals, retirement, deaths and other attrition) by the total number of employees under permanent or fixed-term contracts (excluding Faurecia) as of 31 December.

Number of Separations by Age Group and Gender

(Consolidated Group, excluding Faurecia and Gefco, at 31 December 2009)

	<20 years		20/29 years		30/39 years		40/49 years		≥50 years		TOTAL	
	M	W	M	W	M	W	M	W	M	W	M	W
Resignations	40	5	1,400	265	995	250	380	90	460	100	3,275	710
Dismissals	10	5	240	40	305	85	195	40	550	80	1,300	250
Redundancies	30	0	280	60	700	145	410	85	1,315	275	2,735	565
Retirement or death and other separation	0	0	95	5	20	25	60	10	1,565	280	1,740	320
TOTAL	80	10	2,015	370	2,020	505	1,045	225	3,890	735	9,050	1,845

M : Men.

W : Women.

Number of Separations and Separation Rates by Region

(Consolidated Group, excluding Faurecia, at 31 December 2009)

	France	Rest of Europe	Rest of the world	TOTAL
Resignations	1,440	1,485	1,580	4,505
Dismissals	605	925	400	1,930
Redundancies	2,165	980	375	3,520
Retirement or death and other separation	1,345	770	35	2,150
TOTAL	5,555	4,160	2,390	12,105
Separation rate	6.3%	11.6%	22.1%	9.0%

Resignations of Employees under Permanent Contracts

(Consolidated Group, excluding Faurecia, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	1,155	995	355	2,505
	2008	1,010	1,815	375	3,200
	2007	1,285	2,110	300	3,695
Banque PSA Finance	2009	10	55	5	70
	2008	25	95	5	125
	2007	25	120	0	145
Gefco	2009	160	255	65	480
	2008	240	485	125	850
	2007	275	485	150	910
Other businesses	2009	90	5	0	95
	2008	40	5	0	45
	2007	20	5	0	25
TOTAL	2009	1,415	1,310	425	3,150
	2008	1,315	2,400	505	4,220
	2007	1,605	2,720	450	4,775

The number of resignations amounted to 3.2% of total employees under permanent contracts in 2009, versus 3.1% in 2008.

A total of 1,345 employees under fixed-term contract (excluding Faurecia) resigned during the year.

The above table does not include the 2,200 Faurecia employees who resigned during the year.

Premature Terminations or Dismissals of Employees under Permanent or Fixed-Term Contracts

(Consolidated Group, excluding Faurecia, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	465	780	255	1,500
	2008	775	665	310	1,750
	2007	1,130	680	180	1,990
Banque PSA Finance	2009	5	15	0	20
	2008	5	15	0	20
	2007	5	10	0	15
Gefco	2009	105	130	145	380
	2008	100	80	220	400
	2007	115	110	10	235
Other businesses	2009	30	0	0	30
	2008	35	0	0	35
	2007	10	0	0	10
TOTAL	2009	605	925	400	1,930
	2008	915	760	530	2,205
	2007	1,260	800	190	2,250

The above figures include all dismissals during the year, including premature termination of work contracts for incapacity and disability, and dismissals for personal reasons.

The above table does not include the 5,450 Faurecia employees who were prematurely terminated or dismissed during the year.

Retirement, Death and other Separation of Employees under Permanent or Fixed-Term Contracts

(Consolidated Group, excluding Faurecia, at 31 December 2009)

	France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	1,240	750	35	2,025
Banque PSA Finance	20	5	0	25
Gefco	75	15	0	90
Other businesses	10	0	0	10
TOTAL	1,345	770	35	2,150

The above table does not include the 295 Faurecia employees under permanent contracts who retired, died or otherwise left the company during the year.

Dismissals or Redundancies (Employees under Permanent or Fixed-Term Contracts) Including through the Jobs and Capabilities Redeployment Plan

(Consolidated Group, excluding Faurecia, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	2,105	800	375	3,280
	2008	2,485	195	100	2,780
	2007	3,235	945	10	4,190
Banque PSA Finance	2009	0	5	0	5
	2008	0	0	0	0
	2007	0	0	0	0
Gefco	2009	45	175	0	220
	2008	10	290	0	300
	2007	5	105	0	110
Other businesses	2009	15	0	0	15
	2008	25	0	0	25
	2007	120	0	0	120
TOTAL	2009	2,165	980	375	3,520
	2008	2,520	485	100	3,105
	2007	3,360	1,050	10	4,420

The number of worldwide dismissals and redundancies (excluding Faurecia) in 2009 was primarily attributable to the jobs and capabilities redeployment plans. To align employee numbers with business levels, the Group chose to implement voluntary separation schemes.

The above table does not include the 3,880 people made redundant at Faurecia during the year.

4.1.3. Developing Human Resources and Nurturing Talent

■ Negotiated Rightsizing

To rightsize the organisation in response to plummeting unit sales, the Group implemented incentive measures based on voluntary participation, as part of the plan to redeploy jobs and capabilities. Steps were taken to move forward future separations for such reasons as full-time retirement, change of profession, retraining leave, transfers or outplacement, thereby avoiding dismissals or early-retirement schemes.

Negotiated beforehand with labour organisations (for example through a job alignment agreement in Spain and a voluntary separation plan agreement in Argentina), these measures primarily targeted operations in France, Spain, Slovakia, Germany the United Kingdom, the Netherlands, Portugal, Brazil and Argentina.

With these plans, PSA Peugeot Citroën demonstrated a proactive, responsible approach while maintaining social cohesion.

■ Human Resources Planning and Development

In line with the Global Framework Agreement on Social Responsibility, PSA Peugeot Citroën is committed to ensuring that no employee should ever have to find a new job on his or her own. In 2007, an agreement concerning human resources planning and development was signed to meet two objectives, one structural – to proactively respond to the Group’s evolving skills base and more effectively manage employee capabilities – and the other temporary – to continue rightsizing the workforce by not replacing people who retire or leave the Group.

technological or organisational changes and alignment programmes. The observatories help the Group respond proactively to an evolving skills base, manage skills more effectively and improve employee visibility of over-the-horizon technologies and manufacturing processes, in cooperation with employee representatives.

The agreement deepens the involvement of employee representatives in the process, by improving their understanding of the company’s strategic vision. The Group has oversight committees in its main host countries to discuss future trends in jobs, capabilities and skills sets with employee representatives. This forward-looking approach provides a qualitative outlook for managing strategic skills sets, quantitative diagnostics,

The agreement also calls for support for corporate transformation programmes. When conditions require a reduction or rightsizing of the workforce, the agreement provides for incentives for employee volunteers. These include the creation of regional and local placement offices to support employees in finding a new job within or outside the Group, financial incentives for people who want to leave the Group to pursue a personal project, or assistance in taking long-term leave. Employee representatives are informed of these measures before they are implemented, in line with French labour legislation.

■ The Jobs and Capabilities Redeployment Plan in France

(Automotive Division in France, at 31 December 2009)

The socially responsible implementation of the jobs and capabilities redeployment plan in France in 2009 led to a decline in corporate overheads. The workforce was adjusted without recourse to redundancy plans, layoffs or early retirements.

In France, 5,800 employees signed in 2009 onto one of the plan’s measures. Of these, 5,400 chose to leave the Group, as follows:

- 67% to pursue a personal project or to take retraining leave.
- 19% to retire.
- 14% to set up or acquire their own business.

The Central Works Council met in special meeting on 2 December 2008 to consider the proposed redeployment of jobs and capabilities in the Automotive Division in France. The labour unions approved the plan’s social aspects.

Other participants chose to work part time before transitioning to retirement or to take long-term leave.

The plan included incentive measures based on voluntary separation. This primarily involves accelerating departures that were scheduled for the coming months or years, by offering retirement with full benefits, business-creation support, career-reorientation leave and other solutions. Placement offices were opened on each site to offer volunteer employees new jobs either elsewhere in the Group or with other companies. These measures were applied from January 2009 until 31 March 2010.

Because of the length of their notices or outplacement leaves, a number of employees who joined the plan will not officially leave the Group until 2010.

Separations recorded in 2009:

	Operators	ETAM	Managers	TOTAL
Personal projects	504	237	237	978
Outplacement leave	590	331	216	1,137
Voluntary retirement	378	157	241	776
TOTAL	1,472	725	694	2,891

In 2009, 2,115 employees left the Group to pursue a personal project or retrain for a new career, while 776 took full-time retirement.

As part of the plan, 1,686 employees were offered internal transfers.

	Operators	ETAM	Managers	TOTAL
Internal transfers	264	353	1,069	1,686

Jobs and Capabilities Redeployment Plans Outside France

PSA Peugeot Citroën is committed to providing assistance and support to every employee affected by the corporate transformation process and to finding an effective solution for each one, everywhere around the world.

In 2009, jobs and capabilities redeployment plans were implemented mainly in Spain, Slovakia, Germany, the United Kingdom, the Netherlands, Portugal, Brazil and Argentina. Nearly 2,600 employees took advantage of one of the voluntary separation incentives in the plans in order to leave the Group in 2009.

Voluntary separation plans were introduced in Spain, with 220 employees choosing this option in Madrid and 300 in Vigo. Similarly, 139 employees left the Group in Portugal and 250 in Brazil. In Argentina, 1,300 positions held by employees hired under fixed-term contracts were not renewed. The employees

concerned received severance pay co-funded by the company and the government. In Slovakia, a redundancy and outplacement plan was implemented, with 119 employees transferred to other positions within the Group and 39 employees leaving the company to take another job in the region. Similar plans were introduced in other countries. Each of the plans was negotiated in advance with local union representatives and was preceded and followed by measures to limit the number of dismissals. These included discontinuing the night shift (for example in Brazil), introducing short-time working (for example in Spain), cutting back on production (for example in Portugal), and signing a rehiring priority clause (for example in Brazil, where a number of employees who left the Group under the separation plan with such a clause in 2009 were rehired in early 2010).

Forward-Looking Job Track Management

In 2005, the Group defined 21 job tracks that map out a vision of jobs, skills sets and capabilities over a five-year period. The job tracks define action plans for each skills set concerning

hiring, expertise, training, retraining, mobility, localisation and internationalisation.

Management Values and Behaviours

PSA Peugeot Citroën has defined a Vision to impel its progress for the coming ten years. This Vision reflects the way the Group intends to engage the future, setting the course and challenging people to work differently and as part of a team to achieve solutions that would be impossible for individuals alone. To ensure the convergence of these efforts, it is essential that managers

understand and share this Vision with their teams. The Group has therefore begun work to define the values and behaviours that managers need to embrace. In 2009, 12 behaviours were selected to help the Group achieve its ambitious objectives, express its values and push back the boundaries of the current PSA Peugeot Citroën culture.

Managing and Promoting Experts

To maintain and strengthen its competitive edge in all areas of business, the Group has developed an expertise strategy (officially presented in December 2008) and devised a system to promote experts' careers. Under this system, identified experts express their talent in a specific strategic area. In 2009, 24 "master experts," 147 "experts" and 240 "specialists" were appointed across the Group. In all, 11 different nationalities were represented.

This strategy to actively manage and promote expertise is designed to ensure long-term competitiveness by developing and sustaining expert skills and knowledge in the Group's core competencies. As reference guides, the experts guarantee the long-term excellence of the Group's knowledge base. The experts play a role in forward-looking skills mapping, provide front-line technical advice, drive innovation, transmit knowledge and represent PSA Peugeot Citroën with outside audiences.

Identifying High-Potential Managers

Career committees help to identify high-potential managers, develop personalised career paths aligned with the Group's needs, and prepare and implement the various career stages, thereby ensuring inter-departmental management of career development. The selection process also reflects the growing diversity and globalisation of the Group's managers and experts.

attend management courses aligned with their future duties and pursue career paths that broaden their responsibilities.

The *Institut Supérieur du Management* (ISM), for example, is a high-level training programme for future executives in all of the Group's businesses and corporate departments.

When a manager is identified as a high-potential, his or her projected career development is mapped out based on his or her performance and results, ability to grow, managerial skills and proficiency, adaptability (particularly in international environments), motivation and aspirations. These high-potentials

Developing Individual Capabilities

PSA Peugeot Citroën is committed to continuously improving individual career and capabilities management. This means providing managers with operating support and resources to manage their teams and offering employees motivating career paths that are aligned with the Group's needs.

The use of target reviews, skills and capabilities reference guidelines and other objective tools based on skills assessment and individual performance have been extended across the global organisation. One example is the new annual performance review, which provides employees and their managers with a valuable opportunity for one-on-one discussion. The goal of the review is to formalise objectives and expected outcomes for the year ahead and to define the necessary behaviours for effective performance. Managers and employees also discuss their respective expectations and review the individual's career development prospects, covering such areas as mobility, direction and training. These tools have made the career management process more personalised, while continuing to optimise the skills base and enhance team expertise.

At PSA Peugeot Citroën, capabilities are at the centre of career development and training. This focus makes it possible to clarify employees' career development prospects and anticipate more effectively the Group's needs in terms of both skills and workforce levels. Each year, career committees review career development possibilities.

Each department has a succession plan committee as well, to ensure forward-looking planning for the most strategic positions. The Group prefers to fill positions through internal promotion and helps employees envision their professional future with personalised planning.

Percentage of Employees Having a Performance Review in 2009

(Consolidated Group, excluding Faurecia)

	France	Rest of Europe	Rest of the world	TOTAL
Operators	86.0%	72.1%	38.4%	78.7%
ETAM	72.0%	72.3%	56.0%	70.8%
Managers	88.1%	87.0%	80.1%	87.3%
TOTAL	82.6%	74.2%	50.4%	77.8%

Internal Transfers

The Group is committed to guaranteeing equal opportunity in the mobility process. Employees can view job vacancies within the Group on the Human Resources intranet and post their résumés online. In addition, objective methods for selecting applicants have been applied across the Group. These include career committee meetings; managerial training in preventing discrimination, making objective assessments and conducting interviews; and a good practices guide for recruiters.

To stimulate internal transfers, Corporate Human Resources has organised placement fairs and offices and set up transfer opportunity centres where corporate departments and divisions

can meet with employees and present their job tracks, skills sets and job openings.

A Mobility Charter posted on the Human Resources intranet facilitates dialogue between employees and their managers.

In addition, a system has been set up to facilitate the transition from one position or skills set to another with training support.

In 2009, nearly 20% of engineers and managers changed positions and 5,700 people took assignments in another region or country.

Changes in Job Category

The vast array of jobs available within the Group provides employees with attractive paths to career advancement. In 2009,

around 13.2% of Automotive Division employees were promoted or changed job categories.

4.1.4. Training

Preparing and Developing Tomorrow's Capabilities through Career-Long Training

Automobile industry skills sets evolve very quickly, as techniques and technologies change. Manufacturing and organisational resources need to be adapted when innovations are deployed. With this in mind, the Group's training curriculum responds to the major challenges of keeping team members employable throughout their careers and promoting their development.

The Group is committed to informing employees about changes in their jobs and skills clusters, to enable them to plan their career development. A number of systems have been put into place to help them build their career paths, including management by job tracks, annual performance reviews, career reviews, career assessments, skills assessments and intranet job postings.

The Group has rolled out a more meaningful and understandable training curriculum that helps supervisors and employees identify the most appropriate training for each position's requirements and skills.

The training catalogue now comprises nearly 4,400 courses organised by job track and skills cluster, as part of a broad-based programme to develop every employee's job capabilities. Employees are offered a wide range of training courses and programmes to help strengthen their skills and expand career opportunities.

The current recession and the related production slowdowns provide an opportunity to pursue training programmes, in particular

to better prepare the transformation in the Group's skills sets. In France, the Group signed two innovative agreements making it possible to train employees on days of short-time work to develop their skills and enable the company to emerge from the crisis more competitive than before.

PSA Peugeot Citroën sees continuous learning as an investment that involves empowering employees to choose the training they need, devising individual training paths and ensuring that training is aligned with the requirements of the job sets and skills tracks.

Hours of Training by Region

(Consolidated Group, excluding Faurecia, at 31 December)

	Total hours of training (in thousands)			Average hours of training per employee		
	2007	2008	2009	2007	2008	2009
France	1,750	1,665	1,515	18.0	17.9	18.0
Rest of Europe	1,143	890	905	28.3	23.1	27.9
Rest of the world	719	380	260	67.1	31.3	24.9
TOTAL	3,612	2,935	2,680	24.4	20.4	21.1

The decline in the number of training hours since 2008 mainly reflects the decrease in the number of hirings (as new hires are systematically provided with initial training) and the lack of major new production projects (with no new plants brought on stream since 2008).

Training in 2009 came to an average 21.1 hours per employee. A total of 86,650 employees attended at least one course during the year.

At Faurecia, training amounted to an average 22.7 hours per employee in 2009.

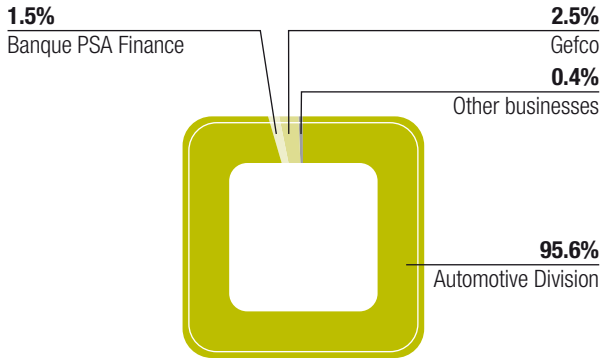
Average Hours of Training by Employee Category

(Automotive Division manufacturing companies worldwide, at 31 December)

	2007	2008	2009
Operators	28	20	22
Administrative employees, technicians and supervisors	29	36	31
Engineers and managers	25	21	21
AVERAGE	28	23	24

■ Training Expenditure by Division

(Consolidated Group, excluding Faurecia, at 31 December 2009)



The nearly 2.7 million hours of training conducted throughout the Group represented an outlay of close to €107 million.

Faurecia offered nearly 1.1 million hours of training, representing a budget of more than €13 million for the year.

■ The Corporate University

In 2009, the Group laid the groundwork to launch a corporate university in 2010. The university's mission is to serve as a knowledge base for the entire Group and to instil PSA Peugeot Citroën's core values, knowledge and behaviours across the workforce, in line with the Group's vision and ambitions. It will provide training in the Group's skills sets, the PSA Excellence System (standards and practices that compile all the Group's

expertise and good practices), management and leadership. The university will also transmit PSA Peugeot Citroën's culture and familiarize new hires with the corporate community. Initial courses on management, Lean processes and quality were offered in 2009, along with English as a foreign language.

The Group intends to develop a global training plan in 2010.

4.2. Social Relations

4.2.1. Social Dialogue

Deployed across the world, the Group's social policies are designed to foster a sense of community built on the strong values of solidarity, tolerance and commitment. At the core of these policies is a commitment to social dialogue, based on employee information and involvement. In every host country, this process is driving the signature of a large number of innovative, consistently pioneering agreements that reflect and embrace the social changes reshaping our world. They also reflect the Group's commitment to extending best human resources policies across the business base and to promoting such strong values as respect

for human rights, equal opportunity, team diversity and workplace health and safety.

PSA Peugeot Citroën actively supports employee freedom of association and representation and is committed to respecting the independence and pluralism of trade unions in all its facilities.

97.5% of employees are represented by independent unions or employee representatives.

■ A large Number of New Agreements

Unions and employee representative bodies are consistently informed and consulted before any major changes are undertaken in the Group.

In 2009, a total of 150 agreements were signed – including 120 outside France – on a wide range of topics concerning the main transformations within the company and working conditions.

These included agreements on the organisation of working hours, assessing and preventing workplace stress, job classification and career development, retaining and motivating seniors, training and compensation for employees affected by short-time working and long-term reduced hours arrangements. All of the agreements were approved by a large majority.

■ Agreements Signed Worldwide

The following list gives examples of agreements signed in 2009 in the Group's leading host countries. The agreements concern one or more Group companies (Automobiles Peugeot, Automobiles Citroën, Banque PSA Peugeot Citroën Finance, production plants, Gefco, etc.).

Austria

- Agreement reducing work hours in the afternoons and evenings at the Spillern logistics centre, signed in June.
- Agreement on the implementation of a new compensation system including a variable bonus, signed in June.

Belgium

- Agreement on eliminating the punch clock and variable working hours to increase the amount of leave time without extending the workday, for a better work-life balance, signed in September.
- Agreement granting environmental vouchers and increasing the value of meal vouchers, signed in October.

Brazil

- Profit-sharing agreement, signed in March.

France

- Agreement on career development for administrative employees, technicians and supervisors (ETAM), signed in January.
- Agreement on a single insurance plan providing death and disability cover for all employees, signed in February.
- Agreement concerning training and compensation for employees affected by short-time working, signed in April.

- Agreement on assessing and preventing psychosocial risks, signed in October.
- Agreement on social integration and job opportunities for the disabled, signed in September.
- Agreement on managing seniors in the workforce, signed in December.

Germany

- Agreement on workplace safety, signed in May.
- Agreement on managing employees returning from long-term sick leave, signed in October.

Slovakia

- Amendment to the agreement on flexible working hours, signed in January.
- Amendment to the agreement on changes in compensation, signed in January.

Spain

- Agreement on skills management and development, signed in March.
- Agreement on the implementation of a new safety action plan, signed in July.
- Agreement on the deployment of a programme to promote well-being at the workplace, signed in October.

United Kingdom

- Pay scale agreement, signed in January.
- Agreement on the organisation of working hours, signed in September.

