

# *Global Compact*

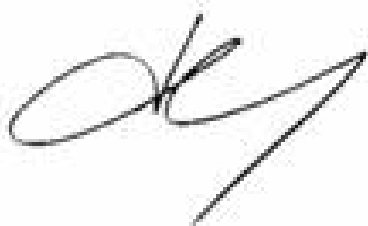
## *Communication on Progress*

### **1. Declaration of Continued Support by the Chairman and Chief Executive Officer**

*By signing the United Nations Global Compact in 2013 Groupe Eurotunnel openly committed itself to respecting the ten founding principles in the four fundamental areas of human rights, labour, the environment and anti-corruption.*

*These core values are integrated into Groupe Eurotunnel's culture through its Charter of Ethics and Behaviour known and shared by all staff, a human resources policy predicated on equal opportunity and treatment for all employees and the Charter for Responsible Supplier Relations which Groupe Eurotunnel signed in 2012.*

*Groupe Eurotunnel has renewed its commitment to apply, respect and promote the Global Compact Principles in 2015.*

A handwritten signature in black ink, appearing to be "JG", with a long horizontal stroke extending to the right.

*Jacques Gounon, Chairman and Chief Executive Officer  
5 May 2015*

### **2. Human Rights and Labour**

Groupe Eurotunnel supports to the principles of the 1948 Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organisation (ILO). In the area of labour rights, this means respecting the four core values of the ILO: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. Of these four values, freedom of association and the elimination of discrimination are the two principles which more particularly concern Groupe Eurotunnel and to which it is fully committed, without neglecting its support for the elimination of all forms of forced or compulsory labour and the effective abolition of child labour.

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

**Principle 2: Businesses should make sure they are not complicit in human rights abuses**

Groupe Eurotunnel is committed to the Global Compact Principles through its Charter of Ethics and Behaviour.

<b>Global Compact Principles</b>		<b>Section title in Groupe Eurotunnel's Charter of Ethics and Behaviour</b>	<b>Eurotunnel Commitment</b>	<b>Extract from the Charter of Ethics and Behaviour</b>
<b>Human Rights</b>	<b>1.</b> Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	<b>Respect for people</b>	Ensure equality, dignity and respect for all staff	Groupe Eurotunnel applies an equal-opportunities human resources policy in accordance with the law. In particular, it does not permit any discrimination for illicit reasons such as sex, age, morals, race or nationality, disabilities, religious, political or trade union opinions or commitments. All moral, sexual or, in a more general sense, unlawful pressure, pursuit or persecution is prohibited. Each person observes laws concerning respect for the private lives of employees, especially laws governing computerised files.
	<b>2.</b> Businesses should make sure they are not complicit in human rights abuses	<b>Respect for people</b>	Ensure full respect for human rights	Pursuant to the Global Compact principles in terms of Human Rights, Groupe Eurotunnel does not permit any violations of Human Rights.

## **Ensure equality, dignity and respect for all employees**

### **Groupe Eurotunnel's Commitments**

Groupe Eurotunnel is committed to promoting diversity as a key driver of performance to better reflect the society in which it operates:

- Equal opportunity for men and women is an important aspect of Groupe Eurotunnel's diversity policy. Respect for gender equality principles is reflected in applying a fair policy for recruitment, training access, pay and promotion. A gender equality agreement aimed at eliminating any pay differences between women and men was signed in 2009 with the French trade unions for an indefinite period. It was further strengthened in July 2013 by signature of a 12-month action plan as part of human resources policy to ensure gender equality and non-discrimination.
- In the United Kingdom, fair pay is ensured by the Rate for the Job system and the HAY method.
- Groupe Eurotunnel is committed to making remuneration fairer and sharing its financial performances with employees. A profit-sharing system was introduced in France and a collective bonus scheme in the United Kingdom. Groupe Eurotunnel is also actively pursuing its employee share ownership policy so that all staff benefit from its success. On 29 April 2015, the Board decided to award, for the fourth time, free shares to all Group employees.
- A charter on preventing psychosocial risks was introduced in France for ESGIE subsidiary employees in April 2009. It sets out the company's approach for dealing with cases of workplace trauma. A committee was set up under the charter to prevent and treat occupational psychosocial risks. As a further step, an agreement was entered into between the Human Resources Department and all the trade unions in 2010. Negotiations have started with a view to renewing this agreement during the course of 2015.

### **Strengthening the key skills of all employees**

The main focus of Groupe Eurotunnel's training policy is to maintain a high standard of operational performance from employees in order to develop its business activities.

**Achievements:** Groupe Eurotunnel created a training centre called CIFFCO (Centre International de Formation Ferroviaire de la Côte d'opale) which dispenses training primarily in the railway sector.

