



## Communication On Progress 2016

### **Keolis reaffirms its commitment on all 10 UN Global Compact principles**

Our contribution to sustainable development has been integrated into our corporate programme for several years now.

In 2016, we decided to formalise our Corporate Social Responsibility strategy, based on the international standard ISO 26000, through two conditions and four commitments:

- Condition 1: Respect of the rules and policies of the Group, consistent with the principles of UN Global Compact
- Condition 2: Dialog with our customers and other stakeholders
- Commitment 1: Enrich the Customer Experience
- Commitment 2: Guarantee the safety of our employees and provide them with a equitable and inclusive work environment which respects their diversity
- Commitment 3: Limit our environmental impacts
- Commitment 4: Actively involved in all the territories we serve

As a signatory to the Global Compact for the last 12 years, compliance with its 10 principles is both a voluntary commitment and a condition that governs the proper deployment of our strategy.

Through this Communication On Progress, we thus renew our commitment to the United Nations Global Compact, illustrating this commitment with the concrete actions carried out in 2016.

Jean-Pierre Farandou  
President of the Executive Board / Keolis Group

A handwritten signature in black ink, consisting of a series of loops and a long vertical stroke, positioned over the printed name and title.

## Communication on progress—2016

### Keolis applies all 10 UN Global Compact principles

#### **A— Actions in support of human rights and international labour standards**

**Principle 1** Businesses should “support and respect the protection of internationally proclaimed human rights in their sphere of influence”

**Principle 2** Businesses should “make sure that they [and their own companies] 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 6** Businesses should “uphold the elimination of discrimination in employment and occupation”

#### **Diversity and inclusion**

Since 2015, Keolis runs a policy that sets commitments on affirmative action to embrace diversity and inclusion. This policy was written into the Keolis-Group business project recast in 2016.

Our Diversity and Inclusion policy carries five affirmative action commitments:

- comply with all local labour legislation in countries where we operate and uphold international standards on human rights and fundamental freedoms and protection from discrimination, harassment at work.
- create a fair and inclusive working environment where every single member of staff feels valued for their level of skills, engagement and performance at work.
- respect the culture, dignity and worth of all members of our community, within the limits of health, hygiene and safety imposed under our company rules and regulations
- demonstrate open-mindedness and empathy on each person’s own life choices and values in order to understand their needs and expectations

- promote diversity and gender equality in the workplace for all our stakeholders.

For a decade now, Keolis Group has led a front-line equality-at-work policy to improve the gender mix and ensure everyone has access to the same opportunities and the same fair treatment.

Today, the Keolis major objectives on equal opportunities at work are:

- Achieve more gender-balanced participation in all our sectors of business (gender ratio equal to or greater than 30%–70%)
- Ensure better access for women to higher decision-making positions
- Make sure everyone who works with us is educated on the challenges of diversity and gender equality, how stereotyping sets in, and the legislation against discrimination.
- Apply the “equal pay for equal work” principle in all subsidiaries.

In 2016, Keolis became the first Group of passenger transport to obtain the Gender European Equality and International Standard (GEEIS) label that recognizes companies that take affirmative action to promote gender equity and equality in the workplace. We are currently being audited as part of the process to renew our French Equal Opportunities Employer label (label égalité).

The company also promotes equality and diversity among its external stakeholders.

Keolis is also engaged in think tanks and focus groups on inclusiveness opportunities at work: Arborus, the AFMD [*French Diversity Managers Association*], IMS-Entreprendre pour la Cité.

In 2016, Keolis participated in a number of independently-organized events as a platform to promote and share its good equality-at-work practices, including:

- WISE project conference on “Women’s employment and gender policy in urban public transport companies in Europe” co-hosted by the UITP (International Public Transport Association) and the European Transport Workers’ Federation (ETF)
- Women’s Forum Global Meeting on the sharing economy.

Keolis oversees that all its subsidiaries meet the legal compliance obligations on disability whenever and wherever provisioned in the local legislation and engage voluntary awareness education and occupational integration action to fight against all forms of discrimination and exclusion.

Our recruitment and mobility division teams have been educated in job opportunities and work placements for people with disability. Keolis has also worked on empowering Keolis SA employees with disability through assistive workplace adjustment measures and outplacement support to help join the wider workplace community.

