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# Communication on Progress (COP)

*Reporting period: 2021*

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# Part 1: Introduction



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## Statement by the CEO expressing continued support for the Global Compact



To our stakeholders

I am pleased to confirm that GROUPE CAT reaffirms its support of the ten principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In 2021, we have expanded our Green House Gases (GHG) Emissions reduction policy to build a solid foundation on our journey towards achieving net-zero emissions by 2050. We are working on strengthening our Corporate Social Responsibility policy and have developed key performance indicators to follow and animate it.

In this annual Communication On Progress (COP), we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders, using our primary channels of communication.

Best regards,

Alejandro Forbes

CEO of Groupe CAT

**Groupe CAT**

# UN - 17 Sustainable Development Goals

- United nations has defined 17 sustainable development goals
- Groupe CAT has designed its sustainability policy in relation with these 17 Goals.



# Groupe CAT contributions

## *Groupe CAT contributions to UN Sustainable Development goals*

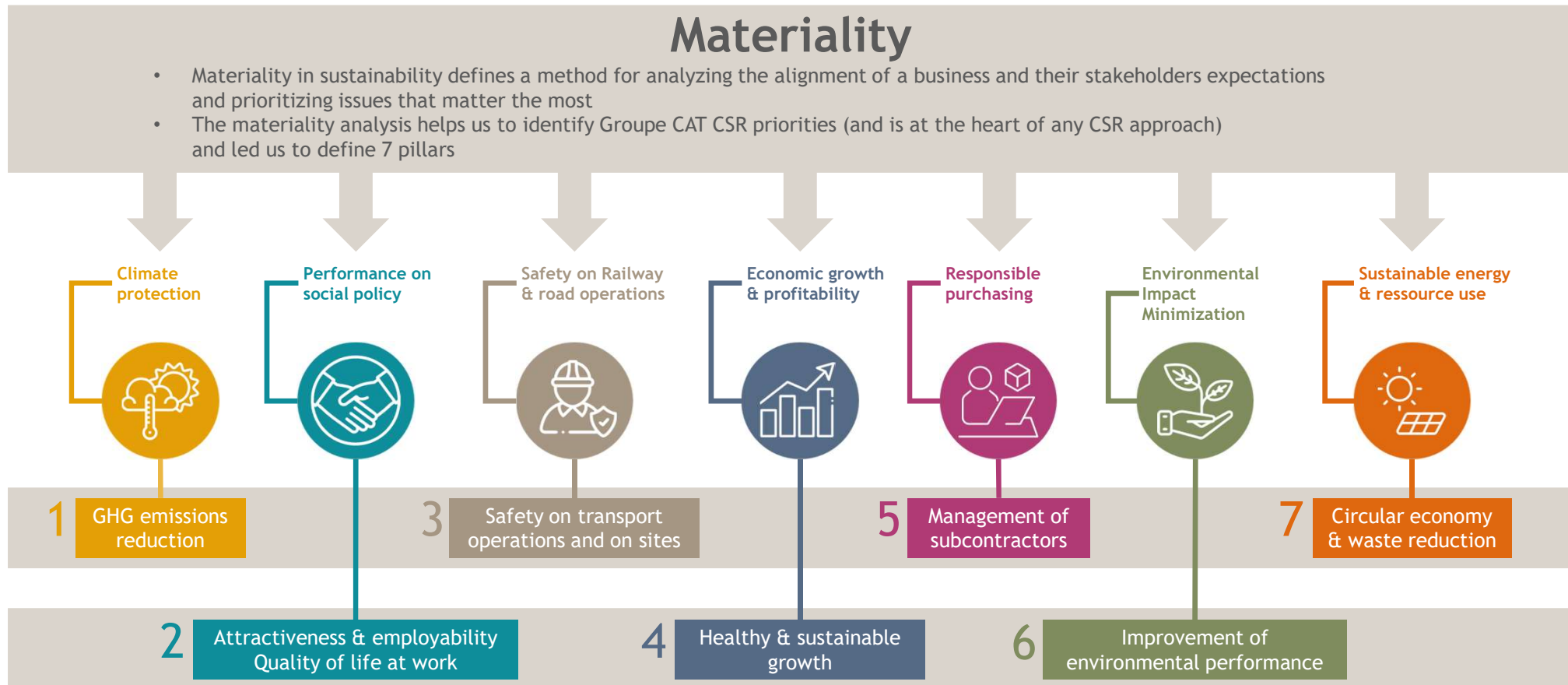
- Groupe CAT, acting in the transport and automotive industry has contributions in sustainable development linked to 9 of the United Nation Sustainable development Goals.





