



United Nations Global Compact Communication On Progress “COP”

FY 2021-2022

FM Logistic renews its commitment on all 10 UN Global Compact principles

Monday, Sept. 19st 2022

Dear Mr. Secretary-General,

Since 2018, FM Logistic has been a signatory to the United Nations Global Compact and thus is committed to implement and promote its ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. As Chief Executive Officer of FM Logistic, I am proud to renew this commitment, which reflects the Group's values and commitments to sustainable development.

We acknowledge that one of the key requirements to be part of the United Nations Global Compact is the yearly submission of a Communication on Progress (COP) that describes our company's efforts to implement the 10 principles and we will continue to report it in a public manner.

Sincerely yours,

Mr. Jean-Christophe Machet
CEO FM Logistic



Index

➤	Company presentation	4
➤	FM Logistic Sustainable Development programme	5
➤	Actions linked to Human Rights principles	6
➤	Actions linked to Labour principles	10
➤	Actions linked to Environment principles	15
➤	Actions linked to Anti-Corruption principle	22
➤	Measurements	24

Company presentation

Founded in France in 1967, FM Logistic is an independent family-owned company that provides supply chain solutions for omnichannel commerce in the consumer, retail, cosmetics, industrial and healthcare sectors.

Its services include warehousing, e-commerce and retail order picking, co-packing, domestic and international transportation, and control tower services. It operates in more than 14 countries in Europe, Asia and Latin America. FM Logistic generated revenues of €1,52 billion in the fiscal year ending March 2022 and has 28,600 employees.

We are pioneering transportation pooling and the one-roof concept. We promote environmentally friendly co-packing solutions and carbon neutral warehouses. We work hard to optimize how we use resources, continuously monitoring and improving our carbon footprint. We are developing innovative and sustainable omnichannel distribution with our urban solutions or our bulk finished goods offering.

Wherever we are, we become a committed and sustainable partner for local communities. Nothing would be possible without our collective inner passion and all the energy we share to create and carry out these actions. That's why we strive to collectively and continuously improve our daily work life and the well-being of our teams.

FM Logistic Sustainable Development programme

As part of a global ecosystem, cooperation is the key to success in building sustainable logistics and supply chain management. This is why we team up with various organizations and stakeholders. Our commitments are based on two fundamental standards: the United Nations Global Compact and the Sustainable Development Goals.

Our sustainable development programme was collaboratively designed in 2017-2018 and officially launched by our CEO last June 2018 in all countries, and is structured in 3 major pillars and 8 priorities:

Take care of our people

- Ensure fair and safe working conditions
- Develop people skills
- Create a collaborative culture

Improve the environmental footprint of our activities

- Target neutral impact of logistic activities
- Contribute to limit negative impact of transportation

Develop sustainable supply chain services

- Help our customers to make their supply chain more sustainable
- Share our SD principles with suppliers
- Support sustainable innovation thanks to our collaboration with partners



Implementing the 10 Principles into strategies & operations

This report provides an overview of how FM Logistic has implemented the Ten Principles of the UN Global Compact (UNGC) across our business and service lines. It's intended to provide a snapshot of how our firms have aligned to the principles in a non exhaustive way.



Actions linked to Human Rights principles



Principles	Commitments	Actions
<p>Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>	<p>Founded more than 50 years ago, FM Logistic is a private independent group whose history has been shaped by the values of its founders: the respect for others, keeping one's promises, entrepreneurship, teamwork, performance and enthusiasm.</p>	<p>→ In the past year, FM Group issued a document named "Code of conduct". FM Group states its commitment to comply with the principles of the Universal Declaration of Human Rights of 1948, and one part of this document is dedicated to the compliance with labor and human rights legislations.</p>
	<p>FM Logistic has committed to conducting its activities with integrity, according to its fundamental values of trust, performance and openness.</p> <p>This manifests itself through:</p> <ul style="list-style-type: none">> A zero tolerance policy towards all forms of corruption or illegal activity.> Ethics rules clearly established and resulting from our values and our company culture.	<p>→ FM Logistic also published a Business Partners Code of conduct. As FM Logistic is committed to compliance with laws, social and ethical standards as well as to act in a responsible and sustainable manner, it intends to maintain these standards in all business dealings.</p>
		<p>→ FM Group has also developed a compliance programme. A reporting or "whistleblowing" procedure has been set up: this is the Ethics Hotline (ethics@fmlogistic.com). Any employee or third party can therefore report any concerns.</p>



