



## United Nations Global Compact

### GEODIS 2016-2017 Communication on Progress

GEODIS' ambition is to become an increasingly responsible Leader in the Transport and Logistics industry and to position ourselves as the sustainable growth partner for our clients. The supply chain being the new frontier of environmental responsibility, it has been decided that the CSR Department would be attached to General Management at the beginning of 2016, thus placing it at the heart of the Group's strategy, lever of performance and concerns.

In 2016, GEODIS has confirmed its commitment to the United Nations Global Compact. Signed since 2003, it accounts for one of the cornerstones of our Group's CSR approach.

We are committed to promoting its 10 principles on Human Rights, Labor, Environment and Anti-Corruption. We fully integrate these principles in our CSR approach, our Stakeholders' Total Satisfaction program and they are in line with our Values Commitment, Innovation, Trust, Solidarity and Passion.

At the same time as being an energy consumer and greenhouse gas emitter, the Transport and Logistics sector is also a major employer, an essential business ally and a global trade facilitator, positioning it at the hub of environmental, social and societal challenges.

Compliance with the specific requirements of Corporate Social Responsibility in the context of increasing regulations and greater competition in the Transport and Logistics sector at worldwide level is a challenge that GEODIS has faced for more than ten years. We have continued in 2016 and 2017. This significant progress was made possible through the commitment of all GEODIS employees.

We are stepping up our investments in the implementation of more environmentally-friendly solutions and services. We recommend the use of modal shift and alternative energies, for instance.

We are also concentrating our efforts on social and societal matters: different professional integration projects were launched with our "Tremplin" program. We develop initiatives in favor of the well-being of our employees with the test of exoskeletons and many actions to ensure the health and safety of people.

Our ambition is to create long-term value for our clients, our employees, our shareholder and for society at large, through our CSR policy. We are committed to systematically leveraging on technological and methodological advances as well as on the rise of the collaborative economy by developing new services together with our partners. We will thus address the long-term challenges of urban growth, mobility and energy transition and progress towards operational excellence with the involvement of all our employees.

In 2015, 17 global Sustainable Development Goals were defined by the United Nations and its stakeholders and we fully commit to play our part and help to achieve these goals.

It is with the same determination and gravity that GEODIS commits to the United Nations Global Compact and to CSR which we consider to be the only way forward. The following pages show some examples of actions we have conducted in this field in 2016 and 2017.



**Régis LESIEUX**

GEODIS Vice President Business Excellence & CSR



**GEODIS has been a member of the United Nations Global Compact since 2003. In 2016 and 2017, GEODIS confirmed its support to the Global Compact and has continued its efforts to improve its Corporate Social Responsibility performance. This document presents some of GEODIS main actions in 2016 and 2017.**

## **I. “Be a Good Citizen”, the GEODIS CSR Program**

### **Action**

In 2016, GEODIS has pursued the structuration and consistency of its CSR policy.

**Continuation of the Business Excellence Program aiming at Stakeholders' Total Satisfaction (STS)**

### **Related Principles of the Global Compact:**

#### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

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

GEODIS is a Supply Chain Operator ranking among the top companies in its field in Europe and the World. GEODIS is part of SNCF Logistics, a branch of SNCF Mobilités specializing in the transport of goods and logistics, within SNCF Group.

GEODIS has direct presence in 67 countries and a global network spanning over 120 countries. With its five Lines of Business (Supply Chain Optimization, Freight Forwarding, Contract Logistics, Distribution & Express and Road Transport), GEODIS manages its customers Supply Chain by providing end-to-end solutions enabled by our people, our infrastructure, processes and systems.

### **Ambition 2018**

Ambition 2018, our company plan, was launched in 2013 and this supports the GEODIS Business Excellence Program. It is composed of several key elements:

### **Our Mission**

We help our clients succeed by overcoming logistical constraints.

### **Our Vision**

We are the growth partner for our clients.

### **Our Values**

We are experts in Transport and Logistics solutions, united by a shared passion and commitment. The five values the entire Group adheres to are Commitment, Innovation, Trust, Solidarity and Passion.

- We are committed to our clients, their needs, priorities and successes.
- We continuously innovate, we go the extra mile to improve our performance and the performance of our clients.
- We build trust, we are reliable, we respect our commitments and keep our word.
- We demonstrate solidarity, we are loyal and faithful to our clients, partners and amongst ourselves.
- We are passionate, determined and driven by the desire to succeed together and for our clients.



## Our Stakeholders' Total Satisfaction (STS) continuous improvement program

To achieve Stakeholders' Total Satisfaction (STS), 7 Golden Rules were drawn up. They are part of day-to-day operations in each of our Lines of Business and at Head Office.

- Make it easy for the client to do business with us.
- Win, retain and develop profitable clients.
- Always deliver a perfect service.
- Get paid for what we do.
- Recruit, develop and retain quality people.
- Ensure the safety of our people everywhere and at anytime.
- Be a good citizen.

The STS program aims at setting targets and measuring performance. Three key performance indicators (KPIs) enable us to track our progression towards Stakeholders' Total Satisfaction:

## The GEODIS CSR Approach, a key pillar in our Business Excellence Approach

Our Corporate Social Responsibility (CSR) approach is based on the Golden Rule “Be a good citizen”, one of the 7 Golden Rules of the STS continuous improvement program. CSR is therefore one of the 7 guiding principles of GEODIS to achieve its Ambition 2018 company plan.

“Be a good citizen” is centered on both an environmental focus and a social and societal focus. It impacts GEODIS’ clients, employees, society, suppliers, subcontractors and shareholder in these two areas.

“**Be a good citizen**” has a twofold focus on both environmental issues and social/societal issues, and impacts our five stakeholders, namely GEODIS’ clients, GEODIS’ employees; society at large, GEODIS’ suppliers and subcontractors, and GEODIS’ shareholder.





In practical terms, GEODIS aims at being the CSR preferred company to deal with, through three main objectives:

**1. To mitigate and lower our impact on the environment and to contribute to the fight against climate change through:**

- Improving our carbon efficiency which includes energy efficiency.
- Optimizing the use of natural resources by applying the “reduce, reuse, recycle” approach.
- Decreasing pollutant and harmful emissions for the people and the ecosystems.

**2. To enhance our social/societal impact through the well-being and development of our people and local communities by:**

- Ensuring occupational health and safety for our employees and anyone working on our behalf.
- Promoting diversity and equal opportunity which includes:
  - Gender equality,
  - Integration or reintegration of disabled people,
  - Vocational program for long-term unemployed people.
- Fostering community engagement which includes the reintegration of war veterans in the USA.

**3. To act responsibly in everything we do by adhering to:**

- All applicable CSR, Occupational Health & Safety (OHS) and Environmental laws and regulations.
- Strict ethical and compliance rules as stated in our corporate ethics policy, the first of which pertains to the use of forced labor and human rights violation.

