



2010

COMMITTED TO SUSTAINABLE TRANSPORT



GEODIS IN 2010

30,000

employees worldwide

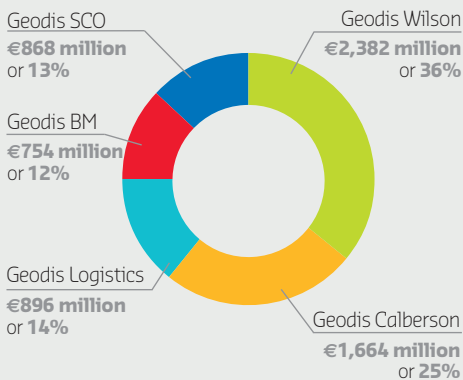
€6,564 million

in revenue

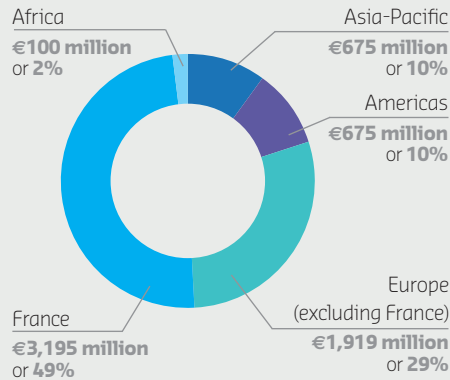
4th

biggest European logistics operator

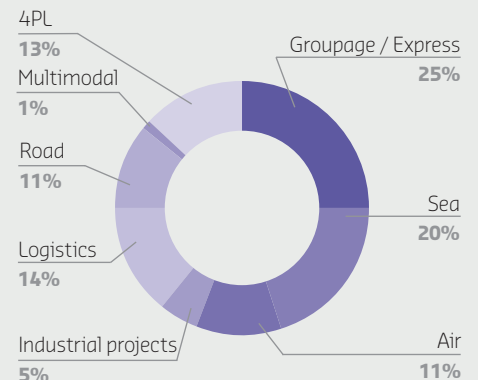
Revenue in 2010
by division



Revenue in 2010
by geographical region



Revenue in 2010
by business line



5 DIVISIONS

Geodis Wilson

Air and sea freight forwarder

- Air, sea, and combined air/sea freight forwarder.
- Value-added services (customs clearance) and integrated solutions.
- E-services (track & trace).
- Industrial projects (out-of-gauge transport, offshore pipelines, plant relocations, etc.).

Geodis Calberson

Groupage / Express

- 3 networks: Geodis Calberson, France Express, Geodis Ciblex.
- Groupage with 24- or 48-hour delivery.
- Industrial express and parcel delivery in under 24 hours twice a day.
- Part and full loads up to 24 tonnes.
- Small parcels of between 0 and 30 kg.

Geodis Logistics

Contract logistics

- Distribution logistics (multi-customer hub, pick & pack, cross-docking, pooled supplies, etc.).
- Industrial logistics (inbound logistics centres, etc.).
- Value-added services (kitting, co-packing, etc.).
- Reverse logistics.

