

Global Compact
Communication on Progress 2013-2014

I- Renewal of the Chairman of the Board's commitment

"I am very happy to reaffirm GEFCO's commitment to the United Nations Global Compact, which we signed in December 2009.

The respect of human rights and working standards, the fight against corruption, and the protection of the environment, principles at the heart of the Global Compact, are an integral part of GEFCO's strategy.

As a major player in the logistics and transport sector, present in more than 150 countries around the world via our network of 37 subsidiaries and partners, and including more than 11,500 employees with 71 different nationalities, GEFCO perceives its growth as the result of its economic, social, societal, environmental and civic responsibility.

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

In the name of all the GEFCO teams in the world, I am proud to renew our commitment in 2014 to respect and promote the principles of the Global Compact."

Luc NADAL
Chairman of the Board of
Directors

II- Measures undertaken by the Group in 2013

The measures cited in this document represent a few significant illustrations that we wished to share to give an account of GEFCO's civic engagement.

They are part of an even larger group of very diverse actions carried out during the year by GEFCO employees around the world, with the help of the Sustainable Development team, which is particularly responsible for the environmental commitments of the Global Compact, and the Employee Relations and Accident Prevention team (RSP). The RSP team monitors the actions and initiatives led in particular on the Global Compact's social commitments inscribed in the Global Framework Agreement on Social Responsibility deployed by GEFCO since 2006.

As of 2013, there are **24 subsidiaries** - Argentina, Austria, Baltic States, Benelux (deployment in each of the countries: Belgium and Netherlands), Brazil, Chile, China, Czech Republic, France, Germany, Hungary, Hong Kong, Italy, Morocco, Poland, Portugal, Romania, Russia, Slovakia, Spain, Switzerland, Turkey, Ukraine and the UK - and **2 joint-ventures (ALGAI JV in Russia and GEFCO Tunisia)** concerned by the Global Framework Agreement on Social Responsibility.

Progressively, the more recently created subsidiaries in Bulgaria, Croatia, Mexico, Slovenia, Kazakhstan and South Africa will integrate the agreement. Management of these subsidiaries have already benefited from awareness actions on the subjects tied to the company's social responsibility.

In 2013, 81 new actions were planned and are currently being carried out.

1. Human rights

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

GEFCO is committed to reaffirming the principles of prevention and of fighting against harassment of any kind as well as the ill-treatment or abuse of employees and, therefore, supports initiatives designed to deal with these issues.

The internal regulations implemented in the subsidiaries and shared with every employee upon their arrival in the Group recall these principles. Of 36 subsidiaries in total, 29 already have this document. **GEFCO Kazakhstan had its published in September 2013. GEFCO Germany and GEFCO Mexico are currently working on this project for an entry into force in 2014.**

Of the 26 subsidiaries committed to the Global Framework Agreement on Social Responsibility, 18 of them have set up email addresses, boxes or procedures allowing employees to contact Management when facing a difficulty such as described above in the subsidiary.

In this respect, the subsidiaries established in **Argentina, Austria, Belgium, Czech Republic, Germany, Hungary, Latvia, Morocco, Portugal, Russia, Slovakia, Spain, Switzerland, Ukraine and the UK** created alert systems enabling employees to report any ill-treatment or harassment to

which they could potentially be subjected to through an email or a request handled by the Human Resources department with complete confidentiality.

In 2013, the **GEFCO Turkey** subsidiary opened up this possibility to its employees with the address insankaynaklari@gefco.com.tr; **GEFCO China** did the same in April 2013, with hr.china@gefco.cn.

GEFCO Argentina and GEFCO Portugal joined the list of countries in 2013 that have put telephone counselling schemes for employees in place, in collaboration with external non-GEFCO organisations.

Concerned about the employees' well-being at work, some of the subsidiaries have deployed telephone counselling services. Guaranteeing anonymity and confidentiality, these services at the disposal of the employees allow them to speak with an occupational psychologist concerning professional or personal subjects (bereavement, family difficulties, divorce, etc.) likely to cause a feeling or a situation of psychological discomfort. The implementation of these schemes was the subject of various communications aimed at the employees both in an individual and collective manner.

GEFCO Argentina set up "GEFCO en Linea" in August 2013. This initiative was taken following the results of two surveys carried out in 2012 (on the health of employees) and in 2013 (on factors of occupational stress), with the organisation CEROes3.