- On 3 July 2014, the train driver training provided by CIFFCO was officially listed in the French national directory of professional certification (RNCP), meaning that it confers a recognised qualification. CIFFCO is now therefore the first – and only – private training organisation with the capability to award this qualification alongside the French public railway operator.
- In 2014, employees received nearly 230 000 hours' job training, equating to an average of 57 hours' training for each employee compared with 36 hours in 2013, an increase of 65%. Training expenditure increased to €5 095 000 in 2014, nearly 3% of payroll costs, compared with €3 807 000 in 2013.

## **Protecting occupational health, safety and well-being**

Health and safety is an absolute priority and major ongoing concern to Groupe Eurotunnel. Each subsidiary has procedures and action programmes to limit and prevent the risks inherent in its employees' work and to improve the quality of work life.

**Safety:** The Board Security and Safety Committee ensures that appropriate arrangements are in place for the safety of customers, employees, sub-contractors and all stakeholders.

- Each subsidiary has its own safety department which promotes a culture of prevention with regard to safety with the aim of gradually achieving a safe and healthy working environment. Each entity regularly monitors safety performances as part of a drive for continual improvement and taking any corrective actions that might be necessary.
- Groupe Eurotunnel's CSR policy, signed by the Chairman and Chief Executive Officer, sets great store on improving occupational health and safety with the stated aim of achieving zero accidents.
- All safety events are registered and analysed so that recommendations can be made then action plans implemented. Various safety indicators are continually and systematically monitored, particularly by the Board Security and Safety Committee, to ensure overall performance is improved.
- Through preventive efforts and calls for vigilance, the number of lost time accidents within Groupe Eurotunnel has reduced significantly since 2012. While the reduction in 2014 was only slight due to greater volumes of activity, the frequency rate has nevertheless improved markedly since 2012. It was 10.8 in 2012, compared with 6.5 in 2013 and 8 in 2014. The 2014 severity rate is 0.4, which is the same level as 2013.

## **Health**

- A perception survey of employees of the French subsidiary ESGIE conducted between 28 May and 21 July by Malakoff Médéric as a barometer of occupational health and well-being revealed an organisational context that was perceived as stable by most employees, unlike most companies in the service industry, where employees were interested in their job and the working environment was good.
- An Occupational Health Service in the United Kingdom and a Comité d'hygiène, de sécurité et des conditions de travail (CHSCT) in France are committed to protecting employees' health and improving their working conditions. They analyse occupational risks and check that existing rules are being obeyed, by conducting investigations and inspections inter alia.

**Principe 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*

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<b>Labour rights</b>	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<b>Respect for the law</b>	Ensure respect for labour rights and develop an ongoing dialogue with employee representative bodies	Groupe Eurotunnel companies and their employees must adhere to the laws, regulations and standards applicable in all countries where they carry on their business. Specifically, pursuant to the Global Compact principles of employment rights, they must recognise freedom of association and the right to collective bargaining.

Groupe Eurotunnel considers social dialogue to be extremely important, particularly through negotiations with employee representative bodies. For a long time now it has worked to forge strong and constructive relations with all its employees. The many internal opinion surveys conducted in the United Kingdom and France bear witness to Groupe Eurotunnel's desire to strengthen communication and social dialogue.

This desire is supported by all of its subsidiaries. The various meetings between employee representatives and members of management strengthen the social dialogue.

### **2014 Progress**

- **Groupe Eurotunnel Committee:** The Groupe Eurotunnel Committee was set up on 31 January 2014 by unanimous agreement between Groupe Eurotunnel management and four trade unions representing employees. It acts as a forum for sharing information, exchanging views and dialogue between employee representatives and management on policy directions and major social issues. The Committee is kept informed annually of developments and future prospects.
- **European Works Council:** The conversion of Groupe Eurotunnel SA into a European Company, as voted by the shareholders combined ordinary and extraordinary general meeting held on 29 April 2014, took effect on 26 December 2014, the date on which the commercial court registered the company as a European Company. The conversion does not result in the creation of a new legal entity. The duration of the company, the dates of the accounting period, the share capital, the registered office and the purposes of the company remain unchanged.

The European Works Council is made up of 12 full employee representatives and 12 substitute employee representatives, appointed or elected in accordance with the rules applicable in their State of recruitment and one union representative from each represented trade union.

The European Works Council is formally informed before any decision of significant importance concerning the scope, legal or financial structures of the European company and any consequences on employment and meets twice a year in ordinary plenary session.

### **2014 Collective Agreements**

- In France, ESGIE employees are represented by four trade unions under a collective agreement within the framework of a company agreement. The employees of Europorte subsidiaries are also represented by four trade unions under two collective agreements.
- In the United Kingdom, under a voluntary single union representation agreement signed in 2000 by ESL and the trade union Unite, all ESL employees other than management are represented by Unite in the collective bargaining process, although employees have the right to join the trade union of their choice for their individual representation. In the case of GBRf, a wage agreement was entered into in 2010 for three years, and renewed in April 2013 for a further three years, with the train drivers' union ASLEF for train crew and ground staff.
- During the course of 2014, 18 company agreements were signed by Groupe Eurotunnel subsidiaries on matters such as pay, incentive scheme, employee benefits, equal opportunity for men and women in the workplace and work organisation.