# Material CSR topics for Groupe CAT

*Materiality study realized by Groupe CAT to define  
7 sustainability pillars in contribution to United Nation goals*



## Groupe CAT key stakeholders

*Groupe CAT is acting with Internal and external partners. They are part of our sustainable development policy.*

### External

- Customers
- Suppliers
- Governmental & controlling bodies
- Investors
- Banks & insurers
- Professional organizations
- Communities
- Social media

### Internal

- Employees
- Management
- Asset managers
- Board of directors
- Trade Unions
- Shareholders



Stakeholder mapping is the process of identifying and categorizing key stakeholders involved in achieving the policy objectives of our Group



## Building a healthy and sustainable growth for everyone

*"Corporate Social Responsibility is a long-term strategy that enables our company to minimize its environmental impact by acting responsibly towards our stakeholders and providing the best sustainable business model."*

Alejandro Forbes  
CEO of Groupe CAT



## Part 2: Group Strategic CSR pillars



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# Groupe CAT: Sustainable Logistics Partner

## Our 7 sustainability pillars



# Groupe CAT CSR initiatives at a glance

## Climate protection



## GHG emissions reduction

- GHG emissions calculation
- Railway offer
- Road alternative fuel solutions
- Road conventional:
  - Empty mileage reduction
  - Loading factor optimization
- Fleet renewal

## Performance on social policy



## Attractiveness & employability Quality of life at work

- Diversity & equal opportunity
- Human capital development
- Internal mobility
- CAT Academy

## Safety on Railway & road operations



## Safety on transport operations and on sites

- H&S policy and risk analysis
- Do it Safe Campaign
- Eco Driving training
- Loading audits
- Truck & wagons fleet maintenance systems
- On board IT on trucks
- ISO 45001 certification
- ECM certification

## Economic growth & profitability



## Healthy & sustainable growth

- Customer satisfaction & loyalty
- Leadership position in industry
- Industry innovation
- Organic growth
- Profitability
- Asset investments
- Code of conduct
- Internal risk audits

## Responsible purchasing



## Management of subcontractors

- Partner suppliers
- Sustainable procurement code
- Buyers trained on CSR
- CSR suppliers assessments
- Spendings with CSR criteria
- Rating agencies evaluation

## Sustainable energy & resource use



## Circular economy & waste reduction

- Renewable energy generation
  - 326,000 sqm solar panels
  - Industrial wood cuts heating system
- LED lighting on compounds
- Fuel consumption reduction
- ISO 50001 certification

## Environmental impact minimization



## Improvement of environmental performance

- Waste reduction and sorting
- Tires recycling
- Use of rainwater
- Closed circuit car washing lines
- Water effluent management
- ISO 14001 certification