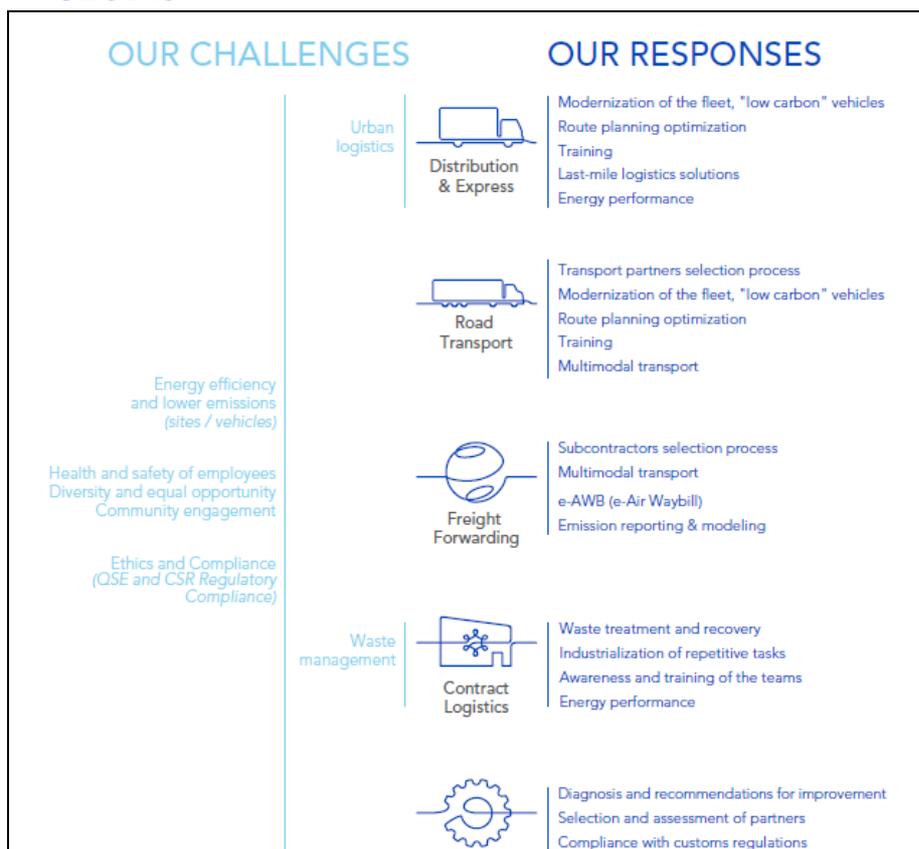
GEODIS will implement these three objectives through the following commitments to:

- Train and educate our employees on the social, societal and environmental impact of our activities.
- Encourage our suppliers and subcontractors to implement initiatives that enable us to meet our own CSR objectives
- Motivate our employees to foster the sharing of good practices throughout the Group.
- Continuously innovate and design new solutions in collaboration with our stakeholder partners.
- Assess the success of our policies via both internal and external benchmark documents.
- Measure and communicate our progress regularly and with full transparency through various means and especially our yearly CSR report.

**External reference documents**

To support these CSR objectives, GEODIS takes advantage of a number of reference documents, international standards and norms as guidelines and frameworks, such as:

- The United Nations Global Compact of which GEODIS has been a signatory since 2003
- The sustainability reporting guidelines of the Global Reporting Initiative
- The ISO 14001 norm on environment management
- The OHSAS 18001/ISO 45001 norm on occupational health and safety
- The ISO 26000 CSR standard
- Customer-specific or industry-specific standards on CSR
- The Investors In People management and leadership standard
- The EFQM Excellence Model (European Foundation for Quality Management)



## Monitoring performance

The GEODIS CSR dashboard is a framework enabling the Group to measure progress and set up improvement action plans. The monitoring of CSR performance is viewed through a triple perspective.

- Annual, quarterly and monthly KPIs. Performance on gender equality, the integration of people with disabilities, and CO<sub>2</sub> emissions are evaluated monthly in the STS dashboard. An annual CSR reporting, carried out since 2008, enables onsite indicators to be monitored worldwide (certifications, energy and water usage, waste management) on the vehicle fleet and other social data.
- Each year, a customer satisfaction survey and an employee satisfaction survey are carried out. Several questions concern the CSR strategy, with particular emphasis on the way it is perceived by these two groups.
- CSR performance is also assessed by external benchmarks: the CSR scores given by the extra-financial ratings assessments, particularly EcoVadis and CDP, and certifications granted by ISO standards.



## The Geodis CSR Report, a thorough insight into our CSR achievements

GEODIS has published its 9<sup>th</sup> CSR Report in July 2017, as requested by the French law (article 225, Grenelle II). All reports are available on [www.geodis.com](http://www.geodis.com)  
Reports explain GEODIS CSR approach, organization, main actions and indicators.

2016 CSR report



2015 CSR report



2014 CSR report



2013 CSR report



2012 CSR report



2011 Sustainable development report



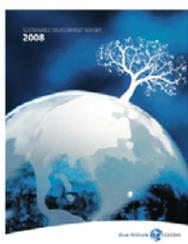
2010 Sustainable development report



2009 Sustainable development report



2008 Sustainable development report





## GEODIS' CSR STRATEGY RELATING TO ITS CUSTOMERS

### TO MITIGATE AND LOWER THE IMPACT ON THE ENVIRONMENT AND TO FIGHT AGAINST CLIMATE CHANGE

#### **Carbon efficiency of the proposed solutions**

- GEODIS' solution is for improved, detailed and more precise CO<sub>2</sub> reporting and modeling.
- Collaborative approach between GEODIS and its customers to reduce the carbon footprint through sharing of experiences and co-creation.

#### **Optimal use of natural resources**

- Recycling and repackaging solutions.
- Improved waste management.
- Solution to reduce the energy consumption.

#### **Decrease in pollutants and harmful emissions**

- Urban logistics solution.

### TO ENHANCE THE SOCIAL AND SOCIETAL IMPACT

#### **Occupational health and safety**

- Collaborative approach to safety between GEODIS and its customers, either by involving them in its own strategy or by direct intervention at customers' sites.

## GEODIS' CSR STRATEGY RELATING TO ITS EMPLOYEES

### TO ENHANCE THE SOCIAL AND SOCIETAL IMPACT

#### **Occupational health and safety**

- Actions to reduce accidents through:
  - Training;
  - Events;
  - Awards through safety challenges;
  - Communication to target the teams;
- Research and design of ergonomic solutions to reduce heavy work.

#### **Diversity and equal opportunity**

- Gender equality:
  - Recognition by an accredited agency of our approach to gender equality through international certification;
  - Organization of a women's network (GEODIS Women's Network) to promote professional progress in management positions.

#### **Integration of people with disabilities**

#### **Community engagement**

- Initiatives to fight against all forms of exclusion.
- Initiatives for protecting and preserving natural resources.



## GEODIS' CSR STRATEGY RELATING TO SOCIETY

TO MITIGATE AND LOWER THE IMPACT ON THE ENVIRONMENT AND TO FIGHT AGAINST CLIMATE CHANGE

### **Carbon efficiency**

- Trendsetter program to be the leader in carbon efficiency.
- Engaging the harmonization of the CO<sub>2</sub> calculation methodologies.
- Search and implementation of technical innovations for freight transport.

