



President's Office

Paris, 3 January 2012

## Global Compact Communication on Progress in 2011

### I- Renewed commitment by the President

GEFCO, by signing the UN Global Compact in December 2009, made a solemn confirmation of its commitment to the ten founding principles which are based on four fundamental themes: human rights, work standards, anti-corruption and protection of the environment.

These principles are fully part of GEFCO's strategy. Sustainable development is one of its four elements: GEFCO has a strong desire to achieve growth while remaining a responsible player.

These principles also permeate GEFCO's five values: commitment, passion for service, solidarity, innovation and transparency.

In 2011 and 2012 GEFCO renewed and is again renewing its commitment to respect and promote the Global Compact's principles.

**Yves FARGUES**  
President and Chief Executive Officer

## II- Steps undertaken by the Group in 2011

The steps referred to in this document do not reflect all the actions carried out during the year but are a few significant illustrations worth sharing.

These steps could be taken through the involvement of the Group's co-workers as well as with the support of the Sustainable Development team, which was responsible in particular for the Global Compact's environmental commitments and the Social Relations and Prevention team which monitors the committed social responsibility actions and initiatives taken by the Countries through the Global Framework Agreement on Corporate Social Responsibility.

This Agreement, signed on 1 March 2006 by PSA and representatives of the International Metalworkers' Federation (IMF) and the European Metalworkers' Federation (EMF), was renewed on 20 May 2010.

In 2011, **24 subsidiaries** have implemented this approach: Germany, Argentina, Austria, Benelux (rolled out in each country: Belgium and the Netherlands), Brazil, China, Spain, France, Hungary, Italy, Latvia, Morocco, Poland, Portugal, the Czech Republic, Romania, Russia, Slovakia, Switzerland, Turkey and the United Kingdom.

In 2011, 75 new actions were planned and are still underway. Due to the creation of a new commitment to environmental protection in the new provisions of the Global Framework Agreement on Corporate Social Responsibility, each of the countries with staff representatives or union organisations presented the best practices implemented and results obtained in the environmental field.

### 1. Human rights

#### **Example regarding non-complicity in the violation of basic human rights**

GEFCO has reasserted the principles of condemning harassment of any kind and ill-treatment or abuse of employees, and supports initiatives taken concerning these issues.

Many countries such as **Germany, Russia, Spain, Argentina, the United Kingdom, France, Portugal, Ukraine and Morocco** have already deployed alert systems in their agencies enabling employees to report any abuse or harassment that they may be subjected to.

However, significant actions further improving the addressing of this issue were carried out in 2011.

**GEFCO Germany** wanted to reinforce its system to combat harassment in all its forms. It was therefore decided, at the monthly meeting of the Central Works Council (CCE), to systematically address this issue with the elected representatives of the CCE who were

trained, at the end of November 2010, in handling complaints relating to any harassment, abuse and discrimination issues that employees may be subjected to.

**GEFCO Benelux** has already worked extensively on this issue in recent years. In **Belgium** and the **Netherlands**, a unit for dialogue on workplace harassment issues was set up in 2009 to examine situations reported to it. In 2010 in the Netherlands, employees were given the possibility to talk to a psycho-social counsellor whose phone number was posted up on sites. GEFCO Benelux has decided, in these two countries, to set up working groups on workplace harassment.

With a group of employees representing the various professional categories working on the site, and the trade union delegation in Belgium, this involves reflecting on the major risk factors in harassment and seeking immediate actions for improvement and prevention. The work of these groups has not yet been finalised.

Having set up an employee representation scheme for health and safety issues at work on six sites, **GEFCO Poland** decided to train its elected representatives in fundamental human rights, discrimination and harassment, in July 2011.

**GEFCO Austria** also organised training for its managers on 29 November 2011 to improve relations with employees and raise awareness of psychological harassment issues.

## **2. Work standards**

GEFCO attaches great importance to dialogue, ensures freedom of association, respects the rights of union organisations and staff representation both in the areas of economy and safety and working conditions.

### **Social dialogue**

In 2011, out of 24 subsidiaries committed to the Global Framework Agreement on Corporate Social Responsibility, 8 do not yet have staff representatives or union organisations.