## Part 3: Focus on Climate Protection

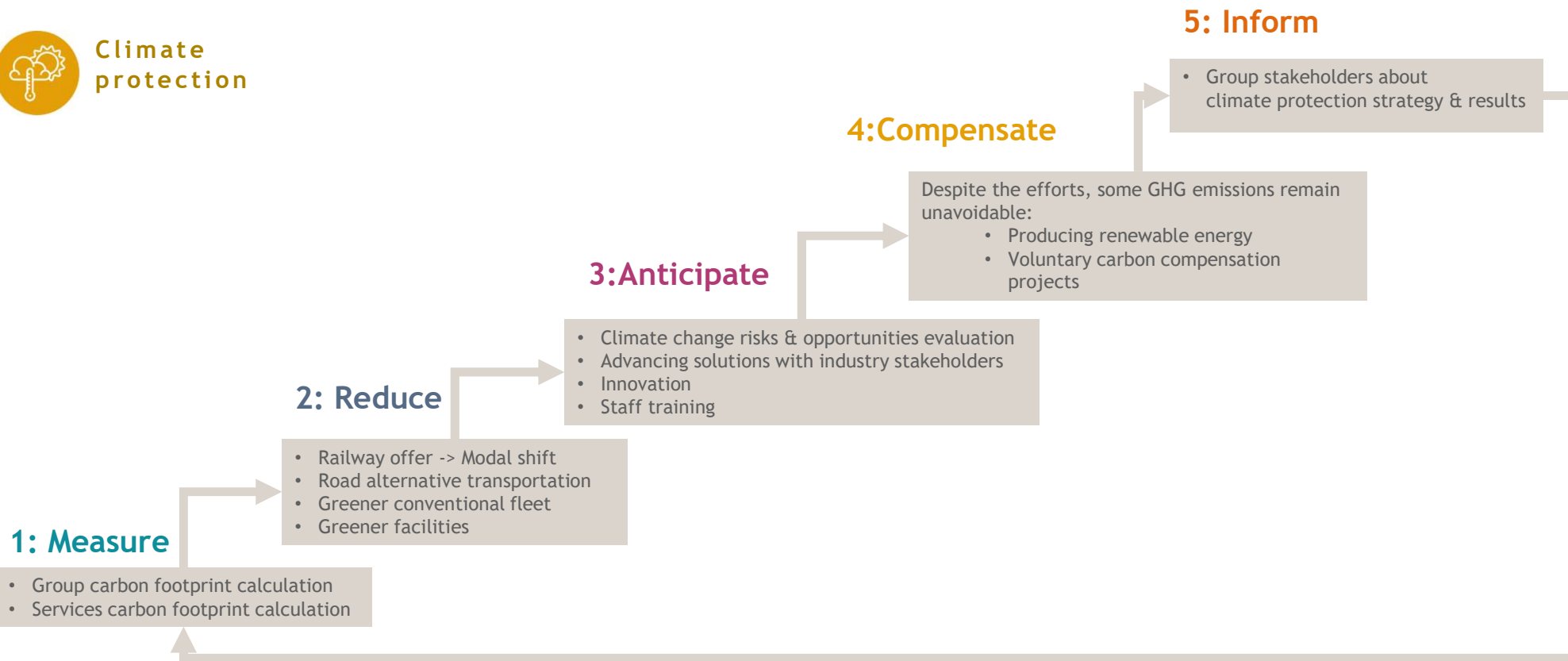


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# CAT path to Net Zero emissions



Climate  
protection



Groupe CAT

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## Part 4: CSR awards



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## Third-party sustainability awards



Sustainability  
supply chain



All sectors

EcoVadis, 2007  
(Rating platform to assess CSR &  
Sustainable procurement)



Sustainability  
supply chain



Automotive

DRIVE Sustainability (NQC), 2013  
(Designed by DRIVE Sustainability OEMs to  
mitigate CSR risks and reputation damage)



Climate change  
performance



All sectors

Carbon Disclosure Project (CDP), 2000  
(Env performance data related to GHG  
emissions, water, forests and supply chain)

Groupe CAT

# Part 5: Human Rights



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## Policy & Implementation

In its Code of Conduct, Groupe CAT refers to the 10 Principles of the Global Compact, and specify explicitly the following ;

“Groupe CAT complies with all applicable legal rules in the countries in which it is based, as well as the countries in which it operates.

It counts on the responsibility of its employees, who must know or if not find out about abide the laws, regulations and obligations linked to their tasks and activities within the framework of their professional missions.

Groupe CAT prohibits the use of child labor and forced labor”.

In Groupe CAT’s countries, Human Rights are respected by law and in case of any violation of Human Rights, severe measures are taken either via human resources or via the concerned country manager. So far no cases of human right violation has been reported.

Furthermore, human resources together with social representative make sure that social rules and human rights are respected.

### Our principles of Working Conditions and Human Rights

**Prohibition of child labour and conditions for young workers hiring**

**Transparent rules of remuneration and granting benefits**

**Respect of working hours**

**Objecting against modern slavery**

**Freedom of association and collective bargaining**

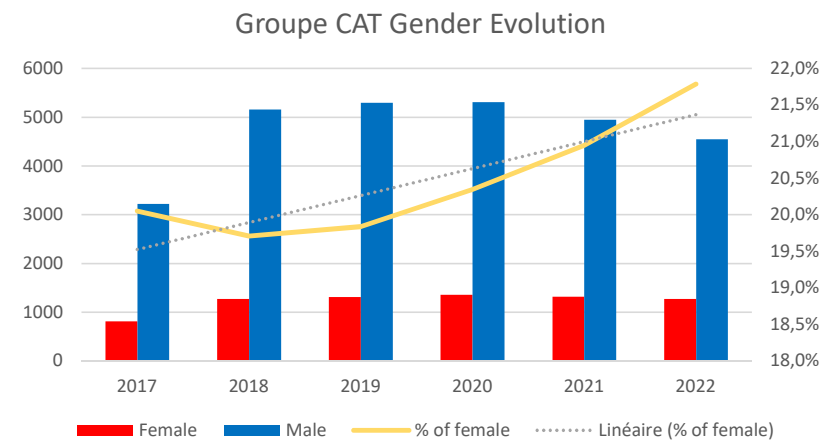
**Counteracting harassment and discrimination**

**Foster the professional development of employees**

## Measurement & initiatives

- We publish reports concerning equity, age pyramid and health and safety figures that allows Groupe CAT to monitor and drive our targets in monthly committees.
- These data are consolidated on a group level.
- Groupe CAT recruitment procedure ensure gender equity, senior employment and anti-discrimination in its recruitment process.
- Please note that our activity is made mainly in Western Europe and there has been no cases of Human Rights violation raised.