### **Optimized use of natural resources**

- Contribution to scientific research related to the circular economy.
- Optimization of the operational processes to consume less resources.

### **Decrease of polluting and harmful emissions**

- Contribution to scientific research in order to develop medium and long-term innovative solutions for the transport of goods.

TO ENHANCE THE SOCIAL AND SOCIETAL IMPACT

### **Diversity and equal opportunity**

- Program to integrate long-term unemployed people with permanent contracts.

### **Community engagement**

- Financial and skill-based sponsorship by GEODIS employees and management teams towards non-profit associations.
- Specific Aid & Relief offer to meet the needs of NGO's.
- Awareness program focused on target populations.

## GEODIS' CSR STRATEGY RELATING TO ITS SUPPLIERS AND SUBCONTRACTORS

TO MITIGATE AND LOWER THE IMPACT ON THE ENVIRONMENT  
AND TO FIGHT AGAINST CLIMATE CHANGE

### **Carbon efficiency**

### **Optimal use of natural resources**

### **Decrease of polluting and harmful emissions**

- Eco-friendly purchasing solution for the newly branded truck fleet.

TO ENHANCE THE SOCIAL AND SOCIETAL IMPACT

### **Occupational health and safety**

### **Diversity and equal opportunity**



## **II. Reducing our Environmental Footprint**

### **Action**

#### **Reducing our Environmental Footprint**

##### **Related Principles of the Global Compact:**

##### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **Reducing the environmental impact of our sites**

GEODIS has 657 sites worldwide (as at the end of 2016) including head offices, sales offices, logistics warehouses and distribution platforms. GEODIS has designed its management system to reduce environmental impact in line with the ISO 14001 standard. This system consists of a range of measures aimed at reducing electricity, gas and water usage.

By the end of 2016, 45% of the Group's 657 sites were ISO 14001 certified. At the same time GEODIS is undertaking a triple QSE certification process in Quality (ISO 9001) Safety (OHSAS 18001) and Environment (ISO 14001). By the end of 2016, 214 (32.6%) sites had obtained the triple certification.

Managing the environment also involves the processing of hazardous and non-hazardous waste. Hazardous waste such as filter sludge, used oil, batteries, etc. is stocked and then transported to specialized facilities. Non-hazardous waste is sorted and stored before being recycled or recovered. In 2016, 97% of non-hazardous waste generated by the Group's activities was recovered or recycled.

### **Running a high-environmental performance fleet**

The majority of GEODIS vehicles are equipped with combustion engines generating both greenhouse gases, which contribute to climate change, and local pollutants impacting air quality and health. The Group makes use of a range of equipment to reduce fuel consumption, including cruise control, fuel-efficient tyres, automatic gearboxes, side and roof deflectors and side fairings. This modernization also involves working on the optimization of delivery rounds, notably through the installation of the Geodriver and Copilote for the Distribution & Express Line of Business. These onboard IT tools are designed to increase the efficiency of delivery round scheduling and to reduce the mileage by an average of 5%. The Road Transport Line of Business has equipped all its vehicles with the Eliot onboard tool to manage fuel consumption at driver and vehicle level and keep tabs on safety on board.

GEODIS is progressively upgrading its fleet (over 4,200 owned vehicles at 2016 year-end) so that an increasing number of them are compliant with the Euro 5 and Euro 6 emissions standards. 87% of vehicles were compliant by the end of 2016. Also, 2% of vehicles are EEV (Environmentally Enhanced Vehicles) ie "clean" vehicles, such as those running on electricity or natural gas.

### **Innovation at the heart of our approach to progress**

GEODIS believes that innovation is a good driver of CSR and moreover that the reverse effect is also true. To minimize the environmental impact of its activities, the Group is experimenting with alternative vehicles, such as those running on compressed or liquid natural gas or electricity.

Urban logistics raises challenges that combine commercial, economic, social and environmental aspects: for instance, pollution, noise and traffic congestion.

Late in 2015, to meet these challenges, GEODIS set up an urban logistics offer which has been continued since then, providing a tailored distribution and logistics service for the downtown areas of the world's largest cities.

The GEODIS offer includes:

- Urban mobility consulting for specifiers, institutions and authorities;
- Creation and management of urban consolidation centers which provide a local platform to pool last mile delivery flows to shopping malls, hospitals, airports and railroad stations;
- Tailored technical solutions (natural gas and electric vehicles, etc.).



### III. Acting for climate and energy transition

#### Action

#### Acting for climate and energy transition

#### Related Principles of the Global Compact:

- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

In common with all operators in the international transport industry, GEODIS constantly endeavors to reduce its carbon footprint and limit its greenhouse gas emissions

#### Promoting and expertise on CO<sub>2</sub> dedicated to customers

By encompassing all aspects of environmental management, namely measurement, analysis and reduction, GEODIS is furthering its ambition to become the leading European reference in CO<sub>2</sub> expertise, positioning itself as a partner in improving its customers' carbon efficiency. GEODIS is engaged in an ongoing process to measure and take steps to reduce its customers' carbon footprint. The Group can provide them with a **modeling of CO<sub>2</sub> emissions or a reporting on real flows**.

GEODIS has integrated the reporting of CO<sub>2</sub> emissions for its customers into its information systems since 2013. This reporting is based either on operational business data or is interfaced with EcoTransIT World.

This tool is designed to measure the greenhouse gas emissions (GHG) and atmospheric pollutants generated worldwide by all modes of transport. In compliance with European standard EN 16258, this reporting tool makes it possible to produce the chief environmental performance indicators.

As far as modeling is concerned, The Group's internal engineering teams integrate the carbon data (costs, delivery times, CO<sub>2</sub> emissions) in their transport plan optimization for customers. GEODIS is thus able to help its customers optimize the carbon footprint of their supply chain using its own measuring and monitoring tools.

#### For a more detailed and more accurate CO<sub>2</sub> modelling and reporting

As part of its continuous improvement program, GEODIS has enhanced the calculation methodology for its emission reporting and modeling solution. Called Blue<sub>2</sub>, it became operational in December 2016. Blue<sub>2</sub> is based on default values from EcoTransIT (ecotransit.org) and GEODIS' experience and complies with the European standard EN 16258 "Methodology for calculation and declaration of energy consumption and GHG emissions of transport services".

These improvements were implemented with the assistance of, and input from EcoTransIT and the scientific institutes INFRAS Bern and IFEU Heidelberg. Blue<sub>2</sub> integrates new parameters and updated default values and the following main enhancements:

- The Geographic Information System (GIS) provides an enhanced database of postal codes of more than 6.2 million;
- The Clean Cargo Working Group (CCWG) data integrates the carrier specific data of the shipping lines which have authorized their use;
- For air transport, the calculation now takes into account the routing and stopovers of each flight and the most frequently used aircraft on the route;
- The electricity emission factors of rail transport were revised taking into account the latest data on electricity generation of each country;
- The entire methodology of inland waterway transport was reviewed.



