

Chairman of the Management Board

Global Agreement Progress Report 2015

I- Renewed commitment by the Chairman of the Management Board.

By the very nature of its logistics activity, the GEFCO Group helps shape territories and strengthen local economies. Because it acts on the everyday life of numerous men and women in the world, GEFCO includes the respect for the fundamental rights into its international growth strategy.

At the GEFCO group we strongly believe that sustainable development must generate shared values. Our Group has thus implemented a program of corporate social responsibility aiming at improving ways of working with its employees, customers and partners, in accordance with the regulations prevailing in each of the countries where it is present.

This program encompasses both a global framework agreement with staff representatives on social responsibility and an environmental management system to comply with the regulations in force in each country in which the Group is established.

As a natural consequence, GEFCO has been yearly signing since 2009 the UNO Global Compact in December 2009. It is of paramount importance for me that all GEFCO teams commit to respecting the ten founding principles related to human rights, working standards, fight against corruption and environmental protection. This approach is also reflected in the values of our Group: commitment, passion for service, solidarity, innovation and transparency

On behalf of the GEFCO Group, I thus wish to express by this letter the will of GEFCO and its teams to renew our commitment to respect and to promote the Principles of the Global Pact.

A handwritten signature in blue ink, appearing to read "Luc NADAL", with a long horizontal flourish underneath.

Luc NADAL

II- Steps taken by the Group in 2015

In this document, we have voluntarily chosen not to present a comprehensive outlook of actions that have been completed, but instead to describe those we consider to be significant.

We would also like to emphasise that we were able to complete these actions thanks to the involvement of the Group's employees alongside the Sustainable Development and Employee Relations and Prevention Teams. These teams are in charge respectively of tracking actions and progress on commitments concerning the environment and employee relations set out in the Global Framework Agreement on Social Responsibility applied to GEFCO.

Due to the creation of a subsidiary specific to France, named GEFCO France SAS, on 1 January 2015, which is separate from GEFCO SA, **GEFCO SA** managed his own actions autonomously over GEFCO France SAS.

In 2015, the Group included **29 subsidiaries** (Germany, South Africa, Argentina, Austria, Benelux - Belgium and the Netherlands-, Brazil, Bulgaria, Chile, China, Croatia, Spain, France, Hungary, Hong Kong, Italy, Morocco, Mexico, the Baltic states, Poland, Portugal, the Czech Republic, the United Kingdom, Romania, Russia, Slovakia, Slovenia, Switzerland, Turkey, Ukraine) and **2 joint-ventures (JV ALGAI in Russia et GEFCO Tunisia)** and **GEFCO SA** that are concerned by the Global Framework Agreement on Social Responsibility. As all subsidiaries must progressively integrate the scheme, the managers of these entities were all made aware of the company's social responsibility during the integration process.

We had scheduled the implementation of 96 new actions in 2015. At the end of 2015, 95% of them had been completed; the others will be completed in 2016.

1. Human rights

Example of non-complicity in fundamental human rights violations

Intending to reaffirm sentencing guidelines on harassment of any kind as well as on conducts that violate employees' dignity, GEFCO is in favour of implementing actions or schemes to prevent such situations.

- Implementation of internal regulations

Within the GEFCO Group, the implementation of internal regulations is an essential factor. This document provided to employees gives them an idea of what the company expects from them (compliance with instructions, discipline, working atmosphere, etc.) but also of the guarantees provided by the company (principles of condemning harassment of any kind, ill-treatment, leave, training, equal treatment, etc.).

In 2014, **GEFCO Mexico published its internal regulations,**

In July 2015, however, GEFCO Mexico's internal regulations were revised with the addition of clarifications on sick leave, and special leave days in the event of death, birth or marriage, in accordance with the principles of Mexican law.

In August 2015, new work regulations were applied within **GEFCO Benelux**, which particularly include the regulations relating to the fight against harassment, improper behaviour at work, and the mechanisms in place within the subsidiary to prevent this type of situation, and especially the unit set up with the labour representatives.

These new regulations were the product of considerable work and social dialogue led by the Management and the trade union representatives present in the subsidiary.

After signing by the permanent union representatives, it received final and official validation during the extraordinary meeting of the Works Council on 7 July 2015. It was recorded with the Regional Directorate for the Control of Social Legislation.

GEFCO Slovenia, GEFCO Croatia and GEFCO Bulgaria continued their work on the drafting of this document.

In 2015, 27 subsidiaries had a document of this type.

- Implementation of effective alert procedures

Of the 29 subsidiaries and the 2 JVs undertaken within the Global Framework Agreement on Social Responsibility, 21 of them have implemented complementary schemes like email addresses, boxes or procedures designed specifically for employees to be able to call upon the Management and report any infringement of individual rights.

In this capacity, the subsidiaries established in **Germany, Argentina, Austria, Belgium, Spain, Hungary, Morocco, the Baltic states, Poland, Portugal, the Czech Republic, the United Kingdom, Russia, Slovakia, Switzerland, Turkey, and Ukraine**, allow employees to report cases of bad treatment or harassment by simply sending an email or directly through a formal request made to the Human Resources department that then handles the file in complete confidentiality.

However, significant actions further improving the addressing of this issue were carried out in 2015.

At **GEFCO Slovakia**, in July 2015, employees were informed of the implementation of new legislation that now requires all employers with more than 50 employees to establish a procedure allowing them to report illegal or criminal acts committed within the company, and ensuring them protection against disciplinary action.