### Example - Gender evolution KPI



# Part 6: Labour



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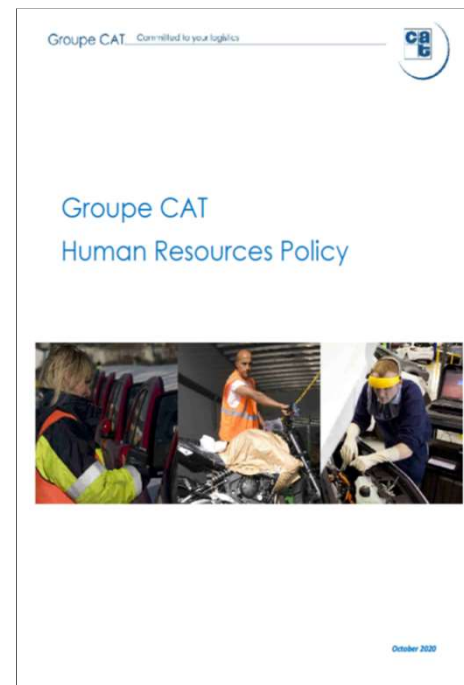


# Policy & Implementation

Groupe CAT **Human Ressources Policy** is the commitment of the top management to ensure a friendly, healthy, safe work environment based on mutual trust and respect for the work-life balance principle.

Groupe CAT **recruitment procedure** ensure gender equity, senior employment and anti-discrimination in its recruitment process.

Groupe CAT undertakes to protect the health and physical integrity of its staff, ensure motivating working conditions and guarantees the safety of the facilities and goods by controlling its logistics chain. The integration of risks linked to health and safety is achieved in collaboration with the competent bodies and committees.



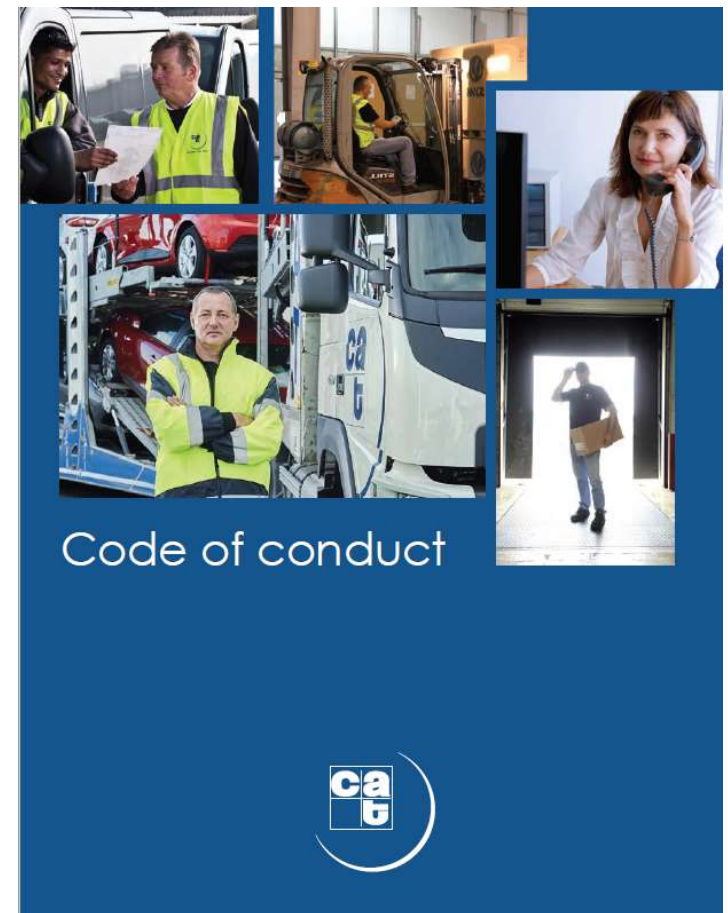
# Policy & Implementation

## Groupe CAT Code of Conduct:

“Groupe CAT complies with all applicable legal rules in the countries in which it is based, as well as the countries in which it operates. It counts on the responsibility of its employees, who must know or if not find out about abide the laws, regulations and obligations linked to their tasks and activities within the framework of their professional missions.”

We provide a health insurance policy for all employees. Furthermore, health and safety policy is being reviewed and will be deployed for the entire group. Life & Accident insurance is deployed in most of Groupe CAT entities. Each activity of the group has a risk analyses which is shared with employees in order to prevent accidents. For each position there are adapted personal safety equipment's.

Our **Code of conduct** declares to “respect the right of its employees to form or join a union or workers’ organization of their choice and to take part in group negotiations in the frame of effective regulations. It respects the role and the responsibilities of the social partners and undertakes to communicate and negotiate with them in accordance to the law” .



Groupe CAT

# Part 5: Environment



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## Groupe CAT Strategic commitment for an eco-responsible supply chain



### 1/ Reduce greenhouse gases emissions & improve air quality

- Modal shift and combination of different transportation modes
- Empty kilometers track & management
- Euro index management & yearly improvement
- Loading and transport plans optimization
- Calculation of CO2e transport flows impact
- Rolling renewal of our fleet

### 2/ Preserve natural resources

- Fleet energy consumption management
- Water consumption management on compounds
- Low environmental impact energy development
- Eco-driving training for all our drivers

### 3/ Reduce environmental impact of our sites

- ISO 14001 certification
- Better management of environmental impact: more efficient use of resources, wasting sorting, recycling and reduction, use of rainwater...