### Helping to meet the challenge of climate change: cooperating with all industry players

GEODIS has been committed to improving its carbon efficiency and helping to meet the challenge of climate change since 2008. GEODIS participates in numerous sectoral initiatives around the world. Reducing greenhouse gases (GHG) requires a joint effort by all players including carriers and customers, and the Group is contributing to the improvement of the environmental performance of the whole industry.

In 2016, GEODIS has continued its involvement in the following initiatives:

- The *Global Logistics Emissions Council* (GLEC) which aims to develop a globally recognized method of calculating supply chain greenhouse gas emissions. GEODIS committed to adopt the GLEC Framework in 2016;
- The *Club Déméter Environnement et Logistique*. Created in 2002 in France, the Club Déméter has brought together supply chain players to develop sustainable logistics practices through experimentation and collaboration;
- The *Clean Cargo Working Group* (CCWG), an initiative hosted by BSR (Business for Social Responsibility), which over the last ten years has contributed to improving the performance of the maritime transport sector by developing tools for the measurement, evaluation and reporting of its environmental impacts;
- *EcoTransIT World Initiative*, the purpose of which is to improve transparency of the environmental impacts of freight transport and to provide a globally recognized multimodal tool for calculating freight transport emissions;
- *SmartWay USA and Canada*, a program set up by the EPA (Environmental Protection Agency) in the US to help the freight industry improve supply chain efficiency;
- *Transporte Limpio* (Mexico), a Mexican government certification project for carriers taking positive action to reduce their CO<sub>2</sub> emissions.

### Being the trendsetter in terms of carbon efficiency with “Oxygen”

Within an evolving regulatory context, GEODIS aims at becoming the reference point among the Transport and Logistics companies in terms of carbon efficiency through its Oxygen program. Launched in 2010, Oxygen focuses on implementing global GHG reduction targets for all GEODIS' Lines of Business. Oxygen confirmed in 2016 the following four areas of progress:

1. The measurement through the implementation of an annual carbon inventory across all GEODIS operations.
2. The reduction actions and the measurement of their impact in order to improve carbon efficiency (scopes 1 and 2).
3. The development of partnerships with GEODIS' main subcontractors (scope 3).
4. The offering of low carbon solutions for its customers.



#### **IV. Taking action as a responsible employer**

##### **Action**

##### **Taking action as a responsible employer**

##### **Related Principles of the Global Compact:**

##### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

##### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

As a major international player in the Transport and Logistics sector, GEODIS aims to achieve total satisfaction for all its stakeholders, including its employees. Over 39,500 employees\* spread over 67 countries share common values of commitment, passion, solidarity, trust and innovation – the cornerstones of Group strategy.

Guaranteeing the safety of all our people on a permanent basis, ensuring that employees are satisfied and fostering their professional development, encouraging diversity - particularly gender equality - are all priorities which have prompted the Group to adopt a committed human resources policy, reflected by its engagement in the Investors In People certification process.

#### **The Investors In People certification, the cornerstone of the HR policy**

The Investors In People (IIP) standard underpins the GEODIS human resources program. The Group is deploying the IIP standard of managerial excellence around a simple idea: developing employees' skills has a positive effect on their performance, which in turn contributes to developing the performance of the company as a whole. Employees are conscious of the importance of their individual role, regardless of position or seniority. They are aware of the company's strategy and how they contribute to it. Achieving this calls for good communication involving regular and constructive exchanges with the management.

#### **Training and fostering employee development**

Since 2015, the Group has introduced its new performance management tool G-Talent+, an innovative platform which manages annual appraisal interviews on employee performance and is set to become the IT management system for recruitment and mobility within the Group. At a later stage, it will also be able to integrate training and HR management tools (salary reviews, replacement organizational charts...). Implementing G-Talent+ represents a first step towards harmonizing and consolidating HR tools throughout the Group. A Mobility Committee has also been set up since 2015 in order to promote and facilitate mobility within the Group.

Launched in 2011, the G-Campus platform is a tool offering corporate training specific to each Line of Business, for example, e-learning on the subject of management for Road Transport or on safety for Freight Forwarding.

#### **Ensure the safety of our people everywhere and at all times**

Safety is one of GEODIS' 7 Golden Rules and is at the heart of all its operations. Health and safety risks are specific to each activity. Each Line of Business has developed a strong culture for operational health and safety, both on site and on the road, and has developed its own health and safety policy. Protecting employees' physical well-being requires setting up prevention plans, including a regular evaluation of health and safety risks; the development of certifications - notably OHSAS 18001; the continual improvement of material and individual equipment and the raising of awareness through training and communication campaigns. Regular challenges are organized, either within the company or with customers, to reward the best performances.

Safety policy is based on the OHSAS 18001 standard which provides support for the evaluation and certification of the occupational health and safety management system. The OHSAS 18001 standard underpins the policies of the Freight Forwarding, Distribution & Express, Contract Logistics and Road Transport Lines of Business, currently in the process of achieving certification for their sites

### Best practices 2016

2016 achievements

CONTRACT LOGISTICS



#### REAL TIME SAFETY MONITORING ON EACH SITE

Since the start of 2016, all Contract Logistics sites in France have been equipped with a LED display showing three key figures for safety:

- The number of days without any accident;
- The site's record number of days without any accident;
- The date of the last accident.

The electronic panel comes with a communication kit which explains the approach and recommends different places where it can be displayed. It is easy to install and is automatically updated. It also supports measures implemented by sites to promote transparency and accident prevention.



2016 achievements

CONTRACT LOGISTICS



#### GEODIS INTRODUCES EXOSKELETONS

GEODIS has launched the test of exoskeletons to support and protect employees' backs during their work in its warehouse in Venlo, the Netherlands. Staff wear the exoskeletons – a type of external brace – for lower back support as they lift and carry objects during their pick and pack activities.

The exoskeleton gives support via a spring system that acts as a type of counterweight. When the employee bends over, the spring pushes back so that the load on the back is reduced.

GEODIS is testing passive exoskeletons for other activities and on other locations and is working closely with the supplier to monitor their development. To gain further advantages from these new devices, GEODIS is also participating in workshops organized by the Dutch technology institute TNO and the University of Twente, which has started a program to develop human wearable robotics suitable for logistics activities.



### Encouraging diversity and promoting equal opportunities

As a major player in the economy and a large scale employer, GEODIS is aware that it must show leadership in promoting diversity and equal opportunities. GEODIS has committed to gender diversity in all its Lines of Business, in what is traditionally a male sector.

Since 2013, the Group has undertaken a continuous improvement process based on the GEEIS label, Gender Equality European & International Standard. 10 countries in which GEODIS operates have been awarded the GEEIS label as of end 2016.

Also in 2013, the Group launched the GEODIS Women's Network, aimed at promoting women's access to management positions by fostering the potential of female employees within the company and supporting their career development. The GEODIS Women's Network organized its annual seminar in December 2016. As part of its remit, a mentoring program is being provided by the members of the General Management for the third year.