***Principle 4: The elimination of all forms of forced and compulsory labour***

***Principle 5: The effective abolition of child labour***

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<b><i>Labour rights</i></b>	<b>4.</b> The elimination of all forms of forced and compulsory labour	<b><i>Respect for the law</i></b>	Ensure human dignity	Groupe Eurotunnel companies and their employees must not carry out any kind of forced or compulsory labour
	<b>5.</b> The effective abolition of child labour			...or permit any kind of child labour

Groupe Eurotunnel is fully committed to these two principles and undertakes to respect them, as set out above its Charter of Ethics and Behaviour.

**Principe 6: The elimination of discrimination in respect of employment and occupation**

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<b>Labour rights</b>	<b>6.</b> Elimination of discrimination in respect of employment and occupation	<b>Respect for the law</b>	Deploy every means to ensure equal opportunities for all employees	...and ensure there is no discrimination in relation to employment and profession.

Groupe Eurotunnel has openly committed itself to combating discrimination in its Charter of Ethics and Behaviour. Groupe Eurotunnel is also signatory to the United Nations Global Compact and fully committed to its ten fundamental principles, particularly in the areas of human rights and labour rights.

Prevention of discrimination within Groupe Eurotunnel is also predicated on human resources policies framed to ensure equal treatment of all employees at all stages in their career. Groupe Eurotunnel does not take decisions based on criteria of race, nationality, religion, ethnic origin, political opinions or union activities. The only valid decision criteria that Groupe Eurotunnel recognises are each person's professional qualities, skills and qualifications.

Groupe Eurotunnel is committed to promoting diversity as a key driver of performance to better reflect the society in which it operates. This can be seen in its commitments:

- From January 2014, with the **Réseau Alliances** (*Lille Alliances Network*), to promote an employment support programme specifically for disadvantaged young people seeking jobs. Called the Groupe de Dynamique d'Embauche (dynamic recruitment group), the scheme involves staff volunteering to coach young people for a period of nine months.
- To promote the integration, vocational training and retention in employment of disabled workers. This commitment is formalised in France through an agreement signed in 2010 with the trade unions for a 3-year period covering the years 2011 to 2013. Negotiations are due to be held this year, 2015, for its renewal.
- At the same time as promoting the retention of disabled workers in employment, Groupe Eurotunnel is collaborating with the protected and adapted sector by using disabled work integration enterprises. An ongoing agreement was entered into in 2010 between Groupe Eurotunnel and Association Frontalière des Parents et Amis de l'Enfance Inadaptée (AFAPEI). On 23 July 2013, a framework partnership agreement was signed with Association des Paralysés de France (APF). Within the framework of that partnership, the value of the work contracted to APF in 2014 increased exponentially to five-fold the previous year's figure.

### **3. Environment**

**Principle 7:** *Businesses should support a precautionary approach to environmental challenges*

**Principle 8:** *Businesses should undertake initiatives to promote greater environmental responsibility*

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

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<b>Environment</b>	7. Businesses should support a precautionary approach to environmental challenges	<b>Preservation of the environment</b>	Act for the environment and sustainable development	In accordance with the Global Compact environment principles, Groupe Eurotunnel has a precautionary approach to environmental problems.
	8. Businesses should undertake initiatives to promote greater environmental responsibility			All employees must assist with implementation of the measures taken by Groupe Eurotunnel to protect the environment and encourage sustainable development, striving to make a contribution to good practices, especially in terms of reducing consumption, reducing



				production of waste, and selective waste sorting.
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies			Groupe Eurotunnel strives to make its employees more responsible with regard to the environment, and to give priority to the development and dissemination of environment-friendly technologies.

Committed to low carbon transport, Groupe Eurotunnel has an ambitious strategy which combines developing its core activity, cross-Channel transport, and external growth beyond the Fixed Link, in its two major areas of expertise: infrastructure management and railway operations.

Money was spent on reducing environmental impacts right from the start of Tunnel construction. There are separate collection systems for stormwater and wastewater, storage lagoons, treatment stations, etc.

