



NATURALLY RESPONSIBLE **CLEARLY COMMITTED**

2004: 1st sustainable development report



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Note to readers:

The purpose of this document is to present SNCF's Sustainable Development initiatives. For more information, go to the Web site www.sncf.com or refer to the 2003 annual report and the 2003 management report.



As a railway operator with a European dimension, SNCF is by essence a major contributor to Sustainable Development. SNCF makes the train's ecological benefits available to the population at large and is underpinned by the strong public service spirit of its employees. It also plays a major role in France's economic and social development. Furthermore, it is ready to do so in a wider context, since the growth of rail transport now takes place at a European level. SNCF is fully aware of the decisive role it has to play in meeting the targets for the reduction of greenhouse-gas emissions.

Having signed the 1999 state-owned company charter for Sustainable Development and decided to join the UN's 2003 Global Compact programme, I wished to make Sustainable Development a key dimension of our company strategy. As of now, it is included in our Corporate Plan, of which it is one of the priority cross-functional programmes. All our major investments are now assessed according to Sustainable Development criteria. By making such a strong commitment, SNCF acknowledges its environmental, social and societal responsibility to employees and the general public alike. I also consider this commitment to be a competitive advantage for our expansion in Europe.

In wishing to promote the use of the train as a tool for sustainable development and mobility, we have the obligation to be exemplary in our day-to-day activity. By upgrading our plants, our methods and procedures, we show our desire to raise SNCF as an enterprise to the same ecological level as our trains themselves. By increasing our efficiency and building a plan to infuse fresh blood into our freight business to make it more competitive, by maintaining our efforts towards cohesion and emphasising our desire to further facilitate access to rail transport, in particular for the handicapped, we are underscoring our social responsibility. We approach this question with determination, but also in a pragmatic way.

Even if we are under no legal obligation, it seemed to me important to publish this first report describing our action in favour of Sustainable Development. It is a first review - a first testimonial on what we have done for Sustainable Development, and which will gradually influence the way we analyse the challenges and the way we are perceived. We commit to nurture this information flow over the years, as SNCF, both public utility and competition driven company continues to assert not only its sustainable modernization geared towards cost-effective solutions, safety, punctuality and quality of service, but also its contributions to national and regional development and tighter social links, in France and in Europe.

I am absolutely convinced that, at the beginning of the 21st century, companies that prepare their future by making an obvious and responsible commitment to a sustainable development strategy will make their workforce and partners' trust a key success factor. On the strength of its values and legacy, SNCF intends to be one of them.

Louis Gallois

A handwritten signature in dark ink, appearing to read 'Louis Gallois', with a stylized flourish at the end.

SNCF'S SUSTAINABLE DEVELOPMENT INITIATIVE WAS LAUNCHED IN 1999. IT IS BASED ON THE COMPANY'S TRADITIONAL MISSION OF PUBLIC SERVICE, ITS UNWAVERING EFFORTS IN SUPPORT OF NATIONAL AND LOCAL MOBILITY SERVICES, THE INVOLVEMENT OF ITS WORKFORCE AND THE ECOLOGICAL ADVANTAGES OF TRAINS.

SNCF, A NATUREL CONTRIBUTOR TO SUSTAINABLE DEVELOPMENT



A dual mission

SNCF is a state-owned enterprise fulfilling a mission in the general interest and with commercial activities subject to competition.

The values of Sustainable Development are very close to those of a modern public service and the elements of the railway business, be they concerned with the environment, social and societal impact or economic equity. Based on respect, responsibility and efficiency, the culture of service to the public that empowers SNCF employees uniquely fuels this initiative.

Through its Corporate Plan, SNCF is structured to respond to the overarching demand of its customers and of the authorities in charge of diversified and optimised rail services, within a matrix of offerings that are becoming increasingly multi-modal. SNCF leverages its own strengths and the know-how of its subsidiaries to build a range of transport services that offer high performance in terms of respect for the environment, economy and societal interest.

OCT.99

Signature of the charter binding state-owned enterprises to Sustainable Development

A societal responsibility in France

Thanks to its transport services to the heart of the cities, SNCF feeds the densely populated built-up areas and at the same time takes pride of place as a major contributor and service provider serving economic development and physical planning for the whole nation. It is engraved in the national memory and is a pillar of technological innovation. As such it represents a powerful national symbol. The French people love "their trains", as was demonstrated by the success of the "Capital Train" exhibition

In the space of one month, over six million French and non-French visitors came to the "Train Capitale" exhibition/promenade. It was staffed by SNCF volunteers from the length and breadth of France who came to display and present 40 items of rolling stock retracing the history of rail transport.



on the Champs-Élysées in June 2003. But their expectations are also high.

Business people, managers, employees, blue-collar workers, families, students, school children and those with low incomes - SNCF's national and regional customers reflect the diversity of French society. Responding to their expectations is a constant challenge and source of motivation.

Consequently, the evolution of SNCF long-distance ticket price policy contributes to social equity by applying affordable rates during low-demand periods or offering special last-minute price reductions.

The staff of SNCF is constantly demonstrating its involvement in social cohesion by integrating solidarity in the various policies defined by the Corporate Plan, enhancing accessibility for the handicapped or, for example, mobilising the company to deliver fodder to farmers during the 2003 heat wave.

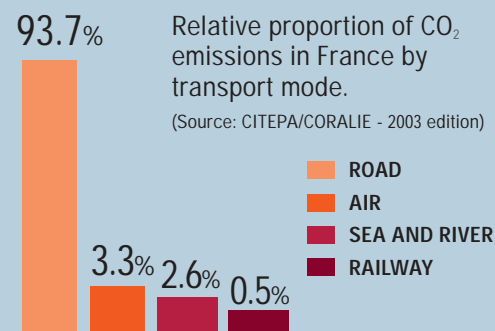
A growing role in Europe

SNCF generates 20% of its passenger turnover and over 50% of its freight traffic outside France.

It played a major role in the social agreement for train crews that was finalised in 2003 between the railway companies and the European trade unions.

Clearly ecological

While 28% of CO₂ emissions emanate from transportation, trains turn out to be particularly environment friendly compared to competing modes of transport such as road and air.



For an equivalent distance and number of travellers, the train uses less space, offers a high degree of safety and produces less atmospheric pollution - greenhouse-gas emissions are minimised by using electric power for 90% of its network.

During 2003, SNCF transported 891.9 million travellers and 120.7 million tons of freight under optimal environmental conditions. It is also involved in a huge environmental management programme aimed at bringing the whole enterprise up to the same ecological quality level as the trains themselves.

SNCF continues to pursue its traffic growth objectives in France and elsewhere in Europe by responding to new customer expectations and reducing pollution. In so doing SNCF has a legitimate position as a vital contributor to sustainable transportation of people and goods.

SNCF, A MAJOR PLAYER IN ECONOMIC AND SOCIAL DEVELOPMENT

Serving French people for 60 years

SNCF (Société Nationale des Chemins de Fer Français) was created in 1937 to acquire all the private railroads in France. Since 1983 it has had the status of a “State-owned Industrial and Commercial Establishment” (EPIC), with both a public service and a commercial purpose.

Initially, when car and truck traffic was still low, rail transport via SNCF was a key lever of the country’s economic growth and made a substantial contribution to economic and industrial reconstruction after World War II.

The 1960s and 1970s represented a critical period for the enterprise, since it was marked by strong competition from road transport. In the following decade, aircraft posed a significant threat to rail transport for long distances.

From 1980 to 2000, SNCF staged a genuine revival. First came the high-speed train (TGV - Train Grande Vitesse) whose technology, performance and economy demonstrated that the railways could respond effectively and competitively to an increasing demand for mobility.

Regional passenger transportation came next, highlighting the company’s ability to adapt to a different environment and implementing the transport policies of the regional authorities. This proved once again the growth potential of rail transport.

Today, in the face of challenges to the economy and the environment raised by freight transport, SNCF has instituted a plan together with the public authorities to re-invigorate and reinforce its freight business over three years. This shows the company’s determination to be a major player in the freight business on a European scale.

A dual role in the rail system

The French railway system was re-designed in 1997 with the creation of Réseau Ferré de France (RFF - Rail Network France), a state-owned organization that owns the infrastructure. SNCF carries out the functions of rail transport company as well as delegated management of the infrastructure for RFF.