An email address was created to this end, podnety@gefco.sk, to which employees can report these acts that will then be independently dealt with by the GEFCO Slovakia Safety Manager.

The company must accept and examine each report within 90 days.

GEFCO Benelux recalled, in its new work regulations, the regulations relating to the fight against harassment, improper behaviour at work, and the mechanisms in place within the subsidiary to prevent this type of situation, and especially the unit set up with the labour representatives.

Lastly, the **GEFCO Group's Management** plans to roll out an **ethical alert system** in 2016 via a dedicated Intranet portal provided by an external provider, or by telephone. The first country concerned will be France which will then be followed by other countries.

GEFCO's professional alert system will be an optional scheme provided to the employees of the GEFCO Group within the confines of its detection and prevention of misconduct initiative in the finance, accounting, and banking domains, the fight against corruption and anti-competitive practices, the fight against discrimination and harassment in the workplace, the fields of occupational health and safety, and environmental protection.

This system will supplement other alert possibilities provided for employees within the GEFCO Group (management, Human Resources, etc.). It is not a normal reporting method for malfunctions within the company, but rather an additional system to other alert methods within the company.

Each professional alert will be recorded in a confidential and secure database and will be transmitted to an Ethics Committee composed of the Director of Human Resources, the Director of Strategy & Finance, the Legal Director and Compliance Officer, and the Director of Communication.

The Ethics Committee will conduct an impartial and objective examination of the admissibility and severity of each alert. It may, where appropriate, request additional information, elements, or material from the person issuing the alert.

All professional alerts declared admissible by the Ethics Committee will then be classified and processed by the latter.

- Implementation of a telephone assistance service for employees

Concerned about their employees' well-being in the workplace, some subsidiaries have made anonymous and confidential telephone counselling services available for their employees so they can talk with a professional about work or personal issues (death, family problems, divorce, etc.) that could bring about feelings or a situation of psychological unease. To inform employees of this type of telephone service, individual and/or group memos were created.

The schemes are in place in the following countries: Germany, Argentina, Spain, France, Portugal, the United Kingdom and Russia were maintained in 2015.

2. Working conditions

GEFCO places particular importance on the social dialogue, sees that freedom of association is respected, and complies with the rights of union organisations and staff representative bodies working in economic and safety areas or on working conditions.

Social dialogue

The GEFCO Group, which operates in several countries, undertakes to create conditions that encourage social dialogue everywhere the Group is established.

Social dialogue is one of the ways of preserving the Group's stability and development.

It is a preferred tool on all levels to improve working conditions, especially in terms of remuneration, employees' social protection, improving complementary pension, health, and safety schemes in the workplace, and even training.

In order to encourage social dialogue, the GEFCO Group sees that it conforms with legislation in force in terms of appointing members of union organisations and in terms of implementing staff representative bodies as soon as the required conditions are met.

In 2015, some subsidiaries renewed their staff representation in **Marocco, Romania, Spain** (Pontevedra works council) **Slovakia and GEFCO Baltics**.

In **Argentina**, elections took place in Hurlingham in February 2015 to renew the mandate of the delegate SICHUCA (Sindicato de CHOferes de CAmiones) and on September 2015 in order to ensure that GEFCO employees working for PSA and affiliated with the UOM (Unión Obrera Metalúrgica) were represented. Two delegates were elected.

Alongside the social dialogue organised with the union organisations present, in 2012 **GEFCO United Kingdom** wished to improve this system by voluntarily setting up an Employee Forum, which was renewed in 2015.

This is composed of 13 employee representatives elected for two years and is also open to representatives of the union organisation UNITE.

The forum is a platform for open and transparent information and exchange between employees and GEFCO's Management with regard to the company's key performance indicators, its commercial development, employment and other employee-related issues.

The elected representatives are notably responsible for ensuring the representation of the opinions of all of the employees within their scope and the effective circulation of information. A section of the HR Intranet is devoted to the Employee Forum.

Over the course of 2015, the GEFCO Group revamped its social dialogue structures.

Due to the implementation as of 1 January 2015 of a subsidiary specific to France, named GEFCO France SAS, separate from GEFCO SA, negotiations were undertaken with French trade union organisations in order to establish a **Group Council** uniting the following three French companies: GEFCO SA, GEFCO France SAS and MERCURIO France SAS.

On 30 December 2014 an agreement was signed by French trade union organisations FO/UNCP and CFE/CGS. The first meeting of the Group Council took place in December 2015.

A new stage in the introduction of social dialogue has been completed within the GEFCO Group with the **creation of a European Works Council**.

The 23 members of the Special Negotiating Body (SNB), representing the 18 EU Member States in which the companies of the GEFCO Group operate, in fact unanimously signed an agreement to establish this new body on 18 February 2015.

The agreement sets the maximum number of seats at 18. 4 seats were thus attributed to countries with too few employees to warrant a representative. These countries will be group together "taking into account their specific and/or common characteristics with regard to their industrial relations system" (Netherlands/Baltic States, Austria/Hungary, Slovenia/Croatia, Romania/Bulgaria).

The employee representatives within the Special Negotiating Body proposed a method for appointing these representatives, which was included in the agreement. Each country elects or appoints a representative in accordance with the applicable national provisions.

These representatives met in September 2015 to elect the representative and their deputy, who changes each year.