On the subsidiaries front, Keolis Rennes has signed a partnership convention with Agefiph, a French non-profit coordinating community integration through supported employment schemes to help people with disabilities find and keep jobs at private-sector organizations. This marked the first such agreement signed with a public transport company.



As a transport operator, Keolis also plays a central role in facilitating accessibility for persons with reduced mobility. Keolis is the leading provider of transport services for persons with reduced mobility, in France.

Keolis SA signed into the French Diversity Charter back in 2006 and has been partner to the French Diversity Managers Association since 2014.

The Keolis Group pledges to prioritize the recruitment of young school-leavers, experienced or retraining-scheme senior citizens, jobseekers, workers with disability, and people from a diverse mix of national and ethnic backgrounds.

Keolis SA delivers awareness education to all manager-level and upward staff — from the minute they join the organization, via WelCome, our orientation program for new recruits, then throughout their career — on the Keolis-Group commitments to equality and diversity and how to implement concrete action in the day-to-day work.

Keolis is strong on promoting its diversity approach Group-wide, with operational divisions and beyond. Keolis makes sure its subsidiaries share the Keolis-Group values and delivers them the support they need to guarantee equality and equal opportunities between Keolis community members everywhere.

For instance, all Keolis-Group people, whatever their branch of work, have the opportunity to take concrete action by signing up to one of our many internal equality and diversity networks (Keolis Pluriel in France, WoW—Women on Workforce in India, or WIN in Boston are examples in action). All these networks are connected and streamed into the “SNCF au féminin” network which federates over 3,500 members, making it one of the biggest corporate networks in France in terms of subscribership and budget.

Keolis has introduced a Diversity & Inclusion self-assessment tool for subsidiaries, enabling each and every Keolis-Group subsidiary to measure and benchmark its maturity on this front and set itself progress and development objectives.

### **The safety**

The Keolis-Group Safety policy affirms how safety is a core value and core challenge for the Keolis Group and all its subsidiaries— it applies to each and every employee, as everyone has to look out for their own safety and security and the safety and security of their colleagues, of customers, and anyone else where they work, on their way to and from work, or out on missions.

Improving employee health and safety remains an unrelenting area of improvement of workplace conditions. Progress on the safety program has given a more robust organization to every single French subsidiary, big or small, thanks to committed support from 25 coordinators engaging the operations and maintenance teams to guarantee that the actions implemented are

enculturated for long-term benefit. This coordinators team marks stage two of the organization, following on from the assignment of national-level coordinators in 2014.

Verifications led on a sample of fifteen subsidiaries found hard evidence of on-the-ground improvement. Note too that in 2016, Keolis set up a new internal control standard covering every single mode of transport that we operate.

Controlling the risk of electric shock injury has been made a priority focus for operations worldwide. Benchmarking, lessons learned and feedback from the field has been compiled and collated to share best practices.

For the governance of Keolis-Group activities, passenger and public safety is framed under safety of operations for passenger transport services.

In the wake of a 2015 seatbelt use rates survey led with the French road safety agency *Association Prévention Routière*, Keolis deployed a national education campaign with backing from FNTV [*national federation for passenger transport*] and ANATEEP [*national association for schools and education transport*]. The campaign targeted an all-audiences public with the slogan: “Coaches like cars—Clip every trip”. The campaign was given wide coverage in France. Keolis Pyrénées used mobility week in September as springboard to launch the communication campaign. Keolis Charente-Maritime went for back-of-bus surface advertising. Keolis Essonne deployed the campaign on over 300 passenger shelters. A video was also posted online in August 2016 on the Keolis-Group YouTube channel.

## **B— Actions in support of the Environment**

**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”

### **The environmental policy**

The Keolis Group environmental management approach, based largely on feedback from the subsidiaries, has been ISO 14001-certified since 2014 and has integrated 15 subsidiaries in-scope to date in 2016.

This Group certification effort has impelled a wave of engagement to drive the three commitments framing the Keolis-Group environmental policy: continue the optimization of our energy consumption, improve our waste management and limit the consumption of drinkable water for industrial activities.