As a rail transport company, SNCF fulfils the different tasks of a rail common carrier and pays RFF a fee for the use of the infrastructure. As delegated manager of the infrastructure, SNCF manages the rail traffic and maintains the technical installations belonging to the network. In this capacity it receives remuneration from RFF for its services.

30,990
kilometres of line
are maintained
for RFF

14,000
trains travel on
the tracks every day

An ambition buoyed by the Corporate Plan

On the strength of its corporate values of public service and of its skills, SNCF has set its sights on developing its European business within the framework of a market that is opening up to competition.

This ambition is buoyed by the company’s Corporate Plan, a full-fledged business development plan for SNCF. It articulates the business unit targets as well as those of the cross-functional divisions, translating them into action plans the fulfilment of which is gauged by improvement indicators. The executive committee monitors progress twice a year.

Furthermore, the company’s establishments each have their own projects, which reflect the national project at local level.

Sustainable development represents one of the priority programmes of the 2005 Corporate Plan.



A four branch-structure

The SNCF Group comprises four branches: Voyage France Europe (VFE), Passenger Public Transport, Freight Transport and Logistics, Infrastructure and Leveraging of SNCF's Assets and Know-How

Corporate governance

Board of Directors:

The SNCF Board of Directors defines the overall policy of the state-owned parent company - the Railway - and also steers Group policy. It holds at least 10 regular meetings per year and is made up of 18 members:

- 7 members represent the state,
- 5 members are chosen for their special competencies,
- 6 members are elected by employees.

The duration of their term of office is five years, renewable twice. The Chairman of the Board of Directors is nominated by the Board members and, at their recommendation, is appointed by decree of the Council of Ministers.

The Board of Directors includes several specialised bodies: the Accounts and Risks Audit Committee, the Finance and Plan Commission, the "Group" Commission, the "Regionalization" Commission, and the Contracting Commission.

General Management:

The chairman nominates the members of the executive committee and defines their responsibilities.

At the initiative of the chairman or on proposal from the other members, the executive committee jointly examines the development projects and the directions necessary for the Group's growth.

The chairman delegates responsibility to the members of the executive committee, within their areas of competence, to act and make decisions on his behalf. In the framework of this delegated responsibility, they have authority over all the company's constituent organizations.

Furthermore, an audit function, which reports to the Secretary General, ensures co-ordination of the various audits within the company, as well as quality.

The Inspector General is responsible for ensuring that the ethics guidelines are respected.

Finally, a Safety Audit function, reporting to the General Manager of Operations, carries out audits of all units that act on the rail system.

SUSTAINABLE DEVELOPMENT:

A MANAGEMENT SYSTEM THAT CASCADES THROUGH IN ORGANIZATION

Sustainable Development harmonises economic growth, social progress and environmental concerns.

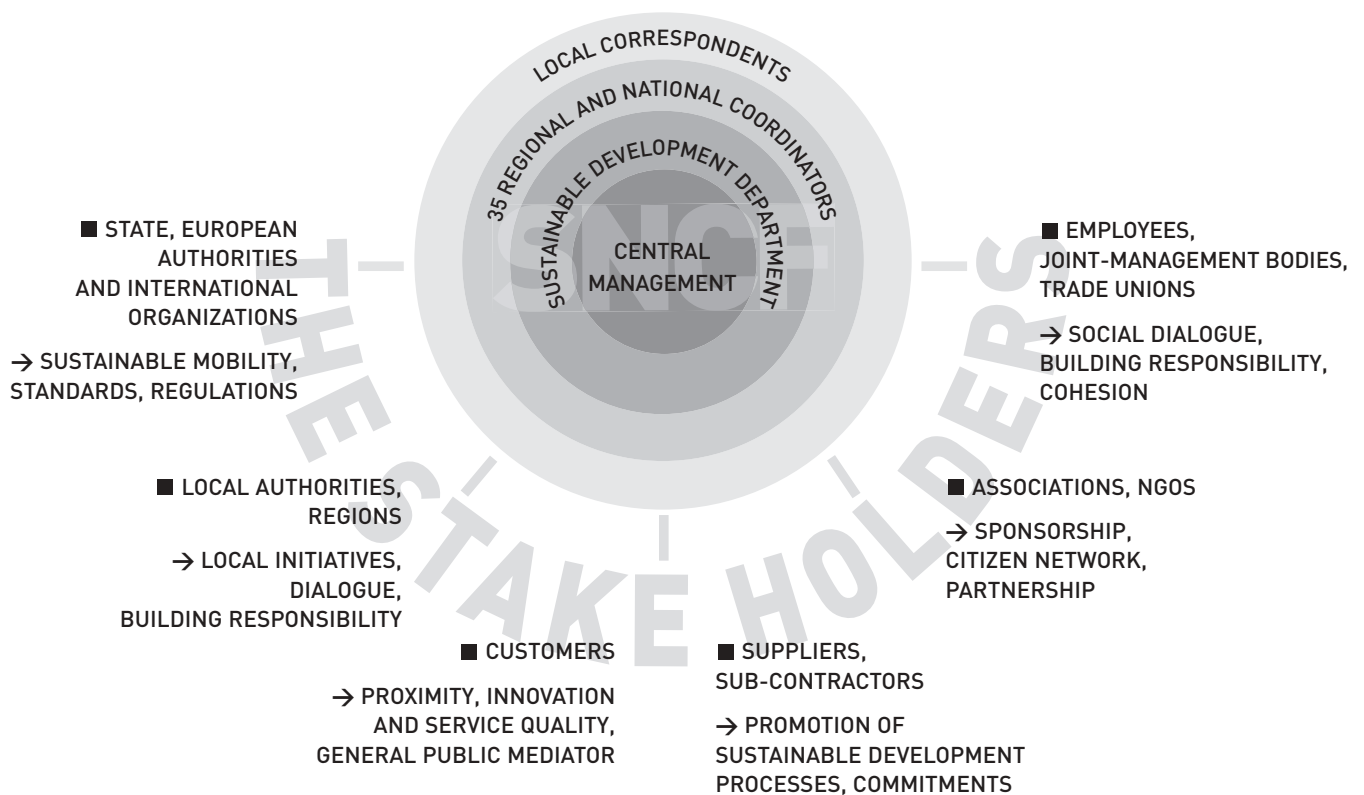
In 2002, a Sustainable Development and environment sub-function was set up. It reports to SNCF's Director of Strategy. Its role is to pilot and co-ordinate SNCF's environmental and Sustainable Development policy. To do this, it leads a network of 23 regional co-ordinators and 12 representatives of the head-office divisions.

SUSTAINABLE DEVELOPMENT: A PRIORITY PROGRAMME WITHIN THE CORPORATE PLAN

Improvement targets	Contributing objectives	Main actions
Progressively integrate Sustainable Development requirements into the corporate culture and its practices	<ol style="list-style-type: none"> 1 Improve internal and external perception of Sustainable Development issues 2 In relationships with suppliers, ensure that Sustainable Development criteria are given more weight 3 Turn each SNCF region into an active contributor to Sustainable Development 	<ol style="list-style-type: none"> 1.1 Inclusion of Sustainable Development criteria in investment decisions 1.2 Communications on the subject of Sustainable Development 1.3 SNCF Sustainable Development workshops 2.1 Incorporate Sustainable Development criteria into our procurement policy 2.2 Rating of the main projects 3.1 Identification of regional contributions to Sustainable Development 3.2 Development of partnerships at regional level
Ensure the safety of the environment	<ol style="list-style-type: none"> 1 Improve environmental risk management 2 Strengthen prevention of risk of water contamination by use of plant-based treatment products 3 Reduce railway noise in the environment 	<ol style="list-style-type: none"> 1.1 Management deployment, implementation of the ISO 14001 standard in the establishments 1.2 Implementing waste-sorting company-wide 1.3 Bringing the facilities handling environmentally risky products into compliance 2.1 Modernising the weed-removal trains 2.2 Adaptation of sprayer wagons 2.3 Management of plant-based treatment products 2.4 Creation of a database on products applied and areas protected 3.1 Reduction at source of rolling stock noise emissions
Structure and underpin the company's social and societal responsibility	<ol style="list-style-type: none"> 1 Improve the measurement and follow-up of social and societal performance 2 Aid the needy 3 Improve railway station accessibility for people with reduced mobility 	<ol style="list-style-type: none"> 1.1 Identification of underlying issues 1.2 Definition of indicators 2.1 Creation of take-in areas for the homeless and excluded 2.2 Solidarity actions with local authorities 2.3 Insertion programmes 2.4 Prevention (families, neighbourhoods, sports) 3.1 Installation of equipment for persons with reduced mobility in collaboration with stakeholders
Save energy and fluids	<ol style="list-style-type: none"> 1 Reduce energy and fluid consumption through targeted actions 	<ol style="list-style-type: none"> 1.1 Resource savings in the framework of the roll-out of "environmental management" 1.2 Savings of expenses linked to real estate management and related to the implementation of consumption monitoring 1.3 Economical train driving