The European Works Council will receive an annual report with information concerning the structure of the Group of companies, the economic, social and financial situation; the probable development of its activities; production and sales; the situation and probable trend development of employment; investments; significant changes concerning the organisation, introduction of new working methods or new production procedures; transfers of production and restructuring having significant consequences for employment; mergers; cut-backs or closure of undertakings, establishments or important parts of these; collective redundancies; health and safety at work and social responsibility.

The European Works Council will be informed and consulted regarding projects that either affect all of the companies, or affect at least 150 employees in at least two countries, and at least 80 employees in one of the countries in question.

It will meet at least once a year, then on an extraordinary basis if exceptional transnational events occur that have a considerable impact on employees' interests.

The agreement provides for the assistance of an expert. The expert's assignment is limited to the study of the report submitted to the members of the EWC and the EWC's field of competence.

Finally, a representative of the European Transport Workers' Federation (ETF) may be invited to attend if there is an item on the agenda that relates to European transport policy.

A Select Committee was formed from 5 members during the first meeting of the body, which was held on 15 and 16 December 2015. It consists of a secretary, who must hold an elected office in their country of origin, an assistant secretary, a treasurer and two other members.

These members were supposed to be from three different countries. The members of the Select Committee are actually all from different countries (France, Slovakia, Portugal, Italy and Croatia) and a majority of them are female (3 members out of 5).

The agreement defines the arrangements for the interaction between the levels of representation at European and national levels (concomitance of information/consultation between the European and national levels in the event of a transnational event or project according to the criteria defined by the agreement),

The agreement introduces a training entitlement (3 days at the start of a person's term of office, then one day a year), and settles the issue of the renegotiation of the agreement if there is a significant change in the company's structure

Over the course of 2014, the GEFCO Group revamped its social dialogue structures.

Finally, 47 agreements (38 in 2014) were signed within the GEFCO Group in 2015, mainly concerning wage trends, organisation of work, reorganisation.

Diversity and equal opportunities

Disability

The GEFCO Group is continuing its work in favour of integration and retention in employment of disabled workers.

Acting in favour of the integration of disabled people in the Group means acting for recruitment diversity in the company as well. Various initiatives have also been conducted in several of the Group's subsidiaries.

At **GEFCO France SAS**, the agreement on the integration and retention in employment of disabled workers, signed on 23 June 2011, was renewed for a new three-year period (2015-2017). An agreement was in fact signed on 14 October 2015 by all of the representatives of the union organisations at GEFCO France SAS (CFDT, CFE-CGC, CFTC, FO/UNCP).

For the record, the actions regarding the employment of disabled workers began in 2008, with mainly positive results since the employment rate reached 6.22% in 2014.

This rate meets the objective set under the terms of the agreement of 23 June 2011, which was to achieve an employment rate of around 6%.

Under the terms of this new agreement, the Management of **GEFCO France SAS** has undertaken to continue and step up the actions carried out to integrate and retain employees, focusing on the following aims:

- Continuing to raise the awareness of all employees internally in order to rally them around the common project to promote the employment of disabled workers;
- Emphasising the efforts to recruit disabled employees on both permanent and work-study contracts;
- Developing the employability of disabled workers, particularly through training;
- Increasing the use of disability-friendly and protected sectors as much as possible.

Due to the creation of a subsidiary specific to France, named GEFECO France SAS, on 1 January 2015, which is separate from GEFECO SA, **GEFECO SA** signed its own agreement on 15 October 2015 for a three-year period, in other words until 31 December 2017.

The coordinator of the disability policy within GEFECO SA will be the Initiatives Handicap unit, which will work with the Occupational Doctor and possibly experts to find a tailor-made solution that will allow the person in question to compensate for the effects of their disability on their work in optimum conditions.

It will pursue the following objectives: internal awareness-raising of all employees, including managers and the staff representative bodies, in order to rally them around the common project to promote the employment of disabled people and emphasise efforts to recruit disabled people on work-study contracts.

On 16 November 2015, a first initiative was organised during the 19th European Disability Employment Week.

The Management, in partnership with the Works Council, organised an awareness-raising day for all staff through the game "T'Handi Quoi?".

"T'Handi Quoi" is a game explaining in a fun, educational way what disability is and how to approach it, through questions and answers.

Around a hundred employees came together throughout the day and a presentation of the "T'Handi Quoi? " game was made by David Herz, its co-creator, in the presence of the members of the "Initiatives Handicap" unit, accompanied by the Occupational Doctor and the nurse. These were all opportunities to change the perception of disability and to understand that GEFECO supports its employees in very practical ways.

For example:

- By partly funding the hearing aids of employees whose hearing has become impaired;
- By adjusting the working hours of staff who require treatment;
- By offering an ergonomic chair and/or equipment to people with back problems.

In January 2015, **GEFECO Poland** organised an awareness-raising training session on disabilities for 18 managers.

This training was carried out in cooperation with the "Fundacja INTEGRACJA", which has been working on the issue of disabilities for 20 years. Its aim is to use all possible means to promote access to buildings and transport for disabled individuals and to encourage their integration in daily activities. The aim of the training course was to raise awareness among managers of disabilities and to present disabled people as valuable employees like any other.

The training programme included issues relating to the employment of disabled people in legal and regulatory terms, the management of disabled employees and how to manage them correctly within a

team, how to communicate with disabled people (e.g. mobility and hearing and visual impairments) and understanding the difficulties that they face.