### 4/ Propose eco-friendly solutions

- Renewable energy generation - 326,000 sqm solar panels
- Industrial heating system using wood cuts
- Digital solutions to reduce paper consumption

### Awards

- Groupe CAT awarded Gold Rating by EcoVadis

- Member of UN Global Compact

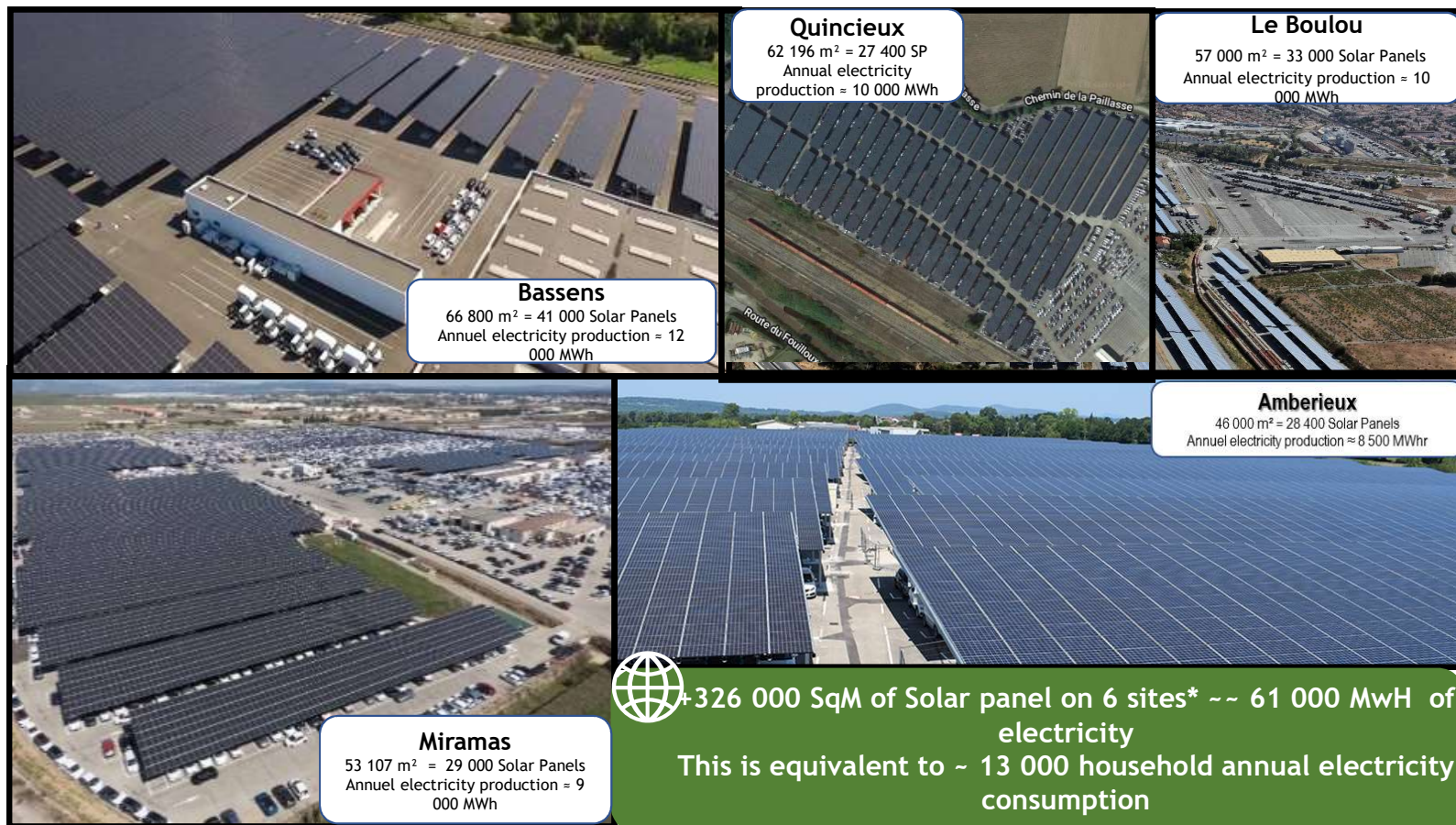


- Groupe CAT holds global ISO 9001:2015, ISO 14001:2015 certifications





## Group contribution to local energy transition



Aerial surfaces granted by Groupe CAT to an external Company

Groupe CAT

## Actions to reduce our carbon footprint

Offer to each client the solutions with lower environmental impact

- Implementation of a customized solution for the transportation of the vehicles from Renault factory of Meloussa to the port of Tanger



- Transportation offer by railway for lower environmental impact



- Manufacture of specific adapted wagons for optimized transport (230 vehicles per trip, rapid loading and unloading process...)