■ Social Agenda

In all of the Group's major host countries, social dialogue is making it possible to lead corporate transformation programmes in collaboration with employee representatives. The social dialogue process is structured according to a "social agenda", which is issued in draft form every six months to allow participants to prepare major issues for discussion. The agenda is updated quarterly as each item on the agenda is addressed. The agenda reflects the

legal deadlines for meeting with employee representative bodies and mandatory commissions. It also sets aside time for meetings with employee representatives to discuss current issues that may be resolved through agreements.

■ The Extended European Works Council

The European Works Council provides management and employee representatives with a dedicated forum in which to discuss the Group's strategy, performance and outlook. The European Works Council has been extended to include union representatives from

Argentina and Brazil, two countries that meet the representativity criteria defined in the European Works Council agreement. The countries' representatives are invited to attend plenary Council sessions as observers.

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The European Works Council and its Liaison Committee of officers met seven times in 2009. The meetings included presentations on challenges facing the automobile industry, PSA Peugeot Citroën's markets and product plans in China and Latin America, and economic management of the Group's operations. Another presentation reviewed application of the Global Framework Agreement for the period 2006-2009.

These organisations, which promote social dialogue in Europe and South America, are an integral part of the Group's contractual agreements. They give management a place to hear employee concerns, expectations and suggestions and to initiate the necessary discussions when a major cross-functional project is in the works.

■ The International Joint Union Management Strategy Committee

The Committee is a forum for analysis, dialogue and discussion between management and French trade unions. In 2008, it was extended to unions outside France through an agreement signed with Unite-T&GWU Section, SIT-FSI, UGT and CC-OO. The Committee explores in more detail issues related to the Group's short and medium-term situation and development, including products, markets, competitors, partnerships and cooperative

ventures, international development and other topics and trends that could have an impact on jobs.

The Committee met twice in 2009 to discuss a variety of subjects, ranging from sales and marketing strategy to hybrid vehicles and cooperation agreements.

■ Encouraging Employee Participation and Social Dialogue in the Workplace

Management engages in social dialogue with employee representatives on a daily basis.

To facilitate team management and dialogue, production sites have been organised into Basic Production Units, whose operating procedures are based on employee participation. In line with this model, Basic Design Units and Basic Innovation Units have also been set up in all research and development facilities and departments and Basic Work Units have been set up in the offices.

As concerns health and safety, preventive measures and results are monitored by Safety and Health Committees that span from senior unit management down to front-line management. Each manager participates in a committee and is informed of standards to be

applied in the area of prevention, along with expected outcomes. As committee members, managers are also able to provide valuable feedback about difficulties encountered in implementing measures or changes in risks. This approach is designed to ensure effective top-down and bottom-up communication. In addition, whistle-blower procedures have been set up for use by employees or supervisors so that corrective and preventive action can be taken as quickly as possible to avoid occupational illnesses or accidents.

Participatory management programmes encourage employee initiative and involvement at every level and in every business, to nurture a culture of continuous improvement.

■ Employee Information and Satisfaction

Employees are kept regularly informed through newsletters, bulletin board postings, intranet sites and a variety of other media. Employees worldwide can access the Net'RH Human Resources intranet, which is also available in English and Spanish. To ensure that employees are kept fully and transparently informed, Group facilities and subsidiaries regularly organise information sessions and staff meetings for the entire unit.

Employee satisfaction surveys are carried out every year in many countries, notably France, Germany, Poland, Switzerland,

the United Kingdom, China, Portugal, Slovakia, Turkey, Spain, the Netherlands and Belgium. These surveys gauge employee perception of internal communication, corporate culture, working conditions, professional development, training, compensation and benefits, food services, induction of new hires, workwear and other issues.

Surveys conducted in 2009 attested to employee satisfaction with the different topics covered.

■ Minimum Notice Periods Prior to Changes

Unions, personnel representative bodies and employees are consistently informed and consulted before any major changes are undertaken in the Group.

Except in exceptional circumstances, employees are informed at least two months ahead of any major planned change and one month in advance for any major changes in work schedules.

4.3. Safety, Health and Working Conditions

Workplace health and safety policy has been formalised in the Global Framework Agreement on Social Responsibility, which expresses the Group's commitment to implementing the best standards and practices in this area and makes health and accident prevention a priority. PSA Peugeot Citroën complies with International Labour Organisation recommendations concerning workplace health and safety and fulfils its obligations in every host country. At all Group sites, employees and outside contractors must be able to work in complete safety without any risk to their health. This is a critical factor in the Group's Responsible Development, anchored in respect and consideration for individuals. Because employee health and safety is a pre-requisite for continuous improvement, all managers in all areas must be actively involved in applying the Workplace Safety Management System.

PSA Peugeot Citroën's workplace health and safety policy is defined and promoted at the highest level of the company. On 12 January 2010, the Executive Committee signed a new health and safety policy applicable in all Group units. Meeting safety targets is also a criterion for determining executive bonuses, alongside operating income and quality performance.

The Group systematically assesses and manages risk in all of its actions and decisions, with prevention guided by three core behaviours: lead by example, maintain vigilance and respond swiftly.

4.3.1. Workplace Safety Management System

Workplace Safety Management System

PSA Peugeot Citroën has deployed health and safety standards applicable in all units and subsidiaries in every host country. The standards, which are part of the PSA Excellence System, include 22 requirements that define areas requiring special attention and management.

The PSA Excellence System is designed to bring together all of the Group's expertise and best practices through detailed descriptions of skills set standards and policies.

The new Workplace Safety Management System has been deployed using a roadmap to measure results against objectives and cascade best practices. Cross-functional training ensures that managers assimilate the knowledge needed for effective application of prevention measures within the framework of the Workplace Safety Management System.

Health and safety audits are also carried out to ensure that principles are effectively put into practise. Corporate teams performed more than 40 audits in 2009 in addition to local audits covering all subsidiaries.

Workplace Safety Management System tools and applications:

- The STOP risk-observation procedure helps managers develop their ability to detect risky situations or behaviours, such as improper positions for carrying out a task or failure to wear protective clothing. This procedure encourages discussions

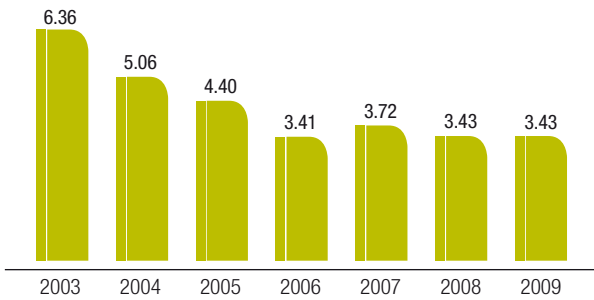
with employees and facilitates adoption of preventive measures. During audits, two members of management evaluate a pre-determined workstation. They observe the working environment and identify factors that might result in an incident. The two auditors then talk with the employee to help identify practices that will enhance safety. This process is widely used at production sites and will gradually be extended to sales sites starting in 2010.

- The Safety Gates programme calls for posting safety rules at strategic locations throughout sites. Highly visible signs at plant and building entrances notify staff and non-staff of mandatory safety rules, notably concerning individual protective gear and precautions to be taken when moving about in workshops. The principle behind Safety Gates is to encourage employees, temporary staff, outside contractors and visitors to make sure they are in compliance before entering an area.
- The Trémery plant in France has made the most progress in deploying the Workplace Safety Management System. Systematic and ongoing application of these principles has produced remarkable results. For the second year in a row, the plant had a lost-time incident frequency rate of less than 1, compared with 3.43 for the entire Group, reflecting the proactive commitment of all plant employees. The Group intends to achieve the same level of deployment at all sites in the next three years.

4.3.2. Safety Performance

Total Lost-Time Incident Frequency Rate

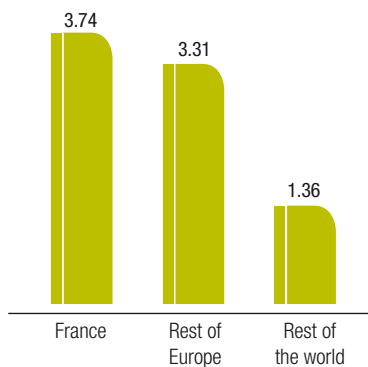
(Manufacturing, office, R&D and sales units worldwide, excluding Faurecia and Gefco)



The lost-time incident frequency rate (LTIFR) corresponds to the number of lost-time occupational accidents per million hours worked.

Total Lost-Time Incident Frequency Rate by Region

(Manufacturing, office, R&D and sales units worldwide, excluding Faurecia and Gefco, in 2009)



In 2009, the Groupwide lost-time incident frequency (LTIF) rate stood 3.43 (4.63 including temporary employees), down 50% from 2004. PSA Peugeot Citroën aims to reduce the LTIF rate by a factor of three over the next three years. All of the manufacturing and sales operations contributed equally to the average.

The recordable incident frequency rate declined to 11.58 from 13.73 in 2008, while the first-aid frequency rate fell to 46 from 52 the year before.

Gefco is committed to applying Group directives concerning workplace health and safety in all its host countries. The number of workplace accidents declined again in 2009, after improving significantly in 2008. Action plans carried out in 2009 helped reduce the number of lost-time incidents by around 10% in relation to the previous year.

The only acceptable target is an accident-free work environment. This uncompromising focus on safety must be the same in every country and every business.

■ Safety Performance in 2009

(Manufacturing and sales units, Consolidated Group, excluding Gefco and Faurecia)

	Sales units		Manufacturing units	
	Frequency rate	Severity rate	Frequency rate	Severity rate
European Union	3.80	0.15	3.57	0.31
Rest of Europe	2.06	0.02		
Africa	17.50	0.41		
South America	1.90	0.08	0.45	0.04
Asia and Middle East	4.19	0.00		
TOTAL	3.8	0.15	3.3	0.29

The Group does not have any manufacturing facilities outside the European Union and South America.

The frequency rate, also known as LTIF, corresponds to the number of accidents per million hours worked. The severity rate corresponds to the number of consecutive days lost to accidents per thousand hours worked.

The sales units include import subsidiaries and dealerships.

■ Commuting Accidents

(Manufacturing and R&D facilities, France)

	2007	2008	2009
Frequency index	3.2	3	3.3

The frequency rate corresponds to the number of commuting accidents with lost time per thousand employees.

■ Fatal Accidents

(Consolidated Group, excluding Faurecia, 2009)

	France	Rest of Europe	Rest of the world	Total
Automotive Division	2	0	1	3
Banque PSA Finance	0	0	0	0
Gefco	0	0	0	0
Other businesses	0	0	0	0
TOTAL	2	0	1	3

There were three fatal accidents in 2009, two of them in France. One concerned an employee who had a heart attack while at work and the other an employee who died following a workshop traffic

accident. The third fatality, in Argentina, resulted from a traffic accident that occurred when the employee was travelling between sales outlets.

■ Number of Occupational Accidents Requiring First-Aid Involving Contractor or Temporary Employees

(Consolidated Group, excluding Gefco and Faurecia, at 31 December 2009)

Safety is a priority for everyone present at PSA Peugeot Citroën sites, including employees of outside contractors. Without taking on their legal responsibility, the Group ensures that these companies comply with safety practices and requires outside contractors to apply its standards within the scope of the Workplace Safety Management System.

Major progress initiatives have been launched with temporary employment agencies as part of the framework agreement on temporary employment. The Group has included workers from

temporary employment agencies in its safety statistics monitoring since January 2010.

Safety conditions for contractor employees are the same as for Group employees. First aid and follow-up care are provided for contract and temporary employees who are victims of occupational accidents.

	France		Rest of Europe		Rest of the world		TOTAL	
	Contractor employees	Temporary employees	Contractor employees	Temporary employees	Contractor employees	Temporary employees	Contractor employees	Temporary employees
Occupational accidents	920	1,095	160	80	80	0	1,160	1,175

Gefco also recorded two fatal accidents in 2009, one involving a contractor employee and the other a temporary worker.

4.3.3. An active Commitment to Preventing Health and Safety Risks

Workplace risk management is being improved by a variety of systems and methods.

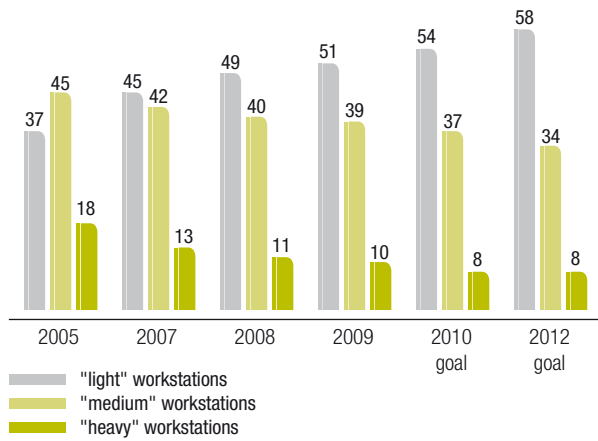
Preventing employee exposure to risks is a constant concern. PSA Peugeot Citroën has identified several major risk categories, including chemical-related risks, road risks and prevention of

musculoskeletal disorders. Prevention of psychosocial risks is another priority addressed as part of a broader commitment to employee well-being at the workplace.

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The Changing Proportion of "Light," "Medium" and "Heavy" Workstations

(Automobile manufacturing units Consolidated Group - as a %, as rated by the METEO method)



Manufacturing sites focus on alleviating physical and postural stress by reducing the number of workstations rated as "heavy". This plays an important role in preventing occupational illnesses such as musculoskeletal disorders (MSDs). The percentage

of "heavy" workstations has been reduced by more than two-thirds since the ergonomics initiative was launched in 1999, while the percentage of "light" workstations has increased to 51% compared with 26% in 1999. "Light" workstations foster employability, as they can be operated by all employees, and enable individuals nearing retirement or with medical restrictions to remain on the job.

These initiatives are structured by the METEO workplace ergonomics method, which is designed directly into vehicle and component development and industrial projects from their outset. The process is led by multi-disciplinary teams, comprising occupational physicians, engineers, safety technicians, ergonomists and managers.

The Group intends to pursue this trend and has set a target of just 8% "heavy" workstations for 2012, increasing the number of "light" workstations to 58%.

Scaling Back Cognitive and Mental Load

PSA Peugeot Citroën is supporting organisational changes by improving cognitive, socio-organisational and psychological factors that impact employees in their work, workstations and workplace environment. The objective is to assess the mental load at the workstation and enable employees to perform their jobs without jeopardising their health. This process spans:

- The cognitive load in processing information.
- Flexibility at the workstation.

- Quality of life at the workplace.
- Employees' perceptions of their jobs, their relations with colleagues and managers, etc.

All Group ergonomists were trained to assess overall workstation loads in 2009. A comprehensive process will be integrated in the Workplace Safety Management System in 2010.

Managing Chemical Risks

PSA Peugeot Citroën complies fully with all regulatory standards, including REACH and CLP, and has launched a three-pronged approach focused on:

- Preventing toxicological risks related to the use of products or compounds.
- Preventing risks from pollution generated by certain processes.
- Cross-disciplinary monitoring to anticipate the impact of products or substances on health, the environment, legislation and processes.

This approach is led by multi-disciplinary teams comprising occupational physicians, medical toxicologists, prevention specialists and environmental compliance officers, as well as safety and skills-set engineers, to ensure that effective protective measures are applied.

■ Preventing Road Risks

As a carmaker, PSA Peugeot Citroën naturally puts a high priority on road safety. In association with employee representatives, the Group prepared an occupational road risk prevention manual in 2008 to provide employees with guidelines on how to use their cars when on business trips or commuting.

In liaison with public officials, the Group's units took measures to raise employee awareness of road risks throughout 2009, with a road safety stand, driving and rollover simulators, safe driving conferences, motorbike and scooter simulators, awareness brochures and more.

Working closely with local road safety associations, the Group has focused on improving road safety through public awareness campaigns in all its host countries, including numerous initiatives across Europe, China and Brazil.

4.3.4. Promoting Employee Well-Being

In 2009, the Group launched a comprehensive programme worldwide to enhance employee well-being in the workplace. The programme involves scaling back cognitive and mental

load, preventing psychosocial risks, fostering a healthy work-life balance, improving working conditions and continuously monitoring employee well-being on the job.

■ Preventing Psychosocial risks

Social dialogue plays a key role in PSA Peugeot Citroën's approach to preventing psychosocial risks. In October 2009, the Group signed an agreement on assessing and preventing psychosocial risks that builds on measures taken in 2007, including an audit of workplace stress. The main results of this study revealed that levels of stress, anxiety and depression among respondents were lower than those reported in the control group and international studies. Nonetheless, the Group decided to prepare action plans in association with the unions.

With this new agreement, the Group is deploying measures to assess and monitor workplace stress, initially in France, and gradually in other countries. The system measures stress and its effects on health, as well as on-the-job factors that contribute to stress.

Nearly 10,000 employees in France volunteered to fill out a confidential questionnaire to measure workplace stress. The results serve as a basis for collective analyses that can be used

to devise prevention plans and can also alert to the need for individual monitoring in liaison with occupational physicians.

The process includes new or enhanced systems for listening to individual employees and providing the support they need. These include working closely with occupational health services, raising managerial awareness and vigilance, monitoring and handling complaints of harassment and discrimination, organising local units to identify and resolve distress situations and providing access to psychologists.

Awareness training for managers covering stress factors and measures to prevent psychological risks is provided in several countries, including Germany, the United Kingdom, the Netherlands, Norway and Sweden.

■ Achieving a Better Work-Life Balance

New initiatives have been developed to help employees achieve a better work-life balance, including corporate concierge services, in-house travel agencies and car wash facilities, bus lines and assistance with administrative paperwork. The Group has also focused on the issue of daycare, with some sites reserving time in existing daycare centres and others opening new centres with local communities.

Involvement in outside activities is encouraged, including sports clubs (football, gymnastics, yoga, etc.), cultural activities (foreign language and art classes), and charitable associations. In Brazil, for example, the Group sponsored an association that donated Christmas presents for 219 children in Sao Paulo orphanages in 2009. Over 80 sports and cultural associations are active within the Group.

Improving Working Conditions

In all subsidiaries and all facilities and across all businesses, the Group is committed to creating a friendly, safe work environment that complies with the highest international standards. In line with this commitment, the Group pays special attention to providing quality workspaces, rest areas and other amenities.

Specific agreements define guidelines for workspace design and architecture, including standards for washrooms, lighting and office layout.

Continuously Measuring Employee Well-Being

Since late 2009, PSA Peugeot Citroën has continuously measured employee well-being through the Stress Assessment and Tracking System and through the early detection and intervention units equipped with alert processes to detect risk situations. Starting in 2010, this data has been integrated in Senior Management's monthly reporting. The Group also carries out employee satisfaction surveys on a regular basis.

Taking into account identified risk factors and situations, these indicators are used to prepare and implement action plans. Following a June 2009 survey of employees in Slovakia, for example, eight working groups were formed to develop measures to improve employee satisfaction.

4.3.5. An active Commitment to Health

Good health is essential to sustaining the performance of human resources and business operations. To preserve employees' health, the Group has implemented a dedicated health care plan.

Health-Related Programmes Underway in the Group

As part of the health plan, various training, prevention, assistance and treatment programmes are offered throughout the Group. The following table shows examples of the main health-related programmes underway in the Group.

Beneficiary	Educational programmes	Preventive programmes	Assistance programmes	Treatment programmes
Employees	<ul style="list-style-type: none"> • Training and information on workplace health • Ergonomics training • Training on chemical products • Information and awareness building on the issue of noise • Life Power Training for managers on the issue of workplace stress • Safety training (first-aid, rescue, fire, chemical risks, prevention of workplace accidents etc.) • Awareness-building campaigns and distribution of brochures addressing a variety of health and safety issues (AIDS, smoking, alcohol, healthy eating to combat diabetes, obesity, back problems, hepatitis, etc.) • Awareness campaigns such as Santal+ in France and Campagna Salute Peugeot in Italy on healthy eating, obesity and the benefits of exercise, as well as nutritional advice. 	<ul style="list-style-type: none"> • Vaccination campaign for seasonal and swine flu • Prevention plan to protect employees and ensure business continuity in the event of a swine flu pandemic (cleanliness measures, procedures to be followed for identified cases, etc.) • Preventive testing for hepatitis C, certain types of cancer, high blood pressure, diabetes, etc. • Dedicated unit to monitor psychosocial risks • Use by the medical team of a software that continuously evaluates stress • Stress prevention unit • Medical examinations (check-ups, eye tests, testing for various illnesses, such as cardiovascular disease, diabetes and cancer, etc.) • Inquiries, audits, etc. 	<ul style="list-style-type: none"> • Onsite occupational physicians • Social workers • Psychologists and psychological counselling units • Freephone hotline for employees in distress • Help in quitting smoking 	<ul style="list-style-type: none"> • Mutual insurance plan • Medical insurance • Hospital insurance • Possibility of homecare assistance in the event of a workplace accident • Post-operation rehabilitation therapy • Various financial aid or support programmes

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Beneficiary	Educational programmes	Preventive programmes	Assistance programmes	Treatment programmes
Employee families	<ul style="list-style-type: none"> Awareness campaigns addressing a variety of issues, including smoking, alcohol, healthy eating habits to combat diabetes, obesity, etc. 	<ul style="list-style-type: none"> Reduced-fee check-ups for employees and their families Support, consulting and advice for families Cardiovascular risk prevention programme Distribution of a brochure on road risks and home accidents before the summer and winter holidays 	<ul style="list-style-type: none"> Support, advice and psychological assistance for employees and their families in the case of serious or chronic illness affecting an employee Assistance from medical staff and social workers Personal services for employee families, home care and remote assistance for elderly and dependent individuals Financial assistance for families of injured employees 	<ul style="list-style-type: none"> Supplementary insurance plan, extended family healthcare benefits Medical and travel insurance
Local communities	<ul style="list-style-type: none"> First aid training Participation in a variety of health-related campaigns and events 	<ul style="list-style-type: none"> Prevention plan and monitoring of air quality (asbestos, etc.) Home accident prevention programme AIDS/HIV prevention programmes 	<ul style="list-style-type: none"> Financial assistance for associations (disabled people, etc.) Blood and platelet drives, etc. 	<ul style="list-style-type: none"> Community AIDS/HIV screening financed by the Group in South Africa Financial assistance for associations that help persons with medical/social difficulties, as part of local sponsorship programmes

Occupational Illnesses by Region

(Consolidated Group, excluding Faurecia, 2009)

The priority focus is on job-related diseases, which are covered by active prevention programmes in every plant and facility.