Mini-conferences with a presentation of training videos, discussions and practical exercises that put the manager in the position of a disabled person in a wheelchair or who is blind or deaf.

The participants' comments were very positive, as they were able to better understand the different types of disabilities, and motor, hearing and visual disabilities in particular, and learned how to break the ice with disabled people.

In June 2015, the subsidiary continued its work on this training by publishing a small booklet (1.000 copies) with the help of the "Fundacja INTEGRACJA", on the etiquette when faced with a disability. This booklet was distributed to employees and made available to guests visiting the premises of GEFCO Poland.

GEFCO Slovakia renewed its cooperation with workshops in the protected sector employing disabled workers. For the festive season, the subsidiary ordered new calendars and marketing objects from these workshops, such as pens for customers.

Non-discrimination

In the GEFCO recruitment processes, one principle is clearly defined: equal opportunities and diversity.

GEFCO Spain has also been rewarded for its social responsibility policy towards its employees.

On 14 April 2015, GEFCO Spain, represented by its Managing Director Julian NAVARRO, received a prize as a Socially Responsible Entity from the ALARES Foundation, presented by Ms. Carmen Plaza, Director General of the Institute for Women and Equal Opportunities and the Ministry of Health, Social Services and Equality, Ms. María Eugenia Girón Dávila, Chairman of the Foundation for Diversity, and Javier Benavente Barrón, Chairman of the Alares Foundation.

This award recognises best practices put in place by companies to improve the quality of life of employees in terms of health, equal opportunities and non-discrimination.

GEFCO Spain received this award alongside other companies such as AMADEUS, AVIVA, FORD, PSA PEUGEOT CITROËN, REPSOL, and WOLTERS.

Over the last few years, GEFCO Spain has carried out numerous initiatives in these areas as part of the Corporate Global Agreement on Social Responsibility, such as the possibility for employees to benefit from 56 hours of personal assistance per year in the event of illness or surgery, and 14 hours per year of specialised home treatment or access to a specialist; the establishment of permanent telecare in the event of a risk situation, a telephone consultation available 24/7 all year round for psychological support; the prevention of xenophobic and racist behaviour through a training course for some forty employees (department managers, centre managers, and several elected representatives of the Works Councils) in 2013; and the signing of agreements on gender equality in the workplace and diversity within the company with GEFCO Spain's three Works Councils (Madrid, Vigo and Barcelona) in 2009 then in 2013.

With respect to these important issues, GEFCO France SAS and GEFCO SA this year renewed the gender equality agreements within the company.

More than any other actor within the company, the management embodies and guarantees the Group's values. To successfully tackle the company's challenges, they must behave ethically and responsibly with regard to their teams.

GEFCO South Africa must meet a requirement imposed on South African employers. The subsidiary must determine, in all of its processes (recruitment, wages, training and development, disciplinary measures working conditions, etc.), the procedures introduced to prevent and reduce discrimination, whether or not such exists, and the measures to be taken, where appropriate, and within what time.

These plans usually last for three to five years and may be checked by the labour authorities.

The 2016 Employment Equity Plan was finalised and submitted to the Department of Labour. The plan has two parts, namely an analysis of the current employment and remuneration profile and the target structure for 2016, based on the information for 2015. GEFCO's employment profile for 2015 is quite encouraging: women are relatively well represented, but the "Black South African Women" category is under-represented. The recruitment and training actions in 2016 will mainly be oriented towards this category.

In October 2014 **GEFCO Hong Kong** became a member of the Equal Opportunities Commission - EOC, set up in 1996 by the government.

The Commission works towards the elimination of discrimination on the grounds of sex, marital status, pregnancy, disability, family status and race.

The Equal Opportunities Commission (EOC) was set up to implement a series of ordinances (Sex Discrimination Ordinance, Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination ordinance) aiming to abolish all forms of discrimination. In particular it aims to eliminate sexual harassment and vilification on the grounds of disability and race.

By joining this Commission, GEFCO Hong Kong can raise awareness of this programme, remain informed of the developments and disseminate this information to its teams. In November 2015, one of the managers of GEFCO Hong Kong participated to one of this training session concerning the series of ordinances. Some information has been provided to the employees.

3. Combating corruption

Because the way a result is achieved counts just as much as the result itself, the GEFCO Group builds its development on the grounds of values, action principles and exemplary conduct shared by its leaders and employees.

GEFCO's five values are a fundamental component. They guide staff's activities on a day-to-day basis and convey a positive image that sets the company apart. They help to make GEFCO a prominent high-performance player:

- Commitment: Meet ambitious challenges all while respecting our values and principles
- Passion for service: Offer our customers the best while complying with standards and norms
- Solidarity: Protect the environment, develop team spirit and foster employee fulfilment.
- Innovation: Be curious and open-minded in order to never stop improving
- Transparency: Build in trust.

Because ethics are subject to substantial developments, the GEFCO Group Management distributed a new corpus of operating rules in December 2013. They are not exhaustive, but combined with everyone's sense of responsibility they make up a common reference that each employee must refer to under all circumstances.

This document explains the action principles and the rules and values that lead the company in practical terms:

- Comply with laws and regulations;
- Under all circumstances, each employee must follow the professional integrity laws and regulations in force in the country where he/she works. This principle also applies to decisions made in the name of the Group.