An innovative rail company and a responsible infrastructure manager, Groupe Eurotunnel has been distinguished right from day one by its conception of sustainable development, reconciling economic performance, land use planning and ecological imperative:

- a fully underground link that avoids any interaction with the marine ecosystem;
- a transport system that limits environmental impacts by nature (pollutes twenty times less than the ferries: a truck carried on board a Shuttle emits 8.8 kg of CO<sub>2</sub> instead of 158 kg on a ferry);
- the choice of trains and electric power is a major factor in reducing carbon footprint and greenhouse gas emissions;
- a policy of making everyday energy savings (with 90 % of its electricity nuclear or hydraulic, so no CO<sub>2</sub> emissions);
- increasing Truck Shuttles from 30 to 32 wagons with no significant additional energy consumption;
- replacing Diesel locomotives used for works and maintenance by battery-powered autonomous motorised wagons;
- developing eco-driving software for the shuttles in early 2013, with a simulator equipped with a dedicated eco-driving module.

Groupe Eurotunnel's waste collection and treatment policy prioritises recycling and reuse. Nearly all of the waste produced comes from industrial activities and its nature and quantity may vary from year to year depending on current projects. In addition to the audits conducted by the Safety and Sustainable Development Department, an industrial waste management audit was conducted by Groupe Eurotunnel's internal audit department in August and September 2013.

Groupe Eurotunnel's CSR policy commitments for 2015 are act in line with sustainable development principles and in accordance with the 3 Global Compact Principles concerning the environment. To achieve this, Groupe Eurotunnel is focusing on four priority areas:

- limiting the environmental impacts of our own operations, focusing on reducing greenhouse gas emissions, reducing our energy consumption, increasing the fleet of electric vehicles and optimising waste management;
- encouraging more ecologically responsible behaviour among staff;
- selecting innovative environmentally-friendly products;
- strengthening initiatives to protect diversity.

Beyond these commitments, Groupe Eurotunnel will be paying special attention to the environmental approach of its suppliers, who will be asked to implement environmental protection initiatives.

#### **2014 indicators significantly down:**

- The quantity of hazardous industrial waste produced in 2014 had fallen significantly (21 % and 34 % in France and the United Kingdom respectively) compared with the previous year.
- Consumption of water drawn from the water table was 18 % down throughout Groupe Eurotunnel compared with 2013.
- Groupe Eurotunnel is constantly making efforts to limit the impact of its activities on the environment. This year, it reduced its greenhouse gas emissions by 6 % on the previous year, i.e. by over 10 000 tonnes CO2 equivalent.

#### **4. Anti-corruption**

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

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<b>Anti- corruption</b>	10. Businesses should work against corruption in all its forms, including extortion and bribery	<b>Preventing and combating corruption</b>	Actively combating all forms of corruption	<p>Pursuant to the Global Compact principles, the negotiation and performance of contracts must not give rise to instances of behaviour or facts that could be qualified as active or passive corruption, or connivance in influence peddling or favouritism.</p> <p>No Groupe Eurotunnel employees may directly or indirectly give undue advantages to third parties, of any type and by any means, in order to obtain or maintain a commercial transaction or favourable treatment. All kinds of corruption of public officials are forbidden.</p> <p>All employees must avoid relations with third parties liable to personally place them in a compromising situation and raise doubts as to their integrity. Likewise, they must ensure they do not expose to such situations third parties whom they attempt to persuade or lead to do business with a Groupe Eurotunnel company.</p> <p>All employees to whom these requests are made must report them to their hierarchy, which shall take all measures to curtail this situation.</p>

## **Anti-corruption Principles**

Groupe Eurotunnel's relationships with its suppliers extend beyond simply purchasing goods and services. The Group's ethical standards are set out in procedure ACHA 0019 (ethics code). These standards not only ensure compliance with legal and regulatory requirements but go beyond that, developing a climate of trust in exchanges between the Group's representatives and players in the outside world.

- Each Groupe Eurotunnel buyer or employee undertakes to comply with the ethics code and find suppliers who share those commitments.
- The tender procedures in place within Groupe Eurotunnel ensure equal treatment of suppliers during the tendering process.
- Disciplinary measures may be taken if Groupe Eurotunnel employees fail to comply with the ethics code or rules.
- In January 2012, Groupe Eurotunnel signed the Charter for Responsible Supplier Relations. It also participates in the steering committees for the responsible supplier relations charter and label and is clearly committed to this labelling initiative in addition to implementing the ten commitments of the Charter.
- The Purchasing Departments of the various companies within Groupe Eurotunnel have taken action not only to refer to Groupe Eurotunnel's Charter of Ethics and Behaviour in new contracts, but also to require their suppliers to comply with its fundamental principles and endorse the Compliance Policy (Article 23). Under Article 23.2.1, suppliers must comply with existing French regulations on corruption and with UK legislation on corruption, notably the Bribery Act 2010.
- The Concessionaires have integrated the sustainable development dimension into the tender process for contracts let to sub-contractors on their sites. Sub-contractors are expected to make a contractual commitment to comply with employment legislation and regulations. As Europorte mainly operates on its customers' sites, it reflects the port authorities' requirements in its own sub-contracts for port infrastructure management.