	France	Rest of Europe	Rest of the world	TOTAL
Musculoskeletal disorders of the upper limbs	300	40	5	345
Musculoskeletal disorders of the spine	10	5	0	15
Asbestos-related occupational illnesses	20	0	0	20
Noise-related hearing loss	15	5	0	20
Other	15	5	0	20
TOTAL	360	55	5	420

In 2009, Group units (excluding Faurecia) declared occupational illnesses for 420 employees, compared with 422 in 2008 and 485 in 2007. 86% of the illnesses were declared in France, 13% in the rest of Europe and 1% in the rest of the world.

Of the total, 82% concerned illnesses related to musculoskeletal disorders of the upper limbs, 3% musculoskeletal disorders of the spine, 5% asbestos-related illnesses, 5% hearing loss and 5% other illnesses.

4.3.6. Joint Management-Worker Health and Safety Agreements and Committees

■ Joint Management-Worker Health and Safety Committees - Percentage of Employees Represented

In most host countries, joint management-worker organisations are in charge of monitoring the application of employee health and safety practices. The following table provides examples in the countries where the Group has the most employees.

Country	Organisation	Members
Algeria	Joint Health and Safety Commission	Employer representatives Employee representatives Occupational physicians
	Health Committee	Employer representatives Employee representatives Occupational physicians
Argentina	Safety, Ergonomics and Fire Prevention Committee	Employee representatives Employer representatives
Brazil	Internal Accident Prevention Commission	Employee representatives Employer representatives
Denmark	Safety Committee	Employee representatives Employer representatives
France	Health, Safety and Working Conditions Committee	Representative of the regional health insurance fund Employer representatives Employee representatives Occupational physicians Safety manager Union representatives
Germany	Safety and Health Committee	External consultant Employer representatives Employee representatives Medical officer
Italy	Prevention and Protection Services	Prevention and Protection Services Manager Occupational physicians Employer representatives Employer representatives
Japan	Safety and Health Committee	Occupational physicians Employer representatives Employer representatives
Morocco	Safety and Health Committee	Employer representatives Employee representatives Occupational physicians
Portugal	Safety and Health Committee	Employee representatives Health and safety manager Employer representatives Occupational physicians
Romania	Safety and Health Committee	Employer representative Employee representatives Occupational physicians
Slovakia	Working Conditions Committee	Employee representatives Employer representatives Production centre chief executive
South Africa	Safety and Health Committee	Prevention consultant Employer representatives Employee representatives
	Safety and Health Committee	Employee representatives Employer representatives
Spain	Safety and Health Committee	Employee representatives Employer representatives
Turkey	Safety and Health Committee	Employer representative Employee representatives Occupational physicians Health and safety engineer
United Kingdom	Safety and Health Committee	Employee representatives Employer representatives Health and safety manager

More than 95% of Group employees (excluding Faurecia) are represented by joint management-worker health and safety committees.

■ Health and Safety Agreements

The Group is committed to implementing the best workplace health and safety standards and practices and has made health and accident prevention a priority. The commitment is also expressed in several national company agreements.

Health and safety agreements have been signed in a number of host countries, including:

France

- Agreement on the deployment of a single health insurance plan for all employees, signed at *Française de Mécanique* in March 2009.
- Agreement on social integration and job opportunities for the disabled, signed at *Française de Mécanique* in September 2009.
- Agreement on preventing psychosocial risks, signed in December 2009.

Germany

- Workplace safety agreement, signed at Citroën in May 2009.
- Agreement on managing employees returning from long-term sick leave, signed in October 2009.

Russia

- Agreement on the introduction of a health and safety programme, signed at the Russian manufacturing subsidiary in December 2009.

Spain

- Agreement on implementing a safety action plan comprising safety campaigns, enhanced monitoring resources, training and communication, signed at Vigo in July 2009.
- Agreement on the deployment of a programme to promote well-being at the workplace, with a psychosocial risk monitoring team, etc., signed at Vigo in October 2009.

4.3.7. Organisation of Working Hours

In every host country, working hours are consistently equal to or less than the legal workweek or industry practices.

Working hours need to be modulated and organised in response to changes in demand and the diversity of the automobile market. This is done through social dialogue and consultation, in accordance with practices and rules negotiated and applied in

each host country. In most countries, wherever the law permits, working hours are organised on a pluri-annual basis.

In addition, the Group offers individualised solutions such as part-time work or parental leave to help employees achieve a better work-life balance.

Number of Part-Time Employees under Permanent or Fixed-Term Contracts

(Consolidated Group, excluding Faurecia, at 31 December)

Part-time employees are defined as employees who work fewer hours per week or fewer average hours over a period of up to one year, than a comparable full-time employee.

PSA Peugeot Citroën offers individualised working schedules that let employees balance their work and personal lives. Requests for part-time work are approved whenever possible, with individualised solutions that align employee needs with efficient

team performance. Part-time schedules also take into account legal and medical considerations. These flexible solutions include working part of a day or half-day, or working a reduced number of total hours. Part-time work is chosen by employees and not dictated by the company.

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	2,815	5,335	20	8,170
	2008	2,940	5,130	10	8,080
	2007	3,060	5,275	0	8,335
Banque PSA Finance	2009	40	285	0	325
	2008	45	240	0	285
	2007	40	215	0	255
Gefco	2009	305	175	0	480
	2008	290	175	0	465
	2007	260	175	0	435
Other businesses	2009	40	0	0	40
	2008	25	5	0	30
	2007	90	5	0	95
TOTAL	2009	3,200	5,795	20	9,015
	2008	3,300	5,550	20	8,870
	2007	3,450	5,670	0	9,120

As of 31 December 2009, 9,015 employees worked part-time worldwide (excluding Faurecia), of which 2,040 worked half-time. Of the total, 44% were women and 56% were men. The high

percentage of men working part-time is due to the large number of men on partial retirement in Spain, where 1,830 of the 1,870 part-time employees over 50 are men.

Maternity, Paternity and Parental Leave

(Consolidated Group, excluding Faurecia, at 31 December 2009)

In 2009, 1,695 Group employees worldwide (excluding Faurecia) took maternity leave. These leaves are recognised in accordance with local legislation and comply with legally prescribed length-of-leave periods. Of the women taking maternity leave during the year, 27% were operators, 48% were administrative employees, technicians and supervisors (ETAM) and 25% were managers.

A total of 3,980 Group employees worldwide (excluding Faurecia) took paternity leave in 2009. These leaves are recognised in accordance with local legislation and comply with legally prescribed length-of-leave periods. Of the men taking paternity leave during the year, 57% were operators, 27% were administrative employees, technicians and supervisors (ETAM) and 16% were managers.

A total of 1,025 Group employees worldwide (excluding Faurecia) took parental leave in 2009. Parental leave enables employees in certain countries to take time off from work following childbirth so that they may raise their children themselves. Of the employees taking parental leave during the year, 39% were operators, 46% were administrative employees, technicians and supervisors (ETAM) and 15% were managers.

In April 2008, PSA Peugeot Citroën signed the French government's Working Parents Rights Charter, thereby pledging to create a favourable environment for working parents, especially for pregnant women, to give them a greater voice within the organisation and to apply the principles of non-discrimination with regard to their career development.

Special Work Schedules

(Consolidated Group, excluding Faurecia, at 31 December)

		France			Rest of Europe			Rest of the world			TOTAL		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Automotive Division	Double shift	29,955	26,185	25,970	10,200	9,155	11,660	1,270	3,235	4,345	41,425	38,575	41,975
	Triple or night shifts	9,460	9,185	8,825	3,980	3,300	1,795	780	1,735	160	14,220	14,220	10,780
	Weekend*	1,560	1,085	1,005	130	60	30	15	10	0	1,705	1,155	1,035
Banque PSA Finance	Double shift	0	0	0	0	0	0	0	0	0	0	0	0
	Triple or night shifts	0	0	0	0	0	0	0	0	0	0	0	0
	Weekend*	0	0	0	0	0	0	0	0	0	0	0	0
Gefco	Double shift	1,440	720	1,040	465	610	400	140	330	325	2,045	1,660	1,765
	Triple or night shifts	165	125	110	235	255	255	5	35	0	405	415	365
	Weekend*	0	15	30	90	155	430	0	0	0	90	170	460
Other businesses	Double shift	530	515	410	0	0	0	0	0	0	530	515	410
	Triple or night shifts	40	0	0	0	0	0	0	0	0	40	0	0
	Weekend*	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	DOUBLE SHIFT	31,925	27,420	27,420	10,665	9,765	12,060	1,410	3,565	4,670	44,000	40,750	44,150
	TRIPLE OR NIGHT SHIFTS	9,665	9,310	8,935	4,215	3,555	2,050	785	1,770	160	14,665	14,635	11,145
	WEEKEND*	1,560	1,100	1,035	220	215	460	15	10	0	1,795	1,325	1,495

* Weekend shifts (generally Friday, Saturday and Sunday) are shorter than regular shifts.

In 2009, some 56,790 employees worked under special work schedules.

Overtime

(Consolidated Group, excluding Faurecia, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	688,495	977,060	672,835	2,338,390
	2008	969,920	815,035	1,656,370	3,441,325
	2007	1,416,330	1,408,955	1,774,030	4,599,315
Banque PSA Finance	2009	13,040	28,945	5	41,990
	2008	12,240	22,545	0	34,785
	2007	1,175	19,255	50	20,480
Gefco	2009	182,860	205,320	128,335	516,515
	2008	195,515	212,925	181,260	589,700
	2007	335,210	183,445	144,630	663,285
Other businesses	2009	6,300	0	0	6,300
	2008	10,615	0	0	10,615
	2007	16,050	0	0	16,050
TOTAL	2009	890,695	1,211,325	801,175	2,903,195
	2008	1,188,290	1,050,505	1,837,630	4,076,425
	2007	1,768,765	1,611,655	1,918,710	5,299,130

In most countries, working hours are determined on an annual or multi-year basis. The decline in demand in 2009 led to an overall reduction in the number of hours worked.

The decline in demand in 2009 led to an overall reduction in overtime.

Short-Time Working

(Consolidated Group, excluding Faurecia, at 31 December)

		TOTAL
Automotive Division	2009	4,838,885
	2008	5,350,200
	2007	614,930
Banque PSA Finance	2009	0
	2008	0
	2007	0
Gefco	2009	49,685
	2008	24,060
	2007	3,440
Other businesses	2009	0
	2008	20,155
	2007	0
TOTAL	2009	4,888,570
	2008	5,394,415
	2007	618,370

Short-time work offers an alternative to unemployment and redundancies.

The Group signed an innovative agreement in France in April 2009 that made it possible for employees to receive training during short-time working and receive 100% of their compensation. In September 2009, a new agreement on training and compensation for employees affected by short-time working was signed

as part of a new accord with the French State concerning long-term reduced hours arrangements. The agreement guarantees payment of 75% of an employee's gross salary for unworked days (equivalent to around 95% of net salary), continued employment for the individuals concerned and the organisation of training courses during unworked periods. This agreement builds on the commitments made in April 2009.

In this way, the Group has preserved jobs despite the recession while developing employee skills to prepare for the future. In France, these measures represented 5.5 million paid hours in the first half of 2009, equivalent to nearly 3,400 jobs saved over the same period.

All of the production facilities outside France also implemented compensated short-time work during the year, with variable work scheduling agreements – such as time savings account – helping to maintain compensation levels.

Temporary or definitive mobility programmes were also deployed in 2009 to manage differences in business levels and promote mutual support among sites. The number of temporary transfers in France rose to 1,200 in the first half of 2009 from 300 at 30 September 2008. This job-saving policy allowed the Group to re-deploy jobs and skills among sites, while avoiding partial unemployment and layoffs.

Paid Absences Other than Vacation

(Consolidated Group, excluding Faurecia, at 31 December)

		France		Rest of Europe		Rest of the world		TOTAL	
		Sick leave	Other paid leave	Sick leave	Other paid leave	Sick leave	Other paid leave	Sick leave	Other paid leave
Automotive Division	2009	3,949,325	907,960	1,690,580	926,740	417,285	279,075	6,057,190	2,113,775
	2008	4,209,145	976,715	1,760,045	736,225	550,145	52,520	6,519,335	1,765,460
	2007	4,398,975	982,850	1,815,755	676,030	328,915	51,095	6,543,645	1,709,975
Banque PSA Finance	2009	28,880	20,020	73,275	54,800	145	150	102,300	74,970
	2008	34,035	21,870	50,380	30,205	0	720	84,415	52,795
	2007	30,835	13,375	78,645	34,430	115	590	109,595	48,395
Gefco	2009	228,855	58,490	228,965	58,030	10,655	8,950	468,475	125,470
	2008	238,830	92,305	184,405	79,830	8,595	5,945	431,830	178,080
	2007	286,495	166,020	166,180	34,495	7,855	6,340	460,530	206,855
Other businesses	2009	90,690	8,035	2,445	280	0	0	93,135	8,315
	2008	86,905	7,815	2,840	95	0	0	89,745	7,910
	2007	83,890	12,960	2,520	1,625	0	0	86,410	14,585
TOTAL	2009	4,297,750	994,505	1,995,265	1,039,850	428,085	288,175	6,721,100	2,322,530
	2008	4,568,915	1,098,705	1,997,670	846,355	558,740	59,185	7,125,325	2,004,245
	2007	4,800,195	1,175,205	2,063,100	746,580	336,885	58,025	7,200,180	1,979,810

Paid absences other than vacation totalled 9,043,630 hours, of which 6,721,100 for sick leave, 884,415 for maternity leave, 550,530 for accident-related absences and 887,590 for other reasons.

Based on the nearly 240 million hours worked, the overall absenteeism rate stood at 3.7% for the year. The increase primarily reflects the extension in paid non-worked hours during the year.

4.4. Compensation

4.4.1. Compensation Practices

In all host countries, compensation policies are designed to maintain employee purchasing power, while rewarding performance, offering compensation that is fair and competitive with market practices and giving employees a stake in the value they help to create.

In 2009, more than 20 agreements were signed with employee representatives in Argentina, Austria, Brazil, France, Slovakia and the United Kingdom. These agreements not only maintained purchasing power, especially for the lowest wage categories, but also provided for individual performance-based bonuses.

In addition to across-the-board raises, merit raises are awarded each year to individual employees in all job categories, based on their performance, job proficiency and career development.

Hiring and promotion processes are strictly monitored to prevent any discrimination on the basis of nationality, gender, lifestyle,

sexual orientation, age, marital status, pregnancy or parenthood, genetic characteristics, real or supposed belonging to an ethnic group, nation, or race, political opinion, union or other associative activities, religious conviction, physical appearance, name, pre-existing health conditions or disability.

All employees are paid an incentive bonus through the discretionary profit-sharing system. In addition, executives who make a critical contribution to earnings receive supplemental compensation, reflecting a commitment to encouraging a results-orientated culture and to offering competitive compensation aligned with market practices.

To give employees a stake in their company's performance and provide more effective support for their personal projects, a variety of company savings plans are also offered in the host countries.

■ Total payroll by Region

(Consolidated Group, excluding Faurecia, at 31 December)

In 2009, total payroll costs (excluding Faurecia) came to €4,530,800,000, while related payroll taxes amounted to €1,762,334,000.

<i>(In thousands of euros)</i>	France	Rest of Europe	Rest of the world	TOTAL
2009	4,619,340	1,419,552	254,242	6,293,134
2008	4,776,909	1,492,919	269,504	6,539,331
2007	5,114,073	1,569,748	210,104	6,893,925

Group Minimum Wage versus Local Statutory Minimum Wage, by Country in 2009

(Consolidated Group, excluding Gefco and Faurecia, base 100)

Country	Group minimum wage/ the local statutory minimum wage	Local statutory minimum wage
Germany	141	Regional minimum wage
Austria	-	No statutory minimum wage
Argentina	153	Statutory minimum wage (vital y mobil del pa's)
Belgium	120	Minimum wage set by joint labour/management commission
Brazil	238	Local statutory minimum wage
Spain	133	Local statutory minimum wage
United Kingdom	100	Local minimum wage (for people over 22)
France	108	Local statutory minimum wage
Italy	112	Industry minimum wage
Netherlands	117	Local minimum wage (for people over 23)
Poland	157	Local statutory minimum wage
Portugal	101	Local statutory minimum wage
Slovakia	193	Local statutory minimum wage
Switzerland	-	No statutory minimum wage; no industry agreements
Czech Republic	256	Local statutory minimum wage

Information is reported for countries representative of the Group's organisation (excluding Faurecia), where there are more than 300 employees. The index is calculated based on each country's statutory minimum wage (when one exists), without considering any regional variations.

Ratio of Average Salaries of Men to Women Operators and ETAM in France

(Peugeot Citroën Automobile France, in 2009, base 100)

The ratios of the average salary of men to women are defined according to the classification table in the Metal Industry Collective Agreement.

Operators		Administrative employees, technicians and supervisors (ETAM)	
Ratio of the average salary of men to the average salary of women		Ratio of the average salary of men to the average salary of women	
170	100.2	190	nm
175	100.6	195	nm
180	100.7	200	nm
185	101.2	215	106.7
190	101.1	225	106.6
195	100.3	240	104.3
200	101.0	255	102.2
215	101.2	270	100.4
225	101.4	285	98.3
240	103.2	305	98.2
255	105.1	320	96.3
270	nm	335	95.7
285	nm	365	nm

nm: not material.

In 2009, the average increase in compensation (across-the-board raises, individual raises and promotions and increases in seniority bonuses) was higher for women than men among both operators and administrative employees, technicians and supervisors (ETAMs), at 1.87% for women and 1.84% for men.

By category, the average increase came to 1.87% for women and 1.85% for men among operators and 1.86% for women and 1.82% for men among administrative employees, technicians and supervisors (ETAMs).

Ratio of Average Salaries of Men to Women Managers in France

(Countries where the Group has manufacturing operations, in 2009, base 100)

The following indicator concerns managers in sales subsidiaries, finance companies and production plants in countries where the Group has manufacturing operations.

For countries other than France, managers are defined according to the Group's job classification standards, while in France, they are defined according to the Metal Industry Collective Agreement and any relevant company agreements.

France (PCA)

	Ratio of the average salary of men to the average salary of women
K92	100.9
1	104.2
2	100.9
3A	100.3
3B	100.7
3C	115.5

These indicators show that since 2004, the average monthly and annual salary in every job category was the same for men and women with the same grade or job classification, except for the 3C category for which the gap has contracted since 2007.

Argentina, Brazil, Spain, Portugal, Slovakia

	Ratio of the average salary of men to the average salary of women				
	Argentina	Brazil	Spain	Portugal	Slovakia
Senior executives	nm	nm	nm	nm	nm
Senior managers	84.1	108.2	106.0	nm	nm
Upper management	101.7	82.8	111.2	81.7	110.2
Middle management	106.7	107.5	121.9	nm	92.6
Junior managers	106.9	108.5	107.4	nm	99.9

nm: not material.

4.4.2. Employee Benefits

Profit-Sharing and Incentive Bonuses

(Consolidated Group, excluding Faurecia, at 31 December)

(Rounded to the nearest million euros)	2007	2008	2009
Total France - profit-sharing and incentive bonuses (Group agreement)	109	5*	4
Incentive and/or profit-sharing programmes in other French subsidiaries**	9	7	7
Incentive programmes in foreign subsidiaries	20	0	0
TOTAL	138	12	11

* Figure updated in 2009 following the final audit.

** Société Commerciale Citroën (SCC) and Gefco in 2008 and 2009.

In every host country around the world, full-time and part-time employees under permanent contracts or fixed-term contracts exceeding three months are paid an incentive bonus based on operating income, as part of the Group's commitment to enabling employees to share in the value they create.

Out of 2008 earnings, for example, €11 million will be distributed in 2009 to Automotive, Finance and Transportation & Logistics Division employees worldwide in the form of discretionary and nondiscretionary profit-shares. This amount is in line with the highly unfavourable business environment, which saw a deterioration in economic conditions.

Employee Savings Plans (PEAG, PED and PEP)

(Consolidated Group, excluding Faurecia, at 31 December)

In many host countries, PSA Peugeot Citroën offers a variety of employee savings schemes that enable employees to invest their own funds by making voluntary contributions at any time during the year.

- The diversified savings plan, introduced on 1 January 2004, which allows employees to invest in socially responsible funds as an alternative to Company shares.
- A long term insurance-based saving plan.

The corporate savings plan comprises three components:

- The plan invested in Peugeot S.A. shares.

All employees, including those under limited term contracts exceeding three months, are entitled to invest in the plans under the same terms and conditions, adjusted for hours worked in the case of part-time workers.