**Industrial innovation  
to meet  
environmental  
challenges**



## Business cases with alternative fuels implemented

CNG trucks used to deliver dealers in urban areas in France

4 trucks in place since spring 2021



## Business cases with alternative fuels implemented

LNG Trucks in Croatia in test from May



3 LNG trucks  
Iveco S-Way

Start from the  
3rd May 2021

5 drivers

LV – LC  
cooperation

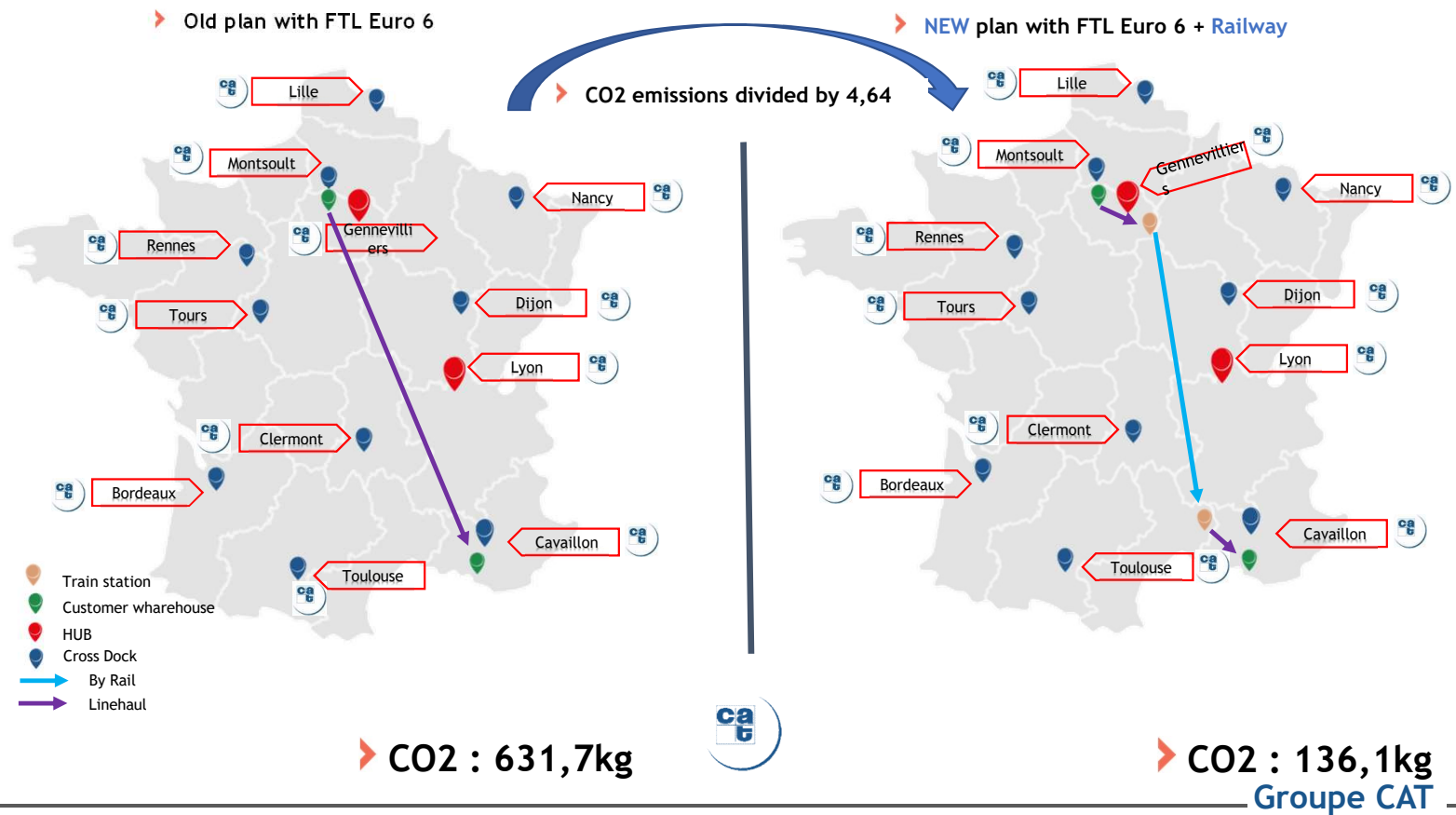
6 Mega  
trailers  
Krone

Total look  
Co branding  
with our  
client



## Business case with modal shift implemented

### Examples of CO2 impact with transport plan modification



## Actual situation : Focus on Diesel truck emission reduction plan

- LV division has fixed detailed target till 2025 for its diesel emissions.
- This lead to a CO2 emission reduction by 14% base line 2018
  - Driver training to reduce consumption
  - Fleet optimization / renewal => selection of best trucks solutions : optimized power and consumption
  - Operational optimization to reduce empty KM.