Implementing Sustainable Development at SNCF



43 ASHFORD LONDON-WAT
48 DAMMARTIN CREPY SO
52 ARRAS DOUAI VALENCI
55 BRUXELLES-MIDI LIEG
8 LILLE FLANDRES
5 BRUXELLES-MIDI



SNCF WILL FIND ITS GROWTH OPPORTUNITY IN EUROPE, WHERE IT ALREADY DOES 50% OF ITS FREIGHT AND 20% OF ITS LONG-DISTANCE BUSINESS (VFE). **THE COMPANY WILL HAVE TO APPLY ITS KNOW-HOW AND ITS VALUES IN THIS BROADER CONTEXT, INCLUDING SUSTAINABLE DEVELOPMENT.**

ESSENTIALLY EUROPEAN, LONG-TERM INNOVATORS

A new ambit for rail transport

SNCF's 2005 Corporate Plan makes Europe a legitimate and vital territory for growth. The European land mass is seen as a crucial source of new growth for the long-distance division, which expects to increase its Thalys and Eurostar turnover by 20% in three years. Similarly, SNCF Freight is making every effort to increase its market share in bilateral exchange. This Europe-level growth will happen either through alliances or co-operative agreements or via organic growth.

Preserving our values and our identity

SNCF is bringing its own values to the European market - values of public service, safety, a determination to remain an integrated company that refuses dumping and to lay the foundation of a social dialogue on a continental scale. Its experience in territorial development, its social and societal potential are significant advantages in a global context where the contribution of a company to Sustainable Development is a major criterion for the rating agencies and investors. The synergism between the public service spirit, the quest for quality, economic effectiveness and creativity at the service of its customers has enabled SNCF to strengthen its position in France and win market share in Europe.



57%

Market share for SNCF in the European high-speed rail market.

THE LONG-DISTANCE PASSENGER TRANSPORT (VOYAGES FRANCE EUROPE), PUBLIC TRANSPORT (TER AND TRANSILIEN), RAIL FREIGHT (FRET SNCF) AND DELEGATED INFRASTRUCTURE MANAGEMENT BUSINESSES ALL CONTRIBUTE TO A GROWING RANGE OF INNOVATIVE TRANSPORT SERVICES THAT ARE SUPPORTIVE OF SUSTAINABLE DEVELOPMENT.

Organizational synergism serving Sustainable Development



1 billion

The number of passengers travelling in TGVs since its service started in 1981

(figure as of November 2003)

Voyages France Europe (Passenger long-distance transport): a powerful factor of regional re-balancing and boosting employment

20% of SNCF passenger revenue now comes from international business. Long-distance passenger travel is a good illustration of how SNCF sees its business from a European perspective and intends to grow in an area that is on the rise.

The advent of new member countries to the European Union and the developments in transport that will involve give weight to this approach. Traffic growth for the Eurostar and Thalys illustrates SNCF's ambition to grow on the continent and its determination to develop partnerships with other railway companies.

The projects covering high-speed lines between France and Germany, plus the clear support of the French government for railway projects, are a powerful stimulus for SNCF.

As far as Sustainable Development is concerned, the high-speed links have shown their impact in terms of reducing road network congestion, re-balancing of regional demographics and boosting employment. Introducing a high-speed service between Marseille and Lyon is a significant illustration of these advantages.

TGV: A BILLIONAIRE MODE OF TRANSPORTATION

In 2003, the TGV celebrated its first billion passengers.

In the same year, SNCF provided passengers with 1,200 TGV links daily serving 181 stations (in France), with 665 trains racing over 1,500 kilometres of high-speed lines. 92.8% of the TGVs arrived on time.

Public transport: continued expansion serving regional development

In January 2002, the Solidarity and Urban Renovation law transferred responsibility for regional transport to the Regional Councils. Consequently, the regional SNCF units have become teams for proposing and managing multi-modal transport systems offering optimum balance between environmental, economic and societal factors.

Indeed, urban, sub-urban and regional passenger public transport has seen real growth over the past few years. Whether it concerns the Transilien network in the Paris region or the TER network in the other regions, close links are kept with the different stakeholders – municipalities, associations, residents or customers. “Line Committees” were created, bringing together all the people concerned by a service

and in which the appropriate SNCF staff members are heavily involved. These committees are generally created by the Transport Organising Authorities (i.e.; the French administrative Regions) and meet regularly to discuss the characteristics of the service, assess the progress or improvement needs and the environmental pollution encountered.

Passenger surveys, whose results are distributed to municipalities as well as inside the company, measure quality and appropriateness of the offering and highlight areas for progress. The substantial investments made in rolling stock, physical plant, stations and other operation-related buildings demonstrate everyone’s desire to develop local rail transport services for the long term.



PRICE POLICY: MAXIMUM SATISFACTION

SNCF has embarked on a volume policy to increase train occupancy, respond to strong demand for an expansion of multi-modal transport offerings, and serve the company’s natural mission of working for the benefit of the maximum number of people. As a consequence, Passenger long-distance and Transport business refreshed its price range in 2003 with the reduced-rate “Prem’s” ticket on the Corail and TGV (14 days prior booking) available via Minitel (3615 SNCF) or telephone. 2.61 million tickets have been sold in nine months. The policy also aims at Web surfers, the targets of the low-cost airlines, who are offered 50 “last minute” destinations (on the Corail and TGV) each Tuesday. The third thrust is to strengthen the loyalty policy by launching the “Escapades” weekend card for the 26-59 year olds (47,100 cards sold in 2003) and the Fydelis programme on the Thalys stretch. Furthermore, a new range of Eurostar rates has been created to make it simpler and more flexible.

INTER-MODALITY: PROMOTE A CHAIN OF TRANSPORTATION SERVICES

If it is well designed, inter-modality (the synergism created by combining several modes of transport) can also be a factor of Sustainable Development by way of the facilities it brings to users. It meets Sustainable Development criteria by building an appropriate transportation service chain. SNCF is favouring this approach by transforming its stations, in co-operation with the different stakeholders, so that they become places where people transfer from one mode of transport to another: underground, bus or coach, aeroplane, taxi, bicycle, etc.

IMPROVE INTER REGIONAL TRANSPORT

SNCF is developing a policy of improving inter-regional transport, in particular with the recent arrival of Téo, the new Corail train. This rolling stock has taken into account the different needs of travellers by combining different facilities in the same train - for people with reduced mobility, children, bicycle owners, groups or individuals.

Fret SNCF (rail freight): bringing up to date a key player in Sustainable Development

All economic, political and public constituencies see rail freight as an appropriate means of transport in terms of energy efficiency, fighting greenhouse gases, relieving road traffic or road safety.

The Freight Plan laid out by SNCF together with state authorities illustrates the decision to give a long lease of life to an activity that is key to Sustainable Development. It forecast break-even by 2006 and has programmed a target of 20% cost reductions. 600 million euros will be invested over three years in new, more powerful and more reliable locomotives and in the latest generation of IT systems.

Progress is made in collegial mode. SNCF's industrial clients are informed regularly at meetings with management and consulted on the determination

They assure the safety of the rail system, modernise and operate it and plan for its growth within the framework set out by RFF. Significant productivity and performance improvements have been achieved.

FRET SNCF CRISS-CROSSING EUROPE

Opening of competition over the Trans-European Rail Freight Network (TERFN) has been effective since March 15, 2003. SNCF Freight is Europe's No. 2 rail carrier and has already filed 48 requests for routes with the Infrastructure Capacity Allocation Bodies in the various European Union countries, its national market.

SNCF is currently seeking partnerships with European operators to master end-to-end freight service quality.



1.2 billion

euros investment
in rolling stock in 2003

(Source: Investment Committee - CIES 2003)

of their current and future needs for this service.
This is the price of Sustainable Development.

Delegated infrastructure management: a guarantee of performance and sustainability

Delegated infrastructure management on behalf of RFF is assumed by 60,000 SNCF staffers who are responsible for rail safety, traffic flows, maintenance and modernization of the lines or construction of new lines.