	Employee contributions 1 Jan.–31 Dec. (in millions of euros)			Employer contributions 1 Jan.–31 Dec. (in millions of euros)			Number of employees investing 1 Jan.–31 Dec.*		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Automotive Division	60.65	78.03	14.86	11.69	10.56	5.79	127,365	134,604	22,222
Banque PSA Finance	0.87	0.87	0.33	0.22	0.21	0.13	1,374	1,480	579
Gefco	1.59	1.90	1.08	0.56	0.57	0.35	1,852	8,677	5,167
Other businesses	0.40	0.37	0.11	0.11	0.07	0.05	537	490	62
TOTAL	63.51	81.16	16.38	12.58	11.42	6.32	131,128	145,251	28,030

* Reinvestment of profit-shares, incentive bonuses and voluntary contributions.

The Group paid more than €6.3 million in matching contributions into the local plans in 2009.

International Employee Savings Plan

(Consolidated Group, excluding Faurecia)

	Employee contributions (in millions of euros)			Employer contributions (in millions of euros)			Number of participants		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
United Kingdom	1.49	1.07	0.89	0.49	0.36	0.30	1,116	919	874
Spain	0.45	0.45	0.17	0.16	0.16	0.06	1,579	1,487	920
Germany	0.63	0.29	0.37	0.20	0.10	0.12	1,454	680	997
Portugal	0.04	0.03	0.01	0.02	0.01	0.01	97	112	186
TOTAL	2.61	1.84	1.44	0.87	0.63	0.49	4,246	3,198	2,977

Supplementary Pension Plans by Division

(Consolidated Group, excluding Faurecia)

	Employer contributions			Employee contributions			Number of participating employees
	1 Jan.–31 Dec. (in thousands of euros)			1 Jan.–31 Dec. (in thousands of euros)			
Automotive Division	2009		34,890	2009		14,000	57,455
	2008		42,526	2008		15,755	62,864
	2007		37,591	2007		14,950	62,384
Banque PSA Finance	2009		2,203	2009		631	1,210
	2008		1,982	2008		534	1,208
	2007		1,955	2007		530	1,187
Gefco	2009		3,593	2009		1,495	4,480
	2008		2,711	2008		1,899	3,842
	2007		2,043	2007		1,111	2,782
Other businesses	2009		153	2009		74	679
	2008		229	2008		114	831
	2007		254	2007		127	997
TOTAL	2009		40,839	2009		16,200	63,824
	2008		47,448	2008		18,302	68,745
	2007		41,844	2007		16,718	67,350

Supplementary Pension Plans by Region

(Consolidated Group, excluding Faurecia)

	Employer contributions			Employee contributions			Number of participating employees		
	1 Jan.–31 Dec. (in thousands of euros)			1 Jan.–31 Dec. (in thousands of euros)					
	2007	2008	2009	2007	2008	2009	2007	2008	2009
France	25,293	25,581	20,254	12,623	12,743	10,281	51,596	49,044	43,876
Rest of Europe	15,760	20,938	18,868	3,130	4,542	4,742	13,971	17,839	17,820
Rest of the world	790	929	1,717	965	1,017	1,177	1,783	1,862	2,128
TOTAL	41,844	47,448	40,839	16,718	18,302	16,200	67,350	68,745	63,824

To help employees prepare for the future, supplemental defined-contribution retirement plans are being set up in all host countries and wherever they are necessary to offset insufficient mandatory pension schemes and market practices. Such plans have already been introduced in Germany, Brazil, Spain, France, Japan, the Netherlands, the Czech Republic, Slovakia and the United Kingdom.

Managed by joint labour-management commissions, in line with local practices, these systems are not designed to replace pay-as-you-go schemes in countries where these schemes are available. Rather, they have been created to provide beneficiaries with supplemental retirement income to offset the expected drop in replacement rates, as well as to harmonise retirement benefits across subsidiaries in each country.

Extending Pension Coverage with Defined Benefit Plans

At 31 December 2009, future benefit obligations under defined benefit plans amounted to €3,514 million, of which €2,691 million was covered by external funds.

In accordance with IAS 19, these obligations are measured every year by an international firm of actuaries, based on assumptions reviewed by the Group's auditors.

■ A Strong Social Safety Net

In all host countries, insurance plans are being introduced to provide at least death and disability cover. Employer-funded healthcare plans have also been put in place in several countries. In 2009, life insurance, death and disability coverage was introduced

in Slovakia, and a death, disability and health coverage plan was set up in Russia.

■ Social Services

Depending on the national and local situation, all Group companies and plants contribute to social and cultural activities and help to improve the quality of work life.

Representing over 3.8% of payroll, this amount encompasses employer payments for housing, transportation, food services, health and social services, corporate concierge services, daycare centres, healthcare and personal protection insurance, as well as subsidies paid to Works Councils in France for employee welfare programmes.

In all, the Automotive, Finance and Transportation & Logistics Divisions paid more than €245 million in employee benefits in 2009.

4.5. Equal Opportunity and Human Rights

4.5.1. Gender Equality and Diversity

■ Promoting a Diversity of Talent

Because the diversity of the workforce is beneficial to performance, the Group actively seeks people from a variety of backgrounds that reflect its host communities and environment. A diverse workforce promotes synergy, social balance and business efficiency. Diversity also encourages the exchange of ideas and opens up fresh perspectives, driving performance through greater creativity.

differences and guaranteeing equal opportunity in hiring and career development.

In its continuous drive for responsible growth, PSA Peugeot Citroën pursues policies to foster team diversity while respecting

Diversity in the workforce is a societal challenge, since it is unacceptable to exclude particular categories of people from the job market. The Group seeks to bring in more young people without previous experience, as well as older people, people without degrees, people from immigrant families and the disabled. It also wants to hire more women.

■ Ensuring Equal Opportunity and Promoting Diversity

In addition to complying with legislation, PSA Peugeot Citroën applies and promotes best practices in the fight against racism, xenophobia, homophobia and, more generally, any and all forms of intolerance towards people who are different, with an emphasis on defending minorities. The Group guarantees respect for employees' private lives.

The Group has further diversified its employee and skills base by pursuing new hiring channels. These include partnerships with educational systems and government employment services, online hiring initiatives and unsolicited applications. To ensure equal opportunity at every stage of the process, hiring practices have been made more objective through the deployment of such tools as best practice guides for recruiters, anonymous CVs, simulation-based hiring techniques and training courses designed to help prevent discrimination.

Promoting diversity means recruiting, bringing together and nurturing the brightest talent, regardless of nationality, gender, lifestyle, sexual orientation, age, marital status, pregnancy or parenthood, genetic characteristics, real or supposed belonging to an ethnic group, nation or race, political opinion, union activity, religious conviction, physical appearance, name, pre-existing health conditions or disability.

Sensitivity training in these issues has been organised for Executive Committee members and managers in every host country.

Following a research study on stereotypes in the workplace conducted with sociologists in 2007, PSA Peugeot Citroën launched a training module on managing diversity in France in 2008. The module provides managers with tangible responses and resources for handling real-life equal opportunity issues within their teams. The idea is to help managers apply the principles underlying respect for difference, prevention, and zero tolerance for any type of discrimination. Part of a five-year programme, the training module is designed to integrate diversity more effectively in daily management. Nearly 1,800 managers and members of gender diversity committees have been trained since the module was launched. Another 1,000-plus managers will receive training in 2010.

In France, Spain and the United Kingdom, joint labour-management diversity and equal opportunity oversight committees have been created to monitor effective application of the agreement on diversity and social cohesion signed in 2008. In France, the committee verifies that individual raises and promotions are awarded in the same proportions as the different categories tracked across the organisation, such as non-French nationals, employees over 50 and people with disabilities. This system has been extended to all countries within the framework of the Global Framework Agreement on Social Responsibility.

A number of measures to foster diversity have been implemented in the subsidiaries:

- In Austria, the replacement part warehouse in Spillern initiated an inter-faith community project to encourage closer relations between Christian and Muslim communities in cooperation with the Islamic association of Austria and the head of Catholic theology research at the University of Vienna.
- All Group employees in the United Kingdom, Spain and the Netherlands have access to a guide on managing diversity and equal opportunity at PSA Peugeot Citroën.

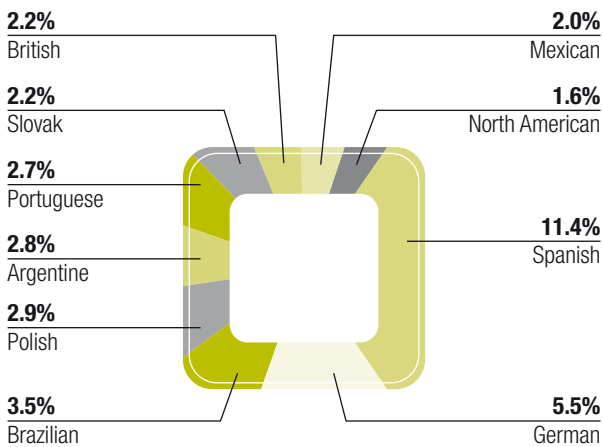
On 30 March 2009, the city of Cologne gave Citroën Germany an honorary award for its commitment to diversity. In France, PSA Peugeot Citroën was one of the first companies to receive the government's new Diversity label, awarded in an official ceremony on 10 April 2009. This label recognises the equal opportunity policies implemented since the signature of a gender equality agreement in 2003 and the signature of the diversity and social cohesion agreement in 2008.

Top Ten Nationalities Other than French Represented in the Group

(Consolidated Group, at 31 December 2009 – percentage of total workforce)

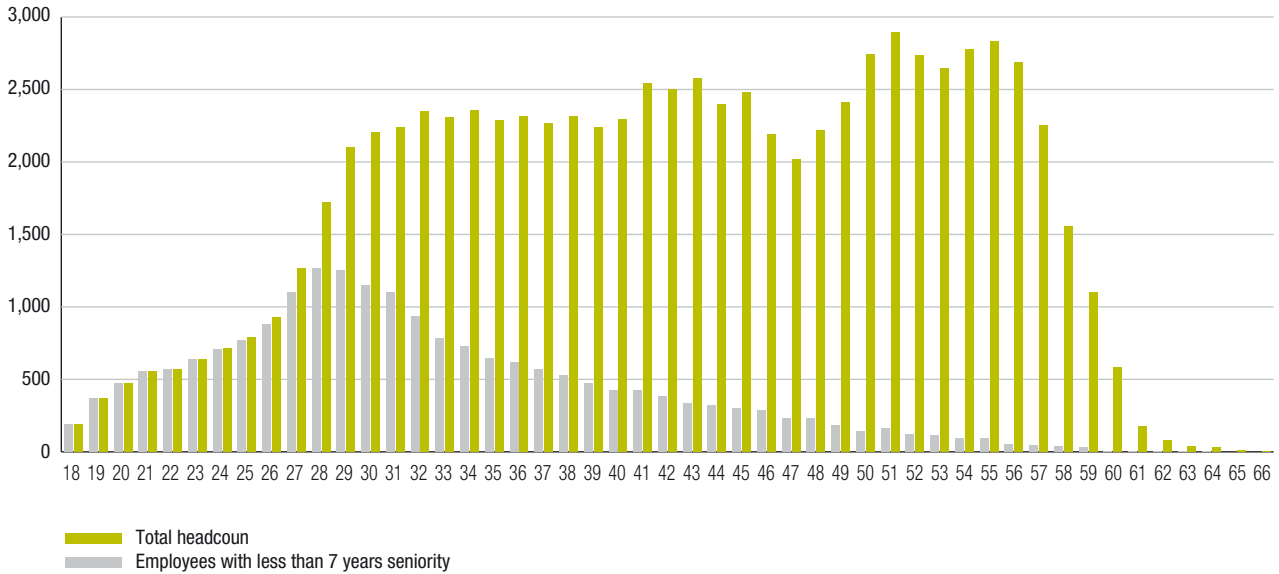
The top ten nationalities other than French represented in the Group accounted for more than 38% of the total workforce.

More than 89,000 employees are non-French, or 48% of the workforce, and some 120 nationalities are represented.



Age pyramid

(Automotive Division, France – employees under permanent and fixed-term contracts)



A balance has been attained between the different employee age groups.

Easing the Transition to the Working World

In 2008, measures to help people excluded from the labour market to get back into the work world were added to the agreement on diversity and social cohesion signed with all of the French unions on 6 October 2008. By offering lasting jobs, these measures will encourage the local hiring and retaining of the disabled, give young people a real chance at employment and help individuals in difficulty who have encountered obstacles along the way. In France, more than 120 social integration programmes were underway in 2009. For example, a weeklong campaign on working with disabilities was organised to raise employee awareness. Special “discovery” tours and internships were also set up to present the Group’s skills sets and provide an opportunity for currently active employees to share with the potential employees of tomorrow.

PSA Peugeot Citroën is interested in attracting and hiring young people to prepare its future. For this reason, it launched an ambitious work-study programme in June 2009. The programme is designed to prepare the competencies the Company will be needing in the future in a broad range of business areas, skills sets and qualifications, while giving young people a real chance to envision their future and enter the workforce by discovering first-hand the jobs and values of a large manufacturer like PSA Peugeot Citroën. The programme includes a significant number of measures targeted to young people with few or no qualifications, offering skills-acquisition paths with a minimum of 150 hours of training during the year.

In 2009, the Company welcomed more than 3,300 interns and signed 2,460 skills acquisition and apprenticeship contracts. Women accounted for 35% of the interns and 26% of the work-study programme participants.

By the summer of 2010, PSA Peugeot Citroën intends to sign 2,000 work-study contracts, 2,100 skills-acquisition contracts, 3,000 internship agreements and 200 VIE co-op placements for a total of 7,300 job opportunities for young people.

Moreover, active vocational training partnerships with French national education systems are supporting a wide variety of programmes to prepare young people for careers in automotive manufacturing and sales and to help bring them into the workforce with job-oriented training curricula.

Training centres were set up to offer vocational courses in industrial and business skills in Slovakia, China, Brazil and Mexico. In 2009, these courses were attended by more than 550 students and more than 45 trainers and technical teachers.

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The number of individuals who received training in PSA Peugeot Citroën centres and campuses broke down as follows in 2009:

	Peugeot Mexico	Citroën Brazil	Peugeot Brazil	Slovakia	China
PSA Peugeot Citroën employees	572	1,210	821	150	414
Students	226	0	0	300	48
Local technical teachers	7	19	9	0	5
Trainers	4	1	1	0	0
TOTAL	809	1,230	831	450	467

■ Retaining and Motivating Older Employees

PSA Peugeot Citroën does not believe in having a separate policy for “seniors”, who represent nearly 30% of the Automotive Division’s workforce. On the contrary, managing older employees is part of the Group’s overall jobs and capabilities policy, which guarantees equal opportunity and treatment and anticipates demographic trends.

As part of this policy, agreements to retain and motivate older employees were signed in France in January 2010. In particular, these agreements are designed to foster age diversity within teams, maintain motivating salary packages and career advancement opportunities, adapt working conditions to older employees, and manage end-of-career schedules and the transition to retirement.

The goal is to recognise seniors’ role in the company and consider their experience as an advantage for PSA Peugeot Citroën’s success. Having different generations work side by side also promotes social cohesion and business efficiency. For this reason, the issue of retaining and motivating seniors needs to be linked to that of providing job opportunities for young people, to anticipate demographic trends and prepare generational renewal. With this in mind, the Group calls on older employees to mentor and sponsor young people coming into the workforce.

■ Disabled Employees

(Consolidated Group, excluding Faurecia, at 31 December)

		France	Rest of Europe	Rest of the world	TOTAL
Automotive Division	2009	5,260	500	35	5,795
	2008	5,515	515	55	6,085
	2007	5,890	635	55	6,580
Banque PSA Finance	2009	10	15	0	25
	2008	5	15	0	20
	2007	5	15	0	20
Gefco	2009	140	40	0	180
	2008	100	45	0	145
	2007	125	50	0	175
Other businesses	2009	50	0	0	50
	2008	65	0	0	65
	2007	95	0	0	95
TOTAL	2009	5,460	555	35	6,050
	2008	5,685	575	55	6,315
	2007	6,115	700	55	6,870

PSA Peugeot Citroën is committed to hiring and retaining disabled employees.

A number of agreements on social integration and job opportunities for the disabled have been concluded and implemented. Other initiatives include a daylong “job dating” event to help people with disabilities find work-study opportunities at non-production sites in the Paris region. As part of its commitment to supporting people with disabilities the Group also co-sponsors jobs forums and recruitment programmes with specialised partners.

In the Automotive Division in France, more than 8% of employees are classified as handicapped (including sheltered workers under contract), above the mandatory national rate of 6%.

As of 31 December 2009, the Group employed 6,050 disabled people in its Automotive, Finance and Transportation & Logistics Divisions, as defined by local legislation.

In all, 80% of disabled employees are operators, 16.4% are administrative employees, technicians and supervisors (ETAM) and 3.7% are managers.

In France, more than €4.9 million was spent in 2009 on programmes related to hiring and retaining the disabled.

The above table does not include the 970 disabled people who work for Faurecia.

■ Guaranteeing Gender Equality in the Workplace

A gender-balanced workforce is beneficial to the Group's performance, as it expands the range of skills and enables a broader exchange of ideas.

The gender equality agreement signed in 2008 enhances measures to promote equally opportunity by focusing on improvements in four key areas:

- Continue expanding jobs for women by matching the percentage of women hired to the percentage of women applicants, or better. Develop cooperation with schools and training facilities to encourage young women to pursue studies that open career opportunities in the automobile industry.
- Guarantee equal pay and career paths for men and women and make pay adjustments if differences are identified.
- Encourage a diverse mix of jobs and identical career paths for men and women through assertive career management, training and mobility actions at all sites and in all job tracks.
- Improve working conditions to enhance work-life balance.

A monitoring methodology has been implemented at all Group sites to ensure that the agreement is applied properly. An Equality Committee for each site assesses local application of the agreement and defines local priorities to advance gender equality. Since 2002 the percentage of women in the Group's workforce has risen from 17.6% to 21.9%.

In 2008, French quality standards agency AFAQ/AFNOR Certification renewed the Group's "Equal Opportunity Employer" label, based on its assertive gender equality policies and their compelling results. PSA Peugeot Citroën was the first company to be awarded the label, in 2005. The agency recognised that the Group's policies had delivered particularly significant gains in such areas as offering job opportunities for women, developing a gender-balanced workforce, ensuring equal pay for equal work and equal career development opportunities and initiatives to improve work/life balance. Examples of the latter include flexible working hours and new employee assistance services, like corporate concierge services, company daycare centres, and financial support from the Works Councils.

■ Number of Women Employees under Permanent or Fixed-Term Contracts

(Consolidated Group, at 31 December)

	2002	2003	2004	2005	2006	2007	2008	2009	% increase 2002-2009
Operators	16,235	16,295	19,105	19,060	21,065	22,365	21,635	19,980	+23.1%
ETAM	14,420	15,510	16,655	16,395	16,175	15,650	15,610	14,600	+1.2%
Managers	4,245	4,580	5,325	5,945	6,320	6,255	6,310	6,155	+45.0%
TOTAL	34,900	36,385	41,085	41,400	43,560	44,270	43,555	40,735	+16.7%

Women account for 19.1% of engineers and managers, 29.9% of administrative employees, technicians and supervisors (ETAM) and 19% of operators.

PSA Peugeot Citroën's commitments to gender equality were first expressed in the 12 November 2003 agreement on gender equality and employment for women and renewed on 14 November 2007. As a result, 2002 has been chosen as the reference year.

■ Percentage of Women Employees under Permanent and Fixed-Term Contracts

(Consolidated Group, at 31 December)

	2002	2003	2004	2005	2006	2007	2008	2009
Percentage of total headcount	17.6%	18.2%	19.8%	19.8%	20.6%	21.3%	21.6%	21.9%

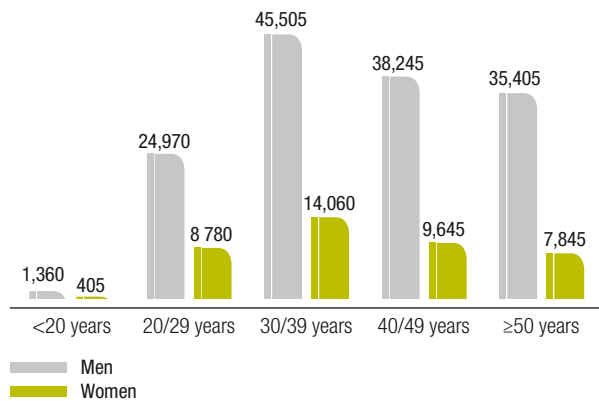
Employees under Permanent and Fixed-Term Contracts by Gender and Region

(Consolidated Group, at 31 December 2009)

	France		Rest of Europe		Rest of the world		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Automotive Division	14,145	66,940	6,210	24,380	1,310	8,380	21,665	99,700
Banque PSA Finance	230	710	15	30	0	0	245	740
Gefco	3,120	10,705	6,700	17,225	4,750	9,565	14,570	37,495
Faurecia	470	345	780	755	40	80	1,290	1,180
Other businesses	1,445	3,220	1,300	2,395	215	760	2,960	6,375
TOTAL	19,410	81,920	15,005	44,785	6,315	18,785	40,730	145,490

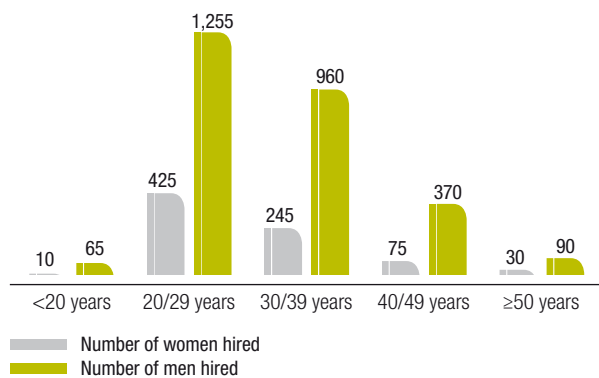
Employees under Permanent or Fixed-Term Contracts by Age Group and Gender

(Consolidated Group, at 31 December 2009)



New Employees Hired under Permanent Contracts by age Group and Gender

(Consolidated Group, excluding Faurecia and Gefco, at 31 December 2009)



Internal controls are carried out regularly to ensure that the principle of equal opportunity is applied at every stage of the hiring process and to help define areas for improvement, which are then monitored over time. Among other issues, audits were conducted on hiring of managers and administrative employees, technicians and supervisors (ETAM); on gender equality and on processes for hiring operators at industrial sites.