Regarding **GEFCO Portugal**, this action was decided on after an occupational stress survey completed by the employees, between 15 and 22 November 2012, with the external organisation TÜV Rheinland Portugal. One of **GEFCO Portugal's** top criteria was that this service be accessible 24/7, 365 days a year. The subsidiary thus decided to entrust this important role to the service provider who is responsible for the medical checks of the GEFCO Portugal employees. An individual letter was sent to the employees to inform them of the implementation of these services. A magnet with the phone number was included in the envelope so as to always be accessible.

As a reminder, **GEFCO UK** had set up such a service with First Assist but has since changed service providers, on 15 October 2013.

The France entity had also set up a centralised scheme, on 1 July 2008, but changed service providers in September 2012. It is now JLO Conseil that takes care of this service. This change took place following a second survey performed on psychosocial risks between 19 November and 21 December 2012.

Marginal to this survey and in collaboration with GEFCO's Training Department in France, the second phase of the plan relative to the training of personnel on psychosocial risks was carried out in 2013. More than 570 managers responsible for at least two employees participated in a half-day training course. In 2011, the Executive Board, site managers and members of the CHSCT received this training from the service provider JLO Conseil.

At **GEFCO Spain**, this telephone service has been provided since 2009. A change in service provider took place in April 2012. It is now run by a structure called ASMEDIT.

In September 2012, **GEFCO Russia** also set up such a system with the help of the insurance agency RENAISSANCE.

Finally, in October 2012, **GEFCO Germany** published an informative document concerning the introduction of a service of this kind for employees by the company CORRENTE. The Secretary of the Central Works Council (CCE) then visited the various depots to present this service with the help of a representative from CORRENTE and a representative from the Human Resources department.

2. Working conditions

GEFCO attaches great importance to social dialogue, ensures freedom of association, and respects the rights of union organisations and staff representative bodies, whether they intervene in the economic or safety domains, or on the working conditions.

Social dialogue

In 2013, of the 24 subsidiaries and 2 JVs committed to the Global Framework Agreement on Social Responsibility, 7 do not yet have staff representatives or union organisations.

Electoral processes took place during the year: in **Romania** (renewal of staff representatives in March 2013), in **Brazil** (renewal of the members of the Internal Accident Prevention Committee), in **Tunisia** (renewal of the members of the advisory committee created for the first time in April 2010), in **Spain** (renewal of the members of the Barcelona Works Council, in May 2013) and in **Ukraine** (renewal of the staff delegation in November 2013 following a decision by the staff representatives to reconsider their mandate). In December 2013, **GEFCO Baltic States** organised an electoral process for the implementation of three staff representatives for the first time.

In parallel to its social dialogue with the trade unions present, **GEFCO UK** aimed to improve this scheme by voluntarily setting up an Employee Forum in June 2012. This "Employee Forum" comprises ten staff representatives elected for two years and five members of the GEFCO UK Management who meet twice a year. The forum is a platform for open and transparent information and exchange between employees and the Management with regards to the company's key performance indicators, its commercial development, employment and other employee-related issues.

GEFCO UK decided, in 2013, to no longer split up the meetings between the representatives of the trade unions and the members of the Employee Forum, which before took place for each body twice a year. All of the members now meet three times a year. The first joint meeting of these bodies took place on 20 November 2013. Three meetings will be planned in 2014.

Diversity and equal opportunities

Disability

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

In France, the Group maintains its voluntary target to reach an employment rate close to 6% in 2014: it is currently at 5.23%.

During the year, two partners were identified to propose candidates with a disability, basing the search on a very extensive base of CVs.

Likewise, regarding temporary work, the managers have the objective of calling upon temporary employees recognised as disabled whenever possible.

In 2013, **GEFCO Italy** approached the Labour Offices of Milan and Florence to set up a recruitment process for disabled trainees. The subsidiary also used the "Monster" website to perform its searches and was able to receive some sixty CVs. Three handicapped trainees thus joined the depots of Turin, Florence and Pregnana.

GEFCO Brazil organised a series of information sessions with the Ministry of Labour of the State of Rio de Janeiro to sensitise the managers to the professional integration of disabled persons. A programme of 13 recruitments planned for 2013 is currently being carried out.

Non-discrimination

In France, in keeping with the provisions of the Agreement on Professional Equality signed on 14 December 2011 by all of the representative trade unions, GEFCO implemented, in February 2013, a specific procedure to be applied for every maternity, adoption or parental leave in view of lessening the negative effects of these absences on career development.