Principles	Commitments	Actions
<p>Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>		<p>→ FM Logistic disposes of a compliance department, which has for its mission to define and deploy a compliance policy and the risk management, according to the <i>Sapin 2 legislation</i>, including fighting against fraud and corruption.</p> <p>→ In 09/10/2021 we conducted an audit campaign in FM Italy and FM Romania. The goal was to verify the tendering process, and the security aspects of platform access for temps</p>



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<p>Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>		<p>Thanks to the mobilization of its team, the generosity of the Group's employees and its clients, the FM Foundation has involved itself in helping the Ukrainian population by organizing collection points at FM sites to centralize donations for charities working in Ukraine and by paying for the transport costs to get the collections to Poland or Romania via charities and also allocating €100,000, i.e. 50% of its annual budget, to solidarity actions to help refugees</p> <p>Acting in social emergencies p.9</p>

Implementing the 10 Principles into strategies & operations



**Actions linked to
Labour principles**



Principles	Commitments	Actions
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>FM Logistic makes the integration of its employees, their working conditions, their well-being and their skills development the cornerstone of its strategy. The respect of labor principles was supported these years by the following actions:</p> <p>As described in the previous chapter, both the new Codes of conduct, as well the one for collaborators as the one for Business Partners, were spread among all countries and apply to the entire company and to FM Group's partners. It sums up FM Group's policy about the following topics.</p> <p>Regarding the freedom of association, FM Group guarantees and encourages constructive labor relations within the company and recognises the right to freedom of association. FM Group undertakes to ensure compliance with the law on freedom of association that applies locally to its employees and to ensure that its employees can express themselves freely within the company on issues relating to the conditions in which they carry on their activities.</p>	<p>→ Regarding health, well-being and working conditions, FM Logistic has its dedicated strategy, and the Health and Safety policy for our transport providers. Our ambition for FM Logistic, is to be the leader in occupational health and a resource company for the well-being of its collaborators. We want to be exemplary in the prevention of physical and mental health at work with activities that do not degrade health, who promote autonomy and meaning at work</p> <p>→ FM Logistic has a policy of proactively integrating disabled employees with a stable commitment going beyond the legal threshold: about 9,04% of staff in France, and, in addition, internal structures dedicated to facilitate the recruitment and inclusion of people with disabilities (FMEA : "Entreprise Adaptée" in French). These structures welcome 75% of disabled employees in seven establishment. Four more to come by 2023.</p>



Principles	Commitments	Actions
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Regarding the compliance with labor regulations, the company undertakes not to use forced or undeclared labor or to refuse or stop immediately to work with providers or suppliers that may be employing people who are working under threat or coercion. About child labour, it mentions that the company refuses the employment of minors. It undertakes to comply with the minimum age limit applicable in all the countries where it operates. In all cases, this minimum age may never be under 15 years and 18 years for hazardous or particularly difficult work, as decided by the ILO.</p> <p>Regarding the elimination of discrimination: at FM Logistic, the decisions related to recruitment, promotion, training, compensation and benefits are based on skills, performance and attitude. FM Logistic prohibits any kind of discrimination, whether based on gender, age, family, origin, sexual orientation, physical fitness or membership of any political, religious or trade union organization.</p>	<p>→ In the First semester of 2022, FM Logistic published the Diversity and inclusion committed in its site web. The Group is committed to offer an inclusive environment where everyone is safe, feels well and can contribute to success, both their own and the one of the company. We trust each other, we are open to new encounters and we create performance all together. This allows us to learn from one another and to grow collectively.</p> <p>→ FM Logistic signs Diversity Charter in Poland</p> <p>→ The Egapro index measures the pay gap between women and men within a company.</p> <p>In 2021, FM Logistic obtained a score of 94/100. In this index, several indicators are evaluated, including the wage gap between women and men, the gap in pay increases the gap in salary increases, the gap in promotions, the percentage of female employees who received an increase when they return from maternity leave.</p>