Their contribution to Sustainable Development appears at several levels. First, they apply resources and competencies to develop capacities that will absorb future planned traffic growth.

ON THE REGIONAL, NATIONAL OR INTERNATIONAL PASSENGER AND FREIGHT ROUTES, SNCF IS INVESTING IN TRAINS AND STATIONS TO OPTIMISE THE SERVICE QUALITY TO CUSTOMERS. THIS PROCESS IS SUPPORTED BY AN ACTIVE R&D POLICY.

A major investment in tomorrow's trains and services

Invest in the future

SNCF is also preparing the future by investing close to 10 billion euros between 2004 and 2008 in new rolling stock and new installations for commercial, industrial or service purposes. These investments will be made either directly by SNCF or on behalf of the municipalities.

1.6 billion euros will be dedicated to the purchase of new TGV train sets, 720 million for the purchase of new rail freight stock and 410 million euros will be invested in renovating stations.

Growth and innovation oriented research

In 2003, SNCF invested over 22 million euros to prepare the future of rail transport despite the company's tight budgetary situation.

The main programmes involved are:

- acoustics, for example, the reduction of rail noise, which is expected to parallel the growth of freight, transport by rail,
- station and train comfort, an important element in inciting people to transfer from road to rail,
- optimising network operations to allow traffic to expand with absolute safety,
- modernising freight trains, tools for piloting operational production, reinforcing operational safety and quality, advanced maintenance technology, which will help raise the reliability, productivity and quality of the offering,
- tracks and platforms, to improve safety, efficiency and quality,
- people and their work environment, research into workplace safety, comfort and performance and the development of skills to serve customer satisfaction.

Responsible procurement

SNCF procurement in 2003 represented 5.4 billion euros spread among 4,500 suppliers. The procurement department has now decided to include rules supporting Sustainable Development in its purchasing policies:

- include Sustainable Development criteria in the definition of the most economical offer (specific clauses or criteria, end-of-life cost of products purchased, eco-design of products purchased),
- explicitly state the company's commitment to suppliers and partners and promote best social and environmental practices.

These rules are at the detailed specification stage and will be presented in SNCF's next Sustainable Development Report. A method for assessing the supplier tenders according to the Sustainable Development criteria is currently being defined, following the example of the investment projects.

A SUSTAINABLE INVESTMENT APPROACH

SNCF, in co-operation with certain universities, has developed an assessment methodology for investment projects. At present, any investment project valued at over 2.5 million euros reviewed by the Investment Committee will be subject to assessment according to Sustainable Development criteria. A special software programme will position each project by social, societal, environmental and economic criteria. This approach also has an educational aspect - its mission is to incite promoters to adopt the same approach upstream of their projects.



VERY LOW GREENHOUSE GAS EMISSIONS, GOOD POWER YIELD, REDUCED ATMOSPHERIC POLLUTION, HIGH SAFETY RECORD, SPACE SAVING - **THESE ARE A TRAIN'S ACKNOWLEDGED ECOLOGICAL STRENGTHS. SNCF'S AIM IS TO CONSOLIDATE THESE BENEFITS AND TO RAISE ALL ITS ACTIVITIES TO THE SAME LEVEL OF ECOLOGICAL QUALITY. THIS WILL INVOLVE A SERIES OF INTER-LINKED OPERATIONS AT GLOBAL LEVEL AND THE ROLL-OUT OF LOCAL ENVIRONMENTAL MANAGEMENT.**

GLOBALLY COMMITTED

DAILY DETERMINED

Protecting the environment: an on-going commitment

In 1998, SNCF management adopted an action plan with two overall objectives: highlight the ecological advantages of trains and better control pollution linked to SNCF's various activities. In 2000, this plan was adapted and complemented by an experimental programme, with direct, voluntary participation of some 30 establishments, to control pollution at that level of the company.

This work was carried out in partnership with the environment and energy saving agency, ADEME, with the help of ecology specialists and under application of the ISO 14001 norm relative to environmental management. The method used was that proposed by the environmental guideline for businesses, "Plan Environment Enterprise"(PEE) 2000 guide compiled by the ADEME and the Assembly of French Chambers of Commerce and Industry (ACFCI). This method is aimed at SMEs and responds to the principle of autonomy of SNCF establishments.

2003

SNCF joins the United Nations
Global Compact programme

The purpose of the ADEME-SNCF framework agreement signed on November 26, 2003, is to strengthen the partnership, structure it more globally and ensure annual follow-up of the different actions and their concrete outcomes. It defines the general framework of relationships between the two parties with regard to the development of projects acknowledged as being of common interest in three areas:

- environmental management,
- energy saving, air quality, noise abatement,
- general public awareness and staff communication on the aims and challenges of Sustainable Development.

WITH A VIEW TO CONSOLIDATE THE ECOLOGICAL ADVANTAGES OF TRAINS, SNCF IS PILOTING A SERIES OF INTER-LINKED THEMATIC ACTIONS COVERING RAIL NOISE REDUCTION, ENERGY SAVING, IMPROVING THE PROTECTION OF WATER, CONTROLLING LOCAL POLLUTION FROM ATMOSPHERIC EMISSIONS OF SOME DIESEL EQUIPMENT, AND MAINTAINING A HIGH LEVEL OF SAFETY FOR THE TRANSPORT OF HAZARDOUS SUBSTANCES.

Handling the major environmental challenges



RELATIVE PROPORTION OF TRANSPORT IN EMISSIONS IN MAINLAND FRANCE (2001)

	Unit	Total all sources	Total Transport		Rail		
			Transport/ Total sources	Total	Total	Rail % / Transports	Rail % / Total sources
SO ₂	kt	610	6%	38.5	0.2	0.52%	0.03%
NO _x	kt	1,411	54%	766.1	9.1	1.19%	0.64%
CO	kt	6,365	39%	2,489.7	2.5	0.10%	0.04%
COVNM	kt	1,674	29%	481.4	1.1	0.23%	0.07%
CO ₂	Mt	490	28%	137.4	0.7	0.51%	0.14%
N ₂ O	kt	257	5%	12.17	0.02	0.16%	0.01%
TSP	kt	1,510	9%	130.6	5.4	4.13%	0.36%
PM ₁₀	Mg	550	15%	79.5	3.6	4.53%	0.65%
PM _{2,5}	Mg	303	20%	61.4	0.9	1.47%	0.30%
PM _{1,0}	Mg	224	23%	51.52	0	0%	0%

[Source: CITEPA/CORALIE - 2003 edition]

Controlling atmospheric emissions

Rail transport makes only a small contribution to atmospheric pollution. However, very localised crisis situations can arise when the level of rail activity involving old diesel engines causes pollution that disturbs the local population, in particular in urban sites.

That is why SNCF has embarked on a policy to reduce pollution caused by its diesel base by updating the rolling stock, where possible adapting operating conditions (engine warming/shunting yards, reduction of warm-up time, choice of routes as far away as possible from housing), reducing emissions at source (low sulphur-content fuel starting January 2003 in the Paris region in anticipation of the January 2005 legal obligation), and re-motorising part of the diesel engine base.

0.5%

The railway's proportion of CO₂ emissions emanating from transport



Within the framework of the "2003-2006 Freight Plan", designed to build a solid foundation for SNCF Freight's growth in France and Europe, SNCF placed an order for 400 new diesel locomotives in March 2004.

PROTECTING THE RAIN FOREST AND BIODIVERSITY: A CONCRETE COMMITMENT

After several meetings with a group of environmental protection associations, in late 2003 SNCF made the commitment to significantly reduce its consumption of exotic wood. Indeed, one of the demands of Sustainable Development is to protect the highly fragile rain forests, especially those in Africa supplying Azobe wood. SNCF has reduced its consumption of non-certified exotic wood by 50% compared with 2002. The target for 2006 is to reduce consumption by another 50% by limiting the use of this type of wood to particular track equipment.

Reduce railway noise

It is true that noise pollution from the railways is marginal compared to that created by road traffic. However, noise is the main subject of complaints from those living in the neighbourhood of an SNCF installation.

The steps undertaken by SNCF focus primarily on reducing the noise caused by its rolling stock. A reduction of 5 to 10 dB(A) of sound energy has been achieved for the new rolling stock equipped with brake linings made of composite materials. Re-equipping the freight rolling stock represents a huge challenge in view of the wagon fleet - over 110,000 wagons are in use in France, not counting those of the different European fleets.