Percentage of Women Employees under Permanent Contracts, by Age Group

(Consolidated Group, excluding Faurecia and Gefco, at 31 December 2009)

	<20 years	20-29 years	30-39 years	40-49 years	≥50	Total
Number of women hired	10	425	245	75	30	785
Percent of total hires	13.3%	25.3%	20.3%	16.9%	25.0%	22.3%

Percentage of Women Managers by Age Group

(Consolidated Group, at 31 December 2009)

	<30 years	30-39 years	40-49 years	≥50 years
Number of women managers	875	2,925	1,545	810
Total number of managers	2,930	12,435	10,360	6,440
Percentage of women managers	29.9%	23.5%	14.9%	12.6%

Women accounted for 29.9% of managers under 30 and 12.6% of managers 50 and better.

Percentage of Women Managers

(Consolidated Group, at 31 December)

	2003	2004	2005	2006	2007	2008	2009
Percentage of women managers	15.3%	16.5%	17.3%	17.9%	18.6%	18.9%	19.1%

Senior Managers

(Consolidated Group, excluding Gefco and Faurecia, at 31 December 2009)

	<30 years	30-49 years	≥50 years	TOTAL
Men	0	381	317	698
Women	0	19	22	41
TOTAL	0	400	339	739

At PSA Peugeot Citroën, “senior managers” include the members of Executive Committee, along with the senior executives and senior managers in charge of adapting and implementing the Group’s strategic vision, policies and programmes.

Nationality	Number	Percentage
French	633	85.7%
Spanish	30	4.1%
British	16	2.2%
Argentine	13	1.8%
Belgian	11	1.5%
German	8	1.1%
Italian	7	0.9%
Brazilian	5	0.7%
Swiss	5	0.7%
Portuguese	2	0.3%
Austrian	2	0.3%
Dutch	2	0.3%
Polish	1	0.1%
Moroccan	1	0.1%
Canadian	1	0.1%
Luxembourger	1	0.1%
Danish	1	0.1%
TOTAL	739	100%

Executive Management

(Consolidated Group, excluding Faurecia and Gefco, 2009)

PSA Peugeot Citroën is headed by a five-member Managing Board, supported by an Executive Committee, which comprises the five members of the Managing Board and three Executive Vice-Presidents reporting to the Chairman of the Managing Board. In addition to the Executive Committee, four Vice-Presidents

report to the Chairman of the Managing Board. The Group executive management team is comprised of 12 people, including one woman. Ten members are French, one is German and one is from Luxembourg.

Employee Complaints Alleging Discrimination or Harassment

(Consolidated Group, excluding Faurecia, 2009)

PSA Peugeot Citroën condemns all infringements of respect for individual rights and dignity, verbal or physical abuse, harassment, workplace violence and discrimination. This type of behaviour is liable to sanctions, and specific measures have been drawn up in all countries to prevent it. Employees have been informed of the Group's policy and a large number of managers have been targeted through awareness-building campaigns. Employees who are victims of or witnesses to cases of harassment, discrimination or violence at the workplace may contact their human resources department. In the event of complications in using traditional channels, employees may anonymously contact identified managers responsible for diversity and/or harassment issues.

A standard tracking procedure aligned with the local legal framework has been established in all host countries. When a problem is identified, the information is reported to Human Resources and a review is carried out. In 2009, 97 complaints alleging workplace harassment, discrimination or violence were reported to the corporate Human Resources department. 23% of complaints are still being reviewed by the Human Resources departments concerned or by an outside authority. Of the complaints handled, 50% were deemed unfounded and 20% resulted in disciplinary action for the person concerned.

With this system, the Group has demonstrated that there is no place for discrimination or harassment at PSA Peugeot Citroën.

Combating Spousal Abuse

PSA Peugeot Citroën promotes public awareness of the problem of spousal abuse. In November 2009, the Group signed a spousal abuse prevention protocol in France. This protocol follows on initiatives in Spain, where an agreement to combat domestic violence was signed in 2005.

The protocol, which is designed to promote partnerships between community groups and PSA Peugeot Citroën, was included in a broader agreement on job opportunities for women and gender parity when the agreement was renewed in November 2007.

With this protocol the Group undertakes to:

- Inform employees of national campaigns to prevent and combat spousal abuse.
- Promote awareness among specialists in the human resources, social services and occupational medicine departments and train them to address the issue of spousal abuse.
- Maintain an open-door policy for victims of spousal abuse, with consultations and referral.

These actions reflect the Group's commitment to Responsible Development and to promoting uncompromising respect for human rights at all its units.

4.5.2. Human Rights

Upholding Fundamental Human Rights

PSA Peugeot Citroën is committed to growth founded on socially responsible principles and practices, consistently applied in every host country and business around the world.

In 2003, the Group pledged to uphold and promote the ten principles of the United Nations Global Compact, an agreement inspired by the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. The Group promotes the respect of human rights in every host country, even in regions where such respect is not always forthcoming. The Group's policies demonstrate to employees that it is deeply committed to the Universal Declaration of Human Rights.

This commitment is expressed to the public on the Group's sustainable development website and to employees around the world on the Human Resources intranet site, with a direct link to the Universal Declaration of Human Rights on the UN website.

None of the Group's subsidiaries was convicted in 2009 of involvement in human rights violations or the use of forced labour.

Moreover, PSA Peugeot Citroën actively supports employee freedom of association and representation around the world and is committed to respecting the independence and pluralism of trade unions. Active, ongoing social dialogue is maintained with union representatives in every host country.

Global Framework Agreement on Social Responsibility

The Group signed a Global Framework Agreement on Social Responsibility in March 2006. The Agreement, which reflects the principles expressed in the Universal Declaration of Human Rights, was signed with the International Metalworkers' Federation (IMF), the European Metalworkers' Federation (EMF) and other unions in the major host countries. It applies to all of the 110 subsidiaries of the Automotive, Finance and Transportation & Logistics Divisions, based in 31 countries on four continents. In all, the Agreement engages both the Group and nearly 85 unions around the world.

With this Agreement, the Group undertakes to respect basic human rights and to consistently strive for excellence in its human resources practices. The Agreement is designed to promote the application, in every host country, of best human resources management practices in the areas of career management and skills development, equal opportunity, healthcare coverage and benefits, working conditions, workplace health and safety programmes, while taking societal and civic responsibilities into account. The Group's social responsibility commitment has been enhanced in certain countries, notably those tracked by Transparency International.

PSA Peugeot Citroën also undertakes to encourage suppliers, subcontractors and other partners to meet the same requirements and to carefully consider its business's impact in its host regions.

The subsidiaries have been directly involved since the beginning of the process, defining three priority action plans to be deployed each year. The subsidiaries also encourage social dialogue on these topics with local unions. Each year, unions are asked for input on the subsidiary's performance in these areas, as well as on the selection and execution of action plans.

Since 2007, nearly 80% of the priority action plans have been completed, for a total of 465 out of 586 selected by the subsidiaries. 310 new action plans have been defined for 2009-2010. They primarily addressed the following issues:

- Safety and working conditions.
- Eliminating discrimination and promoting equal opportunity.
- Taking into account the impact of the company's business on host communities.
- Avoiding complicity in human rights abuses.
- Developing the skills of tomorrow through continuing education.
- Employee participation channels.

Internal and external audits are performed at the subsidiaries to ensure that the Agreement is applied properly. Between 2007 and 2009, 20% of the subsidiaries were audited.

A review carried out in June 2009, three years after the Agreement was signed, showed a very good level of deployment. Between 2006 and 2009, the number of subsidiaries applying all the commitments increased by 10%, lifting the percentage that fully implement the Agreement to 87%.



The Global Framework Agreement on Social Responsibility is available on the sustainable development website.

Global Framework Agreement on Social Responsibility – Fourteen Commitments

% of subsidiaries applying commitments in 2009

1. Avoid complicity in human rights abuses	91%
2. Uphold freedom of association and the effective recognition of the right to collective bargaining	80%
3. Effectively abolish child labour	97%
4. Eliminate discrimination in respect of employment and occupation	96%
5. Work against all forms of corruption	92%
6. Focus on safety, working conditions and health	97%
7. Develop the skills of the future through continuing training	96%
8. Provide employees with the means to participate	90%
9. Take a labour-oriented approach to changes in the business	89%
10. Apply fair remuneration practices	96%
11. Ensure social protection	91%
12. Negotiate organisation of work and scheduling	93%
13. Share social requirements with suppliers, subcontractors, industrial partners and distribution networks	71%
14. Take into account the impact of the company's business on the areas in which it operates	92%

The Agreement has led to tangible measures in the majority of subsidiaries. To help eliminate discriminatory practices and promote equal opportunity, managers in Turkey, Japan, Belgium and other countries received training on objectively assessing employees when determining remuneration. Measures to encourage employee initiative included suggestion systems at units in Hungary, Portugal, Gefco Germany and Gefco Argentina.

The review also highlighted two areas for improvement:

- Support for subsidiaries. A best practices guide was deployed in January 2010 to explain the expected outcomes and provide tangible examples of effective action plans. The guide was widely appreciated in all the subsidiaries.
- Communication with employees. A new campaign was initiated in early 2010 to give employees a more in-depth view of the Agreement and its contents.

Training in human rights policies and procedures

(Consolidated Group, excluding Faurecia, 2009)

Training in human rights policies and procedures	Number of hours	Number of employees	Of which security staff	
			Number of hours	Number of employees
Equal opportunity, diversity, anti-discrimination training, etc.	12,430	4,195	440	100
Compliance with internal rules, Global Framework Agreement, Code of Ethics, data privacy guidelines, etc.	21,030	7,280	440	130
Corruption, conflicts of interest, etc.	3,590	2,050	280	100
Other	2,915	1,010	245	95
TOTAL	39,965	14,535	1,405	425

In 2009, some 14,535 employees, or 11.4% of the global workforce, participated in training in human rights policies and procedures.

Some of the courses focused on an issue related to the employee's duties, such as the anti-money laundering course designed to combat money laundering, prevent fraud and avoid financing terrorist activities, which was a required course for all finance company employees. Others, concerning human rights and anti-discrimination practices, were specifically intended for managers and recruiters. Still others were presented in the form of a module in a more general programme, such as orientation training for young hires.

As part of the deployment of the Global Framework Agreement on Social Responsibility, every employee was informed of the Group's commitments to respecting and promoting human rights through presentation meetings, posters, brochures and other means. This information process is not measured in the indicator.

In addition, the Group's human rights policies and procedures are explained on the Human Resources intranet site and illustrated by the different agreements signed by the Group, including the text of the Universal Declaration of Human Rights and the Global Compact's ten principles.

Global Social Audit

PSA Peugeot Citroën’s social responsibility policies have been deployed worldwide and are regularly monitored. Internal social audits help to drive continuous improvement in internal processes and to monitor application of social policy. The social audit aims to ensure compliance with legal and regulatory requirements, with contractual commitments and with the Group’s social responsibility principles. Social audits are carried out by 24 full-time auditors, with support from 115 people around the world. These Internal Audits are supplemented by external compliance audits concerning employee relations information and social responsibility commitments.

The process relies heavily on self-assessments by sites, country organisations, departments and divisions. The auditor’s role is to:

- Perform targeted audits on the selected priority issues.

- Guide senior management and unit managers in the self-assessment process.
- Prepare audit grids for this process.
- Work with the sites to ensure rapid implementation of the necessary corrective measures.

In 2009, nearly 70 sites or units were audited, with a focus on application of the Global Framework Agreement on Social Responsibility, hiring procedures and non-discrimination practices, the use of temporary workers, gender equality, diversity, social cohesion, and workplace health and safety.

By recommending remedial actions and regularly tracking their application, social audits help to impel a dynamic of continuous improvement.

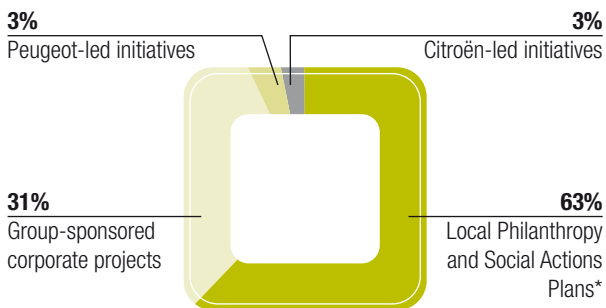
4.6 Corporate Citizenship



PSA Peugeot Citroën’s social responsibility policy is presented on the “Our Responsibility” pages of the Corporate Citizenship section of the Group’s sustainable development website: Road Safety, Urban Mobility, Institutions & Communities.

Group Contribution to Social Responsibility Programmes

(2009)



* Local Philanthropy and Social Action Plans account for more than half of the Group’s corporate citizenship budget. Managed by local plants and facilities, these initiatives demonstrate the Group’s commitment to playing an active role in local communities.

4.6.1. Group and Brand Outreach Programmes

■ City on the Move Institute

Created in 2000, the PSA Peugeot Citroën City on the **Move Institute** (IVM) has initiated and promoted research and trials aimed at understanding how urban mobility is changing. Its projects bring together business people, researchers, academics, architects, urban planners, urban developers, transport providers, local authorities, people involved in society and the arts and members of associations. Each partner is a stakeholder in a given project, supporting the research or programme with financing, resources or expertise.

PSA Peugeot Citroën allocated a budget of €1,050,000 to IVM in 2009.

Since 2009, IVM has organised a series of public hearings and debates on “Climate Change, Urban Mobility and Cleantech,” in which a host panel of European experts exchange ideas with their visiting North American counterparts. These unique roundtable discussions bring together experts from entirely different disciplines to define, in real time and from one event to the next, the issues raised by the changes now underway. The first session was held in May 2009 on the issue of “climate change: new markets, a new economy?”, followed by hearings on i) California’s paradoxical leadership in improving urban mobility, ii) the use of climate plans to shape public policy and iii) the potential of information technologies to save “planet USA”. The programme is continuing in 2010.

A “City at your Doorstep” project deploying new mobile services was initiated during the year and is expected to lead to pilot trials in France in 2010.

In addition, IVM partnered with Fondation EDF Diversiterre to develop the “Dream Cities, Sustainable Cities” exhibition, which opened in October 2009.

Following the “Working on the Move” seminar, a team travelled to Japan to observe how goods transport is organised in urban environments.

IVM is pursuing its initiatives in China and Latin America, with:

- A meeting of the scientific committees of the Latin American and Chinese university chairs to discuss innovation in China and social equality in Latin America.
- The ongoing travelling exhibition “The Street Belongs to All of Us”, with events in Buenos Aires, Rio de Janeiro, Bogotá and Santiago.

Also in 2009, IVM participated in the publication of several books, including the “Dream Cities, Sustainable Cities” exhibition catalogue published by Gallimard, Richard Darbéra’s “Where are Taxis Going?” published by Descartes et Cie, “Sharing the Road” published in Portuguese and Spanish by Infinito, the Chinese version of the “The Street Belongs to All of Us” exhibition catalogue, and the “La Calle es nuestra ... de todos nos” catalogue and the proceedings of the Bogotá symposium, both published by Uandes.

■ Other Group-Sponsored Corporate Projects

For over a decade, PSA Peugeot Citroën has supported the **Paris emergency service agency** and currently serves on its Board of Directors. This socially responsible commitment is fully aligned with the Group’s policy of promoting access to mobility, which helps to integrate individuals into society, fight social exclusion and foster community ties. The Group donates and maintains the agency’s roaming fleet of 15 vehicles, and regularly lends it additional vehicles, particularly as reinforcement during the winter months. It has also donated a dedicated vehicle to the agency’s emergency Lodging and Hotel Booking services team.

PSA Peugeot Citroën is a member of the **Villette-Entreprises Foundation**, which helps to disseminate scientific knowledge by fostering relationships between companies and science or technology museums. Through the foundation, the Group is sponsoring the 2010 renovation of the permanent exhibits at Paris’ flagship science museum, the Cité des Sciences et de l’Industrie.

Reflecting its deep commitment to improving road safety in cooperation with other road-use stakeholders, PSA Peugeot Citroën was a co-founder of the **French Road Safety Foundation**, created in 2004 at the initiative of the French Ministry of Research. The Foundation, which was declared in the public interest

in 2005, is financed both by the French government and by private companies such as PSA Peugeot Citroën, Renault and Plastic Omnium. Like all French research foundations, it brings together public and private organisations, in this case to identify, promote and finance road-safety research projects. It provides a unique forum for all types of road safety stakeholders, including government representatives, carmakers, public transit and road transport specialists, trade federations and public health professionals. By promoting these projects, the Foundation wants to help meet the French government’s target of reducing the number of road fatalities to fewer than 3,000 by 2010, while also reducing the number of people seriously injured in road accidents.

In 2009, PSA Peugeot Citroën was one of the primary corporate sponsors of the “**Year of France**” in **Brazil**. In cooperation with local institutions and through its two brands, the Group sponsored eleven events demonstrating values to which it is deeply committed – design, innovation and sustainable development.

■ Peugeot-Led Initiatives

In 2009, Peugeot pursued the **carbon sink project** it has sponsored in the Amazon since 1998, which is reforesting vast areas of deteriorated land and restoring biodiversity in the Brazilian state of Mato Grosso, while studying the relationship between reforestation and the absorption of atmospheric CO₂. The reforestation initiative is helping to revitalize native plant species, with the aim of restoring balance to the ecosystem. More than two million trees representing some 50 species have already been planted, over a total estimated surface area of 2,000 hectares. The Amazon rainforest is home to more than half of the world's terrestrial biodiversity. In its first decade in existence, the Peugeot carbon sink absorbed an estimated 53,000 tonnes of CO₂, or an average 5.1 tonnes per hectare per year. Depending on tree spacing and the species planted, sequestration may vary from 2 to 12 tonnes per hectare per year from one plot to another. These calculations are based on the AR-ACM001 methodology prepared by the International Panel of Experts on Climate Change.

The sink's long-term success hinges on its seamless integration into the region's economic and social fabric. This has led to the creation of local jobs to help raise awareness about the future of forests and the importance of preserving them. Supported by the international scientific community, the project was developed by Peugeot and is being carried out by the French Forestry Commission (ONF) in partnership with Franco-Brazilian NGO Pro-Natura.

In 2009, Peugeot, ONF and the Mato Grosso government signed an agreement designating the carbon sink as a Private Natural Heritage Reserve, which will serve as a life-size laboratory for the research needs of the Brazilian and international scientific community. Tree felling and logging are prohibited throughout the reserve, which comprises 1,800 hectares of natural forest.

Peugeot also continued to lend vehicles to **Solidarité Sida**, an association that educates the public about AIDS and solicits donations for medical research.

■ Citroën-Led Initiatives

In 2009, Citroën partnered the **Action Against Hunger (ACF)** organization in honour of their respective anniversaries, the 90th for Citroën and the 30th for ACF. Citroën marked the occasion by pledging to participate in an initial project in Burkina Faso to facilitate access to drinking water in Tapoa Province schools, a commitment fully aligned with the brand's values of sharing, humanism and optimism.

In addition, at Citroën's request, **vocational teachers "without borders"** regularly conduct training programmes as needed. In 2009, for example, six teachers carried out seven assignments, in four languages and six countries: Cuba, Syria, Jordan, Cameroon, France (Mayotte), Tunisia and Lebanon.

4.6.2. Local Philanthropy and Social Action Plans

■ Allocation of Funding in 2009

Local Philanthropy and Social Action Plans enable Group sites to structure their outreach programmes to local communities, institutions, associations and other stakeholders in their regions, while fostering more effective dialogue with both employees and the public. The plans are deployed in France and other countries by production plants and office facilities. Their components focus on the following areas:

- The environment, with programmes to preserve or restore natural sites, raise people's awareness or train them in environmental techniques.

- Safe driving, with programmes to inform people, raise their awareness and teach correct practices.
- Urban mobility, with programmes to support safer, cleaner, more accessible mobility.
- Local development, with initiatives that demonstrate the Group's close, long-standing ties to its host regions.

In 2009, funding committed to these plans was mainly allocated to programmes concerning local development (45%), followed by safe driving (25%), the environment (20%) and mobility (10%).

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■ Promoting Road Safety

Raising driver awareness of road safety issues is a major focus of the Group's corporate citizenship commitment. In 2009, the French production and office facilities led road safety awareness-building programmes for employees and/or their host community, generally in partnership with academia and organisations such as local fire brigades and the *Prévention Routière* road safety association. Examples include:

- Conducting remedial and safe driving courses in Rennes, Trémery and Vesoul.
- Donating vehicles for drills in Trémery and Vélizy to learn how to free people trapped inside after an accident.
- Preparing and distributing information booklets in Poissy, Valenciennes and Vélizy.
- Distributing a reflective vest and warning triangle safety kit in Mulhouse, Sochaux and Paris, and breathalysers in La Garenne.
- Organising exhibits and events, such as driving simulators and drunk driving tests, in Aulnay, La Garenne and Trémery.
- Organising a road safety contest in Saint-Ouen.
- Helping to create a go-kart driving school in Aulnay to teach children of employees and local parents about road safety hazards.