Geodis BM

Road

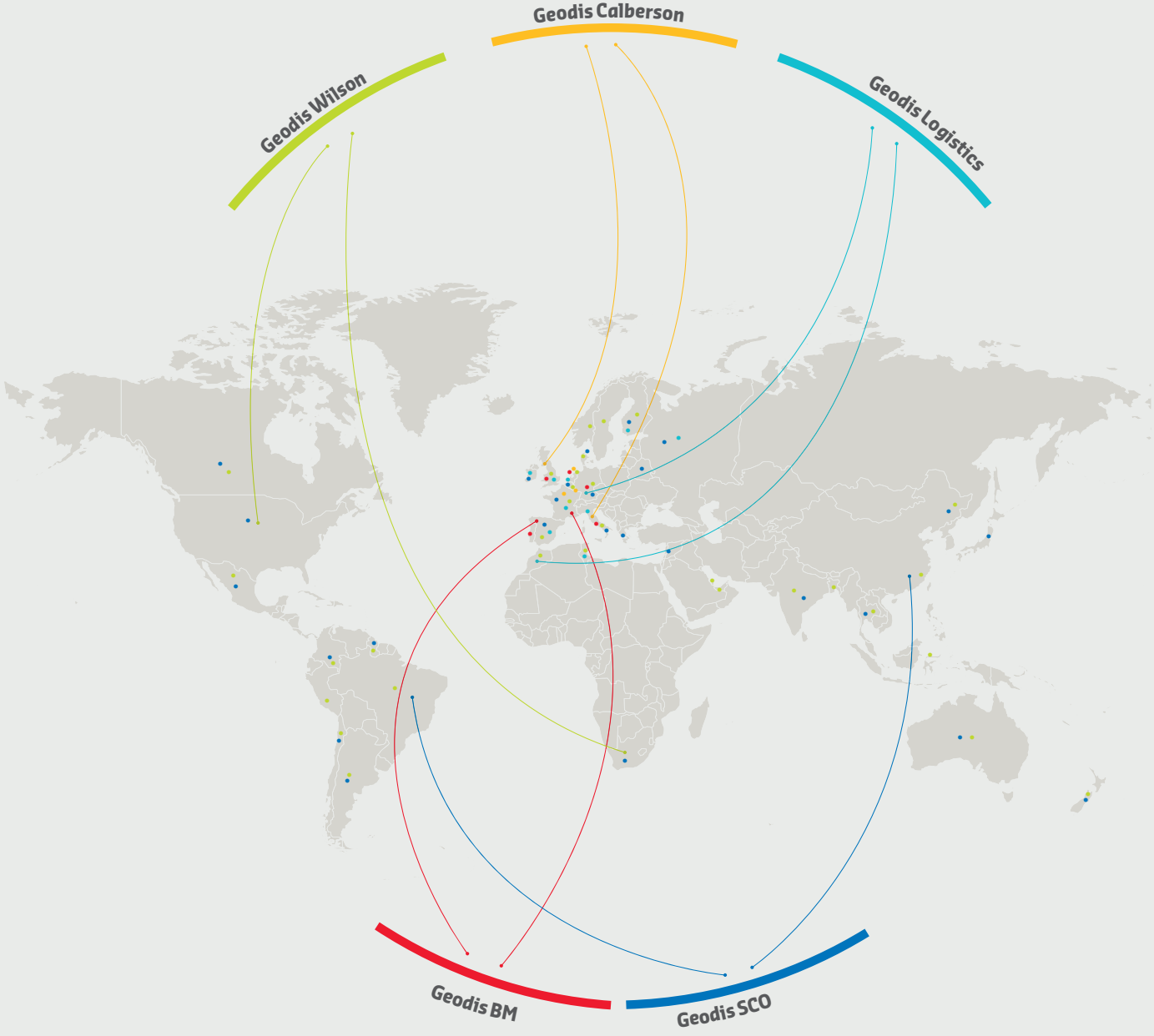
- Conventional transport (part or full loads, etc.).
- Specialised solutions (pulled flow shipments, controlled temperature shipments, etc.).
- Multimodal transport such as piggybacking.
- Operational flow management.

Geodis SCO

Supply Chain Optimisation

- 4PL (4th party logistics), central management, control tower.
- Global supply chain management.
- Purchasing and selection of transport and logistics subcontractors.

Employees in almost 60 countries and a sales network spanning 120 countries



SCOPE OF THE REPORT

Geodis is an integral part of SNCF Geodis, the SNCF branch specialising in freight transport and logistics. SNCF Geodis is the second main activity of SNCF after passenger transport. Geodis is the main business within SNCF Geodis. For more information: www.geodis.com

SNCF Geodis



This 2010 sustainable development report covers the scope of Geodis activities marked in blue on this diagram.

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Geodis, a global multimodal supply chain operator,

delivers innovative freight shipment solutions based on complementary means of transport (rail, road, waterways, sea, air) for end-to-end management of customer logistics plans worldwide.

In 2008, Geodis launched Blue Attitude, its sustainable development programme based on 5 commitments. Measuring and reducing its carbon footprint, managing its environmental impacts, working closely with its partners, contributing to the life of local communities and developing a dynamic human resources policy are Geodis sustainable development challenges.





Pierre Blayau
Chief Executive Officer of SNCF Geodis
and Chairman of Geodis

“Assess and measure in order to progress”

This sustainable development report, aimed at all our stakeholders – customers, employees, suppliers, subcontractors and institutional players – reflects the increasingly mature level of social and environmental responsibility achieved by Geodis in its daily activities.

The Geodis commitment to sustainable development is part of the approach implemented by the SNCF group. Within SNCF Geodis, Geodis is developing innovative, high-performance multimodal offerings in both long-distance transport and last mile logistics in the city. Managing freight flows in line with the most pertinent means of transport is clearly one of our main targets of progress, particularly in terms of cutting greenhouse gas emissions. The development of modal transfer is a major concern expressed by our customers who, like all our stakeholders, are increasingly attentive to environmental issues. All Geodis divisions are clearly experiencing this trend in their day-to-day activities.

