



Communication On progress 2014

Keolis reaffirms unwavering commitment on all 10 UN Global Compact principles

In 2014, Keolis celebrated the 10th anniversary of our commitment to the 10 principles of the UN Global Compact.

This Communication On Progress sets out our social and environmental commitments.

In 2014, we pressed ahead with the deployment of our business project launched in 2013 by integrating our social and environmental responsibility aspects.

Throughout the year, two thousand members of the Keolis workforce joined in a major effort to define the core Group values, shared by all, that frame and give meaning to our day-to-day work:

"We Imagine" as we actively invent and propose solutions to Local Authorities and Public Transport Authorities.

"We care" about safety, an absolute on which we shall make no compromise, and about the operational excellence that is an essential component of our high-quality service guarantee.

"We commit" illustrating how we meet our commitments, towards the Public Transport Authorities, our passengers, our staff, and, in a broader context, our stakeholders with whom we share the challenges of sustainable mobility.

These values are expressed in English as the values of our international Group have to be shared equally by all, using the same words. The use of "we" has also been chosen to reflect this unity of purpose.

We are pleased and proud to reassert our commitment to uphold and enforce the 10 principles of the UN Global Compact for another year. We therefore pledge to continue pushing forward with this policy, which is being championed from the top.



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Keolis applies all 10 UN Global Compact principles

A- Actions illustrating the implementation of principles 1 to 5 and 10

Principle 1 "Businesses should support and respect the protection of internationally proclaimed human rights"

Principle 2 "Businesses should make sure that they are not complicit in human rights abuses"

Principle 3 "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining"

Principle 4 "Businesses should uphold the elimination of all forms of forced and compulsory labour"

Principle 5 "Businesses should uphold the effective abolition of child labour"

Principle 10 "Businesses should work against corruption in all its forms, including extortion and bribery"

The Konformité program

The Group's ambition to expand further into the French and international marketplace intensifies the commercial competition, thus exposing Group managers and entities to three significant areas of risk: Competition, Fraud and corruption.

In order to limit tort risks involving managers, to prevent legal and financial risks and to further its development in full compliance with the rules on business ethics, the Keolis Group has integrated the "Konformité" program into its business plan roadmap via the fair business practices project. Keolis supports this program via an Ethics and Conformity Committee and a network of Ethics and Conformity correspondents throughout its subsidiaries. The "Konformité" program is a cross-departmental Group approach covering 3 key areas that involves all Group subsidiaries. The aim is to infuse all Group members with the right attitudes designed to help them carry out their missions in accordance with business ethics guidelines, and to make business ethics a shared value and a key feature of the corporate culture.

Each of these 3 areas is governed by a clear set of rules, which are updated by the Ethics & Conformity Committee.

Within each subsidiary, these rules are vehicled by the line managers, supported by a network of Ethics & Conformity Correspondents:

- Adhere strictly to the tenets of free and fair competition. Each subsidiary implements its commercial policy in compliance with the right attitudes towards competition.
- Anti-fraud and anti-corruption policy. Each subsidiary applies the Group's "Sponsorship, patronage and donations" and "Gifts and invitations" procedures.
- The protection of personal data. Each subsidiary raises its teams' awareness of good practices and applies the "Privacy by Design" principle to all new projects, including the processing of personal data. This principle proposes to integrate respect for privacy directly into the design and operation of IT systems and networks, and also into the development of responsible practices.

2014 saw further deployment of training and awareness-raising initiatives targeting operational managers and core activity communities. Around 200 managers received training in competition law.

At the same time, the program was enhanced by the incorporation of a new Guide that calls for staff to develop an awareness of:

- the value and vulnerability of certain information,
- the need to protect intellectual property rights, belonging both to their company, their clients and their partners.

In late 2014, several members of the Keolis executive management team sponsored a seminar that brought together international development teams and legal experts as well as business analyst and developer teams. This seminar focused on raising the awareness of these specific populations, by means of a study day devoted to implementation of the anti-corruption program targeting business relationships with trade partners.

On the international scene, the Group has rolled-out this dossier in several different countries and identified potential specific needs through its contacts with international correspondents.

If any member of the Keolis community has any doubt over whether certain rules of conduct should be applied in certain situations, they are duty-bound to refer the issue to their line manager and/or top management at their company, who are in turn duty-bound to help Keolis community members find appropriate solutions to grey-area issues. Keolis community members can then trigger the **Keolis Group whistleblower mechanism** by alerting the Ethics Officer. This safeguard encompasses finance, accounting, banking, as well as competition, corruption and discrimination. Chief Compliance Officer reporting guarantees that the names of whistleblowers—and if necessary the people in tort—remain anonymous.

Any Keolis community member facing a difficult professional situation that they are unable or unwilling to take to their line management can refer the matter to the Keolis Ethics Officer. The

Ethics Officer listens, advises and, where necessary, investigates issues relating to Keolis Group values and ethics, such as:

- respect for privacy, gender equality, diversity, equal opportunity,
- bullying, discrimination,
- complex inter-personnel relationships that could not be dealt with through the usual channels, in particular through Human Resources or Management.