In the rest of Europe, road safety days were organized for children in Trnava, Slovakia and Vigo, Spain.

Facilities in China, Brazil and Argentina were also highly active during the year.

In Argentina, in addition to organising the distribution to employees of car sun shades displaying road safety information, the Group reached out to young people with campaigns such as the "Growing Up Safe" drawing contest and a short film contest combined with a television campaign to encourage safer high school driver behaviour. Broader initiatives such as the "Safer Avenues" driver-training programme were also deployed. In Brazil, the Group is sponsoring the Global Road Safety Partnership NGO's participation in a road safety programme in

Resende, helping to prepare brochures for local distribution. It is also supporting road safety educational initiatives and other events organised during National Traffic Week by the Rio de Janeiro Traffic Department (DETRAN/RJ).

In China, the Group helped to design a travelling exhibition to teach pre-school children about road safety. In 2009, the exhibition visited five pre-schools and a dealership in five different cities, distributing educational road safety brochures to 30,000 people and training 4,000 children in a variety of workshops, such a bike-riding course, sing-alongs, a road safety board game and a road sign draw-and-guess game.

Ongoing support was also provided to the "30 Seconds for Road Safety" radio campaign to encourage safe driving, which was broadcast on China National Radio's business news channel. A public service radio announcement highlighting the dangers of drunk driving received an award at the 16th International Advertising Festival and was broadcast on China National Radio.

Following on from the advertising contest organized in 2008 in partnership with the Chinese Centre for Disease Control (CDC), the winning ads were published in 2009 in the *21st Century Business Herald* with a view to building awareness across China of road safety issues.

The CDC is currently working on a new study in cooperation with PSA Peugeot Citroën, concerning the different types of traffic accidents and accident risk factors in China, with a focus on determining the changing nature of road injuries, depending on the region. Factors being explored include the amount of traffic congestion, the social and economic development of the region where the accident occurred and existing government policies. In addition, the study aims to identify any improvements attributable to road safety measures taken by the Chinese government. The findings are to be published in early 2010.

Lastly, a road-safety training programme was introduced for local employees in China.

■ Environment

In 2009, PSA Peugeot Citroën launched a wide range of environmental initiatives, including:

- Participation in environmental events: organising Environment Days in La Garenne, partnering the *Vive La Seine* association in Poissy, participating in the World Environment Day in Trémery, supporting the sustainable development film festival in cooperation with the Ekotop film association in Trnava, Slovakia, contributing to the Vigo City Hall Foundation for the promotion of sustainable energy resources in Vigo, Spain and participating in Water Day, Environment Day and Tree Day in Porto Real, Brazil.
- Assistance in setting up a sorted waste recycling centre in Mulhouse and in restoring the nature reserves near the Poissy facility.

Capitalising on its environmental expertise, the Group is leading a number of educational campaigns to promote eco-friendly practices. Examples include:

- Creating and organizing a young readers' newspaper, conferences and publications in Buenos Aires.
- Participating in the Eco Ideias academic week in Porto Real.
- Launching the "Eco-logical" information and awareness-building campaign at the La Garenne facility.
- Organising workshops to train students in environment-related jobs in Mulhouse.
- Offering local students, employees and their families in Poissy the opportunity to learn about the environment by observing animal and plant life from a barge on the Seine River.
- Giving environmental protection quizzes and advice at Trémery.
- Displaying posters, distributing a best practices guide and making presentations to students in Trnava.
- Inviting students to participate in recycling and energy efficiency workshops in Valenciennes.

In addition, eco-driving courses certified by the Paris road safety association are offered in Vesoul, and free courses on efficient, safe and environmentally responsible driving are provided in Vigo, Spain through the Energy Agency in cooperation with the city's driving schools.

In China, the Group is supporting the "30 Seconds for the Environment" series of public service radio announcements promoting eco-friendly driving, in the same vein as the "30 Seconds for Road Safety" campaign.

Ongoing support was provided in Argentina to NGO Cascos Verdes which, through the Crear Conciencia programme, helps

give mentally disabled young people a chance to attend university and play a role in society, thanks to a two-year training course on environmental protection.

In addition to its involvement in automobile-related social issues, PSA Peugeot Citroën and its DPCA joint venture also participate in charitable programmes in China and cooperate with the One Foundation. In the final quarter of 2009, for every purchase of a Peugeot 307, Dongfeng Peugeot contributed 100 yuans to the One Foundation, which will invest the funds in educational and environmental stewardship projects.

Supporting Sustainable Mobility

Mobility is one of the basic building blocks of modern society, determining access to jobs, healthcare and culture. Encouraging sustainable mobility also means supporting the inalienable right to mobility, ensuring the right balance between the different modes of transport and promoting technologies that contribute to the smooth flow of automobile traffic.

Online car-pooling sites have been opened on the corporate intranet to make office commutes easier, particularly at the Aulnay plant, the Poissy offices and the Rennes plant. Other types of employee car-pooling systems are available at certain French or European sites.

In line with its commitment to supporting associations that work to improve the mobility of people in difficulty, PSA Peugeot Citroën continued i) to lend or donate vehicles to the Rio Solidario programme in Brazil; ii) participate in the association of companies that promotes job access for disabled persons in Argentina; iii) support the Down's Syndrome Foundation of Madrid, which helps to integrate people with trisomy 21 or a mental disability into the workplace; iv) contribute to the Futures Foundation for

disabled children in Trnava; and v) participate in Handyn'Action initiatives for the disabled in Valenciennes.

The sites also organise initiatives to benefit the mobility-challenged, such as:

- Recycling plastic bottle caps at the Buenos Aires, La Garenne, Paris, Saint-Ouen, Valenciennes and Vélizy facilities, with proceeds donated to help-the-handicapped associations.
- Organising disability awareness days in Aulnay, Caen, La Garenne, Poissy, Rennes, Trémery, Valenciennes, Vélizy and Vesoul, involving, for example, the preparation and distribution of educational booklets on the importance of hiring disabled people, screenings of short films about disability, situational exercises simulating visual or physical impairment, a seeing eye-dog demonstration, an exhibition of mobility adapted vehicles, Braille writing workshops and meetings with employers who have successfully integrated mobility solutions into the workplace.
- Installing equipment and renovating access points at the Aulnay and Caen sites to provide mobility-challenged individuals with better access to their workplace.

■ Deepening Community Ties

In 2009, the Group undertook a number of local outreach initiatives in communities near its production facilities and office sites. Examples include:

- Providing environmental or industrial organisation consulting services for small and medium-sized enterprises located near the plants in Mulhouse, Poissy, Rennes (through Performance Bretagne), in Sochaux (through the *Franche Comté Entreprendre* association and participation in the automotive cluster) and in Trémery (through Partenaires Superforce Lorraine).
- Participating in educational projects with the academic community in Aulnay, La Garenne, Madrid, Mulhouse, Rennes, Valenciennes and Vesoul, as well as in China.
- Donating used IT equipment to schools and non-profit organisations in Buenos Aires, Madrid and China.
- Donating cars, vehicle body parts, mechanical components and spare parts to serve as vocational training aids in Buenos Aires, Madrid, Mulhouse, Rennes, Trémery, Valenciennes, Vesoul and China.
- Supporting community outreach associations, such as the Telethon in Aulnay, associations in Vigo and Mangualde, the *Fondation de la Deuxième Chance* and *Fondation Agir Contre l'Exclusion* in Rennes, the Spread Hope association in Sochaux, the Fondation Porto Real in Brazil and the Semilla association in Madrid. In Buenos Aires, the Group sponsors the Hospital Italiano marathon in support of child cancer survivors, the Road to Jericho Foundation and *Un Techo Para Mi País* (A Roof for my Country).
- Supporting local cultural and sports associations in Aulnay, Sept-Fons, Berlin, Buenos Aires, Madrid, Trnava and Vigo.
- Lending vehicles throughout the year to various associations such as Trans-Forme, Voiture&Co and Mission Locale de Poissy in Parisian region, One Day to Make a Difference in Brazil and others in Valenciennes.
- Collecting and donating toys in Madrid and Buenos Aires.
- Organising site visits for host communities in Aulnay, Charleville, Mulhouse, Poissy, Rennes, Sept-Fons, Sochaux, Valenciennes and Trnava.

Moreover, special action plans are also being deployed by some of the Group's facilities.

For a number of years, the Group has supported a science awareness programme in Slovak primary schools based on the *La Main à la Pâte* (hands-on) method.

As part of PSA Peugeot Citroën's partnership with the Iochpe Foundation in Brazil, the Porto Real plant has provided space since March 2008 for the Formare programme, which offers vocational training for young people from local low-income families. The first class graduated from the programme in 2009, and 20 new trainees were recruited. PSA Peugeot Citroën allows employees to volunteer as teachers for the programme during their working hours. In addition to providing professional training, the programme prepares students for the job market by exposing them to real-life work experiences.

The Madrid plant sponsored "The Southern Perspective", a radio programme put together by schools in the surrounding area to address environmental and gender equality issues.

In addition, to encourage community outreach projects, the La Garenne and Madrid plant organised the Solidarity Trophies, a competition designed to provide funding for employees seeking to organise, either personally or as part of an association, a local or international solidarity project that delivers collective benefits in five categories: Ecology, Education, Integration, Mobility and Emergency/Topical. In 2009, 20 applications were submitted in the two facilities and five were awarded trophies, along with financial backing from the Group to enable the winners to pursue their projects.

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SOCIAL AND SOCIETY

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CORPORATE GOVERNANCE AND ETHICAL PRACTICES

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5.1. Corporate governance

Since 1972, Peugeot S.A. has had a two-tier management structure comprising a Managing Board, responsible for strategic and operational management, and a Supervisory Board, responsible for oversight and control. This separation is especially effective

in addressing the concern for a balance of power between the executive and oversight functions, as reflected in the principles of good corporate governance.

5.1.1. Information about the Administrative, Management or Supervisory Bodies

■ The Supervisory Board

The Supervisory Board has twelve members plus two non-voting advisors (censeurs), all of whom are elected by shareholders for six-year terms. The other functions exercised by Supervisory Board members and advisors are listed in section 14.1.1 of the 2009 Registration Document, along with the dates when they were elected to the Supervisory Board and when their terms expire. Under French company law, only shareholders in a Annual Meeting have the authority to remove a Supervisory Board member from office.

The Supervisory Board comprises the following members: Thierry Peugeot (Chairman), Jean-Philippe Peugeot, Jean-Louis Silvant, Marc Friedel, Jean-Louis Masurel, Jean-Paul Parayre, Robert Peugeot, Henri Philippe Reichstul, Marie-Hélène Roncoroni, Geoffroy Roux de Bézieux, Ernest-Antoine Seillière, Joseph F. Toot Jr., François Michelin (advisor), Roland Peugeot (advisor).

■ The Managing Board

Managing Board members are appointed by the Supervisory Board for four-year terms. They may be removed from office by the Supervisory Board pursuant to the Company's bylaws, or by shareholders in a Annual Meeting, in accordance with French company law.

Managing Board, was appointed acting Chairman for the period from 30 March to 31 May 2009.

On 29 March 2009, the Supervisory Board removed Christian Streiff from office as member and Chairman of the Managing Board and appointed Philippe Varin to replace him effective 1 June 2009. Roland Vardanega, who was already a member of the

On 17 June 2009, a new Managing Board was appointed by the Supervisory Board, for a four-year term. The members are Philippe Varin (Chairman), Jean-Marc Gales, Guillaume Faury, Grégoire Olivier and Frédéric Saint-Geours.

■ The Executive Management

The Executive Committee comprises the five members of the Managing Board and three Executive Vice-Presidents reporting to the Chairman of the Managing Board: Jean-Claude Hanus (Corporate Secretary), Denis Martin (Human Resources) and Jean-Christophe Quémard (Purchasing).

Mrs. Mille-Langlois reports to Philippe Varin, Chairman of the Managing Board.

In addition to the Executive Committee, four Senior Vice-Presidents report to the Chairman of the Managing Board: Liliane Lacourt (Corporate Communications), Vincent Rambaud (Latin America), Claude Vajzman (China) and Bernd Schantz (Executive Development).

On 1 April 2010, Vincent Rambaud was appointed Managing Director, Peugeot Brand. He had previously served as Senior Vice President, Latin America since 2007. During the transition until Carlos Gomes takes over as Senior Vice President, Latin America on 1 July 2010, the Division is being managed by Frédéric Saint-Geours.

On 1 March 2010, Caroline Mille-Langlois joined PSA Peugeot Citroën as Senior Vice-President, Corporate Communication. She replaced Liliane Lacourt, who retired on 31 March 2010 after 20 years with the Group.

The other functions exercised by Managing Board members and advisors are listed in section 14.1.2 of the 2009 Registration Document, along with the dates when they were elected to the Managing Board and when their terms expire.

■ Sanctions Applicable to Supervisory Board or Managing Board Members

To the best of the Company's knowledge, in the last five years no member of the Supervisory Board or Managing Board has (i) been convicted of any fraudulent offence, (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership, (iii) been the subject of any official

public incrimination and/or sanctions by statutory or regulatory authorities or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

5.1.2. Compliance with best Corporate Governance Practices

■ Application of the AFEP-MEDEF Corporate Governance Code

At its meeting on 16 December 2008 the Supervisory Board decided to adopt the AFEP-MEDEF Corporate Governance Code, as applicable to French joint-stock companies with a Supervisory Board and Managing Board. The consolidated version of this Code, issued in December 2008, may be consulted at Peugeot S.A.'s head office or on the AFEP or MEDEF websites.

The areas of the Code that Peugeot S.A. has elected not to apply are as follows:

- To assess its members' independence the Supervisory Board applies the criteria recommended in the AFEP-MEDEF Code, except that members who have sat on the Board for more than twelve years or who have been a Director of another Group company during the last five years may nevertheless be deemed independent.

The Supervisory Board considers that the automotive industry experience of its members is extremely valuable, particularly in a business requiring a medium and long-term vision. The Board also considers that the fact of having recently been a Director of another Group company does not give rise to any risk of the type of conflict of interest that the AFEP-MEDEF independence rules are designed to avoid. In 2009, Jean-Paul Parayre, Jean-Louis Masurel and Monsieur Ernest Antoine Seillière, – who have been Supervisory Board members for more than twelve years – were therefore deemed to be independent by the Supervisory Board.

Jean-Louis Silvant is also considered to be independent, even though he sits on the Board of Directors of Peugeot Suisse, as the operations of this company only represent a small proportion of the Group's automotive business.

No member of the Supervisory Board exercises any senior executive responsibilities or is a salaried employee of a Group company.

As an exception to the recommendations in the AFEP-MEDEF Corporate Governance Code concerning the proportion of independent members of Board committees (at least two thirds for the Finance and Audit Committee and a majority for the Compensation and Appointments Committee), in 2009 the membership structure of the Finance and Audit Committee and the Compensation and Appointments Committee took into account the requirement to have representatives from members of the Peugeot family, which is the Group's majority shareholder.

- Supervisory Board members' terms of office are set at six years rather than four as recommended in the Code, as the Supervisory Board considers that a supervisory and oversight body needs to be in place for a certain amount of time in order to be able to effectively perform its duties. The term of office for Managing Board members is four years however.
- Attendance fees payable to Supervisory Board members do not include any variable component based on attendance at Board and Committee meetings. Attendance rates at Supervisory Board meetings were 96% in 2009 and 98% in 2008 and attendance rates at the various Committee meetings ranged from 97% to 100%. Furthermore, the Chairman of the Supervisory Board frequently consults Board members on issues outside of scheduled meetings, and likewise, Board members regularly take the initiative of informing the Chairman of their opinions and recommendations.

5.1.3. Conflicts of Interest Concerning Supervisory Board or Managing Board Members

To the best of the Company's knowledge, there are no conflicts of interest between the duties of Supervisory Board and Managing Board members to Peugeot S.A. and their private interests or other duties.

No loans or guarantees have been granted to or on behalf of any members of the Supervisory Board or Managing Board by the Company or any Group entities.

No assets required for the operation of the business are owned by any members of the Supervisory Board or Managing Board or their families.

In addition, corporate officers pledge to comply with the Stock Market Code of Ethics introduced in February 2010, which states that "corporate officers shall refrain from trading in any stocks or other securities, directly or indirectly, on their own behalf or for a third party, during the 30 calendar days preceding the publication of the annual financial statements, the interim financial statements and the consolidated revenue figures."

Certain corporate officers must also abide by the lock-up rules applicable to shares acquired on the exercise of stock options.

The Supervisory Board believes that its membership appropriately reflects the percentage of capital held by the Company's main shareholder, the Peugeot family.

As of 1 March 2010, the Board comprised five family members: Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot, Marie-Hélène Roncoroni and Marc Friedel. Marie-Hélène Roncoroni is Thierry Peugeot's sister, and Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot and Marc Friedel are second cousins. There are no family ties among the other Supervisory Board or Managing Board members.

Jean-Louis Masurel, Henri Philippe Reichstul, Geoffroy Roux de Bézieux, Ernest-Antoine Seillière and Joseph F. Toot, Jr. have no ties with the Company, its Group or its management and contribute their international financial and managerial experience to the Board's deliberations.

A former member of the Executive Committee, Jean-Louis Silvant contributes his long experience in a large number of executive

positions with the Group, particularly in production and human resources management.

Jean-Paul Parayre, former Chairman of the Peugeot S.A. Managing Board and Chairman of the Supervisory Board of Vallourec, contributes his knowledge of the automotive industry and the Group's operation, as well as of British and American corporate governance practices.

In accordance with the consolidated Corporate Governance Code for listed companies issued by the AFEP-MEDEF in December 2008, the Supervisory Board has reviewed its membership. To assess its members' independence, the Supervisory Board applies the recommended criteria in the Code, except that members who have sat on the Board for more than twelve years or who have been a Director of another Group company during the last five years may nevertheless be deemed independent. The Supervisory Board considers that the automotive industry experience acquired as members of the Board is extremely valuable, particularly in a business requiring a medium and long-term vision. The Board also considers that the fact of having recently been a Director of another Group company does not give rise to any risk of the type of conflict of interest that the AFEP-MEDEF independence rules are designed to avoid. No member of the Board exercises any senior executive responsibilities or is a salaried employee of a Group company. As a result, the Supervisory Board considers that Jean-Louis Masurel, Henri Philippe Reichstul, Geoffroy Roux de Bézieux, Ernest-Antoine Seillière, Joseph F. Toot, Jr., Jean-Louis Silvant and Jean-Paul Parayre can be qualified as independent directors.

When new members are proposed for election at the Annual Shareholders' Meeting, the Supervisory Board will select candidates based on the recommendations of the Compensation and Appointments Committee and the independence criteria referred to above.

5.1.4. Organisation and Operating Procedures of the Supervisory Board

■ Role of the Supervisory Board

The Supervisory Board ensures that the strategy implemented by the Managing Board is consistent with the Group's long-term vision, as defined by the Supervisory Board.

The Supervisory Board appoints members of the Managing Board and can remove them from office. According to the law, it is

responsible for overseeing the Managing Board's management of the business.

The Supervisory Board meets at least once every quarter; the agenda of each meeting is prepared by the Chairman.

■ Supervisory Board Meetings in 2009

The Supervisory Board met seven times in 2009, with an average attendance rate of 96%.

At each meeting, the Board reviewed the Managing Board's Report on the Group's operations and performance in terms of quality, sales, production, financial results and human resources. It was also presented reports on the Group's major strategic growth programmes and objectives.

The Managing Board presented the 2010 budget at the December meeting.

The Committees of the Board reported their findings and recommendations at each of the meetings during the year.

■ Supervisory Board Operating Procedures

The Supervisory Board's internal rules set out its stewardship and control responsibilities. In particular, the Supervisory Board is responsible for reviewing the Managing Board's quarterly reports, as well as the annual financial statements of the Company and the Group and the Managing Board's Report to the Annual Shareholders' Meeting.

The internal rules also stipulate that the Supervisory Board is required to authorize, in advance, the following actions by the Managing Board as provided for in article 9 of the bylaws:

- Shareholder-approved share issues (whether paid up in cash or by capitalizing retained earnings) and capital reductions.
- Any and all issues of ordinary or convertible bonds.
- The drafting of any merger agreements or agreements for the sale of a business.
- The signature or termination of any manufacturing or sales agreements representing a future commitment for Peugeot S.A., with companies whose corporate purpose is similar or related to that of Peugeot S.A., and generally the execution of any major transaction which substantially alters the scope of the business or the balance sheet structure of the Company or the Group.

Certain other actions exceeding financial limits set by the Supervisory Board may be carried out only with the unanimous backing of all the members of the Managing Board or, failing

that, with the prior authorization of the Supervisory Board. These include the purchase or sale for cash or for shares of any building and business rights used by Peugeot S.A. involving an amount in excess of €50 million, the purchase or sale of any equity interest in any other company directly or indirectly representing an immediate or deferred investment, expense, credit guarantee or seller's warranty involving an amount in excess of €50 million, and any borrowings by Peugeot S.A. other than in the form of bonds, involving an amount in excess of €100 million.

The internal rules describe the information to be made available to the Supervisory Board, the process to be followed to determine the issues to be discussed at Supervisory Board meetings, the terms of reference of each Board committee as well as the obligations of Supervisory Board members, especially those arising from their constant access to insider information.

Lastly, guarantees given on behalf of subsidiaries are submitted for Supervisory Board approval when the amount involved exceeds €25 million or the cumulative amount of guarantees given during the year exceeds €125 million (excluding customs and tax bonds).

In early 2010, the Board performed an assessment of its membership, organisation and operating procedures, whose findings will be discussed at the April meeting.