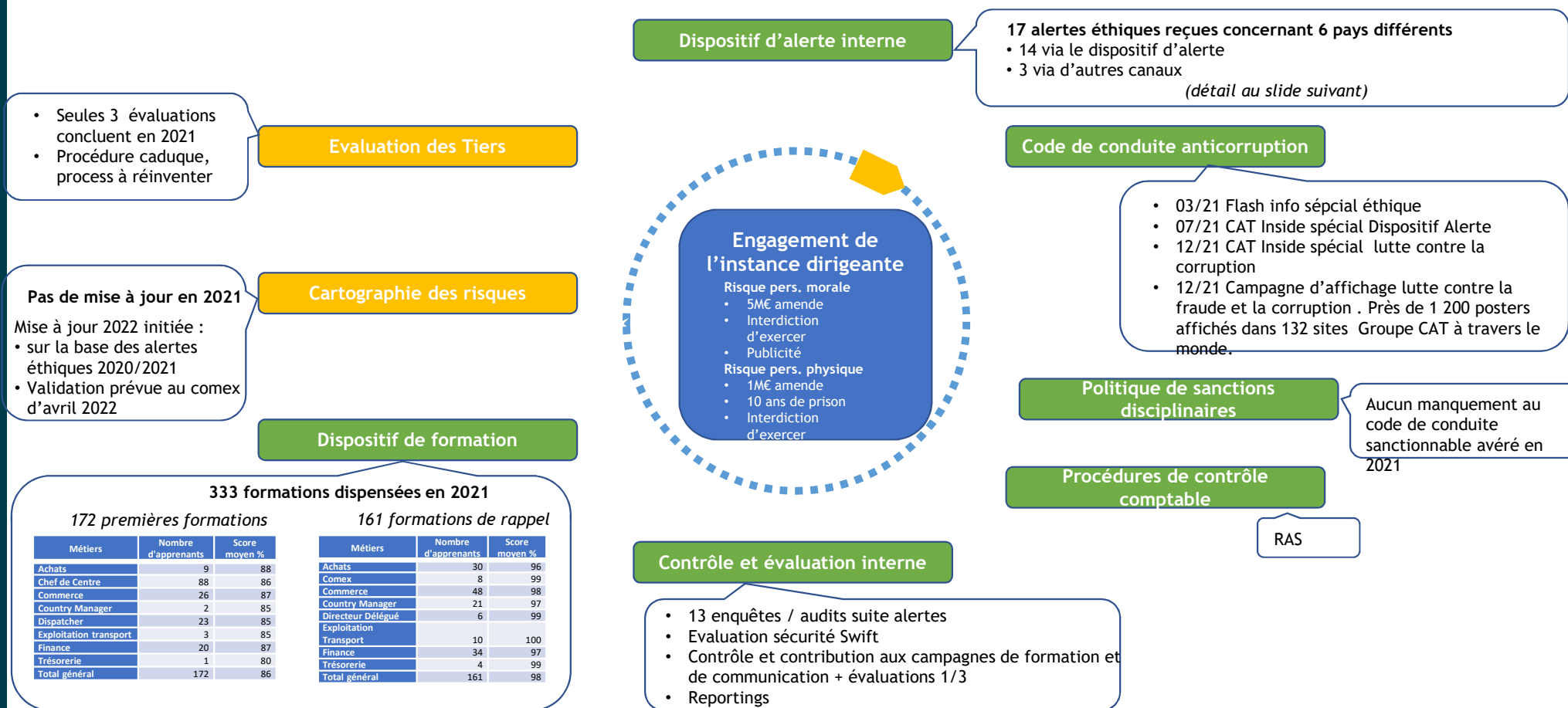
LV CO2 TRANSPORT INDEX	actual 2018 reference	Actual 2019	Actual impact 2019/2018	Réel 2020	Actual impact 2020 / 2018	Target 2021	Impact target 2021 /2018	Target 2025	Impact Target 2025 /2018
Truck consumption L/100Km	35,51	35,52	1,000	35,52	1,000	35,48	0,999	34,08	0,960
Empty Kilometers	22%	20%	0,98	21,3%	0,993	22%	1,000	18%	0,960
Load Factor	100,7%	102,5%	0,981	103,0%	0,977	105%	0,959	107%	0,937
	CO2 index, ref 2018		CO2 index 2019/ 2018		CO2 index 2020/ 2018		CO2 index 2021/ 2018		CO2 index 2025/ 2018
	1		0,962 -3,8%		0,971 -2,9%		0,958 -4,2%		0,863 -13,7%