Each employee is responsible for applying and complying with these operating rules on a day-to-day basis so that GEFCO may be a major international logistics player that is global, efficient and responsible.

In practical terms, each employee:

- Refrains from any practice constituting a breach of the competition law: price fixing, abuse of economic dependency, etc.;
- Refrains from engaging in any relations with companies, organisations or States known or suspected by international authorities for their involvement or support of terrorist acts or subject to embargoes. To a wider extent, these restrictions apply to all requests concerning the transport of weapons.
- Ensures the GEFCO Group does not take part, directly or indirectly, in illicit financial flows promoting money laundering or the funding of terrorism;
- Refrains from paying - directly or indirectly - or accepting bribes, facilitating payments or consenting to undue advantages to a public agency or private individual.
- Refrains from all gathering of information concerning a customer, supplier, partner or individual through illegal or dubious means: theft, invasion of premises, false declarations, etc.;
- Ensures that international or local tax and customs regulations are obeyed, as well as those concerning the transport of goods;
- Complies with the laws and regulations applicable to the Group's companies, especially social, economic and environmental regulations;
- Ensures the truthfulness of accounting data, information and indicators;
- Complies with fundamental human rights;
- Complies with occupational health and safety;
- Avoids conflicts of interest and ensures independence of action;
- Respects the customers;
- Respects the suppliers;
- Preserves the environment;
- Does not interfere with political activities;

The operating rules also create a framework for the responsibilities of employees whose acts engage GEFCO in the legal and financial responsibility with regard to third parties.

All rules stated in this document therefore apply to all employees upon their arrival into the company wherever they are and whatever their duties may be.

However, significant actions further improving the addressing of this issue were carried out in 2015.

At **GEFCO Slovakia**, in July 2015, employees were informed of the implementation of new legislation that now requires all employers with more than 50 employees to establish a procedure allowing them to report illegal or criminal acts committed within the company, and ensuring them protection against disciplinary action.

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Lastly, the **GEFCO Group's Management** plans to roll out an **ethical alert system** in 2016 via a dedicated Intranet portal provided by an external provider, or by telephone. The first country concerned will be France, with Corporate and GEFCO France SAS, which will then be followed by other countries.

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Protection of the environment

General environmental policy

1. Positioning of the Group Management Board

In October 2015, the Group Management Board approved:

- The validation of the Group environmental guidelines, to be rolled-out in 2016,
- The formalisation of environment KPI for the 1st quarter of 2016,
- The continuation of ISO 14001 certification,
- The incorporation of the principles of the ISO 50 001 standard in the Group quality and environmental system,
- The strengthening of local environmental regulatory watch and its consolidation at Group level.
- In 2015, GEFCO's main commitments to the environment were renewed automatically or by amendment.
- The United Nations Global Compact,
- Commitment 15 of the **Global Agreement on Social Responsibility**,
- The Group environmental policy.

2. Group environmental guidelines

In 2016, the Group environmental guidelines will help structure and coordinate the contribution of GEFCO sites to the Group Environmental Management System. They present action to put in place in subsidiaries with 2 aims:

- Respecting natural resources by controlling their consumption,
- Fighting climate change and pollution, and reducing impacts on the natural environment and third parties.

For each objective they identify:

- One or several reduction or control targets,
- The associated monitoring indicators,
- Actions to be put in place.

Whether as part of an environmental certification process or otherwise, all of the GEFCO sites must roll-out these guidelines for 2016.

3. Integration of energy management requirements

➔ *European regulations*

Article 8 of Directive 2012/27/European Union on energy efficiency requires certain companies to conduct an energy audit before the end of 2015, and to renew this audit every four years.

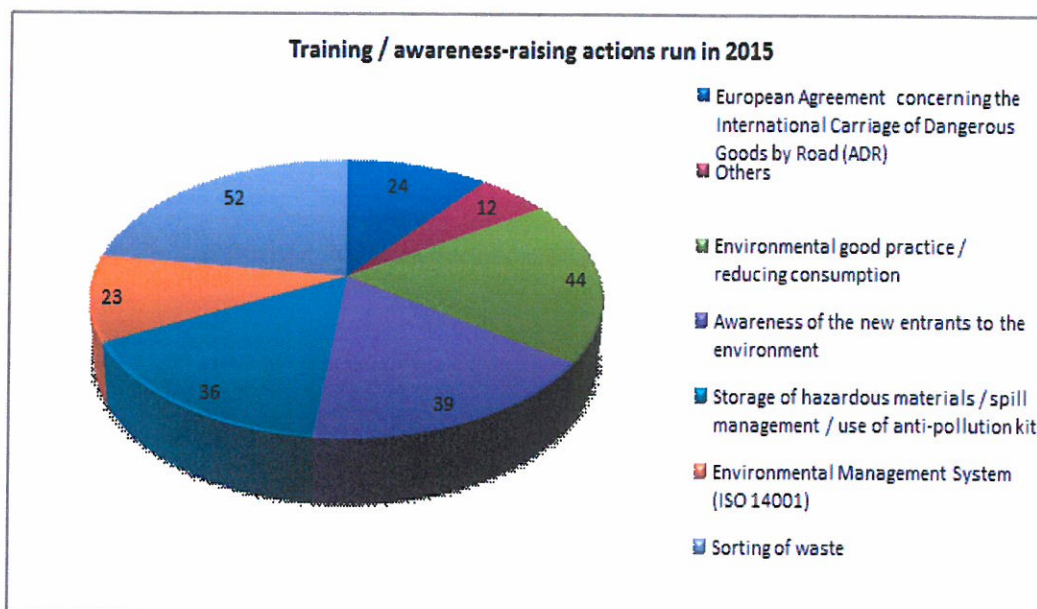
Some countries have officially transposed these European provisions into national law, and the GEFCO subsidiaries concerned have thus carried out these audits:

- Germany, France, Italy, Portugal, United Kingdom, Romania and Slovakia.