5.1.5. Supervisory Board Committees

The Supervisory Board is assisted by specialized Committees: the Finance and Audit Committee, the Strategy Committee and the Committees in charge of compensation, appointments and governance issues.

The role of these Committees is to analyse and prepare certain matters to be discussed at Supervisory Board meetings. They

therefore act in a purely consultative capacity, issuing proposals, recommendations and opinions on the areas falling within their terms of reference and submitting them to the Supervisory Board at its meetings.

■ The Finance and Audit Committee

In accordance with article 823-19 of the French Commercial Code, the Finance and Audit Committee oversees issues concerning the preparation and control of accounting and financial data. In particular, it oversees the process of preparing financial information, the effectiveness of internal control and risk management systems, the statutory auditing of the parent company and consolidated financial statements and the independence of the Statutory Auditors. It is also responsible for informing the Board of its opinion on off-balance sheet commitments and any corporate action or other project requiring prior approval by the Board. As part of its duty to oversee the effectiveness of internal control systems, the Committee issues an opinion on the Internal Audit plan for the coming year and is informed of the findings of the Internal Audits performed in implementing the plan. At each meeting of the Supervisory Board, the Committee reports on its work in carrying out its mission.

The Committee, which enjoys free access to all the information it needs, can, like the Chairman of the Supervisory Board, meet with the persons responsible for internal control and with the Statutory Auditors, with or without line management attending.

The Finance and Audit Committee comprises five members, who are appointed in their own name and may not be represented by another party: Jean-Paul Parayre (Committee Chairman), Marc Friedel, Jean-Louis Masurel, Robert Peugeot, Marie-Hélène Roncoroni.

The Finance and Audit Committee met seven times in 2009. The Statutory Auditors and the Chief Financial Officer attended the meetings held in February and July to review, respectively, the 2008 consolidated and parent company financial statements and the 2009 interim financial statements.

In February, the Committee reviewed the Group's financing for the year, including the terms and conditions of the loan from the French State, and, in a second meeting, the financial forecast and related objectives for 2009.

In April, the Committee reviewed the provisional figures for 2009 and the Group's financial strategy in a time of financial and economic crisis.

In June, the Committee examined the opportunities offered by the bond market and the guidelines for issuing debt securities.

In October, the Committee reviewed the Group's medium-term plan and the related projects.

Lastly, in December the Committee reviewed the 2010 budget, the strategic outlook and the 2010 Internal Audit plan.

■ The Strategy Committee

The Strategy Committee is responsible for considering the Group's long-term future and strategic vision. In line with this role, it reviews all matters of strategic importance and is informed of the Managing Board's long-term strategic plan.

In particular, it prepares Supervisory Board decisions on strategic projects submitted for the Board's approval in accordance with article 9 of the bylaws.

The Committee comprises seven members, who are appointed in their own name and may not be represented by another party: Jean-Philippe Peugeot (Committee Chairman), Jean-Paul Parayre,

Robert Peugeot, Thierry Peugeot, Henri Philippe Reichstul, Ernest-Antoine Seillière, Jean-Louis Silvant.

The Strategy Committee met five times in 2009. During the meetings, it primarily reviewed the strategic outlook for the Group and its development, the automotive product plan, Gefco and Faurecia's expansion strategies and the main measures taken in response to the financial and economic crisis.

■ The Compensation and Appointments Committee

(January 2009 to 15 December 2009)

At its meeting on 15 December 2009, the Supervisory Board decided to replace the Compensation and Appointments Committee with two separate Committees, an Appointments and Governance Committee and a Compensation Committee.

The Compensation and Appointments Committee was responsible for preparing Supervisory Board decisions regarding compensation for members of the Managing Board, the Supervisory Board and the Board committees, as well as stock option grants to members of the Managing Board. The Committee also stayed informed of changes in compensation and stock option grants to other Group executives.

It prepared Supervisory Board decisions concerning the appointment of new members of the Supervisory Board and Managing Board, by proposing selection criteria, organizing the selection process and recommending candidates for appointment or re-appointment.

The Committee comprised four members, who were appointed in their own name and could not be represented by another party: Thierry Peugeot (Committee Chairman), Jean-Philippe Peugeot, Ernest-Antoine Seillière, Jean-Louis Silvant.

The Compensation and Appointments Committee met eight times in 2009. In particular, it discussed the base salary of Managing Board members and the preparation of succession plans for key executives. The Committee prepared the Supervisory Board meetings that led to the termination of Christian Streiff's position as Chairman of the Managing Board, the appointment of Roland Vardanega as acting Chairman and then the appointment of Philippe Varin as Chairman of the Managing Board and the definition of his compensation package.

It also prepared the appointments to the Managing Board of Jean-Marc Gales and Frédéric Saint-Geours.

■ The Compensation Committee

(Since 15 December 2009)

The Compensation Committee is responsible for preparing Supervisory Board decisions regarding compensation for members of the Managing Board, the Supervisory Board and the Board committees, as well as stock option grants to members of the Managing Board. The Committee also stays informed of changes in compensation and stock option grants to other Group executives.

The Compensation Committee comprises five members, who are appointed in their own name and may not be represented by another party: Thierry Peugeot (Committee Chairman), Jean-Philippe Peugeot, Ernest-Antoine Seillière, Jean-Louis Silvant, Geoffroy Roux de Bézieux.

Created by the Supervisory Board on 15 December, the Compensation Committee did not meet in its new configuration in 2009.

■ The Appointments and Governance Committee

(Since 15 December 2009)

The Appointments and Governance Committee prepares Supervisory Board discussions concerning the appointment of new members of the Supervisory Board and Managing Board, by proposing selection criteria, organizing the selection process, recommending candidates for appointment or re-appointment, and monitoring succession plans for members of the Managing Board.

It tracks changes in French legislation concerning the governance of listed companies, as well as all of the recommendations issued by market regulators and representatives of listed companies. It

also submits opinions or recommendations to the Supervisory Board concerning governance issues.

The Committee comprises six members, who are appointed in their own name and may not be represented by another party: Jean-Philippe Peugeot (Committee Chairman), Thierry Peugeot, Robert Peugeot, Ernest-Antoine Seillière, Jean-Louis Silvant, Geoffroy Roux de Bézieux.

Created by the Supervisory Board on 15 December, the Appointments and Governance Committee did not meet in its new configuration in 2009.

5.2. Remuneration and Benefits of Board Members

5.2.1. Managing Board Compensation

■ Compensation Policy

The compensation paid to each Managing Board member is determined by the Supervisory Board after reviewing the recommendations of the Compensation and Appointments Committee.

The annual compensation paid to Managing Board members includes a base salary and an incentive bonus based on the achievement of a certain number of objectives.

The five members of the Managing Board have been assigned both shared objectives and personal objectives related to their respective executive responsibilities. Each objective includes qualitative and quantitative targets.

The Chairman of the Managing Board receives an incentive bonus ranging from 0 to 110% of his base salary. Incentive bonuses for the other members of the Managing Board may not exceed 100% of their base salary.

At the end of the year, the Supervisory Board determines the base salary that will be paid to Managing Board members the following year and, at the beginning of the year, it calculates the incentive bonus based on an evaluation of how well each member met his or her assigned objectives over the year. Also at the beginning of the year, the Supervisory Board sets objectives for each Managing Board member for the current year.

■ 2009 Compensation

For 2009, annual base salaries amounted to €1,300,000 for the Chairman of the Managing Board and to €618,000 for the other members of the Managing Board.

No bonuses were paid to members of the Managing Board in respect to 2009.

■ Pension Benefits under an Insured Plan

In addition to being covered by government-sponsored basic and supplementary pension plans, eligible Managing Board members may also be entitled to pension benefits funded under an insured plan. Benefits are capped at 50% of the reference compensation, i.e. average of their gross compensation, including bonuses, for their best three years out of the last five in the job.

The additional benefits comprise i) a fixed portion equivalent to 30% of the reference compensation and ii) an additional 2% of the reference compensation per year of service with the Group, up to a maximum 20%. To be entitled to this supplementary pension benefit, a member must have served as an officer of the Group for at least five years and be employed by the Group when he or she retires.

■ Employment Contracts

None of the members of the Managing Board has an employment contract that would be reinstated after he or she ceases to be a corporate officer.

■ Stock Options

None of the members of the Managing Board was granted options to purchasing existing shares of Company stock in 2009.

None of these options were exercised by corporate officers during the year.

Details of previous stock option plans in effect at 31 December 2009 are presented in note 28.3 to the consolidated financial statements in section 20, of the 2009 Registration Document.

Faurecia, which has its own stock option plans, did not grant any options to purchase existing shares of Company stock in 2009.

Other Benefits

The only existing benefit in kind is a company car assigned to each member of the Managing Board.

No other commitments have been given to past or present Managing Board members concerning any other benefits to be

paid when they cease to be a member. Details of the different types of compensation, commitments and benefits granted to Managing Board members in respect of their office in 2009 are presented in section 15 of the 2009 Registration Document.

5.2.2. Supervisory Board Compensation

Supervisory Board members and advisors are paid annual attendance fees up to an aggregate amount determined in advance by the Annual Shareholders' Meeting. Pursuant to the decision of the Annual Shareholders' Meeting of 28 May 2008, this amount has been set at €600,000 until further notice.

In 2009, €20,000 was allocated to each member of the Supervisory Board and €15,000 to each advisor. Members of Board committees are paid an additional €10,000, or an additional €15,000 in the case of the Chairmen.

The Chairman of the Supervisory Board also received €425,000 in compensation for 2009, the same amount as for 2007 and 2008, and each of the Vice-Chairmen of the Supervisory Board received €30,000.

No benefits in kind were awarded to Supervisory Board members, with the exception of a company car provided for the Chairman.

Details on the different types of compensation, commitments and benefits granted to Supervisory Board members in respect of 2009 are presented in section 15 of the 2009 Registration Document.

In addition, Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot and Marie-Hélène Roncoroni receive compensation for working or holding corporate offices in the Peugeot family's companies. Details regarding this compensation are provided in the Foncière, Financière et de Participations (FFP) Management Report.

5.3. Internal and External Control Procedures

5.3.1. Objectives and Limits of the Internal Control System

Detailed information about the internal Control Procedures may be found in section 16.5.1.2 of the 2009 Registration Document.

As part of its commitment to preventing and limiting the effects of internal and external risks, the Group has established internal control procedures and processes designed to provide reasonable assurance concerning the achievement of objectives in the following categories:

- Compliance with laws and regulations.

- Application of the Managing Board's instructions and strategic guidelines.
- Efficient internal processes, particularly those that help to safeguard the Company's assets.
- Reliable financial reporting.

These controls also contribute to the proficient management of the Company's businesses, the effectiveness of its operations and the efficient use of its resources.

5.3.2. Internal Control Framework and Scope of Application

Internal Control Framework Used by PSA Peugeot Citroën

In 2009, the Group put in place new internal control processes and procedures following the creation of the Internal Control Department in October 2008.

The Automotive Division's operating units and support departments are equipped with a set of procedures whose purpose is to ensure that operations continue to function effectively and in compliance with identified best practices. These units and departments also have the means to evaluate the risks they face and the controls

they implement to counteract those risks. The databases and analyses are regularly updated.

Three Group companies use their own internal control frameworks, which are either specific to their business and regulatory environment (Banque PSA Finance) or adapted to the decentralised nature of their organisation (Faurecia and Gefco). These three companies are therefore not included in the scope of the overall internal control framework.

Banque PSA Finance

As required under CRBF regulation 97-02 dealing with internal control systems of credit institutions, Banque PSA Finance's internal control system is organised around two lines of responsibility – for recurring controls and periodic controls – and the first-tier controls performed by the operating units.

The fundamental principles underpinning the organisation and implementation of internal control are set out in an internal control charter that describes the system's organisation, resources, scope, missions and processes.

Faurecia

Internal control is based on a set of procedures available for consultation by all employees via the Faurecia Intranet. The procedures mainly concern programme controls designed to track the performance of contracts for the design, production and supply of complex equipment to automakers, and financial and accounting controls intended to ensure that financial and accounting information is properly processed, thereby underpinning the group's responsiveness.

Faurecia has its own Internal Audit Department, responsible for overseeing the optimal effectiveness of internal financial control systems. In 2009, Faurecia continued to enhance its internal control system by developing the Internal Audit function to ensure the implementation of best practices.

Gefco

Internal control is an integral part of Gefco's corporate governance strategy. Gefco performs controls at each level of the organisation – agencies, subsidiaries and group headquarters – as well as within its various Business Units. These controls cover financial, accounting and operating functions.

Internal control at Gefco is also the daily responsibility of each employee and manager, who take care to conduct his or her activities in accordance with applicable standards, continually assessing the effectiveness of processes and implementing improvement measures where appropriate.

Each year, a Group-wide assessment campaign is conducted in order to gauge the effectiveness of the internal control system. In 2009, the review methods incorporated PSA Peugeot

Citroën recommendations on identifying and tracking risks. The assessment campaign was conducted in the third quarter of the year and involved twenty-seven subsidiaries and nearly three hundred agencies. A detailed report, prepared from the compiled information, served as a framework for defining appropriate improvement measures. The outcome of the internal control procedures applied to operating processes and the action plans implemented by each unit are also assessed during the audits carried out across the Group by the Internal Audit team. Also in 2009, Gefco continued to work on the project launched in 2008 to improve its administrative processes – notably by drafting new standards and strengthening its information systems – which will directly contribute to enhancing the effectiveness of the Group's internal controls.

5.3.3. Internal Control Systems

The annual Internal Audit plan is drawn up based on identified and evaluated risks. It is prepared independently by the internal auditors and submitted to senior management for review. In 2009, the Internal Audit Department carried out 75 audits, the overall

results of which were reported to senior management and to the external auditors for the purpose of their accounting and financial reports.

■ System for Identifying and Analysing Main Risks and Verifying the Existence of Risk Management Procedures

The various departments identify and assess risks and evaluate the related internal controls on an ongoing basis, in France and abroad, within the main units of the Automotive Division and the non-Automotive subsidiaries (except Faurecia and its subsidiaries, which have their own system). These units include corporate departments, plants, import subsidiaries, captive dealerships, local finance departments and facility accounting departments.

This approach enables each operating unit as well as the Group as a whole to establish a map of their principal risks, to assess how well their various risks are managed and draw up action plans where appropriate. The main features of the overall internal control system put in place are as follows:

- A continuous improvement process for preventing and managing risks using a pragmatic, operations-based approach with a focus on action plans and outcomes.
- Led by department heads, who are responsible for overseeing internal control down the chain of command, thereby contributing to the achievement of objectives and enabling full leverage of expertise specific to each business.
- Cross-functional co-ordination and assistance from a network of Internal Control Officers who have a dotted-line reporting relationship with the Internal Control Department.
- Use of existing systems, procedures and processes, including the Quality Management and similar systems, as well as best practices and procedures already applied in the different businesses.
- Autonomy for the various internal control players, with no central questionnaire and a single deliverable – the risk data sheet – prepared based on straightforward support material

such as risk classifications, an impact assessment grid and a scale of internal control maturity levels.

- Precedence of financial impacts over other matters such as legal and HR factors or customer/image issues.
- Tools for assessing both current and target internal control maturity levels.
- Tracking systems for action plans relating to risk prevention and control and internal control maturity levels.
- A specifically designed reporting and consolidation system, adjusted as needed.
- Monthly reviews by the departments, with a monitoring process for the main risks and associated action plans.
- A monthly process of reporting to the Executive Committee on the Group's main risks and associated action plans.
- A quarterly process of reporting to the Executive Committee on movements in the Group's overall risk portfolio.

Procedures for managing risks that could affect the Group's property, plant and equipment and therefore its ability to operate as a going concern are prepared based on a dedicated Site Risk Management Process, designed by the Risk Management and Insurance Department. This department helps the network of site risk managers to apply the Site Risk Management Process by providing expertise in such areas as fire, natural disaster and health and safety risks.

The Group's risk factors are described in section 4 of the 2009 Registration Document and the procedures implemented to control them are detailed in section 16.5.1.2 of the 2009 Registration Document.

■ Internal Management and Oversight

The Managing Board is responsible for constantly overseeing and reviewing the internal control system, where necessary with the support of the Internal Audit Department, which reports to the Board on the results of its controls. The Finance and Audit Committee of the Supervisory Board is kept informed of the main results of regular and one-off Internal Audits.

Each operating unit is responsible for managing risks within its scope of responsibility. Product and service quality risks are managed by the Quality Department. These units and department have teams of auditors that carry out dedicated quality controls designed to assess risk coverage.

Other risks are monitored by each Group department or unit independently. In each operating unit, for example, a dedicated manager has been appointed to lead and continuously improve the unit's internal control system.

The Corporate Internal Control Department manages and coordinates internal control processes across the Group and verifies the consistency of measures undertaken by each operating unit. For its assessment of the Group's position as a whole, this department mainly draws on information provided by the Risk Management and Insurance Department concerning risks that could affect the Group's assets or disrupt operations.

Internal Audit initiatives guarantee the effectiveness and appropriateness of internal control processes and procedures. In light of this, the 2010 Internal Audit plan includes a certain number

of specific audits of areas identified as giving rise to significant risks, whatever the quality of the related internal controls as determined by the internal control risk assessment process.

5.3.4. External Auditors

In accordance with French company law, the financial statements of Peugeot S.A. and the consolidated financial statements are audited by two firms of auditors. The two firms jointly audit all of the accounts and examine the processes used to prepare the financial statements, as well as the Group's internal control processes and procedures.

Following a proposal process managed by the Finance Committee of the Supervisory Board in 2004, the two Statutory Auditors, PricewaterhouseCoopers Audit and Mazars & Guérard, were appointed by shareholders at the Annual Meeting on 25 May 2005.

Their appointment expires at the Annual Shareholders' Meeting to be called in 2011 to approve the 2010 financial statements.

In addition, in line with the policy replacing the signing partner at midterm, the PricewaterhouseCoopers Audit signing partner changed in 2007 and the Mazars & Guérard signing partner changed in 2008.

Through the members of their networks in all Group's host countries, PricewaterhouseCoopers Audit and Mazars & Guérard act as contractual auditors of all of the fully consolidated subsidiaries, with the exception of the companies in the Faurecia sub-group.

They therefore have access to the information required to audit the consolidated financial statements of the PSA Peugeot Citroën

Group. Effective from 2003, they perform continuous audits of the main Automotive Division companies and finance companies in France, therefore improving the overall quality of their audit.

PricewaterhouseCoopers Audit, as Group Statutory Auditor, also reviews the processes for the preparation of environmental and social information published in this report and on the Group's sustainable development website.

In the case of Faurecia, the two firms of auditors, PricewaterhouseCoopers Audit and Ernst & Young Audit, were appointed by shareholders at the Annual Meeting on 29 May 2007, for a period expiring at the Annual Meeting to be called to approve the 2012 accounts. The auditors of cooperative ventures set up with other automakers, which are accounted for by the equity method, are appointed by the cooperative venture partners.

The total fees paid to the auditors in respect of 2009 amounted to €8.1 million for PricewaterhouseCoopers, €2.7 million for Mazars & Guérard and €3.2 million for Ernst & Young. None of these firms performed any non-audit work during the year.

New stricter rules have been established concerning non-audit work performed by the auditors, as required under the Financial Security Act.

5.4. Ethical Practices

5.4.1. Code of Ethics

■ Ethical Standards and Corporate Citizenship

PSA Peugeot Citroën's growth is anchored in strong values and the commitment of management and employees to exemplary citizenship practices and ethical standards. These principles underpin the relationship of trust that exists between the Group and its customers, suppliers and shareholders, as well as between individual employees. A formal Code of Ethics setting out the standards of conduct and behaviour expected by the Group was established in 2003.

In line with its pledge to support the Global Compact, PSA Peugeot Citroën ensures that its actions always reflect the principles defined in the Code of Ethics, particularly with respect to not financing political parties, avoiding conflicts of interest and preventing acts of corruption.

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All employees may refer to the Code of Ethics, which is posted on the Group intranet, particularly when confronted with questions, dilemmas or situations which they feel may violate Group action principles or practices. They are all expected to comply with its guidelines in carrying out their responsibilities. PSA Peugeot Citroën formed a working group in 2009 to update the Code of Ethics. A communication campaign will be rolled out in 2010 to explain the new Code, which the Group considers as a benchmark

for all employees, particularly managers. A programme is being prepared for deployment, awareness building and training in ethical principles.



The PSA Peugeot Citroën Code of Ethics may be downloaded from the sustainable development website.

5.4.2. Conflicts of Interest, Corruption and Anti-Competitive Behaviour

■ Preventing Corruption and Avoiding Conflicts of Interest

Under the terms of the Global Framework Agreement on Social Responsibility, PSA Peugeot Citroën is committed to fighting against all forms of corruption and avoiding conflicts of interest. Every employee has been informed of this commitment and made aware of its importance.

Demonstrating the commitment to fighting against corruption is based on the following key factors:

- The involvement of every employee.
- An analysis of risks and the definition of processes to control them.
- The traceability of every transaction.
- The separation of powers and multiple signatures depending on the amount of the transaction.
- Careful selection of partners.

In addition, employees may report suspected cases of corruption or potential corruption to the Group's Ethics Delegate.

Suppliers are also expected to demonstrate their commitment to preventing corruption and avoiding conflicts of interest, as stipulated in PSA Peugeot Citroën's Requirements Regarding

Social and Environmental Responsibility with Respect to its Suppliers. Purchasing directives have also been defined to discourage corrupt practices.

1,010 employees have been trained in corruption and conflict-of-interest issues in 2009.