The objective is also to effectively anticipate changing regulations – both for us and for our customers – and to limit their impact on the operation and cost balance of the supply chains of the world’s leading economic players. Amongst these future regulations, the increasingly drastic restrictions on city centre access combined with the concerns of residents and elected representatives to improve life in the city, convinced us to rethink urban logistics. Developing intelligent solutions to the paradoxical injunction of protecting the economic vitality of city centres while promoting lifestyles that better respect the environment is another target of progress for Geodis. The responses developed by the company in this field for customers and municipalities combine intelligent distribution plans, soft road transport and multimodality. These solutions draw upon the experience of Geodis, the strength of its networks and the diversity of its workforce, and they reflect its commitment to sustainable development.

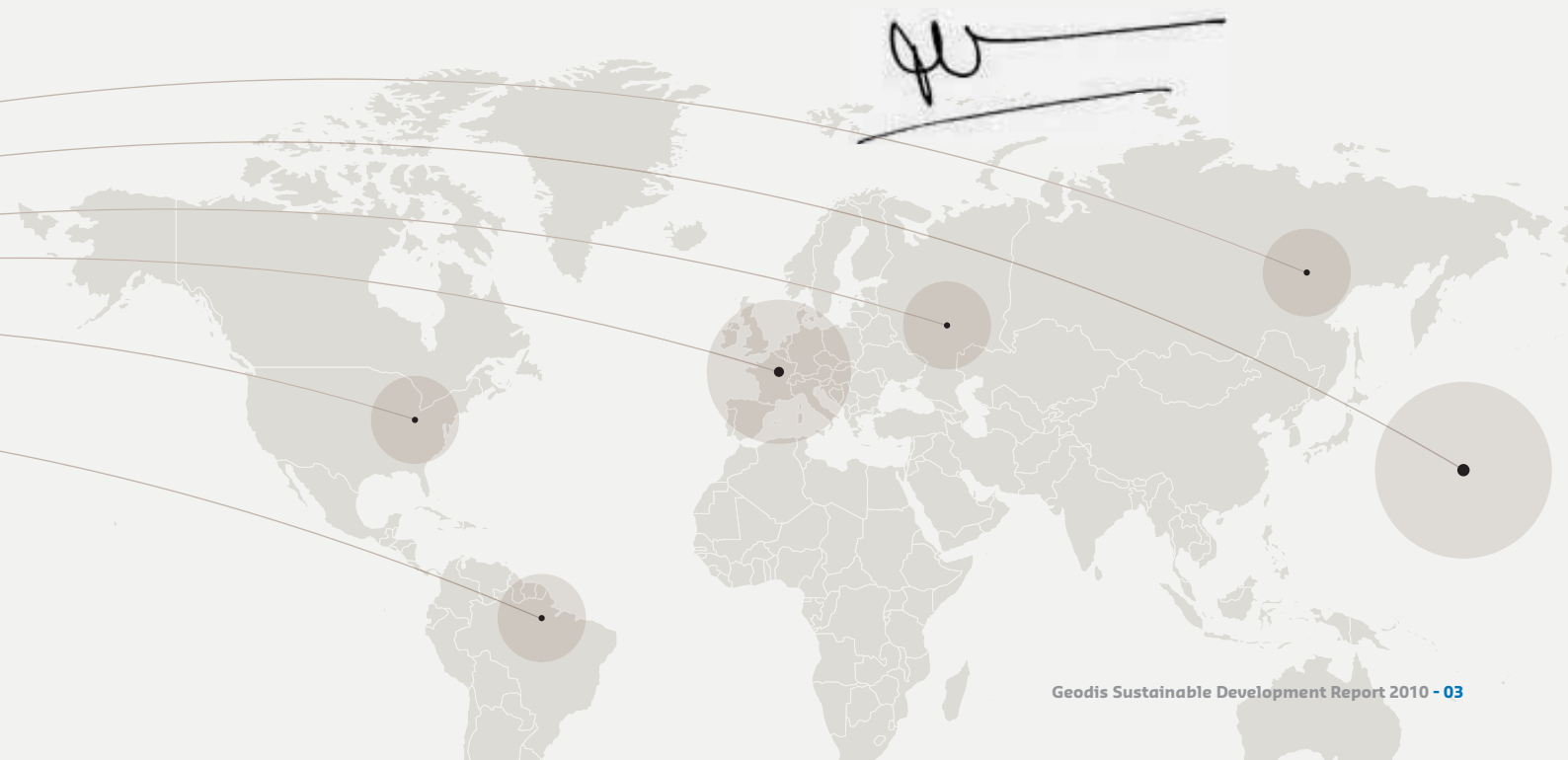
Freight transport is a labour-intensive sector and, as a company that ranks No. 1 in France and No. 4 in Europe, Geodis is naturally addressing a range of social and societal challenges. In terms of human resources management, the main areas of focus are: continuous improvements in workplace safety, skills-building, and career planning, in order to help us attract and keep the

best employees. Geodis is also closely involved in efforts to better welcome and integrate disabled people in the workplace, primarily through its Foundation. The projects supported by the Foundation in 2010 stand as examples of individual commitment and the ability to reach for new limits. More than ever, I am keen to support these efforts.