In total, as of end 2016, 33% of Keolis employees work in ISO 14001-certified activities.

### **Energy efficiency**

Energy consumption is where our business activities have their largest environmental impact. Optimizing our consumption is one of the Keolis Group's Environmental Policy objectives.

Keolis is basing its effort to make the transition to other energy sources primarily through different levers

- Improving behavior

Energy-efficient driving offers major leverage for cutting vehicle fuel consumption. Simulator-based training modules are used to raise bus, coach and tramways drivers' awareness of the benefits of eco-driving techniques. Enhancing a driver's handling of the vehicle ensures clients a smoother ride and cuts fuel consumption with no impact on commercial speeds. With this in mind, Keolis has also referenced a range of products designed specifically for buses and coaches, the "Konfort" range, which illustrates how driving style impacts on fuel consumption by measuring acceleration and braking phases. No less than 3 670 vehicles are currently equipped with an eco-driving support system ("Konfort" and equivalent).

- Supporting the Public Transport Authorities in their drive to improve the environmental performance of their fleet and/or building renovations



Keolis has spent many years ploughing investment into an array of solutions designed to reduce the environmental footprint of our business activities —and in many cases we have been the industry pioneer. The solutions deployed are geared to the local setting and the fleet to be retrofitted: alternative fuels, diesel particulate filters, and energy recovery/energy-efficiency systems.

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.

### **The alternative energies**

Keolis uses the full range of alternative energy sources to diesel, including biofuels, ethanol, natural gas-based fuels and electrical power. In 2016, Keolis operated over 3,500 vehicles worldwide running on an alternative to diesel and gasoline. The breakdown reads like this: 842 biodiesel, 142 bioethanol, 519 biogas, 250 diester, 1,252 NGV (of which at least 428 contain a biogas fraction), 107 electric, 19 LPG and 359 hybrids (including 96 that run on biodiesel).

The effort is further spurred by active technology intelligence led with automakers and systems integrators in order to identify, engineer, trial and test the solutions liable to optimize the environmental performances of our vehicle fleets.

In March 2016, Keolis signed a partnership with specialist autonomous vehicle maker Navya. These all-electric vehicles are fully automated, driverless, and completely infrastructure-independent. In September 2016, Keolis and Navya, with backing from Sytral and Métropole de Lyon, opened a pioneering operation in the Lyon–Confluence smart community district: a 1350-meter-long public transit shuttle service running on an open-road public guideway. A clean, safe, effective and innovative solution that has been an unqualified success.

### **The water consumption**

Water consumption represents a major environmental challenge for the Keolis Group. Cutting the consumption of drinkable water in our industrial activities is one of the three objectives of our Environmental policy.

At local level, the subsidiaries of the Group wash their vehicles using drinkable water in addition to recycled water and/or rainwater. In 2016, 89 sites were equipped with a system that recycles the water used to wash vehicles, while 56 sites were equipped with a rainwater collection system.

### **The sustainable and solidarity purchasing**

The Group's Purchasing policy has been supplemented by 3 commitments focusing on Sustainable and Solidarity Purchasing.

The first commitment relates to the solidarity economy and the strengthening of links to the local community, which encourages companies to get involved in the Disabilities and Social Integration sectors, and play a role both in the local economy and in developing ties to the local community.

At Keolis-Group level, several initiatives have been devised and developed to give this first commitment a platform. A framework agreement has been signed to bring Keolis-Group websites up to compliance on accessibility to people with a hearing impairment. The framework agreement for formal processing of e-waste (WEEE) blends environment protection with community empowerment, as the agreement has been signed with a disability-confident supported employment business.

Since 2015, a partnership forged by Keolis with Biom Work enables subsidiaries to assess their contribution of sustainable development in their community in terms of jobs, public service and environmental conservation efforts. The result is expressed as % of net revenue ploughed back into the territory. Seven Keolis-Group subsidiaries have been through this assessment audit, and the result is often over 70%, which means that 70% of the revenue of these French Keolis subsidiaries is recognized as public-benefit investment.

The second commitment addresses how our procurements process internalizes the Keolis-Group environmental policy, the safety of people and property, and the protection of data and strategic Keolis knowledge and know-how.