REGULATORY LANDMARK

Limiting railway noise pollution is the subject of regulatory demands. In France they are based on maximum acoustic values laid down by the 1999 railway decree:

- 63 dB (A) by day and 58dB (A) by night on traditional lines
- 60 dB(A) by day and 55 dB (A) by night on new lines exclusively used by TGV rolling stock.

A new European indicator, the LDEN, used to map pollution and to define plans for environmental noise abatement, distinguishes three periods:

- Day, from 6 am to 6 pm,
- Evening, from 6 pm to 10 pm, during which time traffic is penalised by 5 dB(A),
- Night, from 10 pm to 6 am, penalised by 10 dB(A).

Finally, a European directive covers homologation of rolling stock designated to use the pan-European network and is aimed at limiting its sound energy.

BLOCKING THE NOISE

In certain cases, the noise perceived by locals can be reduced by building anti-noise walls or treating the facades of housing. Walls are effective but costly, offering an average noise reduction for the inhabitants of around 5dB(A). SNCF, in its role as delegate manager of the infrastructure on behalf of RFF, has contributed to the construction of walls and parapets.

ENVIRONMENTAL NOISE: A DEDICATED PROGRAMME

The environmental acoustics framework programme under the direction of SNCF's Research and Technology Division, has four pillars: improve the noise performance of the railway system, develop decision-support tools, highlight the environmental advantages of railways, and contribute to specification of present and future standards and regulations.

SNCF is participating in other research programmes to reduce aerodynamic noise and the screeching of brakes or of wheels in bends. Together with RFF, the company brings its skills to help reduce the noise of metal bridges and to the homologation of components (absorbers) to help reduce track noise.



Greater protection of water

Consumption of a natural resource

Water is a natural resource that needs to be protected. As in the case of energy, action in this area is consistent with steps taken to reduce costs via sound resource management.

SNCF spends more than €15 M on water each year. Progress in this area can only be achieved by adjusting consumption, in the framework of the environmental management roll-out. A priority progress focus has been initiated for this subject and integrated into the company's Industrial Project.

Reduce polluting emissions

SNCF's activities make use of a wide range of industrial installations. Some of them are old and likely to discharge pollutants into the water in excess of regulation limits. Hence the need for more stringent monitoring.

This stricter monitoring is being gradually integrated into the environmental management systems and is carried out by the establishments themselves, by a specialist service provider.

Reducing pollutants at source and adapting the water purification installations and circuits to the evolution of the rail system are major challenges.

Consolidate the prevention of water contamination via plant-treatment products.

For safety reasons, SNCF is obliged to control vegetation to prevent degradation of the track and the platform it maintains on behalf of RFF.

It is important to ensure the efficiency of braking and the visibility of train drivers and agents located on railway property.

Among the techniques used, the use of plant-treatment products is indispensable. SNCF has very carefully chosen weed-killers that create the lowest risks. 80% of the products are spread by "spray trains" with a 1% margin of error in dosing water and active products. Furthermore, SNCF makes every effort to limit the impact on the environment by increasing, where possible, the intervals between the application of products on the tracks.

In 2003, SNCF used 214 tons of active products for a useful surface of some 55,000 hectares.

The annual tonnage used to maintain the tracks has decreased by 46% over the past 20 years. SNCF intends to continue along this path, within the framework of a partnership with the Ministry of Ecology and Sustainable Development and RFF.

Furthermore, SNCF continues to study use of possible alternative solutions, in co-operation with other European railway operators, within the framework of the International Union of Railways (UIC).

Controlling industrial risks

SNCF operates some 3,000 installations classified for the protection of the environment (ICPEs), of which 200 are subject to operating authorization under specific legislation on traveller hygiene and safety



and the prevention of health risks. Around 300 of the classified installations are also operated by third parties who have rented railway land.

In both cases, the installations could create pollution that SNCF has responsibility for controlling, as the operator or as the organism managing the railway heritage on behalf of RFF.

Furthermore, SNCF regions are at times consulted by the regional administration for opinions or observations as part of the processes of requests for authorization to operate, create or modify installations in the neighbourhood of railway land.

Installations operated by third parties can be the source of risk for rail traffic or for people present on railway land. SNCF has approached the public authorities to establish an inventory of risk situations and to check if the safety measures to be taken in case of accident are included in the internal emergency mechanism.

This process was initiated in 2002 in anticipation of the requirements of the recent "Safety regulations for the operation of the national railway network".

Maintaining the high level of safety for the transport of hazardous substances (THS)

THS safety is subject to most measures taken for railway safety in general. Each year it is the subject of a report to the public authorities.

Since 1983, the total rail traffic in hazardous materials amounts to some 163,000 million ton-kilometres and 10 million wagons shipped. The ratio of major accidents over that period to the number of wagons shipped is around 10^{-6} . These are not systematically major accidents in the sense of industrial catastrophes happening in the same period. This means that the ratio is in fact even smaller.

However, without being directly subject to legislation covering the ECPEs, the safety of THS is often associated with industrial or even technological risk prevention. Transit and activity sites relative to THS are now subject to special intervention plans (PPI) determined by regional prefects.

Following the 2001 catastrophe in Toulouse, the legislator decided in 2003 to extend the law to the eventuality of risk/danger verification for certain "railway facilities" (article 551-2 of the environment code). Despite the high level of safety, railway transport of hazardous materials could now face new technical and financial constraints at a time when the market has significantly changed and traffic has fallen by around 50% since the early 80s.

CONSISTENT WITH THE INTER-LINKED THEMATIC ACTIONS AND AS PART OF ITS 2005 INDUSTRIAL PROJECT, SNCF HAS ROLLED OUT AN ENVIRONMENTAL MANAGEMENT PROCESS WITH REFERENCE TO THE ISO 14001 STANDARD. TO PROTECT THE ENVIRONMENT FIRST MEANS RESPECTING LEGAL OBLIGATIONS AND THE PREVAILING REGULATIONS. BUT IT ALSO MEANS VOLUNTARY ACTIONS SUCH AS SAVING NATURAL RESOURCES. WITH THIS IN MIND, SNCF HAS MOBILISED ITS 23 REGIONS AND 250 CONCERNED ESTABLISHMENTS THROUGHOUT THE ENTIRE RAIL NETWORK.

Environmental Management: a long-term commitment



A pragmatic and global approach

The experimental programme has helped to estimate the resources which must be mobilised to respond to legal obligations, for example as concerns the compliance of installations classified for the protection of the environment (ICPE).

By the end of 2005, SNCF will have committed 250 establishments (operations, equipment, commercial trains, traction and equipment maintenance) to an environmental management process. To do so it has made the process one of the priority directions of its Industrial Project. An interactive information dissemination system (Intranet site: Net@environnement, which is accessible via the sustainable development portal) helps build consistency of practices and sharing of experience. The first 100 include the rolling stock maintenance workshops or the establishments specialised in materials making up the fixed signalling or rail track installations. The rest include primarily establishments responsible

for operations or maintenance of the infrastructure on behalf of RFF. Ten or so specialists provide the establishments and regions with methodology support.

Baseline inventory: a preliminary stage

At the end of 2003, 90 establishments out of 250 were in the inventory-in stage prior to implementing an environmental management system. The diagnostics, carried according to the ADEME's PEE 2000 method, provides each director with a precise overview of the environmental aspects and their impact that characterise the activity he/she is responsible for. As a result, the director can plan and organise programmes to achieve compliance and actions to be carried out so as to better master environmental risks.

The ISO 14001 standard: the reference for ensuring continuous improvement

Structuring environmental management for a networked enterprise that links establishments and business divisions, plus various service providers and the regions, needs the support of a tried and tested reference. SNCF has chosen as its basis the international ISO 14001 norm on environmental management. It also responds to a concern for competitiveness on the European market, where freight clients are making ever greater demands on their suppliers. Above and beyond the actions carried at local level by the establishments, the process concerns production activities as well as project management or project owner support.



SNCF and the ADEME are tied by a number of projects. From 2001 to 2003, they jointly led an experimental programme on environmental management to access the feasibility and relevance of applying the ISO 14001 standard to the different types of SNCF establishment.