## **Encouraging employees to commit to the local community and to the planet**

### **Action**

#### **Encouraging employees to commit to the local community and to the planet**

##### **Principles of the Global Compact:**

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###### Anti-Corruption

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

With regard to social commitment, GEODIS' ambition is to support actions based on the two main following issues:

1. **Fight against exclusion:** solidarity and aid for people in need (food assistance, homelessness, poverty, etc.), child welfare, integration, health, support in the event of natural disaster, disability and mobility (emergency response or development).
2. **Preservation of natural resources:** protection of the habitats, protection of forests and natural environments, actions to conserve the natural resources – water, energy, waste reduction, etc.

The choice of partner and respective actions to fulfill our social commitment is based on diligently applying the following criteria:

- **Usefulness:** ideally respond to the most essential needs in the defined areas of intervention;
- **Transparency:** ensure that both actions and the use of funds are transparent. Be accountable for the donated funds;
- **Involvement:** whenever possible, promote employees' involvement through volunteer activity, skills-based sponsorship or other mechanisms;
- **Innovation:** carry out pilot actions that could be implemented in other Lines of Business or countries.

The Lines of Business and corporate CSR work closely to ensure that GEODIS' social commitment actions are duly implemented.

### **Committed to the integration of long-term unemployed people into the world of work**

In 2016, GEODIS launched its "Tremplin" program to promote reintegration through employment. It has been set up mainly for people who have been out of the world of work for a long time (long-term unemployed, unemployed people under 26 with no qualifications, unemployed people undergoing a career change). It aims at integrating them into the world of work on a permanent basis. The jobs offered are warehouse workers, forklift drivers, dock workers and order pickers. An initial cohort of ten trainees took part in the program from January to July 2016 as a trial run in the Paris area in France. All ten candidates obtained licences to drive forklifts and eight completed their 6-month theoretical and practical training and earned their vocational training certificate. These eight people were offered permanent contracts in the GEODIS workforce or with its partner GEL.



A second cohort of "Tremplin" recruits began the process in September 2016 in the Rhone-Alps region of south-eastern France. For this new session, the program added a strand concerning social integration in daily life outside the company. The aim is to support trainees in addressing difficulties that could impact or harm their new professional activity.

**The eight main strands of the Tremplin Program**

1. Selection based on aptitude.
2. Specific training.
3. A qualification and a recognized diploma.
4. A practical training program.
5. Reinforced integration.
6. Monitoring and an individual coaching.
7. Dedicated social assistance.
8. A long term employment contract.



## V. Responsible procurement: involving our suppliers and subcontractors in our CSR approach

### Action

#### **Responsible procurement: involving our suppliers and subcontractors in our CSR approach**

#### Related Principles of the Global Compact:

##### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

##### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

##### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

##### Anti-Corruption

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

GEODIS' purchasing constitutes an essential source of leverage for improving the Group's social and environmental footprint and attaining its CSR objectives. In addition to this, integrating CSR performance into the purchasing process acts as a driver of effective CSR. GEODIS priorities are to increase the importance of CSR criteria in the selection of suppliers and subcontractors; to seek the support of external specialist partners (e.g. EcoVadis) to evaluate suppliers and subcontractors; to promote responsible purchasing initiatives - solidarity purchasing and "green" purchasing – and to pursue a policy of collective progress by the setting up of partnerships.

### **Assessing and selecting suppliers and subcontractors on CSR criteria**

Totalling more than €4.7 billion in 2016, GEODIS' purchasing, including transport subcontracting, is a strategic source of leverage for improving CSR performance. For example, almost 87% of the Group's greenhouse gas emissions are accounted for by subcontractors (most recent calculation of GEODIS' worldwide carbon footprint, 2010).

The assessment of suppliers and subcontractors therefore emerges as a key issue, not only on an economic and operational level, but also on an environmental and social level. This involves teaming up with our commercial partners on the Group's commitments and engaging them in a collective move towards progress. Since 2011, environmental, social and ethical criteria have been included in calls for tender, analysis grids and standard contracts for different categories of purchasing (real estate, hiring of temporary workers, fuel, packaging, operational consumables, IT, vehicles, etc.) and constitute a differentiating factor in the selection of a new supplier.

In addition to this, since 2011 GEODIS has used EcoVadis evaluations to measure the CSR performances of its suppliers and subcontractors. EcoVadis is an independent body that evaluates the CSR commitment of thousands of suppliers in 150 business sectors in over 90 countries on CSR criteria (environment, working conditions and ethics), using a reference system based on the ISO 26000 guidelines and on the Global Reporting Initiative.

The Road Transport Line of Business has implemented an assessment program for its transport partners since 2015 with audits in the field and CSR self-assessments deployed in 2016.

GEODIS also selects its suppliers depending on how their CSR approach will affect its industrial performance. In France, GEODIS chose a partner to rebrand its trucks offering more effective guarantees on reducing environmental impact

Finally, the Procurement Department of GEODIS is a powerful lever for improving the Group's social and environmental footprint and for contributing to its CSR goals. GEODIS' priorities are as follows:



- Reinforce the importance of the CSR criteria when choosing suppliers or subcontractors;
- Rely on specialized external partners in order to assess the suppliers and the subcontractors (EcoVadis for instance);
- Promote sustainable purchasing initiatives: solidarity purchasing, "green" purchasing;
- Commit to a shared continuous improvement process through the setting-up of partnerships.



## VI. Ethics & Compliance : a robust framework

### Action

#### Ethics & Compliance : a robust framework

#### Related Principles of the Global Compact:

##### Anti-Corruption

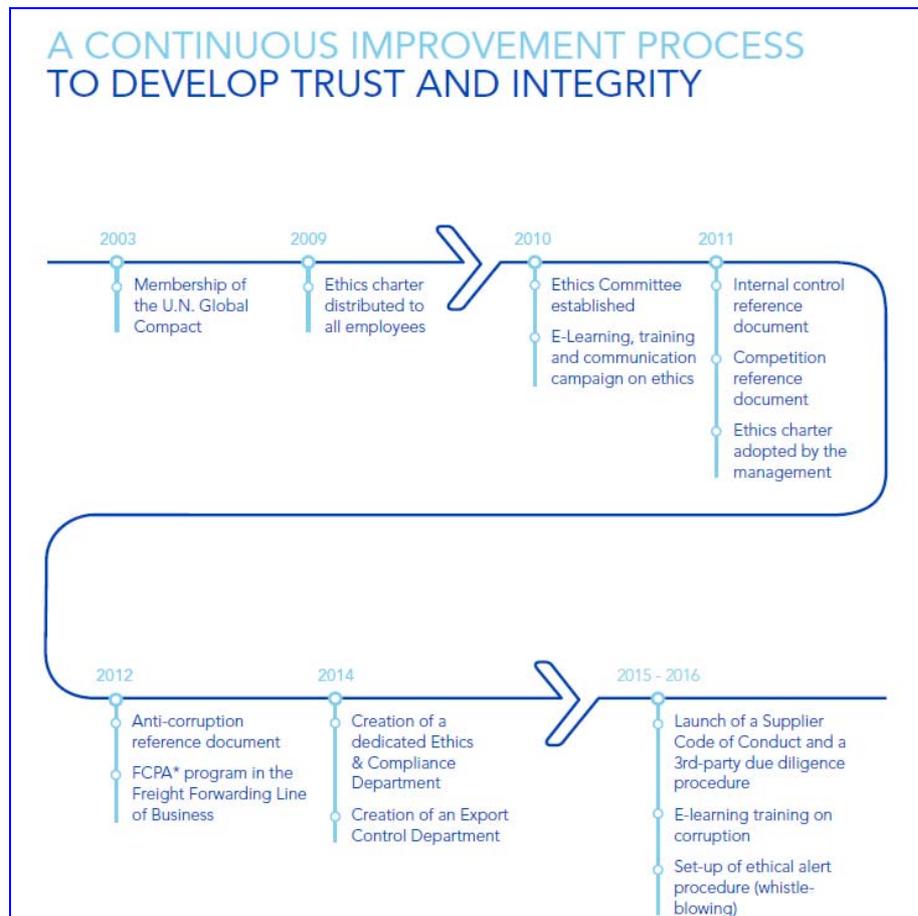
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