Certain bid scoring grids integrate scoring criteria on social and/or environmental aspects, as is the case, for instance, on tenders on rolling stock, printers, uniforms, and batteries.

All tender packages require candidate suppliers to give their company's vision and values statement as well as a statement on their corporate social responsibility policy. Keolis supplier selection questionnaires or statements of work feature a number of Environment and Safety policy-related questions appropriately adapted to the procurement segment involved.

Several initiatives have also been developed to back up this second commitment, such as listing for alternative-fueled vehicles, commercial fleet and service vehicles, or listing for "green" detergents and cleaners, biological degreasing baths, Imprim'Vert-labelled printers or supported employment-sector printers. Various clauses specifically framing waste processing and environmental protection are also integrated into contract framework agreements on environmentally critical products (chiefly automakers, batteries, tires, lubricants). Labels or certification schemes are plusses guiding the product selection decisions.

Some types of procurement are currently sourced locally on the basis of guidances issued from the Keolis-Group Procurements Division (custodial services, vehicle and facility cleaning services, vehicle charter operations, greenspace upkeep, and on to maintaining certain facilities or





infrastructures). These procurements put quite a whole in subsidiaries' overheads and warrant close ties with local providers.

Keolis issues subsidiaries with two procurement guides, one called Keo'Clean and the other called Keo'Guard, both of which feature corporate social responsibility guidance, to help frame their cleaning and custodial services procurements.

The third commitment is expanded on below as an illustration of Global Compact Principle 10.

## **C— Actions supporting the fight against corruption**

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

### **The *Konformité* program**

Keolis-Group ambitions for expand business mean a fiercer marketplace and thus exposure to three major areas of risk: competition, fraud and corruption.

In order to limit the 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 strategic business project. Konformité covers 3 areas concerning each and every subsidiary: strict compliance with the concept of free and fair competition, prevention of corruption and fraud and the protection of personal data.

In 2016, the Keolis Group forged ahead with our program of anti-corruption action.

A Konformité space open to all Keolis community members was rolled out on the Keolis-Group’s internal collaborative on-line platform.

Anyone with access to this platform can use this space to find all the program-related reference material they need. For the anti-corruption strand of the program, the main reference materials, provided for all manager-level Keolis-Group people, are:

- the Guide To Ethical Business Conduct
- The "The Fundamentals of Konformité" leaflet
- The practical guide entitled "Taking the right attitudes to prevent corruption".

Note too that the Keolis Group has defined three procedures that managers are duty-bound to enforce, on the understanding that managers in entities abroad may need to readjust to local legislation if it is even tougher.

- gifts and invites
- patronage, sponsorship and donations
- trade relations with business partners.

2016 saw further deployment of training and awareness education action. The awareness education effort featured a conference hosted by Transparency International France and held at Keolis HQ in June 2016. The speaker went over the challenges involved in countering corruption and the extra reach of the “Sapin 2” French reform law on transparency and anti-corruption measures. Working in partnership with SGS and GAN Integrity, the Keolis Group has also deployed an e-learning module on corruption prevention to promote the rules, practices and right behaviors at Keolis and ensure compliance with the governing international regulations. This module is a



compulsory part of the training path for all manager-level Keolis SA people, and validation hinges on passing a final test of knowledge.

Actions have also been implemented to get stronger engagement from line managements on deploying and effectively enforcing our Keolis-Group procedures. The Keolis-Group Ethical Conduct & Compliance Committee continues to meet at regular intervals to examine the issues making the headlines.

### **The sustainable and solidarity purchasing**

The Group's Purchasing policy has been supplemented by 3 commitments focusing on Sustainable and Solidarity Purchasing.

The third commitment revolves around systematizing the full-cost approach, taking care to maintain and transparency of business relationships and equal treatment for all suppliers by reducing the risks of interdependence and avoiding monopolistic situation.

In 2016, in a move for better control of supplier-side risk and firmer compliance with the regulations on unreported employment, Keolis rolled out an on-line supplier tracking solution that can retrieve key supplier registration paperwork and track updates to these records throughout the end-to-end term of the contracts (tax returns, list of the names of posted workers from abroad, and so on).