LE MANS-BASED EIMM: THE FIRST SNCF INDUSTRIAL ESTABLISHMENT TO BE CERTIFIED ISO 14001

With a workforce of 340, the industrial maintenance establishment (EIMM) at Le Mans maintains and upgrades part of SNCF rolling stock. The ISO 14001 certificate was presented in March 2004 in the presence of Louis Gallois, SNCF President. The management system put in place and the performance already achieved constitute an exemplary achievement for the other SNCF establishments.

They cover areas such as waste sorting, industrial water purification, prevention of ground pollution, control of energy consumption, separate collection of rain water, waste water and industrial water.

Waste recycling and elimination

The policy concerning the recycling and elimination of end-of-life products and waste comprises three parts:

- improving local management according to local specifics with, where appropriate, a sharing of resources among establishments,
- creation of framework agreements dedicated to end-of-life products and industrial waste,
- gradual integration of Sustainable Development requirements in ecology-based product design that also makes most economic sense.

Setting up framework contracts and adapting them to developments in regulation and the services market takes into account a variety of factors: their geographic appropriateness (regional elimination plans, the existence of local procedures), the possibilities for sharing (analysis of the eco-enterprise offering) and securing contracts (a systematic analysis of technical and financial capacities of suppliers and their ability to respect the regulations). This process is piloted at national level and offers major economies of scale. In the long term, SNCF plans to involve even more suppliers in the process of recycling and eliminating their end-of-life products.

WASTE MANAGEMENT IN STATIONS: THE EXEMPLE OF PARIS GARE DE LYON

Around 1,500 tons of household and equivalent waste were collected in 2003. Plus some 14 tons of hazardous waste emanating primarily from SNCF industrial activities at sites not accessible to the public. This example illustrates quite well the problems posed by waste on this kind of site - problems of cleanliness and service quality to customers as well as of cost control for the company. SNCF has started to examine the best possible organization to control production, sorting and compression of waste prior to collection.



TO RESPOND TO THE NEEDS OF ITS CUSTOMERS IN FRANCE AND EUROPE, SNCF WILL HAVE TO ADAPT ITS WORKING METHODS, ITS STRUCTURE AND ITS BUSINESSES.

IN SO DOING, IT FOCUSES ON DIALOGUE AND CONCERTATION. THE COMPANY DRAWS ON ITS BASIC VALUES OF PUBLIC SERVICE, WHILE ASSUMING ITS SOCIAL AND SOCIETAL RESPONSIBILITIES.

NATURALLY COHESIVE, INTENTIONALLY LEARNING-ORIENTED

Linking performance, evolution and responsibility

Values of public service are the backbone of SNCF and are the basis of its legitimacy. They lead the company to recognise its social responsibility (vis-à-vis its employees) and its societal responsibility (vis-à-vis all of society). Furthermore, SNCF is in competition with other modes of transport and other European railway operators. Therefore, it must develop its structure, its businesses and the technologies it introduces. And it must do so while respecting its basic corporate values of traffic safety, punctuality, reliability, and the safety of people and goods.

Development and quality thrusts jointly defined

The vital transformation of SNCF will require an in-depth commitment from all its staff, which will experience a 50% turnover in the coming 10 years. Hence the necessity for a clear strategy, of which the basic elements will be included in the 2005 Industrial Project emanating from a widespread process of participation.

8.3 million

hours of training were dispensed to SNCF employees in 2003

(Source: 2003 Company Report)

This project has determined around 10 particular commitments to progress and performance covering such areas as training, a higher percentage of women employees, equal opportunity, health and safety of the staff, accessibility of stations to people with reduced mobility, safety of people and goods, concertation with associations, innovation, progress and cohesion.

SNCF HUMAN RESOURCE MANAGEMENT IS GEARED TOWARDS A CULTURE OF INITIATIVE AND RESULTS AND BUOYED BY AN INCREASINGLY PARTICIPATORY MANAGEMENT APPROACH. ITS STAFF OF 175,059, SPREAD ACROSS THE VARIOUS NATIONAL AND REGIONAL DIVISIONS AND 270 ESTABLISHMENTS, WILL BE INCREASINGLY CALLED UPON TO CONTRIBUTE TO SERVICE QUALITY IN OPTIMUM WORKING CONDITIONS.

A decidedly participatory approach



Human resources: shared conversations

An in-depth change in management approach

Since 1997, SNCF has been pushing a policy of management refreshment, oriented towards greater consideration for customers and results-based leadership.

Towards a culture of initiative

The culture of SNCF managers is gradually moving towards initiative and responsibility. Tools for individual and collective development are available to managers, for example, the "High Potentials" programme aimed at 250 managers who will take over positions of significant responsibility in the years to come.

Setting up a participatory management system

In 2003, SNCF laid the foundations of a participatory management system. From now on, the leaders of each establishment will develop a specific project with clear objectives and new margins for initiative. Local leaders benefit from training and mentoring. Incentive

mechanisms are in place, such as collective profit sharing in establishments that opt for that facility or exceptional rewards for individual employees. Across the board, meetings and experience sharing processes are becoming more widespread to fix problems and enhance efficiency.

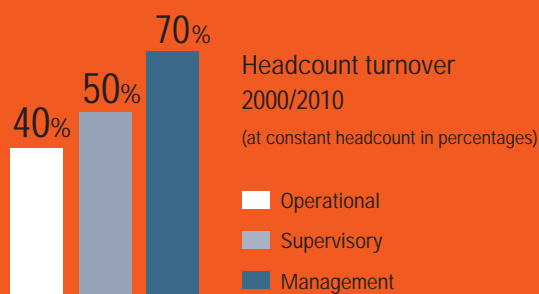
Developing international competencies

In the light of the increase in demand for transportation of people and goods in Europe, SNCF sees its target at the European economic area. This ambition implies a gradual evolution of businesses, skills and training which will focus on European languages, cultures, regulations and railway technologies.

67,000
contributions
from SNCF employees
to the 2005 Industrial
Project

300 MILLION EUROS DEDICATED TO TRAINING IN 2003

Out of 175,059 SNCF employees, almost 125,000 received training in 2003. That adds up to 8.3 million hours, of which 2.5 million were dedicated to job entry training. The cost was in excess of 300 million euros. 1.7 million training hours were on the subject of personnel safety and security. 440,000 hours covered traffic safety.



Safety: an anchor of corporate culture

Operating safety is a fundamental priority for SNCF. It is based on rigorous procedures and design of equipment and installations that are continuously monitored and adapted. It is also supported by a powerful culture of internal safety, on-going training throughout the entire safety chain, and a highly implicated management corpus. Obviously, safety demands substantial investments in equipment, infrastructure and people. For example, SNCF and RFF invested 800 million euros in the safety of the Transilien in 2003, with the financial support of the Paris Region Transport Syndicate (STIF) and the regional council.

Laying the ground for the company's "demographic evolution"

In the coming 10 years, half of SNCF's employees will retire. In a context of transparency and equal opportunity, handling recruitment is one of the Industrial Project's key success factors. It is focused particularly on the transfer of skills, know-how and company values to the younger and more qualified newcomers.

MORE YOUTH, MORE WOMEN

In 2003, SNCF hired 4,200 people (including 125 handicapped employees). The company integrated 500 young people coming from sandwich courses and 500 youth employment recruits. Furthermore, growth in the number of women at SNCF continued. Women accounted for 22.1% of hiring in 2003, compared to 17.8% in 1997.

Improving working conditions: a priority programme

Improving working conditions and the working environment is one of the 2005 Industrial Project's priority programmes. In two years, 1,800 projects have been launched in this area, with a budget of 15 million euros.

Prevention: a three-year programme of determination

The 2005 prevention programme, launched by HR management, has three objectives:

- maintain staff integrity, both physical and psychological,
- reinforce risk prevention (occupational accidents and sickness), and take human factors more into consideration,
- leverage the many competencies and promote exchange of practices.

Ethics: a strong involvement

The ethics process implemented six years ago is fully integrated into SNCF's Sustainable Development policy. It is driven by the Corporate Controller with the aim of making every employee a professional serving the company and its clients, an employee building and communicating a positive image and a defender of the values of the public service establishment.

Control and management awareness

Following a series of surveys, the Corporate Controller issues recommendations and reaches conclusions that are documented in his annual business report. He also contributes to establishing overall references or subjecting processes to quality norms and controls. He also has a mission of creating awareness among



The programme, which has been developed in co-operation with the business divisions and units, is designed to move with the times and will be updated every year.

Buildings

In compliance with the provisions of the public health code, SNCF brings in certified enterprises to thoroughly examine materials in all buildings for asbestos content. This major operation concerns 14 million square meters of constructed surface.