**GEFCO Russia** is shortly to set up their first health and safety committee on their Kaluga site.

On 28 February 2011, when renewing the members of its Works Council for a period of four years, **GEFCO Slovakia** wanted to reinforce staff representation for all the subsidiary's employees. Six employees were thus elected instead of four as in the previous election in 2007. They represent the support branch, the TLA, OVL, cross dock and ILL operational activities and the other agencies.

**GEFCO Morocco**, having held the election of delegates on the Tit-Mellil, Casablanca and Tangier sites in 2009 and set up a works council in 2010, has reinforced its commitment to

social dialogue by setting up health and safety committees on the sites where the elections of delegates were held.

## Diversity and equal opportunities

### Disability

**In France**, a new agreement on the integration and continued employment of disabled workers was presented during a Central Works Council (CCE) meeting on 23 June 2011 and was signed by the four trade unions (CFDT, CFE/CGC, CFTC and FO/UNCP). It was approved for a period of four years as of 1 January 2011 by a decision of the Employment Department on 19 October 2011.

This agreement seeks to continue the momentum initiated in June 2008 through a previous agreement on the integration and continued employment of disabled persons, the prevention of disability and social and professional integration. The goal is to achieve a disabled person employment rate of around 6% by 2014 and thus meet the statutory objective. Consideration should be given to continuing awareness raising actions over the intranet; extend schemes in favour of employability through block-release training; reinforce schemes designed to help any employees likely to be declared or having been declared unfit, to continue to be employed; continue to support staff training and capital investment schemes to reinforce relations with "adapted" and "protected" sectors.

### Non-discrimination

In 2010, **GEFCO Brazil** circulated a recruitment guide for the use of its managers to raise awareness of the impact of the questions they may ask during individual interviews and allow them to remain as objective as possible. In August 2011, GEFCO Brazil undertook an awareness raising programme through a booklet consisting of simple, readily understandable illustrations. This booklet raises questions about behaviour within the company as well as discrimination and intimidation. This programme is linked to the Group values part of the GEFCO Project.

**GEFCO Latvia** has drawn up two documents, one giving instructions to managers for carrying out interviews and the other signed by the interviewed candidate guaranteeing the non-discriminatory nature of the questions they were asked.

Since April 2011, negotiations have been underway with the trade unions within **GEFCO France** for the signing of an agreement on professional equality between men and women. The negotiation's objectives are as follows: be able to identify situations of inequality between men and women, the factors causing these inequities and implement policies and actions to ensure equal treatment, regardless of the employee's gender, in any work situation: recruitment, vocational training, promotion and mobility, pay, working conditions, reconciling work and family responsibilities, etc.

### **3. Anti-corruption**

The GEFCO group has a set of processes and rules stipulating the way the company is managed, administered and controlled. These processes and rules are broken down into management rules and signatures and commitment delegations. The internal control provisions reiterate that all activities and public functions carried out by an employee outside their work with the GEFCO Group requires the express authorisation of the company if there is a potential conflict of interest or if there is a risk of the employee's work being disrupted as a result. Disciplinary action is taken against any employee failing to comply with these rules.

In order to ensure the independence of the GEFCO Group's purchasing policy and to develop ethically unimpeachable commercial practices, suppliers are asked to refrain from making gifts.

As a result, gifts or any other form of inducement must be neither requested nor used to promote or influence a decision.

Any gifts sent to employees of the GEFCO group by partners unaware of this provision must be sent to charitable organisations selected by the Group. These provisions are repeated regularly by all subsidiaries.

### **4. Protection of the environment**

The principle of accountability, which is enshrined in GEFCO's strategy, has been included in annual target contracts since 2011.

Extending the Global Framework Agreement to the environmental protection field has consolidated this strategic objective.

Finally, the setting up at Group level of a practical environmental management system, with the determination to improve it and extend it to supplement the existing quality system, establishes a structuring work framework.

GEFCO's environmental policy was published in 2011.

It is endorsed by the President and Chief Executive Officer and reiterates the Group's desire to be a responsible player, stressing that environmental protection and steps taken to combat climate change are a primary concern and require everyone's involvement.

This policy has been distributed to all our subsidiaries, and has been translated into the Group's main languages.

