



The Chairman of the Managing Board

Global Compact Communication on Progress in 2012

I- Renewed commitment by the Managing Director.

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

These principles form part of GEFCO's strategy and sustainable development is one of its four elements, since GEFCO has a strong desire to achieve growth whilst remaining a responsible player.

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

In 2012 and 2013 GEFCO renewed and is again renewing its commitment to respecting and promoting the Global Compact's principles.

Luc NADAL

II- Measures undertaken by the Group in 2012

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

These measures were only possible through the involvement of all of the Group's staff and 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 Global Compact social commitment measures and initiatives undertaken as part of the global framework agreement on social responsibility which has been enforced by GEFCO since 2006.

By 2012, **23 subsidiaries** (Germany, Argentina, Austria, the Benelux countries (deployment in both countries, Belgium and the Netherlands), Brazil, Chile, China, Spain, France, Hungary, Italy, Morocco, the Baltic States, Poland, Portugal, the Czech Republic, the United Kingdom, Romania, Russia, Slovakia, Switzerland, Turkey and the Ukraine) and **2 joint ventures (ALGAI JV in Russia and GEFCO Tunisia)** are concerned by the global framework agreement on social responsibility.

The subsidiaries more recently created in Bulgaria, Slovenia, Kazakhstan and South Africa will also gradually be integrated into the system.

78 new measures were planned for 2012 and are currently being implemented. As a result of the establishment of a new commitment to environmental protection in the new provisions of the global framework agreement on social responsibility, each of the countries with staff representatives or union organisations presents the best practices implemented and results obtained by their subsidiary in the environmental field.

1. Human rights

Example of non-complicity in the violation of basic human rights

GEFCO is committed to reasserting the principles of condemning harassment of any kind and the ill-treatment or abuse of employees and therefore supports actions designed to deal with these issues.

The internal regulations in force within the subsidiaries, and of which all employees are made aware when they join the Group, incorporate these principles. **GEFCO China** and **GEFCO Austria** published their internal regulations in 2012.

A series of alert systems may also be activated. The subsidiaries created in **Germany, Russia, Spain, Argentina, the Ukraine, the United Kingdom, Portugal and Morocco** enable employees to report any abuse or harassment that they may be subjected to by sending an email that will be processed confidentially by the Human Resources Department. The GEFCO subsidiaries in **Austria, the Czech Republic, Slovakia and Switzerland** have also adopted the same approach over the course of 2012.

In May 2012, **GEFCO Russia** decided to organise a new poster campaign featuring the email address hr.russia@gefco.ru to which employees could send an email should they experience any harassment, ill-treatment, abuse or discrimination in the workplace. This campaign supplements the information already available to employees, who are already familiar with this system as part of the internal regulations they receive when they join the subsidiary. As was the case with **ALGAI**

JV, the Human Resources Department of GEFCO Russia is responsible, if needed, for carrying out the necessary investigations.

Several subsidiaries have taken the decision to introduce listening and support services from outside of the company. Employees can contact them in the event that they are experiencing any problems of either a personal (such as mourning, family disputes, feelings of stress, etc.) or professional (tension within a team, harassment, etc.) nature. Seasoned professionals will then be able to help and guide them whilst maintaining the strictest levels of confidentiality. In 2012, **GEFCO Spain**, **GEFCO Russia** and **GEFCO Germany** decided to favour this approach. These systems are intended to complement those already introduced in previous years in **France** and the **United Kingdom**, as well as certain more specific initiatives implemented in **Portugal** and the **Netherlands**.

2. Labour

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

Social dialogue

In 2012, 8 of the 23 subsidiaries and 2 JVs committed to the global framework agreement on social responsibility do not yet have staff representatives or union organisations.

Over the course of the year, elections have been held in Belgium (renewal of members of the Works Council and the Occupational Health and Safety Committee in May 2012), **Brazil** (renewal of members of the Internal Accident Prevention Committee), **Spain** (renewal of members of the Madrid Works Council in March 2012) and the **Ukraine** (renewal of employee representatives in September 2012).

In Belgium, it was decided that the distribution of seats by electoral college would change to four mandates for manual workers and three for administrative staff. An extra seat was therefore allocated to the administrative staff. At the last elections in May 2008, the manual workers college had an extra seat.