In 2014, the Keolis Ethics Officer dealt with 13 issues referred to them by Group personnel.

B- Actions illustrating the implementation of principle 6

Principle 6 “Businesses should uphold the elimination of discrimination in respect employment and occupation”

PIMMS—opening doors to employment

A ‘PIMMS’ is one of many local community mediation and outreach centers (French nonprofit *association loi 1901*) designed to inclusively facilitate all-public access to public services.

Each PIMMS is created through a partnership between one or more local/regional authorities and one or more for-profit/not-for-profit public service operators. It is co-financed by the partner businesses and local authorities—including government money—through subsidized employment. As an information and mediation relay, the PIMMS has a dual objective: to facilitate access to public services, particularly in disadvantaged areas, and to support the career development of PIMMS staff by helping them get into long-term skilled employment.

As of 31 December 2014, 21 Keolis Group subsidiaries were sponsor-partners to 40 of the 62 PIMMS bureaux open today.

In 2014, Keolis supported the creation of a second PIMMS in the Greater Bordeaux region. Keolis is a key player in the Bordeaux PIMMS through its presidency of the Cenon PIMMS. Via their mediators, these two PIMMS handle ambulance control on the Greater Bordeaux bus and Tram network.

Since Keolis first got involved in supporting PIMMS, a total of 26 on-salary PIMMS mediators have been hired into Keolis subsidiaries.

“Coups de cœur solidaires”—inspiring social action awards

In 2014, Keolis designated its “Coups de cœur solidaires” for the fourth consecutive year.

The aim of this operation is to foster community engagement by encouraging Keolis-Group staff to donate their time and skills to an association working to promote inter-community ties and tackle local social issues or help struggling or disadvantaged populations to integrate the community. Keolis can then provide funding.

The nominations are evaluated by a jury composed of Keolis executive division members and staff representatives. The benefit and eligibility of the projects nominated are assessed against the following criteria: target population, social and partnerial dimensions, viability and freshness of the project, how it creates social ties. The three prizewinners get a grant paid directly to the associations they have championed.

The 2014 edition saw 1st prize go to the association Le Bocal, which runs job insertion schemes for young people in Tours, supported by a driver-fare collector and inspector from the Keolis Tours subsidiary. 3rd prize went to the I.D.E.E.S association, which acts on behalf of young adults in Sevrans excluded from the labor market, supported by an Environment and Safety Project Manager from the Keolis, Courriers d'Ile de France subsidiary.

Keo'Awards

Keo'Awards celebrates and promotes internal innovations and good practices developed by Keolis' corporate divisions and subsidiaries. Designed to showcase innovation and the sharing of good practices as strong and unifying themes, this internal event promotes the work of project teams and spreads knowledge and expertise Group-wide.

Three projects won awards in the "Social responsibility" category at the 2014 edition, one of which was the project submitted by Courriers d'Ile de France: **Run local population and mobility workshops via the Internet**. The Internet provides the subsidiary's prevention agents and sales people with a work tool with which to structure their work with partners (disadvantaged populations, job seekers or non-French-speaking persons, students, etc.), and puts this on a more professional footing. Keolis thus plays a role in optimizing the career development of a range of job seeker profiles.

Label Egalité (Equality Label)

For several years now, the Keolis Group has led an ambitious workplace gender equality policy aimed at improving the gender mix and fostering a real sense of equality among all staff. This project is led by the Keolis Group General Management and is a core component of the company's human resources policy. Keolis's gender equality strategy is structured around three major projects: write workplace gender equality into the Group's human resources and organizational processes; set up an internal Keolis Pluriel network that enables staff in any core business area to actively promote and advance workplace gender equality; deploy the Equality label.

Keolis is therefore strong on promoting its equality approach Group-wide, with operational divisions and beyond. Keolis makes sure that its subsidiaries share its Group values and supports them in order to guarantee equality between Keolis community members everywhere. The company also promotes equality and diversity among its external stakeholders. In 2014, the Keolis Group coached several subsidiaries in their drive to achieve workplace gender equality certification. This allowed Keolis SA and Autocars Planché to have their Equality label re-certified, while Keolis Lille was awarded AFNOR certification for the first time. The Keolis Group was invited to present its equality approach at the WIIIT (women's issues in transportation) international conference and before the members of the UITP (International Association of Public Transport). Keolis also helped

draft the guide “The strength of Processes” on good practices for workplace gender equality, co-written by companies with Equality certification.

C- Actions illustrating the implementation of principles 7 to 9

Principle 7 "Businesses should support a precautionary approach to environmental challenges"

Principle 8 "Businesses should undertake initiatives to promote environmental responsibility"

Principle 9 "Businesses should encourage the development and diffusion of environmentally friendly technologies"

ISO 14001 Group certification

Prompted by growing requirements of national Transport Organization Authorities, heightened consumer awareness of green issues, tougher regulations and our ambitions to expand into the international arena, Keolis has since moved to consolidate and galvanize our ambition to achieve significantly enhanced environmental performance.