4. Employee information and training initiatives relating to environmental protection

Every year, the Group entities notify the Corporate team of the training actions undertaken during the year.

In 2015, out of the 226 sites that responded to the GER questionnaire, 97 (43%) claimed to have carried out 230 training/awareness-raising actions.



Pollution and waste management

1. Waste management

⇒ **Group requirements**

The GEFCO operational sites must comply with the **applicable legal and regulatory requirements** (international, national, federal, regional, departmental, municipal, etc).

In the absence of an exhaustive local legislation on this matter, each site conforms with the GEFCO guidelines (based on Article L541-1 to L541-50 of the French Environmental Code): each establishment is responsible for its waste and waste treatment. Sites for which the local legislation is more demanding than the GEFCO guidelines must still conform to that legislation.

⇒ **Reference material**

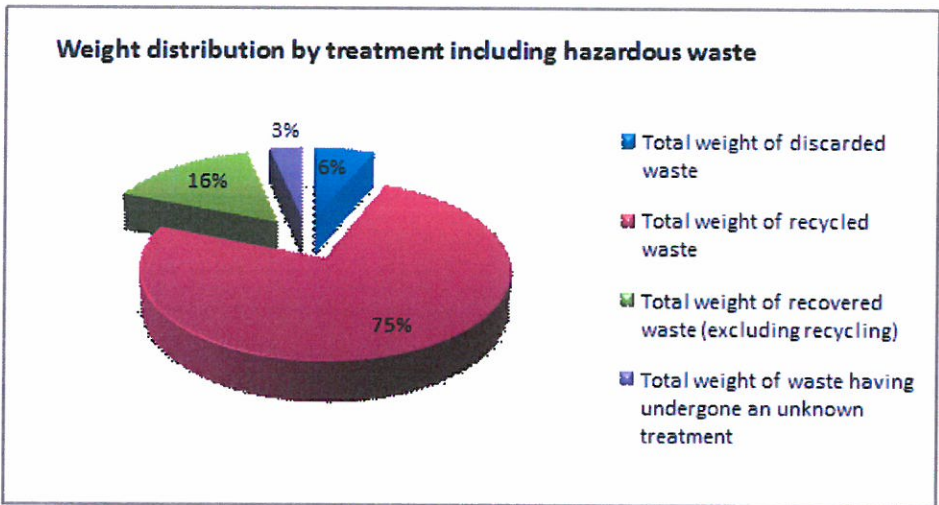
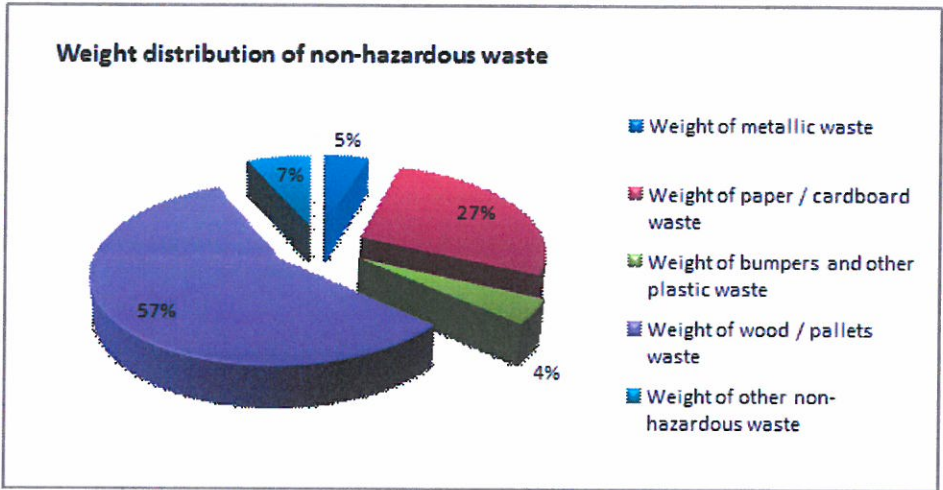
This year, GEFCO issued a new Group waste management procedure.