In addition to legally mandated control processes in force at Banque PSA Finance, every audit of a Group plant, site or subsidiary includes procedures designed to analyse the risk of corruption, in order to prevent any occurrence. A variety of audits and other internal control procedures are performed every year to detect any cases of corruption, with disciplinary action taken in line with the severity of the case.

In every aspect of its business, and particularly where competition rules are concerned, PSA Peugeot Citroën fully complies with applicable national or European Union law and regulations. To improve employee understanding of competition rules, an intranet-based e-learning programme designed to discourage anti-competitive behaviour is now offered in the catalogue of courses for PSA Peugeot Citroën executives.

■ Cases of Conflict of Interest

(Consolidated Group, excluding Faurecia)

There were no major cases of conflict of interest reported in 2009.

■ Cases of Corruption

(Consolidated Group, excluding Faurecia)

There were no convictions for corruption in 2009.

■ Cases of Anti-Competitive Behaviour

(Consolidated Group, excluding Faurecia)

As of 31 December 2009, no Group company was involved in any claims or litigation that could have a material impact on the PSA Peugeot Citroën consolidated financial statements.

On 9 July 2009, the Court of First Instance of the European Communities issued the final ruling on the dispute between the Group and the European Commission. The case concerned a €49.5 million fine levied by the European Commission on 5 October 2005 against Automotives Peugeot and its Dutch subsidiary, Peugeot Nederland NV, for having engaged in practices aimed at

or having the effect of restricting cross-border automotive sales. This fine had already been paid by the Group but the Court of First Instance of the European Communities lowered the penalty to €44.55 million. Consequently the European Commission repaid the €4.95 million difference plus interest.

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REVIEW REPORT BY ONE OF THE STATUTORY AUDITORS

This is a free translation into English of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



Report by one of the Statutory Auditors on the Processes for Compiling Certain Environmental and Social Indicators and on a Selection of PSA Peugeot Citroën Group Data Published in the 2009 Sustainable Development Performance Indicators Report

To the Management of PSA Peugeot Citroën,

At the request of PSA Peugeot Citroën and in our capacity as the Group's Statutory Auditors, we have performed a review for the purpose of enabling us to express moderate assurance on:

- The Group's processes for compiling i) certain environmental indicators from the Group's plants, offices and other facilities, and ii) social indicators for the Group with the exception of Faurecia.
- Data of a selection of environmental indicators for production facilities operated by Peugeot Citroën Automobiles (PCA) and certain social indicators for the Automotive Division.

The corresponding 2009 indicators are shown in the "Environment" and "Social and Society" chapters of the 2009 Sustainable Development Performance Indicators document, where they are identified by the following symbols:

-  for Group environmental indicators and Group social indicators with the exception of Faurecia, the compilation processes of which have been reviewed within the context of our work.
-  for PCA plant environmental indicators and Automotive Division social indicators, the data of which have been reviewed within the context of our work.

The above-mentioned indicators were prepared and compiled under the responsibility of PSA Peugeot Citroën management in accordance with the Group's 2009 reporting standards. Information concerning these standards may be requested from the Group Sustainable Development Department at contact.sustainability@mpsa.com.

Our responsibility, based on our review, is to express a conclusion on the processes for compiling indicators and on the selection of the above-mentioned data.

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Nature and Scope of our Work

We carried out our work in accordance with professional standards applicable in France.

We performed the procedures described below to obtain moderate assurance that no irregularities exist with regard to data of the selection of reported environmental and social indicators and the processes enabling their compilation.

We did not perform all of the procedures required to obtain reasonable assurance (a higher level of assurance).

- We assessed the processes used by the different Group units to report environmental and social indicators to head office, with regard to their relevance, reliability, objectivity and understandability.
- We selected a sample of facilities, as described below, based on the quantitative and qualitative criteria applied to the data (such as relative weighting, region or business) and in line with the findings of our previous reviews. In the selected facilities and units, we conducted interviews with the persons responsible for compiling the data to verify that the processes were properly understood and correctly implemented. We performed detailed assessments, on a test basis, to verify that the selected data had been correctly calculated and were consistent with the supporting documentation.

Sample selected for environmental indicators:

PCA	The production plants in Sept-Fons, Rennes and Mulhouse (France) and Madrid (Spain)
Faurecia	The facilities in Tarazona (Spain), Cercy (France) and Torsas (Sweden)
Gefco	The Gefco subsidiaries in Spain and Portugal
AP/AC	Two Peugeot dealerships in Rouen and one in Le Havre Citroën used-car dealerships (SCC VO)

Sample selected for social indicators:

PCA	The production plants in Sochaux, Mulhouse and Vélizy (France)
Gefco	The Gefco subsidiaries in Spain and Portugal

The PCA production plants or Automotive Division facilities whose data were reviewed represent the following contributions:

- For environmental indicators, an average of 27% of the PCA plants' energy consumption, 30% of their direct greenhouse gas emissions, 13% of their sulphur dioxide emissions, 26% of their nitrogen dioxide emissions, 21% of their volatile organic compound emissions and 32% of their water consumption.
- For social indicators, 38% of the hours worked in the Automotive Division facilities used to calculate lost-time incident frequency and severity rates.
- For environmental indicators, we prepared a questionnaire to enable us to assess, on a test basis, whether the indicators reporting processes were properly applied and the internal controls effectively performed. This questionnaire was sent to:
 - 20 Faurecia facilities in nine countries.
 - 4 Gefco facilities in France and Benelux.
 - 4 Peugeot and Citroën dealerships in France and Spain.
- We prepared similar questionnaires for social indicators and sent them to six Peugeot and Citroën subsidiaries.
- Lastly, at Group level, we performed analytical procedures and verified, on a test basis, that the data had been correctly consolidated and calculated. This work involved, in particular, interviews with the persons responsible for preparing and applying the processes and consolidating the data, as follows:

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For environmental indicators:

Group/PCA	The Industrial Environment Unit, part of the Institutional Relations Department in the Administrative Services Department, which is in charge of compiling and consolidating environmental reporting data from PCA production plants and for centralising Group environmental indicators.
Faurecia	<ul style="list-style-type: none"> • An outside service provider in charge of compiling and consolidating Faurecia's environmental indicators. The Health, Safety and Environment (HSE) coordinators for each of Faurecia's four Product Groups (Automotive Seating, Interior Systems, Exhaust Systems and Exterior Systems). • HSE managers in charge of validating environmental indicators from: <ul style="list-style-type: none"> - The Automotive Seating Product Group. - The North America and Southern Europe divisions of the Exhaust Systems Product Group and the France – Romania – Turkey division of the Interior Systems Product Group.
Gefco	<ul style="list-style-type: none"> • The Sustainable Development Officer in the Quality Department in charge of compiling and consolidating Gefco data.
AP/AC	The Environment Manager in the Customer Service Department responsible for compiling and consolidating environmental reporting data from the Automobile Peugeot and Automobile Citroën (AP/AC).

For social indicators:

Group/PCA	<ul style="list-style-type: none"> • The Employee Relations Department and the Central Human Resources Reporting Unit, part of the Human Resources Department, responsible for compiling and consolidating quantitative human resources data, establishing certain social data, training, and the organisation of working time; and for consolidating quantitative social indicators. • The unit devoted to Improving Working Conditions within the Human Resources Department, which is responsible for preparing certain social indicators on safety and accident-prevention for centralised compilation.
Gefco	The Gefco Human Resources Management Control Department, part of the Human Resources, Communication and Organisation Department, in charge of reviewing monthly employee data compiled by Gefco subsidiaries.

We were assisted in our work by experts from our Sustainable Development Department.

Conclusion

Concerning environmental indicators, our review revealed the following matters:

- Disparities in the application of reporting standards at the visited Peugeot and Citroën dealerships, concerning the breakdown of waste by type of treatment.
- Limited or non-existent internal controls of environmental reporting data at certain high-volume Peugeot and Citroën dealerships.

Based on our review and subject to the above-mentioned exceptions, no material irregularities came to light causing us to believe that the following processes and data do not comply with the Group's 2009 reporting standards and procedures:

- The processes for compiling environmental indicators from the plants, offices and other sites, and the social indicators for the Group with the exception of Faurecia.
- The data of a selection of environmental indicators reported for PCA production facilities and the Automotive Division social indicators, specified in the first paragraph.

Neuilly-sur-Seine, 16 April 2010

Pierre Riou
Partner
Statutory Auditor

Sylvain Lambert
Partner
Sustainable Development Department

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GRI INDEX

■ Correspondance between Global Compact and GRI Indicators

Areas	Principle	GRI G3 indicators
1. Human Rights	1. Businesses are asked to support and respect the protection of international human rights within their sphere of influence.	HR1, HR2, HR3, HR5, HR6, HR7, HR8, HR9
	2. Make sure their own corporations are not complicit in human rights abuses.	1.1, EC1, HR1, HR2, HR8
2. Labour	3. Businesses are asked to uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA4, LA5
	4. The elimination of all forms of forced and compulsory labour.	HR7
	5. The effective abolition of child labour.	HR6
	6. The elimination of discrimination in respect of employment and occupation.	HR4, LA2, LA10, LA13, LA14
3. Environment	7. Businesses are asked to support a precautionary approach to environmental challenges.	2.1
	8. Undertake initiatives to promote grater environmental responsibility.	EN2, EN5, EN6, EN7, EN10, EN13, EN14, EN18, EN21, EN26, EN27, EN30
	9. Encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5, EN6, EN7, EN18, EN22, EN26, EN27
4. Anti-Corruption	10. Business should work against corruption in all its forms, including extortion and bribery.	SO2, SO3, SO4

	2009 Annual Report (relevant pages)	2009 Sustainable Development Performance Indicators (relevant pages)	Reporting status
1. STRATEGY AND ANALYSIS			
1.1 Executive management statement	2-7	6	█
1.2 Description of key impacts, risks, and opportunities		7-8	█
2. ORGANISATION PROFILE			
2.1 Name of the organization	1	1	█
2.2 Primary brands, products, services	12-13		█
2.3 Operational structure	6-7	142	█
2.4 Location of headquarters	IV	IV	█
2.5 Country operations	18	62-63	█
2.6 Nature of ownership and legal form		24-25	█
2.7 Markets served	8, 18-19	28-29	█
2.8 Scale of the reporting organization	8-9	28, 31, 89	█
2.9 Significant changes during the reporting period		19-20	█
2.10 Awards received		20-22	█
3. REPORT PARAMETERS			
3.1 Reporting period		20	█
3.2 Date of most recent report		19	█
3.3 Reporting cycle		19	█
3.4 Contact point for questions about the report or its contents	1, IV	1	█
3.5 Process for defining report content		19	█
3.6 Boundary of the report		19-20, 62-63, 88	█
3.7 Limitations on report scope		62-63, 88	█
3.8 Basis for reporting on subsidiaries and partially/non-owned entities		19-20	█
3.9 Data measurement techniques		62-63, 88	█
3.10 Re-statements from previous reports		62, 88	█
3.11 Significant changes from previous reporting periods		20-22	█
3.12 GRI content index		159	█
3.13 External assurance for the report		1, 20, 155	█
4. GOVERNANCE, COMMITMENTS & ENGAGEMENT			
4.1 Governance structure	3, 6-7	142-147	█
4.2 Executive officer and the Chair of the governance body		143-144, 148	█
4.3 Independent and/or non-executive Board members		143-144	N/R ⁽¹⁾
4.4 Shareholders/Employee mechanisms for Board Direction	32	13	█
4.5 Compensation and organizational performance		106, 148-149	█
4.6 Conflict of interest avoidance		144, 152-153	█
4.7 Qualifications/expertise of Board members		142-145	█
4.8 Mission and values statements	1-3	9-10, 152-153	█
4.9 Board oversight of sustainability performance		11	█
4.10 Performance evaluation of Board of Directors		145	█
4.11 Precautionary approach/principle		8-11, 64, 151-152	█
4.12 Endorsement of external sustainability charters/initiatives		11	█
4.13 Significant memberships in associations		11	█
4.14 Listing of stakeholder groups		12	█
4.15 Basis for stakeholders identification/selection		12-14	█
4.16 Stakeholder engagement approaches	23, 25, 28-29	13-14	█
4.17 Key stakeholder issues and concerns		14-15	█



Indicator	2009 Annual Report (relevant pages)	Sustainable Development Performance Indicators (relevant pages)	Reporting status
ECONOMY			
EC1 Economic value generated and distributed	9	27	
EC2 Financial implications, risks and opportunities due to climate change		17-18, 36-37	(2)
EC3 Defined benefit plan obligations		123	
EC4 Financial assistance received from government		27	
EC5 Wages comparison		120-121	
EC6 Spending on locally based suppliers		32-33	
EC7 Local hiring		90	
EC8 Infrastructure investments and public benefit		134-139	
EC9 Indirect economic impacts		7-8, 32-34	(3)
ENVIRONMENT			
EN1 Weight or volume of materials used		49-50, 77	(4)
EN2 Percentage of materials used that are recycled		49-50, 77	
EN3 Direct energy consumption broken down by primary source		66-68	
EN4 Indirect energy consumption broken down by primary source		66-68	(5)
EN5 Energy saved due to conservation and efficiency improvements		68	
EN6 Initiatives to provide energy-efficient products/services, and energy saved	14-15	36-50	(6)
EN7 Initiatives to reduce indirect energy consumption		36-50, 68	(7)
EN8 Total water withdrawal by source		76-77	
EN9 Water sources significantly affected by withdrawal of water		77	(8)
EN10 Percentage and total volume of water recycled and reused		77	(9)
EN11 Location/size of land owned/lease/managed in, or adjacent to, protected areas		85-86	
EN12 Description of significant impacts of activities on protected areas		85-86	
EN13 Area of habitats protected or restored		85-86, 136	
EN14 Programs for managing impacts on biodiversity		85-86	
EN15 IUCN Red List species and national conservation list species affected by operations		85-86	
EN16 Total direct and indirect greenhouse gas emissions by weight		69-70	
EN17 Other relevant indirect greenhouse gas emissions by weight	14-15	71-72	
EN18 Initiatives to reduce greenhouse gas emissions	14-15	70-72	
EN19 Emissions of ozone-depleting substances by weight		75	(10)
EN20 NO _x , SO _x , and other significant air emissions by type and weight		73-75	
EN21 Total water discharge by quality and destination		83-84	
EN22 Total weight of waste by type and disposal method	28	78-83	
EN23 Total number and volume of significant spills		84	
EN24 Weight of hazardous waste transported, imported, exported, or treated		83	
EN25 Water sources/habitats significantly affected by water and runoff		77, 85-86	
EN26 Initiatives to manage environmental impacts of products and services across product lifecycle	14-15	36-50	
EN27 Reclaimed products	15	50-80	
EN28 Incidents/fines for non compliance with environmental regulations		84	
EN29 Significant environmental impacts of transportation for logistics	22	71-72	
EN30 Total environmental protection expenditures		36	(11)

Indicator	2009 Annual Report (relevant pages)	Sustainable Development Performance Indicators (relevant pages)	Reporting status
LABOUR PRACTICES & DECENT WORK			
LA1 Workforce by employment type, employment contract, and region	9	89-93	█
LA2 Employee turnover by age/gender/region	27	93-97	█
LA3 Benefits provided to full-time employees		119-124	█
LA4 Employees covered by collective bargaining agreements		103	█
LA5 Notice period regarding operational changes		98-105	█
LA6 Management-worker Health and Safety Committees		114	█
LA7 Rates of injury, occupational diseases, lost days, absenteeism and fatalities, by region	27	106-109, 118	█
LA8 Education for families affected by serious diseases	27	109-113	█
LA9 Health and safety topics covered in formal agreements		114-115	█
LA10 Average hours of training	26	101-103	█
LA11 Programs for skills management and lifelong learning	21	98-101-103	█
LA12 Performance and career evaluations		100-101	█
LA13 Employee and governance body demographics	27	10, 124-131	█
LA14 Ratio of basic salary of men to women by employee category		120-121	█
HUMAN RIGHTS			
HR1 Investment agreements with human rights clauses	27	32-33	█
HR2 Human rights screening of major suppliers/contractors	23	32-33	█
HR3 Employee training on human rights policies and procedures		133	█
HR4 Total number of incidents of discrimination and actions taken		131	█
HR5 Freedom of association		103-105, 132-134	█
HR6 Child labour risk and elimination		131-134	█
HR7 Forced and compulsory labour risk and elimination		131-134	█
HR8 Security practices (security personnel training)		133	█
HR9 Indigenous rights		133	█
PRODUCT RESPONSIBILITY			
PR1 Health and safety across the life cycle of products and services	14-15	36-58	█
PR2 Non-compliance with health and safety regulations		57	█
PR3 Product and service information and labeling		58-59	█
PR4 Non-compliance with product and service information and labeling regulations		58	█
PR5 Procedures relating to customer satisfaction	28	9, 56-57	█
PR6 Marketing communications adherence to regulations		11, 59	█
PR7 Non-compliance with marketing communications regulations		58	█
PR8 Complaints regarding breaches of customer privacy		57	█
PR9 Significant fines for non-compliance with laws and regulations regarding provision and use of products and services		57	█




Indicator	2009 Annual Report (relevant pages)	Sustainable Development Performance Indicators (relevant pages)	Reporting status
SOCIETY			
SO1 Impacts of operations on communities	29	134-139	<input checked="" type="checkbox"/>
SO2 Business Units analyzed for risks related to corruption		149-151, 153	<input checked="" type="checkbox"/>
SO3 Extent of training and risk analysis to prevent corruption		152-153	<input checked="" type="checkbox"/>
SO4 Actions taken in response to instances of corruption		153	<input checked="" type="checkbox"/>
SO5 Participation in public policy development and lobbying		17-19	<input checked="" type="checkbox"/>
SO6 Financial and in-kind contributions to political parties		152	<input checked="" type="checkbox"/>
SO7 Anti-competitive behaviour, anti-trust, and monopoly practices		154	<input checked="" type="checkbox"/>
SO8 Significant fines/sanctions for non-compliance with laws/regulations		57-58, 85, 153-154	<input checked="" type="checkbox"/>

Standard indicators are in black. Additional indicators are in grey.

Reported; Partially reported; Not reported; N/R: Not relevant

Note that this document does not necessarily contain all of PSA Peugeot Citroën's response to a given indicator, even though its reporting status shows that it is partially or fully reported. This is because the reporting status reflects information disclosed in other media, such as the PSA Peugeot Citroën sustainable development website (www.sustainability.psa-peugeot-citroen.com) and the Group's Registration Document.

 An annotated GRI index is available on the Group's sustainable development website.

Notes:

- (1) Not relevant – The governance of PSA Peugeot Citroën is based on an Executive Board and a Supervisory Board.
- (2) The Group has responded to the Carbon Disclosure Project questionnaire (CDP). Financial implications and other risks and opportunities for the organization's activities due to climate change are indicated in the Group's answers to this questionnaire. Risk factors are described in 2009 Registration Document, section 4.
- (3) Not available. Indirect economic impact is difficult to assess by company. The ratio in industry between direct employment and ancillary employment can be estimated at 3 to 4. Other impact types are covered in certain studies, but it is still difficult to make reliable economic assessments.
- (4) The use of renewable materials is monitored internally. The key focus is on recyclability and the effective recycling of vehicles.
- (5) Not available. The Group consumes outsourced electricity and steam. No detail on all suppliers' primary sources is available. The Group will be able to provide this indicator for PCA's perimeter (manufacturing operations of the Automotive Division) for the next reporting session and is tempting to retrieve the information for Gefco and APIAC in mid or long-term.
- (6) The energy challenges of the automotive industry concerning its products are closely linked to the greenhouse effect. Cf. EN18.
- (7) Not available. The energy consumption of suppliers of automotive parts for Peugeot and Citroën vehicles is neither compiled nor estimated. PSA Peugeot Citroën encourages its suppliers to make progress through its purchasing requirements.
- (8) Not relevant. PSA Peugeot Citroën's sites are not located in areas with water withdrawal restrictions, so have no significant impact on the water source.
- (9) Not available. Optimising water consumption at PCA automotive sites is factored in from the design phase of the new site and is one of the objectives of the Environmental Management System. Water recycling and other processes to limit water consumption are encouraged. Open circuit cooling is forbidden at all new facilities. PSA Peugeot Citroën prefers to monitor its water consumption (cf. water consumption indicator) rather than measure the quantity of water recycled at each site.
- (10) Weight not available, but a complete action plan is set up. The Group's is studying the feasibility to consolidate this indicator in order to be able to provide reliable data in long-term.
- (11) Not available. Only R&D expenses dedicated to environmental issues are estimated and published. This indicator is not consolidated. As of today, no methodology exists to assess this cost within a reliable bracket for all industrial activities. The Group monitors trends in these costs on a case-by-case basis, notably investments in this area, and has started internal discussions on the subject in parallel with the development of a possible international standard.

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Design and copywriting: PSA Peugeot Citroën Sustainable Development Department – May 2010

Photos: Cover and Back cover:

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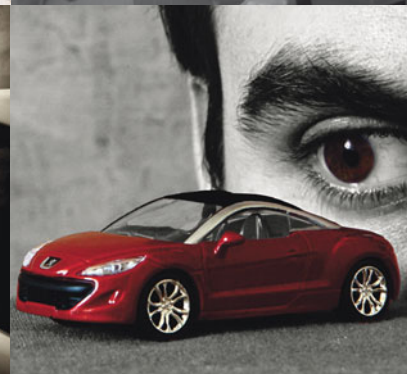
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Designed & published by  Labrador +33 (0)1 53 06 30 80



This document was printed in France by an Imprim'Vert certified printer on recyclable, chlorine-free and PEFC certified paper produced from sustainably managed forests.





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