# Part 8: Anti-corruption



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# Bilan 2021 du dispositif anticorruption du Groupe CAT (loi Sapin2)





# Ethics & Anti-corruption dashboard 2021

Ethics Dashboard Groupe CAT 2021										
N	KPI	Actual 2020	Target 2021	actual Q1	actual Q2	actual Q3	actual Q4	Actual 2021	Assess-ment	Comments
1 ETHICS ALERT SYSTEM										
System Efficiency :										
1a	Number of Ethic Alert received (the more alerts received > the more known and used is the system)	9	12	3	1	6	7	17	✓	Ethics alert system more and more recognized and used 4 alerts out of scope (commercial or operational issue)
1b	% of ethics alert received via Groupe CAT ethics alert system (CAT@alertethic.fr)	56%	75%	100%	0%	83%	86%	82%	✓	11 alerts closed (situation assessed, action plan defined and implemented when needed)
Policy Efficiency										2 alerts still open (situation assessed, action plan defined, implemetion still in process)
1c	Number of confirmed act of fraud or corruption after alert treatment	2	<2	0	0	0	0	0	✓	
2 Disciplinary sanction										
2a	Number of employee identified as responsible of fraud or corruption	4		0	0	0	0	0	😊	No case in 2021
2b	% of employee identified as responsible of fraud or corruption sanctioned	100%	100%	NA	NA	NA	NA	NA	😊	
3 Code of conduct - Communication										
3a	% of Groupe CAT companies enforcing Groupe CAT code of conduct	100%	100%	100%	100%	100%	100%	100%	😊	already in place in 2020
3b	Number of Group communication dedicated to ethics and anti-corruption behavior	0	2	1	1	1	2	5	✓	Flash Info march 2021 (farud identification and sanctions following an alert), + CAT Inside #96 (RSE), #103 (Ethics Alert System), #122 (Poster campaign), + 132 CAT Sites equipped with 1200 anti corruption posters.
3c	Type of communication broadcast	NA	CAT Inside Posters	Flash Info	CAT Inside	CAT Inside	CAT Inside + Posters		✓	
4 Training										
4a	Number of first anti corruption training for newcomers in "at risk" positions	0	100	0	0	172	0	172	✓	
4b	Number of refresh anti corruption training after 2 years	0	150	0	0	161	0	161	✓	
5 Internal control and assesment										
5a	Number of audit linked with fraud or corruption alert	8	100%	3	1	5	4	13	✓	=100% => out of the 17 ethics alert received in 2021, 4 alerts were out of scope and haven't request an audit to assess the fraud or corruption situation
5b	Number of ethic reporting to comex	4	11	6	5	1	6	18	✓	
6 Third party Assessment										
6b	Number of due diligence questionnaire on corruption risks exposure sent to commercial partners	0	44		11			11	😊	Small partner assessment process to be improved > update of the procedure to be done S1 2022.
6c	Standard anti corruption clause integrated in contracts		100%					80%		
7 Risks Mapping										
7a	Corruption risks map upadted with new risk identified by Internal audit or Process Pilotes		yes					Partially	😊	No new risk identified through the ethics alerts. Risks review and reassessment with process pilotes postpone to 2022
7b	Risks assessment updated or confirmed by Process Pilote		yes					Partially	😊	
8 Anti-competitive behavior										
8a	Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior	0	0	0	0	0	0	0	✓	
8b	Main outcomes of completed legal actions	NA	0 Penalty	NA	NA	NA	NA	NA	✓	

# Anti-corruption implementation

## Communication and training on example of project „Fight against corruption”

**cat**INSIDE|

GROUPE CAT NEWSLETTER 12/2019#49 Anti-corruption training

### Fight against corruption: CAT respects its commitments to ethics !

In line with the legislation in force and our internal Code of conduct, Groupe CAT puts in place the anti-corruption policy for the group.

After the publication of anti-corruption training procedure\*, the most exposed employees of the following sectors have participated in the training:

- \* Commerce
- \* Finances
- \* Operations and exploitation
- \* Purchasing department

This e-learning program\*\* includes video tutorials, case studies and a final evaluation test. It trains employees to:

- \* identify risk situations,
- \* characterise attempts or corruption acts,
- \* become aware of the criminal and financial risks incurred,
- \* get familiarised with the procedure to follow in case of the situation that presents a risk of corruption.

\*Anti-corruption training procedure is available on intranet:  
<http://intranet.groupecat.com/index.php?action=viewsubdomain&id=6813>.

\*\*E-learning is on line learning conducted via electronic media.

Illustrations credits: daesign.



Corruption attempts...



daesign



Conflicts of interest



Learn to spot potential acts of corruption.

daesign

Anti-corruption training allows us to maintain healthy and sustainable relations with our clients and suppliers as well as to protect one of our core values, the ethics.



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Thanks  
for your attention