It formalises the waste management process in three steps. For each of these, it sets out the responsibilities of the GEFCO entities and the tools available to them:

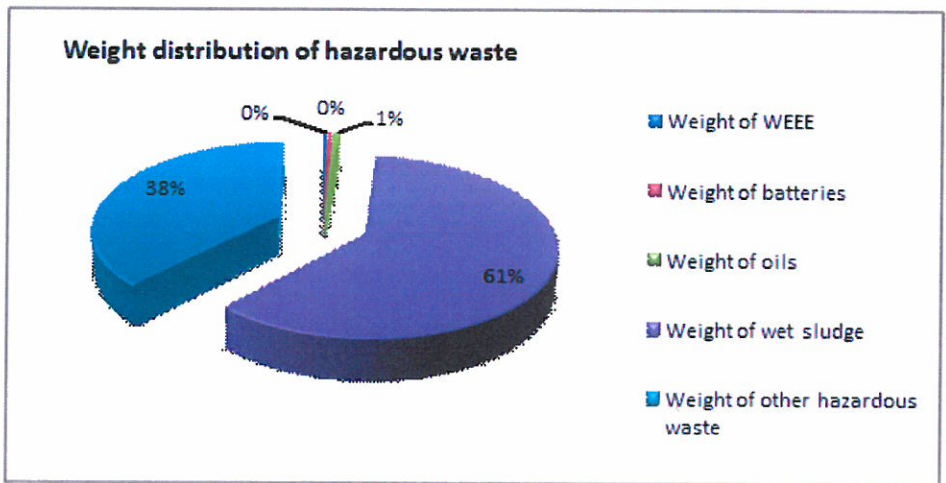
- Waste production: produce, prevent, characterise,
- On-site waste storage: separation of waste according to type, sorting of waste at source,
- Purchase of collection, transport and treatment services: selection and contract control and monitoring, indicators.

⇒ **Results**

- **Non-hazardous waste from industrial activity only (households excluded), on 10,045 tonnes**



▪ **Hazardous waste**



Sustainable use of resources: consumption of water, electricity and other types of energy

A. Environmental reporting

At GEFCO, the environmental data required by article 225 of the Grenelle 2 law (2010) are collected each year via the GER (Group Environmental Reporting).

1. Scope

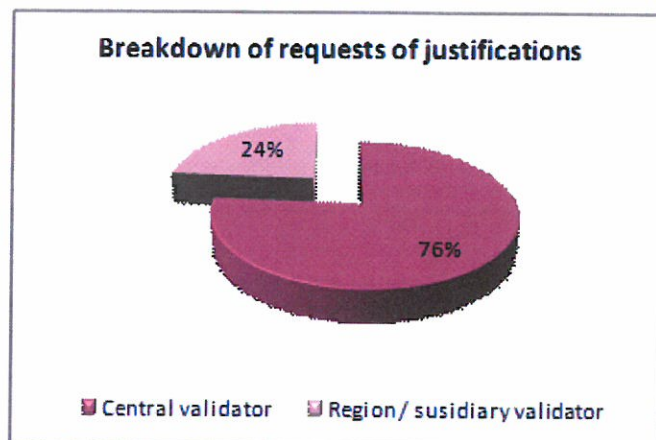
In 2015, **226 sites (out of 355 total) answered the online questionnaire, or 65% of the sites of the Group**. This perimeter is indicative of the environmental performance of GEFCO, since sites that are excluded do not have a significant impact.

2. Reliability of data

➔ **Triple check**

To **make information more reliable**, a triple checking system is implemented annually.

- Level 1: the contributor enters the required data, justifies, quantifies and/or documents it.
- Level 2: the region / subsidiary validator verifies and validates data entered on its scope and asks for justification if necessary.
- Level 3: central validator verifies and consolidates data from the entire group, and seeks justification if necessary.



During the 2015 campaign, 1,538 justification requests were issued, which translates a desire to refine and make more reliable the data collected.

B. Energy audits

In 2015, a series of energy audits was conducted. These allowed to:

- Produce a profile of consumption and energy performance of buildings or the fleet of the sites concerned,
- Identify the most significant opportunities for improvement,
- Identify and quantify the energy savings that can be achieved.

1. Buildings

Audits exclusively focused on consumption of buildings were conducted in certain subsidiaries of the group. An energy optimization plan has been launched in France:

- Identifying 'overconsumer' sites on the basis of the consumption data for the GER,
- Launching audits on the 10 selected sites,
- Identifying sources of over-consumption (behavioural and / or technical),
- Developing and proposing a programme of energy savings per site,
- Monitoring and facilitating the implementation of the energy saving programme.

All GEFECO sites in Italy, Germany, United Kingdom, Portugal and Romania have been audited by external agencies, in the context of European regulation.

2. Fleet France

The regulatory energy audit of the GEFECO FRANCE entity concerned the fuel consumption of its fleet (299 vehicles).

Analysis amounts to EUR 7.8 million in energy bills for 2014.

C. Application of results

1. Group environmental aspects

Environmental Aspect	2014	2015	Trend	Examples of use
Water consumption (samples in m3)	178,30	180	+1.45%	Washing stations
Electricity consumption (consumption for buildings in MWh_PCI)	5	886	-1.95%	Site lighting
Consumption of other forms of energy (in MWh_PCI)	49 915	48 941	-24%	Site heating:

2. Areas for improvement

Detailed in the audit reports, the auditors recommendations' concern:

➔ **The buildings.**

Examples:

- **Lighting:** replacement of lights with LED lights, installation of dusk switches, detectors of presence, translucent panels for overhead lighting,
- **Heating / ventilation:** installation of a temperature control system, setting a fixed temperature in offices, etc.

➔ **Own fleet:**

Examples:

- **Equipment / hardware:** installation on trucks of a system of automatic cut-off when idle, use of an energy saving lubricant,
- **Control and monitoring:** improved control of the tyre pressure, establishment of a maintenance monitoring tool, improved tracking of consumption.

➔ **Behaviours:**

Examples:

- **Training:** implementation of a programme of eco-driving,
- Eco-gestures awareness.