GEODIS is deeply committed to its responsibilities towards all its stakeholders and to complying with the laws of every territory in which it operates. In this respect, the GEODIS Ethics and Compliance program has been globally deployed across its five Lines of Business. As an integral part of the Group's strategy and management system, the program is subject to a continuous process to develop trust and integrity.

#### Ethics and Compliance policy

To support the Ethics and Compliance policy, which underpins the CSR approach, GEODIS measures itself on internal reference and policy documents.

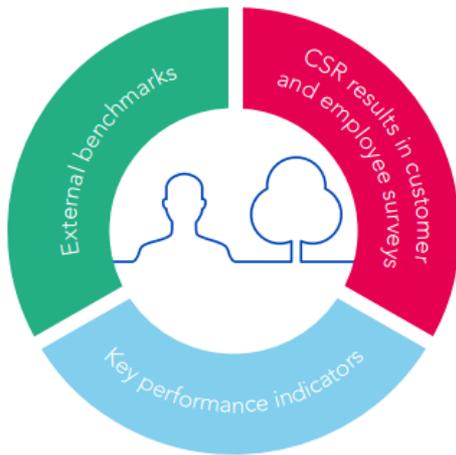
- 2009 Code of Ethics, updated in 2015 and translated into 12 languages.
- Reference document on how to comply with antitrust laws (2011).
- Reference document on how to comply with anticorruption legislation (2012).
- Internal control reference document (2011).
- Suppliers' Code of Conduct (2015) and guidelines for the selection of suppliers (2015).
- Export control procedure (2015),
- Third-parties due diligence policy (2015).





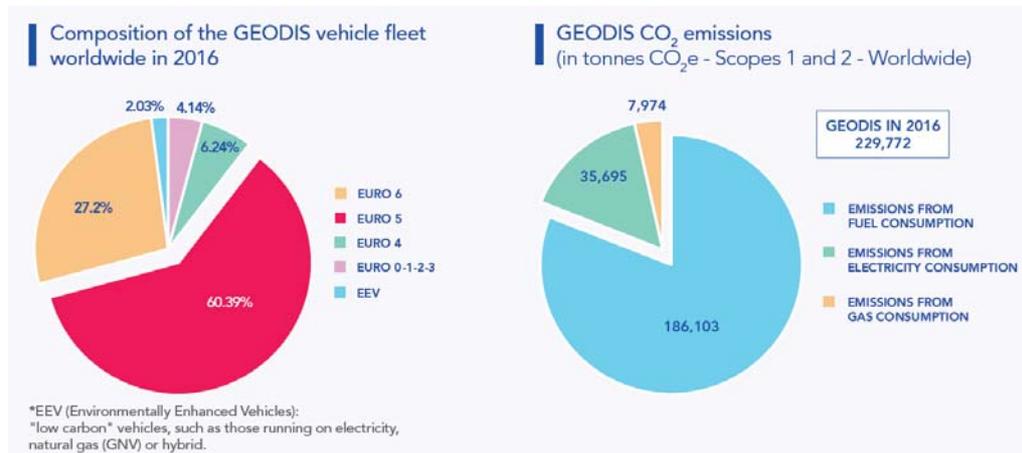
**Measuring and improving performance**

GEODIS measures its CSR performance in the light of 3 perspectives: reporting on environmental and social data, annual client and employee satisfaction surveys, and external evaluations.  
**2016 CSR indicators are available on [www.geodis.com](http://www.geodis.com)**

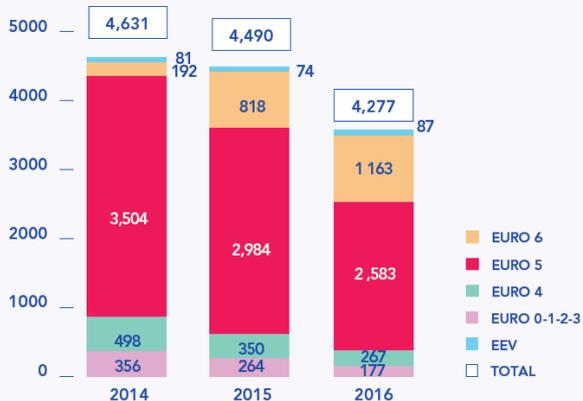


**1. Key Performance Indicators**

**ENVIRONMENT**



Evolution of the GEODIS vehicle fleet worldwide (number of vehicles)



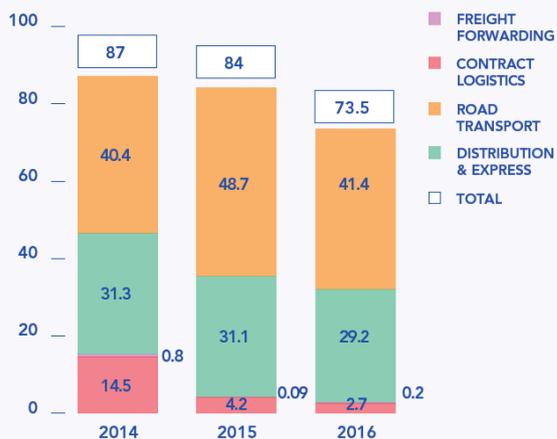
87% of GEODIS vehicles are Euro 5 or Euro 6 in 2016



4,277 vehicles owned worldwide in 2016

GEODIS fuel consumption by Line of Business (millions of liters)

Correspondence GRI4: EN3



Production of hazardous waste by GEODIS (in tonnes - Worldwide)