The examination of class 1 buildings (2 million m²: high-rise buildings and those to which the public have access) is complete. Class 2 buildings (other buildings, i.e., 12 million m²) will be completed at the end of 2005.

the company's leaders and managers with regard to ethics risks and their control.

Code of ethics: a reference for everyone

The current version of the code of ethics (distributed to managers in 2000) was made available to all staff early in 2004. A specific supporting programme has been implemented with the aim of ensuring that everyone understands and respects the rules - especially newcomers.

SPREADING THE VALUES

The Code of ethics, or "A practical guide to individual behaviour" sets out three key values: respect for customers, suppliers and other employees as well as for the company, responsibilities of the enterprise and of each employee, as well as effectiveness linked to competencies and professionalism. It specifies the attitude to adopt in 10 particular situations, from relations with customers to social dialogue and including the secure use of SNCF information system.

Social dialogue: an on-going orientation

The Industrial Project: a huge process of contribution

Developing the 2005 Industrial Project was preceded by a national process of concertation with employees on six themes: Europe and competition, durability of the public service and its compatibility with competition, SNCF economy, management and career development, conflict management and demographic turnover.

Employees participated through their 22,000 contributions and 45,000 individual questionnaires. In particular they participated in the definition of 18 decisions that are gradually being implemented in the field.

WHAT EMPLOYEES SAY:

- For 60% of consulted employees, Europe is an open market where there is no need to fear competition.
- For 81%: financing the Regional Express Train (TER) by the Regions is a factor for progress and service quality.
- For 93%: it is important to ease the migration from one professional path to another in mid-career.

(Source: SNCF 2003 internal survey)



A UNION OF INITIATIVES: DIALOGUE OPEN THE WAY

The union of initiatives was set up in October 2003 as an informal network of 150 SNCF employees from all geographic origins and functions. Its objective is to unravel conflict situations or anticipate predictable operational issues via dialogue, interchange and bringing together the appropriate parties.

Internal social agreement: towards a culture of concertation

After two years of concertation, the protocol on "improvement of social dialogue and conflict prevention" was signed by three of the nine trade unions represented in the company. It became effective in October 2003. It articulates the determination to move from a culture of confrontation to one of negotiation and quest for compromise, in particular via a process of immediate concertation. It also institutes a "predictable service", which implies establishing a transport plan in case of strike; it is submitted to all trade unions for information and distributed to the general public the day before.

European social agreement: a powerful commitment on the part of SNCF

The liberalization of European rail traffic became effective for the freight business in March 2003. It implies a harmonization of operating criteria. This is ensured through two major agreements signed by the European Rail Community (CER - the railway enterprises) and the European Transport worker's Federation (ETF - European trade unions). The result is a driver's license certifying the ability of the driver to cross borders and harmonization of driving and rest time of personnel in cross-border service. SNCF was very much involved in the preparation of these agreements - which protect against the risks of social dumping.

THE VALUES ASSOCIATED WITH COHESION ARE AT THE HEART OF PUBLIC SERVICE. THEY ARE NOW INTEGRATED IN SNCF'S INDUSTRIAL PROJECT AND IMPLEMENTED BY THE SOLIDARITY MISSION. THE LATTER ADDS ITS CONTRIBUTION TO THE PUBLIC POLICY IN FAVOUR OF THE MOST UNDERPRIVILEGED VIA TERRITORIAL POLICIES OF SOLIDARITY AND THE FIGHT AGAINST HOMELESSNESS AND SOCIAL EXCLUSION.

Cohesive, with an ear to wants and needs



25.1%

of stations accessible to people
with reduced mobility

Transport of handicapped people

On December 15, 2003, SNCF signed with the French State a partnership convention on "enhancing accessibility to rail transport for handicapped people, those with reduced mobility and the elderly suffering from reduced autonomy".

The aim of the convention is to detail regional accessibility plans to enable all handicapped people to locate a station within a radius of 25 to 50 kilometres offering services and transit facilities.

These plans will be developed by SNCF in partnership with RFF, the regional councils and the municipalities, in concertation with the associations representing handicapped people. A first stage, to be completed by 2007, is to raise the proportion of accessible stations by 40% to 70%. Other measures are planned, including multiplying by four the number of places reserved for people using wheelchairs.

ALWAYS HELPING WITH A HELPING HAND

In 2002, SNCF staff helped 400,000 handicapped travellers in stations.

Every day, SNCF provides them with 450 lifts (ground/train), 700 wheelchairs at the welcome desks and 3,000 dedicated areas on board the trains.

Country-wide solidarity

As a public service company, SNCF has a particular responsibility to work towards combating the gradual erosion of social cohesion. It therefore contributes to actions of prevention and social integration often initiated by the state and municipalities in urban or rural contexts.

Prevention: an on-going dialogue

In 2003, actions carried out on the theme of “railway citizenship” were driven by 400 voluntary employees in favour of 85,000 school children.

SNCF also co-organised forums and debates on the subject of prevention with parent associations in the Yvelines department and in Alsace. It has also joined in the national programme called “Help us dream” by driving 10 projects of social prevention and education through sport taking place in the regions of Provence-Côte d’Azur, Brittany, Alsace, Limousin and Greater Paris.

The insertion projects were extended in 2004 in partnership with regional councils or town halls, particularly in Nord-Pas de Calais and Pays de Loire, but also in the Paris region. Similar projects exist in Limousin, Picardy and Rhône-Alpes.

Actively combating homelessness and social exclusion

SNCF has complemented its social systems in several stations in partnership with government authorities and welfare associations. Almost 100,000 disadvantaged people benefited in 2003. Provisions include the “SOS Travellers” service (for less severe or occasional cases of homelessness) in about 10 stations, the Solidarity Welcome Desks at Strasbourg, Metz, and Tours, and reception and follow-up procedures in a dozen other major stations.



100,000

people in difficulty aided by SNCF and associations in 2003

Multi-faceted mediation

SNCF has pursued a broad-based action of social mediation at the Multi-Service Mediation Information Points (PIMMS) in the regions of Lyon, St-Etienne, Brest and Le Havre and in the first “City Service Area” (EVS), which provides services of public interest free of charge at the Raincy-Villemomble station. The company also supports “Public Service Houses” (MSP), in particular one in Saint-Valéry-en-Caux.

SNCF has also provided emergency accommodation for 2,500 people in Paris in partnership with the Protestant Centre for Social Action (CASP). It has actively participated in the work of the Paris social SAMU (healthcare emergency service) by seconding seven railway employees, as well as of several social SAMU teams in the provinces. In parallel, the Solidarity Mission has worked out support mechanisms for refugees with its opposite number at the Italian railway company.

Socio-professional insertion: a project-oriented approach

Insertion projects have a powerful role to play in SNCF’s societal responsibility philosophy. They were launched in mid 2003 and have enabled 80 people to benefit from part-time work, mentored by SNCF professionals, and social support. They have also contributed to the renovation of around 20 small stations in the regions of Rennes, Lille, Marseille, Paris Rive Gauche and Paris Saint-Lazare.

EMERGENCY ACCOMMODATION: A CONSISTENT EFFORT

For example, SNCF co-manages accommodation facilities at Paris Vaugirard (40 places and 250 helped in 2003), at the Paris-Est station (2,000 people assisted) and Paris St Lazare-Pont Cardinet (200 beneficiaries). In the provinces, two emergency accommodation projects were set up at the end of 2003 in Avignon and Die.

AS A PUBLIC SERVICE ORGANIZATION ACROSS THE NATIONAL TERRITORY AND PART OF ITS CITIZEN'S DAY-TO-DAY LIFE, SNCF HAS THE DUTY TO ASSUME THE TASK OF EDUCATING PEOPLE ON SUSTAINABLE DEVELOPMENT. THIS IS TRUE OF ALL THOSE INVOLVED, BE THEY INTERNAL OR EXTERNAL TO THE COMPANY.

LEARNING IN MOTION



20

SNCF workshops on Sustainable Development since January 2003



Workshops: a pro-active approach towards the general public and employees

The objectives of SNCF's Sustainable Development workshops is to bring together customers and employees in the stations, schools and SNCF establishments, to raise awareness of the subject and to assure media coverage of SNCF's actions. By way of these meetings and opportunities for interchange, SNCF employees explain SNCF's commitment to Sustainable Development and answer questions on the issue. These events are amply supported by ADEME educational material. SNCF's Sustainable Development workshops will be adapted for internal use at national, regional and local level and in schools that request them.