The Environmental approach is coordinated from the front by the Corporate Health–Safety–Environment Department as a continual improvement cycle strategy. Key inputs are feedback and lessons learned from the subsidiaries, and an environmental management system based on an internationally-recognized management system standard: ISO 14001.

Deployment of the Group's Approach is materialized through the following work streams:

- Regulatory surveillance and regulatory compliance assessment
- Definition of a corporate-wide Environment policy
- Design and deployment of tools to be made available to all Group subsidiaries
- Development of a training offer
- Internal auditing
- Pooling feedback and sharing lessons learned.

The Environment Policy of the Group sets out its commitments and covers the full range of the Group's core business activities (operation, maintenance, trade, administration). This policy, applied to all Keolis subsidiaries, is written into the Group's business project.

2014 saw 10 subsidiaries ISO14001 certified on behalf of the Group, under the environmental approach of the Group.

While several Group subsidiaries are already certified to ISO 14001, this first group certification drives a strong strategy built around three cornerstone commitments: push forward with optimizing energy consumption, improve waste management and reduce the consumption of drinking water used for industrial-process purposes.



Actor in the energy transition

Energy consumption is the largest environmental impact of our business activities. Optimizing consumption is a key objective of the environmental policy of the Group and is materialized as a backbone project in our strategic roadmap.

As a public transport operator and a world leader in tramway and automated metro services operating over 20,000 buses and cars throughout Europe and North America, the Keolis Group actively participates in driving the energy transition. We do this, in particular, by supporting Public Transport Authorities initiatives involving the choice of modes, impact studies and efforts to improve the environmental performance of their vehicle fleet.

Keolis has spent many years ploughing investment into an array of tools and solutions designed to reduce the environmental impacts of our vehicle fleet—and in many cases we have been the industry pioneer.

The solutions deployed are geared to the local setting and to the fleet: alternative energies, diesel particulate filters, hybrid or electric vehicles, as well as energy recovery/energy-efficiency systems for urban transit modes.

Keolis is deeply engaged in this domain, as we use the full range of alternative energies, including biofuels, ethanol, natural gas-based fuels and electrical power. It is Keolis Group policy on all fleet-vehicle contracts to always buy models that are able to run on alternative fuels—ideally biodiesel or biogas.

Each year, Keolis transports over 2.5 billion passengers, many of them via electrically-powered urban transport modes. The gain in the summer of 2009 of the Melbourne tramway in Australia, the commissioning of tramways in Brest, Dijon, Angers, Tours, the 2nd line in Orleans and the extensions of the lines in Bordeaux have not only made Keolis the world leader in tramway operations, but have also significantly increased the number of passengers carried by electrically-powered urban transport modes.

In Lyon, the TCL network is today one of the most advanced operators in the use of electrically-powered transport modes (metro, tramway, trolleybus, funicular railways), that represent nearly 74% of passenger travel. Keolis also partnered Alstom and SYTRAL in signing a tripartite agreement to characterize tramway line energy consumption in order to optimize energy assessments and recapture vehicle-generated braking energy.

In Lille, Keolis has been running the world's first automated metro line since 1983. 66% of travel on this network is provided by electrically-powered modes (metro and tramway).

In Bordeaux, Keolis runs the world's first tramway powered by a Ground Power Supply (APS) system. Electrically-powered transport modes represent around 62% of public transport travel within the Greater Bordeaux region, i.e. approximately 55 million journeys per year. For over a year now, Keolis has also been experimenting with the use of electrically-powered buses in Denmark.

Regarding automated metro services, Keolis optimizes service frequencies in order to keep electricity consumption to a minimum and has set up regenerative vehicle braking energy recovery systems that generate energy savings of around 12% per electrical power supply substation.

Keolis is also the lead operator of hybrid buses in France and has deployed this hybrid technology across several transport networks.

The Public Transport Authorities of Bordeaux and Dijon respectively ordered 30 and 102 buses fitted with hybrid diesel-electric technology. Experiments are on-going in Angers, Orleans and Lyon. The focus of the Lyon project is to assess which system is the most effective and best suited to the needs of the city. In Metz, the BRT (Bus Rapid Transit) run by Keolis, has a fleet of 24-metre hybrid buses.

Keolis also contributes to the deployment of hybrid technology on the international arena, with a particularly strong presence in Sweden, Denmark and Belgium. For Keolis, the use of hybrid vehicles articulates into the Group's policy on the diversification of the traction energy supply systems used by its bus fleet.

Keolis is pushing forward with its activities in this area, partnered by equipment suppliers and manufacturers, so as to identify and facilitate the development of solutions that will optimize the environmental performance of the vehicles.