370,725 tonnes

of hazardous waste produced by GEODIS worldwide in 2016

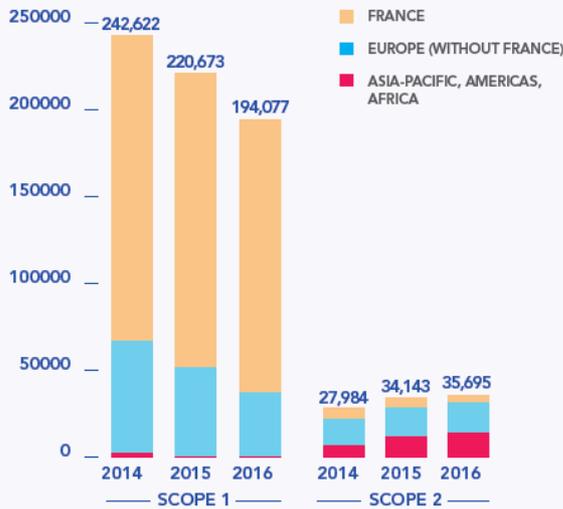
Production of mixed non hazardous waste by GEODIS (in tonnes - Worldwide)



330,748 tonnes

of mixed non hazardous waste produced by GEODIS worldwide in 2016

**Evolution of GEODIS CO<sub>2</sub> emissions**  
(in tonnes CO<sub>2</sub>e - Scopes 1 and 2 - Worldwide)  
Correspondence GRI4: EN15



The distribution of greenhouse gas emissions is that of the GHG Protocol and the Bilan Carbone®:  
Scope 1: direct emissions caused by fixed or mobile sources (combustion of fuel and gas).  
Scope 2: indirect emissions related to the production of electricity.

**Recovery of mixed non hazardous waste by GEODIS**



**97%**

of mixed non hazardous waste recovered by GEODIS worldwide in 2016

**Consumption of electricity in the Group in 2016**



**141.48** millions of kWh of electricity consumed by GEODIS worldwide in 2016

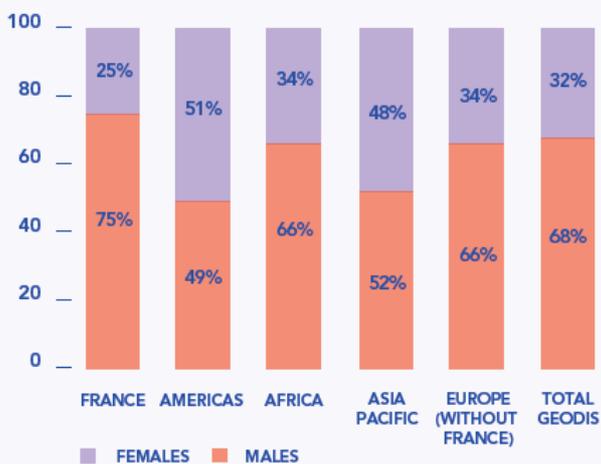
**Consumption of gas in the Group in 2016**



**39.02** millions of kWh of gas consumed by GEODIS worldwide in 2016

**SOCIAL**

**Female/Male breakdown by geographical area in 2016**  
(in FTE percentage - Worldwide)



**Absenteeism rate per Line of Business**



**GEODIS disabled workers rate in 2016**  
(Worldwide)



**Safety<sup>1</sup>: severity rate of occupational accidents in France by Line of Business in 2016**

Correspondence GRI4: LA7



Occupational accident severity rate:  
(number of days lost x 1,000)/total hours really worked

**Safety<sup>1</sup>: frequency rate of occupational accidents in France by Line of Business in 2016**

Correspondence GRI4: LA7



Occupational accident frequency rate:  
(number of accidents resulting in absence x 1,000,000)/total hours really worked

<sup>1</sup>Regarding the Freight Forwarding and Supply Chain Optimization Lines of Business, the rate is 0,00



**GEODIS**

## 2. Surveys

### Customers



of customers stated they were satisfied with GEODIS CSR actions according to the 2016 customer survey.

Since 2014 GEODIS has carried out a worldwide customer satisfaction survey at Group level. With this in mind, nearly 100,000 customer contacts are invited in June each year to complete the satisfaction survey, conducted in 15 languages by a market research institute. Evaluations cover a complete chapter related to CSR performance. 2016 results show that our customers have a high satisfaction rate regarding our CSR approach.