In addition to the social dialogue held with the trade union organisations present, **GEFCO UK** wanted to improve this system by voluntarily introducing an 'Employee Forum' consisting of ten employee representatives elected for a period of two years and five members of the GEFCO UK Executive Board who meet twice a year. The forum is a platform for open and transparent information and exchange between employees and the Executive Board with regards to the company's key performance indicators, its commercial development, employment and other employee-related issues.

The Employee Forum also has its own section on the subsidiary's Human Resources intranet system. Employees can contact its members through this channel and minutes of all meetings are also available to everyone via the intranet page.

The first meeting was held on 28 June 2012.

Diversity and equal opportunities

Disability

The GEFCO Group continues to encourage the integration and retention in employment of disabled workers.

In **France**, in fact, the CARCEPT Prévoyance trophy awarded to GEFCO on 8 December 2011 at the conference on social protection in transport and logistics recognised this commitment to workers with disabilities. The employment rate of disabled employees went from 3.5% in 2009 to 4.92% in 2011. A voluntary objective of achieving an employment rate of almost 6% by 2014 has been set and a French Human Resources intranet page devoted to this system entitled 'Initiatives Handicap' has been set up.

Since 2010, **GEFCO Argentina** has been working with an organisation specialising in the professional integration of disabled people to create a programme designed to raise awareness among managers of how to help disabled employees integrate into the company. A series of adjustments have also been made at Head Office to facilitate disabled access at the site.

GEFCO Czech Republic has made all of its employees aware of the issue of disability by means of an article published in the subsidiary's internal magazine, GEFCOviny. The subsidiary has also established a partnership with KAMPI OFFICE, a supplier of office equipment and supplies that employs disabled people.

5% of **GEFCO Germany** employees have some form of disability and the subsidiary works together with the Administration to ensure that work place equipment is adapted to reflect the specific needs of the individuals concerned (such as ergonomic chairs, for example).

Non-discrimination

In **France**, meanwhile, an agreement on professional equality was signed by all representative unions on 14 December 2011. This comprises a three-pronged action plan (recruitment, careers and mobility, and combining professional careers and family responsibilities), as well as a drive to improve awareness and communication.

As a result, 2012 saw a great increase in the widespread awareness of diversity and non-discrimination among 240 employees, managers and elected representatives. This increased awareness, led by Altidem, was intended to provide all stakeholders in the company with the same knowledge and information and to clarify the concept of diversity. Participants can now test the knowledge they have acquired by accessing a 'serious game', an educational multimedia application based on interactivity whereby they are required to perform various managerial tasks, such as recruitment, skills management and annual interviews, giving everyone an opportunity to reflect on ways in which they can incorporate responsible management practices which reflect the Group's values into their day-to-day working lives.

In September 2012, **GEFCO Ukraine** provided its managers with training in matters relating to professional equality and diversity, which consisted of a day-long course attended by the eleven managers of the subsidiary. Participants got then the opportunity to talk to the trainer about the company culture, which is based on the values of tolerance and social responsibility. A series of role-plays were used to deal with the issue of stereotypes and the way in which they can be challenged thanks to effective communication.

By the end of the year, **GEFCO Turkey** also plans to introduce an initiative designed to raise awareness among managers of non-discrimination and diversity. Those concerned will be reminded of the provisions of the Turkish Employment Code and the procedures in place within the subsidiary at the time the initiative is introduced. They will also be reminded of the importance of using the 'recruitment guide' introduced in 2008 for managers in order to ensure that recruitment practices are both fair and objective.

3. Anti-corruption

The GEFCO Group has in place a set of processes and internal rules that influence the way in which the company is managed, administered and controlled. Corporate governance is expressed as a series of internal management and control rules and the delegation of signing authority and commitment and it is worth reiterating that any activity or public function carried out by an employee requires the express authorisation of the company in the event of a potential conflict of interest or if there is a chance that the quality of the employee's work might deteriorate as a result.

There are also specific clauses within the Group's employment contracts to remind the parties concerned of these commitments, and any failure to observe them will be punished.

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

In more general terms, gifts or any other form of inducement must be neither requested nor used to promote or influence a decision.