Every manager must carry out:

- **An interview before departure** on maternity, adoption or parental leave, aiming at taking stock of the employee's main activities and their state of progress. The employee is invited to submit proposals in view of compensating for their absence and to anticipate their return by expressing their possible hopes for advancement;
- **An interview at the time of their return** during which the goal will be to inform the employee of the developments that took place with the company and/or the department they are assigned to, to allow the employee to express their training and/or development needs and/or their wishes for a professional or geographical mobility.

A series of telephone conferences and meetings on the presentation of this plan took place during the year.

In France, due to the new legislative provisions that took place during the year, the Management negotiated a "contrat de génération" (French governmental agreement concerning older workers) with the trade unions in which the objectives are to facilitate the sustainable integration of young people in employment, to encourage the recruitment and retention of older employees, and to ensure the transfer of knowledge and skills. The main points in the agreement signed with the trade unions on 13 December 2013 are the following:

- Sustainable integration of young people: GEFCO has set itself a target of 50 recruitments with fixed-term contracts between the beginning of 2013 and the end of 2015. A specific procedure for assessing trainees, including the retention of interesting applications as well as a sponsorship system for young people will be put in place. A welcome handbook is also accessible on the Group Intranet.
- Maintaining the employment of older workers: the goal is to maintain the rate of employees aged 55 and up in the GEFCO population at 13.17% (as of 31 December 2015).
- Transfer of knowledge and skills: the skills of the occasional trainer will be developed and the tutor function promoted. Management will also control the age diversity among the working teams as regarding the twenty main job positions.

This agreement applies retroactively as of 1st January 2013, for a period of 3 years.

On 18 July 2013, **GEFCO Spain** reaffirmed its commitment to the prevention of racist and xenophobic behaviour in a press release. In September 2013, the equality, diversity and prevention of gender-based violence agreements were renewed. They had been initially signed in October and November 2009 by the Management of GEFCO Spain and the different Works Councils.

GEFCO Spain started a vast awareness campaign for its managers on the contents of the agreements.

3. The fight against corruption

The GEFCO Group has a set of processes and internal rules in place 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, as well as 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 risk 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. Any failure to observe them will be sanctioned.

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 offering any gifts.



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

Any gifts 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

In 2013, the merger of the Quality and Environment systems begun in 2012 continued:

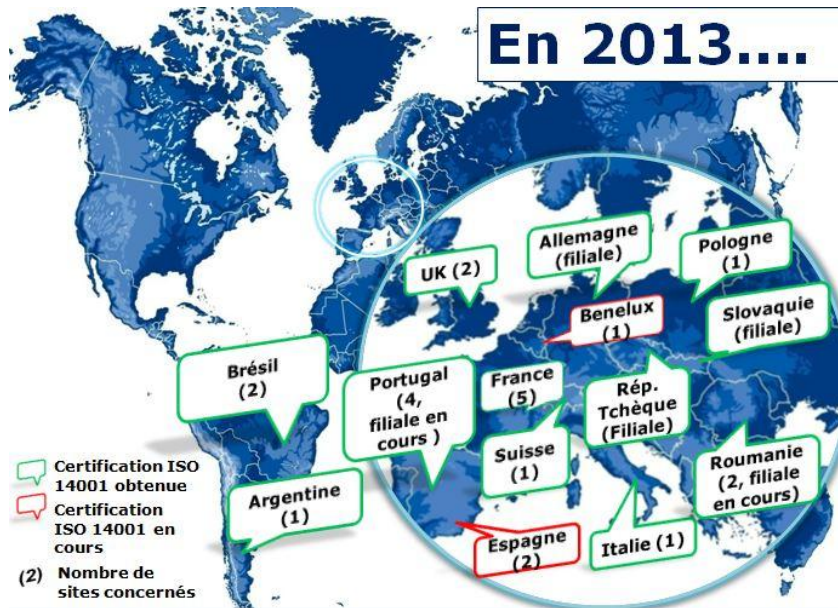
- GEFCO published the "**Quality and Environment**" **manual** which describes the "Managing through quality while respecting the environment" process in detail;
- The **Group's quality policy and orientations** incorporate the environment and reaffirm the "Responsible" value of the GEFCO Project;
- The environment **self-assessment questionnaire** is incorporated in the internal control questionnaire, in the same way as the quality questionnaire;
- A description of the position is currently being developed to include the environment skills in the job description of the on-site quality leaders. They will become the **Site Quality and Environment Leaders (AQES)**.