This year, the actions implemented by GEFCO have converged around the main objective of reinforcing environmental practices wherever the Group operates. This involves:

- Creating the network of subsidiary environment managers;
- Extending the scope of ISO 14001 certifications;
- Organising site environmental self-diagnosis;
- Circulating an environmental practices guide;
- Continuing to modernize the fleet of road vehicles.

### The network of subsidiary environment managers

Environment managers have been appointed in 23 out of the Group's 28 subsidiaries. They work in cooperation with the head office and also between themselves, through regular conference calls.

Within their scope, they are responsible for supporting the subsidiary's CEO, managers and teams in implementing the environmental management system and policy, and ensuring its effectiveness.

### ISO 14001 certifications

Six countries have already been certified: Germany, France, Italy, Czech Republic, Romania and Slovakia. The certification of four new subsidiaries is scheduled for 2012.

### Site self-diagnosis

Self-diagnosis is provided for by the action plans of commitment No. 15 of the Global Framework Agreement. The exercise was carried out by all the sites of all GEFCO subsidiaries, with the exception of some sites in France that are to be reviewed at the beginning of next year.

The questions asked are divided into the following six topics:

- Preservation of the natural environment;
- Rational consumption of natural resources;
- Waste management;
- Control of hazardous products;
- Emergency situations;
- Environmental regulations.

The results of this initiative are being analysed. They will be used as a support for the actions to be implemented in 2012.

### The environmental good practice guide

The guide, which is available on the GEFCO Intranet, was placed online during the sustainable development week in March 2011. At the head office, it was accompanied by an animation in the form of a quiz.

This document is for the use of all employees. It describes the simple, eco-friendly steps that everyone can take to adopt more responsible behaviour in our everyday life at, and outside, the workplace.

After an explanation of CO<sub>2</sub>, a presentation of eco-friendly steps is proposed:

- Controlling water consumption;
- Reducing energy consumption;

- Cutting waste;
- Alternative travel.

In addition to these eco-friendly steps, general information is given on each topic (“Did you know...?”), together with a presentation of GEFCO's commitment, suggestions for doing more at home and useful links.

This guide has been translated into French, English, Spanish, Portuguese, German, Czech, Romanian, Hungarian, Russian and Mandarin. It has been circulated to all the Group's subsidiaries.

### Improving the fleet of road vehicles

In 2011, the fleet of service and company vehicles (rented) underwent an action plan to reduce its CO<sub>2</sub> consumption, which decreased from an average of 143 grams to 136 grams per kilometre, in other words a decrease of 5.32%.

GEFCO has signed the voluntary charter to reduce CO<sub>2</sub> emissions created by ADEME, the French Agency for the Environment and Energy Control. This involves carrying out a diagnosis and implementing a fourfold action plan: vehicles (fleet maintenance and renovation, etc.), fuel (consumption measurement), drivers (training) and transport organisation.

After two years, the results obtained are consistent with our reduction targets.

At the end of 2011, GEFCO's own fleet has 441 trucks in France, including:

- 265 road vehicles (transport of various goods);
- 176 car transporters.

Composition of the road vehicle fleet at the end of 2011:

	2005	2006	2007	2008	2009	2010	2011
<b>Euro 1</b>	8%	5%	2%	1%	1%	1%	
<b>Euro 2</b>	28%	26%	20%	10%	5%	4%	
<b>Euro 3</b>	65%	69%	71%	72%	68%	64%	65%
<b>Euro 4</b>			7%	17%	26%	30%	35%

Composition of the car transporter fleet at the end of 2011:

	2005	2006	2007	2008	2009	2010	2011
<b>Euro 1</b>							
<b>Euro 2</b>	30%	21%	16%	14%			
<b>Euro 3</b>	70%	79%	84%	86%	88%	60%	40%
<b>Euro 4</b>					12%	7%	8%
<b>Euro 5</b>						32%	52%

**Example of action to renew the fleet of road vehicles:**

The fleet is currently being standardised to optimise the use of vehicles.

For groupage operations, semi-trailers are systematically provided with double floors to increase their loading capacity. The height of these trucks has been raised.

Finally, decreasing the number of axles of semi-trailer vehicles from three to two has reduced their weight and thus their fuel and tyre consumption.