Any gift sent to employees of the GEFCO group by partners unaware of this rule must be sent to charitable organisations selected by the Group. All subsidiaries are reminded of these rules on a regular basis.

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.

2011 also notably saw the publication of GEFCO's environmental policy.

This was signed by the Managing Director and reiterates the Group's desire to be a responsible player, stressing that environmental protection and fighting climate change are primary concerns and require the involvement of everyone in the Group.

In 2012, a multi-country working party comprising environmental managers representing the different GEFCO divisions identified a series of indicators and set reduction targets for the Group in relation to this environmental policy.

The results of this work will be presented to all GEFCO subsidiaries in early 2013.

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

- Extending the scope of ISO 14001 certifications;
- Using the results of site environmental self-diagnoses to identify improvement measures;
- Fighting climate change by controlling GEFCO's carbon footprint, by carrying out a carbon inventory and by making the Group's main customers aware of their CO₂ impact;

- Continuing to modernise the road vehicle fleet and more closely managing the Group's overland transport activities.

ISO 14001 certifications

Nine countries have already been certified: Germany, Brazil, France, Italy, Portugal, the Czech Republic, Romania, the United Kingdom and Slovakia.

The certification of four new subsidiaries is scheduled for 2013.

Furthermore, work to incorporate the ISO 9001 and 14001 standards is currently under way and is expected to be completed in 2013.

Site self-diagnosis

This exercise was performed across all GEFCO subsidiary sites, with a response rate of 100%.

To recap, the questions asked were 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 led to the following:

- the implementation of enhanced environmental risk prevention management practices by means of the Corporate internal control tool
Internal control and risk management are an integral part of GEFCO's corporate governance system, meaning that they involve every function of the Group, irrespective of their size or activity.
- the continuation of employee information and training initiatives relating to environmental protection. These are set to be developed further in 2013.

Fighting climate change by managing the GEFCO Group's carbon footprint

GEFCO is aware of the impact of its activities on global warming, leading it to review its operating methods.

The Group therefore decided to carry out a carbon inventory in order to measure its CO₂ emissions and prepare reduction plans to help it to analyse, control and reduce its energy consumption and therefore its emissions.

This inventory included the entire Group and all of its activities (that is scopes 1, 2 and 3), meaning that it far exceeded French requirements with regards to the so-called 'Grenelle 2' law.

Furthermore, GEFCO wanted to support its customers in their carbon approach by informing them of the levels of emissions associated with the transport services provided for them.

Finally, the Sales and Marketing Department suggests that the entire GEFCO network encourage digital collaboration by means of a special web platform devoted to sales presentations. Such presentations cover the entire GEFCO offering and all of the group's expertise and there are many models available to the network to enable it to create personalised customer presentations.

Support tools for sales campaigns have also now been computerised.

The section of the sustainable development intranet site devoted to environmental management has adopted an approach directed at the network of environmental managers and at other environmental players, who have been offered a series of 'ready-to-use' tools. Good practices adopted locally to facilitate the sharing of these tools have been promoted through the 'my site is acting' section.

The Rennes depot in France, for example, sustainably manages postal mail by sending non-urgent letters as 'green mail' (meaning that it does not travel by air freight) or using the more environmentally-friendly Ecopli service.

The Marckolsheim depot (also in France), meanwhile, has been recognised for its commitment to the environment, with a certificate awarded by its main service provider, Sita Suez, recognising the effort made by the depot with regards to waste sorting. In fact, some 18 tons of cardboard and 4 tons of plastic have been sorted, collected and later reused this year, representing the equivalent of the electricity consumption of 22 citizens for a whole year.

[Modernising the fleet and managing overland activities.](#)

By the end of 2012, 89% of the car transporter fleet will be meeting Euro 5 standards.

70% of the road vehicle fleet will be meeting Euro 4 or 5 standards.

Truck speed has been restricted to 85km/h, which has helped achieve a 3-5% reduction in consumption on motorways.

Transport plan optimisation tools are currently being installed onboard the trucks and will not only help reduce empty transport runs but also optimise loads and monitor fuel consumption.

This project involves some 1,800 vehicles, all of which will be equipped with the systems in 2013.