The implemented actions converge towards the reinforcement of good environmental practices. Everywhere the Group is present, we want to:

Extend the scope of the ISO 14001 certifications

In 2013, 5 new sites were ISO 14001 certified, namely two in Portugal and one in Switzerland, in Argentina and in Poland. Within the Group, 44 sites were thus ISO 14001 certified.

3 sites are currently being certified: two in Spain and one in Belgium.



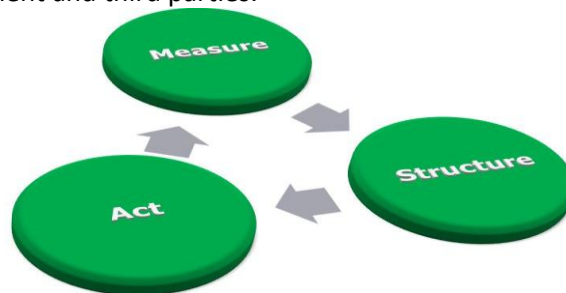
Finally, 3 countries have initiated a global certification process for all sites combined:

- Romania,
- Ukraine,
- Poland.

Use the results of the sites' environmental self-assessments to identify improvement actions

A corporate **Environmental Management Plan (EMP)** was created and communicated to all the subsidiaries. It defines two major environmental objectives, recalled in the Quality and Environment policy:

- Respecting natural resources by controlling their consumption;
- The fight against climate change and pollution, as well as the reduction of the impacts on the natural environment and third parties.



These objectives are expressed through several reduction and management targets. A follow-up indicator, standard actions to be carried out and management functions are assigned to these targets.

The EMP was adapted according to the nature of the activity concerned (Finished Vehicles Logistics, Overland, Warehousing and Reusable Packaging, Overseas, administration).

Its design is based on different indicators collected with the help of several measuring methods:

- The **environmental report** carried out every year since 2007;
- The **carbon inventory** carried out every year since 2011;
- The **environment self-assessment** carried out every year since 2008;

The EMP is strengthened thanks to the organisation of one working group bringing together correspondents from all of the subsidiaries.

Each environment manager is asked to take this EMP in account in the definition of their subsidiary's annual budgets.

Fight against climate change by managing GEFCO's carbon footprint

Since 2011, GEFCO has been carrying out a carbon inventory and measuring its CO₂ emissions.

This inventory, coupled with the information relative to CO₂, integrated in the environmental report, made it possible to identify targets for the reduction of emissions, in particular by taking control of fuel consumption within the Group.

In parallel, GEFCO anticipated the legal obligation of posting its emissions. Since 2012, the Group reports to its main customers the total CO₂ emissions relative to the services carried out for them.

A Web portal is currently being created; it will allow GEFCO customers to follow the evolution of the CO₂ emissions concerning them in real-time.

Continue to modernise the road vehicle fleet and more closely manage the Group's overland transport activities.

The equipment of GEFCO's own fleet has been adapted to contribute to the reduction of CO₂ emissions:

- The built-in and managed OmniExpress tool is installed on our own fleets. It informs drivers of their driving behaviour - in terms of accelerations, declutching, speed, etc. -, thus allowing them to act upon their fuel consumption and their CO₂ emissions. The monitoring of these indicators also allows the GEFCO sites to identify targets for reduction.
- Currently, 100% of the "Overland" fleet managed in France is equipped with the OmniExpress tool, for 50% in the subsidiaries. In addition, all of the vehicle storage yards of the "Finished Vehicles Logistics" activity are equipped with it.



- New generation deflectors have been installed on GEFCO's own fleet of trucks. The deflector reduces the tractor's air resistance allowing for a reduction in fuel consumption.

Eco-driving training and awareness actions are being progressively put in place:

A corporate training standard is currently being developed. It is a question, for all of the Group's employees, of having a common reference system at their disposal, so as to organise efficient and coherent eco-driving courses within the Group. The goal is to train all of the drivers.

Contribute to GEFCO's Corporate Social Responsibility (CSR) approach

GEFCO's CSR approach is structured according to the ISO 26000 standard, around 5 pillars:

- Organisation and governance
- Social involvement
- Environment
- Innovation and business line practices
- Communities and local development.