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		<p>→ FM Logistic external recognitions, related to labor principles, obtained by the company within the last year:</p> <p>Top employer France 2021</p> <p>Happy Index at work 2021</p> <p>Happy Index Trainees 2021</p> <p>Great place to work - India</p> <p>Forbes list of the world's top 750 employers</p>
		<p>→ Fm Logistic maintained its certifications ISO 45001 certification for all its 30 French sites in early 2019, becoming the first logistic provider fully certified.</p>



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Implementing the 10 Principles into strategies & operations



**Actions linked to
Environment principles**



Principles	Commitments	Actions
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Faced with a growing awareness of the urgency to protect the planet, along with pressure from citizens, governments, and international institutions, companies have begun introducing initiatives to reduce the environmental footprint of their activities and to consider the whole life-cycle of their products.</p>	<p>→ A sustainable development policy has existed since 2014. The global context is marked by the fact that public stakeholders, private citizens and companies are taking into account the anthropogenic causes of climate change.</p>
	<p>Aware of the scale of the sector's "carbon" challenge, FM Logistic aims to achieve carbon neutrality for its warehouse activities by 2030 and the reduction of its indirect emissions.</p>	<p>→ On November 2022, FM Logistic presented a new "Powering 2030" strategy. Concerned about sustainability revolves around three priorities: employee wellbeing, the environment, and eco-efficient services.</p>
	<p>We partner with our clients and mobilize consumer insights and market trends to enable modes of consumption more respectful of people and the planet.</p> <p>We empower our employees to become game-changers for our company, clients, communities and planet. At FM Logistic, we are convinced that collective work is the key to the efficiency and performance needed to lead sustainable change.</p>	<p>→ FM Logistic publishes white paper on needed "Supply Change". In this guide, Jean-Christophe Machet, Paul Polman, Bertrand Piccard, and many other changemakers shared their convictions about the strength of collaboration and joint actions between different economic actors to create a powerful ecosystem of positive impact.</p>



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<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>		<p>→ FM Logistic is a crucial contributor to the publication "Guide for advancing together towards zero-emission urban logistics by 2030" by ALICE and POLIS Network. The shared vision of the Urban Logistics Strategic with the players resulted in a document that aims to lead transformation in cities so that urban logistics proactively responds to the pollution, congestion, safety, and environmental challenges for liveable, prosperous, resilient, and safer cities.</p> <p>→ On November 2021, FM Logistic has committed to setting science-based emissions reduction targets through the Science Based Targets initiative (SBTi).</p> <p>→ ECOVADIS gold in 2021 - FM Logistic obtained a score 68/100 and, for this reason, has been awarded a gold recognition level. This excellent result includes FM Logistic among the top 5% performers evaluated by EcoVadis.</p>



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<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>		<p>→ The French energy company Bouygues Energies & Services and third-party logistics provider FM Logistic have entered an exclusive agreement to jointly produce and distribute green hydrogen from renewable sources in the Loiret region of France.</p>
		<p>→ On December 2021 FM Logistic retrofitted 6 Toyota forklifts with hydrogen fuel cells at its logistics facility in Illescas, Spain. The retrofit is part of a wider plan to produce and use green hydrogen for logistics and short-distance transport.</p>
		<p>→ After the partnerships with the Fraunhofer Institute and the GLEC (Global Logistics Emissions Council), to measure and report the carbon footprint, the company has set up EcoTransIT World in all countries.</p>
		<p>→ As the majority of its impacts comes from indirect emissions, FM Logistic provides its customers a dashboard with their own logistics-related carbon footprint, for all clients with a turnover above 800k €. Each client will have free access to its environmental and social data through this customized dashboard.</p>



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<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>		<p>→ The mutualization of transportation between different customers in order to reduce the numbers of trucks. For instance, FM Logistic currently coordinates the largest pool in Europe, with 7 customers and 1 million pallets per year. This is a specificity of FM Logistic on the supply chain sector and it significantly reduces CO2 emissions.</p> <p>→ The development of Citylogin, the green solution for urban logistics, which is undergoing a strong expansion. The service is now deployed in 30 cities in the 6 countries : France, Spain, Italy, Poland, Ukraine, Russia. A figure to measure the growth: two years ago, the Citylogin total fleet was composed of 500 zero-or low-emission vehicles. As of today, 500 vehicles is the size of the Spanish fleet.</p> <p>→ Citylogin, FM Logistic's urban logistics arm, was awarded a National Mobility Prize by Empresas por la Movilidad Sostenible ("companies for sustainable mobility") during an event in Madrid on 5 May 2021. 140 initiatives were nominated for the 11 awards. The event was organized with the support of the Spanish Ministry of Transport.</p>