Climate change

A. Greenhouse gas (GHG): measurement and control

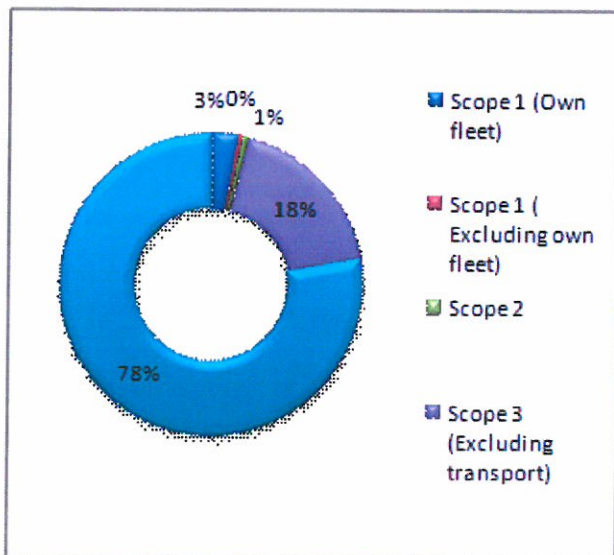
1. Carbon inventory campaign

Carbon inventory campaign allows to calculate the Group CO2 emissions each year. These emissions are categorised according to 3 scopes.

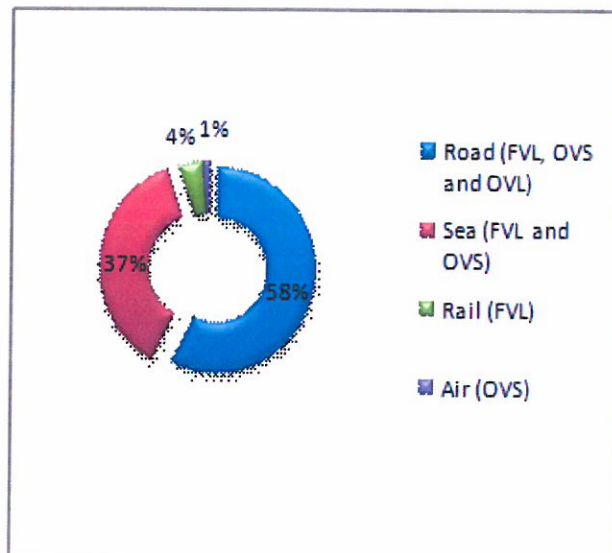
- **Scope 1: emissions from the daily life of buildings and the GEFCO own fleet.**
- **Scope 2: electricity consumption-related emissions.**
- **Scope 3: emissions resulting from the activities of the company and from sources that are not owned :**
 - Business travel,
 - Purchases of goods and services,
 - Contract for the carriage of goods,
 - Treatment of waste,
 - Energy of leased property, etc.

2. Results

➔ **Emissions of GHG by Scope**



➔ **t.km by mode of transport**



B. Evolution of conduct and techniques

1. Responsible purchasing

Since 2013, the Direction Overland has been using a standardised audit grid to assess the compliance of GEFCO transport providers to the group requirements, and in particular from the environmental point of view:

- ISO 14001,
- Implementation of an environmental management system,
- Existence and frequency of theoretical and practical training in eco-driving for drivers,
- Reporting of CO2 emissions to GEFCO,
- Animation and follow-up of fuel consumption.

A 'Carriers Charter' is now under study and will strengthen this audit system.

2. Digitalisation of communications and training

For the sake of accessibility, economy, but also mastery of its environmental impact, GEFCO operates a digitalisation of its communications and training.

- In 2015, a distance learning platform was implemented. It houses all of the Corporate e-Learning and premises available. It is the HRD / Corporate Training division which provides training of *key users* (training managers or business managers) to deploy the device,
- Since 2013, the deployment of a unified communication platform has facilitated exchanges in France and abroad, including with external partners.

These two systems allow GEFCO employees to access content and share information seamlessly, avoiding travel. The environmental impact of the group is thus improved.

3. Multimodal

In 2015, GEFCO enhanced its multimodal offering with a significant development of rail traffic. Asia Europe and Europe Russia flows represent 75% of the flow.

External assessments and recognitions

A. ISO 14001 certification

1. ISO 14001 certification at GEFCO

65 GEFCO sites have now obtained certification. ISO 14001-certified sites establish a local EMS that enables them to achieve the following:

- Measure their environmental impact by identifying and scaling their Significant Environmental Aspects (SEAs: discharge into the atmosphere, soil and waterways, waste management, etc.),
- Produce and manage an action plan (known as an Environmental Management Programme) aimed at achieving regulatory compliance and controlling these SEAs,
- Implementing measures designed to continuously improve operations.

2. 2015 and 2016 audits

Four sites were added to the scope of the certification in March 2015, these being Barcelona (Spain), Izmit and Tuzla (Turkey) and Swaredz (Poland). A further 5 sites are in the process of obtaining ISO 14001 certification in 2016, with an audit set to be performed in March 2016 to determine whether they will also be covered by the certification.

B. Certifications/assessments

1. The SQAS (Safety and Quality Assessment System)

8 sites belonging to the Group are set to undergo an SQAS evaluation in 2016.

2. The SMETA (SEDEX Members Ethical Trade Audit)

The GEFCO Switzerland subsidiary was audited in 2014 using the SMETA methodology and maintains its letter of compliance.

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