### Employees

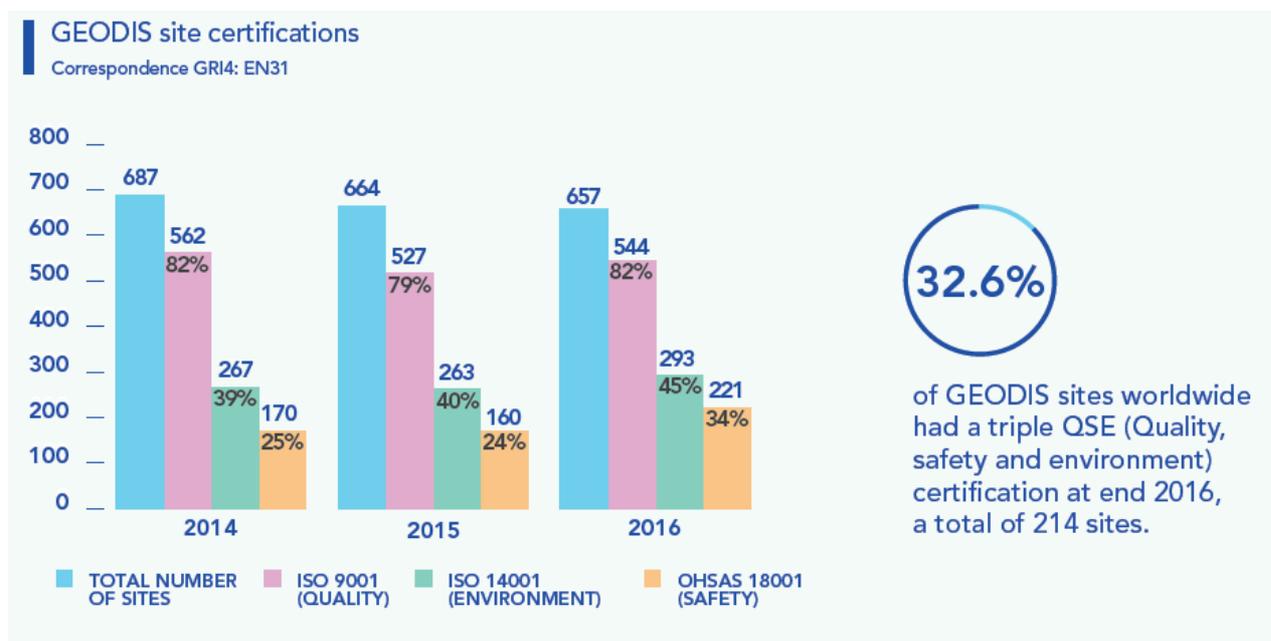
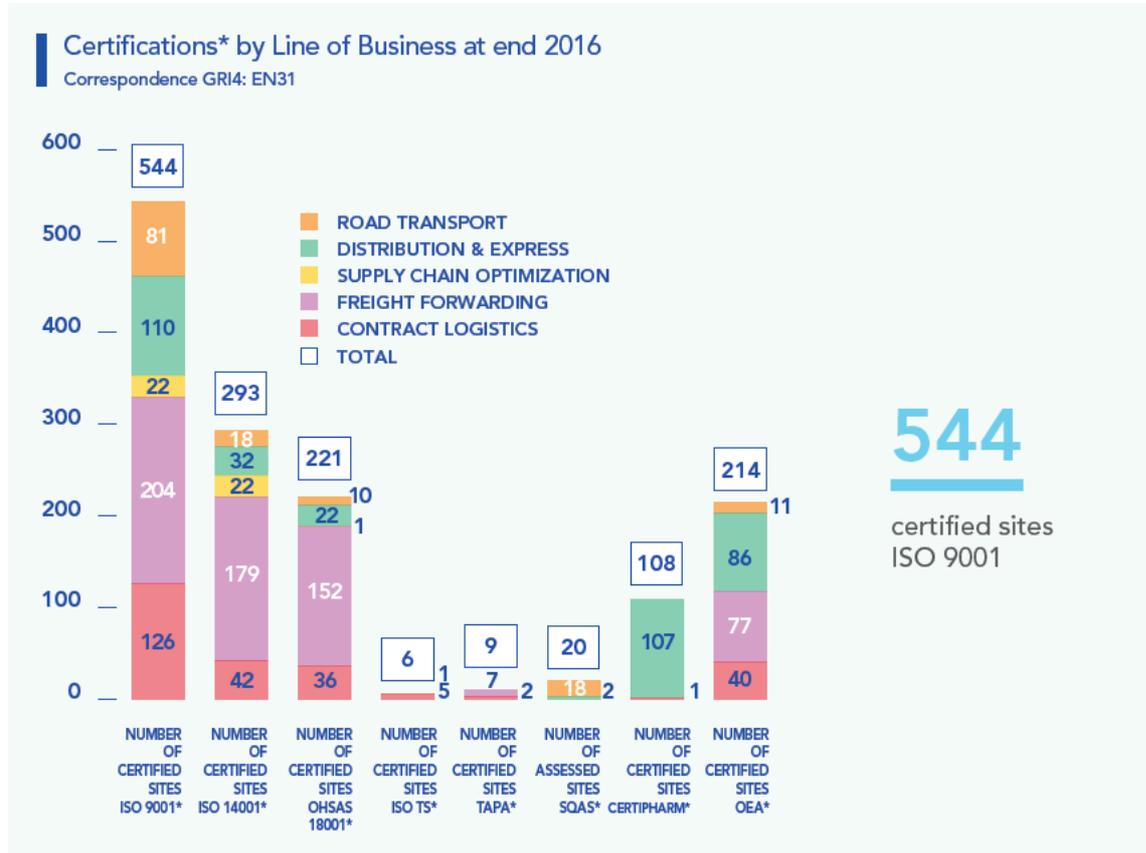


of employees stated they were satisfied with GEODIS CSR actions according to the 2016 employees survey.

GEODIS has been measuring employee satisfaction worldwide since 2013. Around 30,000 contacts are asked to respond to the survey each year in October. The survey is carried out in 30 languages by a market research institute.

### 3. Evaluations

#### 3.1. Certifications





### 3.2. External assessments

## ECOVADIS

**65/100** EcoVadis external evaluation of GEODIS, 2016

EcoVadis has attested GEODIS to be in the "top 9%" of all suppliers evaluated in 2016. This collaborative platform which provides performance assessment of the sustainable development of businesses thus underlines the excellence of the Group's CSR approach. As in 2015, GEODIS is rated in 2016 at "Advanced" level and its CSR policy as "Gold" with a 65/100 score.

In the EcoVadis grading system, "Advanced" level means that GEODIS' strategy is based on a "structured CSR approach, quantified commitments, tangible actions on all issues, detailed information on the implementation of actions, CSR reporting and performance indicators".

The EcoVadis assessment addresses four topics – environment, social, business ethics, and responsible purchasing – and 21 criteria.

The score attributed to GEODIS breaks down as follows:

Environment	80/100
Social	70/100
Business ethics	40/100
Sustainable procurement	60/100



GEODIS scored 80/100 in the "Environment" category for the EcoVadis evaluation.

For this topic, EcoVadis has attested GEODIS to be in the "top 1%" of all suppliers evaluated, across all categories. The Group is recognized especially for its involvement in external initiatives like the Global Logistics Emissions Council (GLEC Framework) or the Clean Cargo Working Group (CCWG), for the content of its CSR report and the quality of its CSR reporting, which is consistent with the guidelines of the Global Reporting Initiative (GRI).

EcoVadis also highlights GEODIS' implementation of the CO<sub>2</sub> reporting for its customers, the regular renewal of its fleet and its equipments, as well as for its actions to reduce environmental impacts (CO<sub>2</sub>, noise, waste, ...).

GEODIS scored 40/100 in the category "Business ethics" for the EcoVadis evaluation.

EcoVadis highlighted the Group's alert procedures, internal audits on the fight against corruption, and the e-learning module on the main points of business ethics.

GEODIS scored 70/100 in the "Social" category for the EcoVadis evaluation.

EcoVadis has attested GEODIS to be in the "top 2%" of all suppliers evaluated. These good results are mainly due to the regular training of the Group's employees, the occupational health and safety good practices, the results of its employees satisfaction surveys as well as the specific measures that have been put in place to foster the integration of disabled people.

GEODIS scored 60/100 in the category "Sustainable procurement" for the EcoVadis evaluation.

In 2017, GEODIS will be able to communicate on a detailed EcoVadis assessment of a representative percentage of its suppliers.

Integrating environmental and social criteria in the contracts, as well as the assessment of the suppliers is the strength identified by EcoVadis.



## CDP<sup>1</sup>

GEODIS responds to the CDP's Supply Chain Program since 2014. CDP assesses the reporting actions and the actions carried out to reduce greenhouse gas emissions. GEODIS achieved a B score in 2016, which represents a significant progress compared to the 76D achieved in 2015.

According to CDP: "GEODIS achieved a B, which is the score 8% of companies responding to CDP achieved, and 9% of companies within industrials sector. Companies scoring a B find themselves within the 14% highest scoring companies, and within the 15% highest scoring companies in their sector.

Companies at Management level are taking further steps to effectively reduce emissions, indicating more advanced environmental stewardship. This good result signals that GEODIS is measuring and managing its impact. GEODIS has developed a policy and strategic framework within which to take action and reduce negative climate change impacts."

# B

CDP 2016  
evaluation of GEODIS

## Management

GEODIS score level

#### 4. For more information

All GEODIS 2016 indicators, along with details on reporting methodology (scope, data gathering and consolidation process, choice of indicators, methodological limitations, checks and verification of indicators) and correspondence with the Global Reporting Initiative (G4 – Guidelines for sustainable development reporting) can be consulted on [www.geodis.com](http://www.geodis.com), under 'CSR'.