AN ACTIVE CONTRIBUTION TO SUSTAINABLE DEVELOPMENT WEEK

Within the framework of National Sustainable Development Week from June 16 to 27, 2004, SNCF ran Sustainable Development workshops in nine major stations: Amiens, Caen, Clermont-Ferrand, Gare de Lyon, Lille-Europe, Plaine-Stade de France, Rennes, Toulouse, Tours and in an industrial establishment in Strasbourg. These operations included an exhibition staffed by employee volunteers as well as discussions on the themes "SNCF and the energy challenge" and "SNCF and environmental management". A Sustainable Development guide was given to visitors.

Face to face with the general public

SNCF has built up a strong impetus in meeting and dialoguing with its customers throughout France. This determined policy has translated into events such as The Capital Train and long-term operations such as "1000 adolescents, 1000 trains" or "I love trains". As a result, the old and the not so old have had the opportunity to discover the company's missions, skills and commitment to Sustainable Development.



GARE MONTPARNASSE

On February 27 and 28, 2004, SNCF Sustainable Development workshops were run at the Paris-Montparnasse station. It was an opportunity for customers and employees to obtain information and to dialogue with the facilitators. A "coffee of solidarity" was offered by SNCF staff and volunteers of the Association "Artisans du Monde" as part of a "Fair Trade" initiative.

Net@environnement: an information tool for everyone

The cross-functional "Sustainable Development" project includes an internal information system, net@environnement, which gives a strong impetus to the roll-out of environmental management in two main directions: assure a safe environment; and save energy and fluids. Its objectives are to share the information necessary to implement environmental projects, offer quality information, highlight best practices and know-how, develop tools in team mode and share them, involve different people, and develop partnerships. Its implementation is part of an action plan that includes training at regional level, distributing a user manual, opening regional services, and providing telephone and electronic support. National roll-out of net@environnement will be completed in the course of 2005.

CAPITAL TRAIN: 6 MILLION VISITORS

From May 17 to June 15, 2003, the Champs-Élysées hosted the Capital Train, an exhibition/promenade retracing the 150 years' history of French railways - from an imperial railway coach of Napoleon III to a TGV engine and coach. On June 1, Parisians, visitors and tourists even had the opportunity to travel down the famous avenue on board an authentic Téoz Corail train set. Five debate/exhibition areas enabled visitors to discover the different SNCF skills, the new railway technologies and the "communicating station" of tomorrow. Visitors were welcomed and guided by tens of thousands of voluntary employees from all regions of France. Various film festivals and exhibitions were in counterpoint to this event at various locations throughout Paris. With six million visitors, the Capital Train was a success. The operation put the spotlight on the enterprise spirit and the technological superiority of SNCF. It also confirmed that the vast majority of French people really do love trains.

SCHOOL CHILDREN AT THE TRAIN CONTROLS

During the operation "1000 adolescents, 1000 trains" on November 20, 2003, 10,000 school children from 500 schools were given access to the train drivers' cabs and saw trains in a totally new perspective. For a few minutes - and under careful supervision - they were allowed to take over the controls of an RER, a Corail or a TGV. They also made acquaintance with the world of the railway people, talking with inspectors, sales people, engine drivers, mechanics and security staff. The operation was the launch of a huge awareness operation called "I love trains" in partnership with the Ministry of Education.

INDICATORS

Area	Indicators	2002	2003
ECONOMY	For the full set of economic data, see the 2003 annual report		
	INVESTMENTS ⁽¹⁾		
	STATIONS (in million €)	175.6	127.2
	PASSENGER ROLLING STOCK (new, refurbishment, serviced) (in million €)	1,032.3	1,028.9
	FREIGHT ROLLING STOCK (in million €)	136.4	153.9
	FIXED INSTALLATIONS - TOOLS, material and traction (in million €)	117.2	152.8
	AVERAGE AGE OF ROLLING STOCK		
	TGV (in years)	12.1	12.6
	Autorails (in years)	18.7	17.7
	Diesel locomotives (in years)	37.1	37.9
	Electric locomotives (in years)	27.6	27.0
	Freight wagons - SNCF (in years)	28.3	29.0
	Private freight wagons - (in years)	27.5	28.0
ENVIRONMENT			
	AIR AND GREENHOUSE GASES		
	% emissions of CO ₂ for rail transport compared to emissions of CO ₂ for the whole transport sector ⁽²⁾	0.5	0.5
	ENERGY		
	Consumption of train fuel (in 000s of m ³)	279.4	264.1
	Consumption of electric power for rail transport (in million kWh) ⁽²⁾	7,960.1	7,818.8
	Total consumption for trains (000s of TEP) ⁽³⁾	940.8	914.6
	% of drivers in initial training having received train driver training	100%	100%
	NOISE		
	% of silent freight equipment compared to all freight equipment ⁽²⁾	-	7
	% of silent passenger equipment compared to all passenger equipment ⁽²⁾	-	47
	WATER - WATER PROTECTION		
	Total water consumption (in million €)	15.1	15.2
	Purchase of plant-treatment products (in tons)	231	214
	MANAGEMENT		
	Number of ISO 14001 certified establishments	-	1
	Number of establishments in the SME - ISO 14001 process	40	65
	Number of specialists having received training in environmental management	60	100
	WASTE ⁽⁴⁾		
	Total industrial waste recycled (in tons)	10,115	17,415
	Special industrial waste recycled (in tons)	2,000	2,200
	of which batteries (in tons)	190	780
	of which PCB-PCT (in tons) ⁽⁵⁾	175	90
	of which asbestos (in tons)	25	25
	SPACE OCCUPIED		
	Total surface of rail land (in hectares)	32,109	32,729
	Surface owned by SNCF (in hectares)	7,671	7,669

Area	Indicators	2002	2003
SOCIAL & SOCIETAL	For complete social data, see the 2003 company report		
	W O R K F O R C E		
	Average age of status employees (in years)	40.6	40.8
	% of women compared to total workforce	16.2	16.4
	% handicapped employees	3.6	3.7
	% foreign employees	0.7	0.7
	Average length of absence per employee due to sickness and non work related injury (in days)	11.9	12.3
	I N D U S T R I A L C L I M A T E - C O N F L I C T S I T U A T I O N		
	Number of days lost per employee due to strike (6)	0.21	2.26
	T R A I N I N G		
	% workforce budget dedicated to occupational training	7.17	6.25
	Contribution to occupational training (in million €)	357.8	309.2
	Number of trainees	132,847	124,945
	Number of training hours (000s)	10,380	8,321
	Number of employees having received training in personnel safety	49,143	50,017
	W O R K P L A C E S A F E T Y		
	Number of workplace accidents	8,561	8,465
	Occurrence rate of workplace accidents	41.86	42.76
	Number of fatal accidents to employees	7	5
	O P E R A T I O N A L S A F E T Y		
	Number of train accidents with physical injury	17	12
	Number of train accidents with material damage (major)	9	5
	S E C U R I T Y		
	Number of acts of aggression against customers and SNCF staff	10,290	9,830
	Number of acts of vandalism to installations and goods of SNCF	25,300	24,600
	S O C I A L C O H E S I O N		
	% of stations accessible to people with reduced mobility	24.1	25.1
	Annual contribution to SNCF Solidarity Foundation (in €)	155,000	155,000
	Number of individuals taken in by missions dedicated to support and mediation for people in need	80,000	100,000
	Number of people supported through the social insertion projects (7)	-	80
	Number of people accommodated in emergency lodging	2,000	2,500

The indicators in this report are the same as in 2003. The list will be complemented in the years to come.

The scope is that covered by SNCF EPIC. The 2003 annual report is available at <http://www.sncf.com>

(1) Gross investment amount.

(2) UIC (International Railways Union) indicator.

(3) TEP = Tonne Equivalent Pétrole = oil-equivalent ton. Calculations based on the following equivalence co-efficients 1m3 of diesel fuel = 0.917 TEP; 1000 kWh = 0.086 TEP (Decision of February 2002 reached by the Orientation Council of the Energy Observatory)- CITEPA 2001 Figures.

(4) Industrial waste recycled via a "service framework contract" mechanism instituted nationally by SNCF.

(5) PCB = Polychlorobiphenyls and PCT= Polychloroterphenyls.

(6) 2003: for the most part, impact of social unrest linked to pension reform.

(7) Project initiated in 2003.



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