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<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>		<p>→ FM Logistic started operating more than 20 heavy-duty trucks running on Oleo 100, a French-made biofuel. The expected CO2 reduction on the selected routes is 65% compared with the diesel models used previously. Oleo100 is a renewable energy produced from rapeseed grown in France and transformed in our production sites in the regions</p> <p>→ FM Logistic has joined forces with its sister company NG Concept to generate hydrogen from using electricity produced by photovoltaic panels on warehouse rooftops. The hydrogen will be used to power forklifts and fuel-cell powered vans in the warehouses as part of a fully decarbonized, zero-emission loop between energy production and consumption. After completing the first project in Illescas, Spain, FM Logistic has launched H2Hub, an initiative to install 1,500 m2 of solar panels on the roof of a warehouse in Escrennes, France. The green hydrogen produced on site will be used for transport and warehouses, and any surplus will be sold to third parties, such as industries and local authorities. The project is scheduled for completion in 2022.</p>



Principles	Commitments	Actions
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>		<p>→ All warehouses built since 2012 are LEED(™) and HQE(®) certified, attesting to their high level of performance on the environment and the well-being of employees.</p>
		<p>→ In Central Europe, all our platforms owned by FM Logistic are powered exclusively by renewable energies and in Spain. In France, we started to buy exclusively green energy in January 2022</p>
		<p>→ In October 2021, FM Logistic Spain and its partner Plug Power set up a hydrogen generator inside the facility. It can produce up to 45 kg of hydrogen per week. The retrofit is part of a wider plan to produce and use green hydrogen for logistics and short-distance transport.</p>

Implementing the 10 Principles into strategies & operations



**Actions linked to
Anti-Corruption
principle**



Principles	Commitments	Actions
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<p>FM Group is committed to conducting its business with integrity, expressly refusing any activity or behavior that could be associated with corruption, or influence peddling, in all countries where it operates. As a result and as mentioned earlier, the Group has adopted a Code of conduct, which applies to all of its collaborators.</p> <p>The Group released a "Gifts & Hospitality" policy that complements the Group's Code of conduct, by specifying the rules regarding the gifts, either received or offered, in the context of professional activities. This policy applies to all collaborators throughout all the Group's subsidiaries, as well as "to any person acting on behalf of FM Group" (consultant, representative, agent, intermediary, etc.).</p>	<p>→ The article n°19 of the Code of conduct is dedicated to the prevention of and fight against corruption. The code is available on both the intranet and internet website of the company. A whistle-blowing mechanism has been put in place for any question or communication of any breaches in the ethical principles.</p> <p>→ Ethics training from 30.09.2022 available for all employees. The compliance training includes: Anti Corruption, due diligence, dealing with Integrity chapters.</p>

Implementing the 10 Principles into strategies & operations



Measurements



Global Compact Topics	FY 2021-2022 Indicators
Human Rights	<ul style="list-style-type: none">• 0 legal proceeding related to human rights issues• 0 breaches reported to the ethical committee related to human rights issues• 100% of new incomers receiving the Code of conduct• 16 projects supported of FM Foundation + Actions "Solidarity Ukraine"
Labour	<ul style="list-style-type: none">• 28,600 employees• 9.04% of disabled employees in FM France• 43% women 57% men worldwide• 455 workplace injuries
Environment	<ul style="list-style-type: none">• 35,364 tonnes of CO2 equivalent on scope 1 & 2• 1,466,346 tonnes of CO2 equivalent on scope 3• 38.5 tonnes of Particulate Matters
Anti-Corruption	<ul style="list-style-type: none">• 0 legal proceeding related to anti-corruption issues• 0 breaches reported to the ethical committee related to anti-corruption issues

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