This third report sets out to assess our performance. It reflects the progress made this year in the various aspects of sustainable development. We believe that the success of our policy in this area relies first and foremost on our ability to satisfy our customers, our employees and our partners in general. In 2010, we took a further step in this direction by organising a consultation of our stakeholders for the first time.

I aim to establish this dialogue on a regular basis because I am convinced that it plays an essential role in helping us to better understand and thus better satisfy our partners’ requirements. It will take time to meet all the challenges we currently face. By maintaining a dialogue and regularly measuring the progress made, we will be able to keep moving forward and to continue to develop innovative freight transport solutions tailored to the concerns of today’s society.

I wish you all pleasant reading,



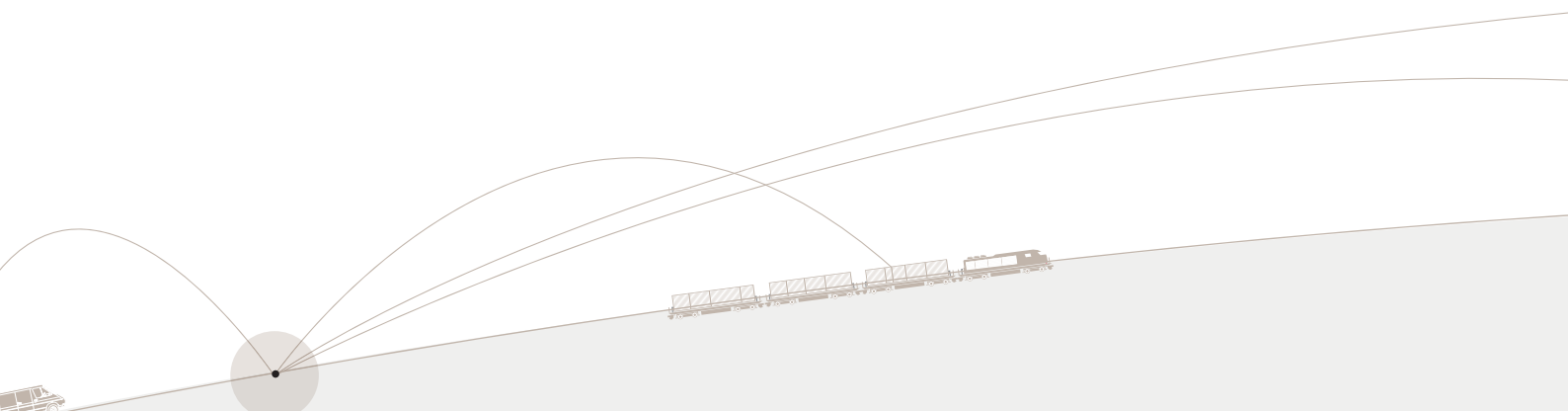


Jean-Louis Demeulenaere
Chief Executive Officer of Geodis

“2010 was a milestone in efforts to take more effective account of our CO₂ emissions in the management of our activities.”

How would you assess 2010?

With the first signs of recovery in 2010, our main customers resumed the sustainable projects that had been put on hold in previous months for financial reasons. At the same time, they set out tougher requirements for their logistics service providers, reflecting rising energy costs and more stringent regulatory and social requirements. In response, Geodis brought them its operating expertise and its experience in sustainable development.



What were the main areas of focus of your sustainable development policy in 2010?

In 2010, the Group focused on three priorities in terms of sustainable development.

The first involved measuring and cutting CO₂ emissions. For our customers, we developed tools to track and model the CO₂ emissions from our transport activities, similar to the approach applied to service quality. Geodis also introduced a measurement of its carbon footprint that covers property (including the head office) and all its operational activities.

The major efforts made in this area are part of our Blue Attitude approach. This approach is based on enduring values that are independent of the economic situation and that are applicable at all levels of our organisation as part of action plans tailored to each entity.

At the same time, individual safety has always been a historic priority for Geodis. We have reinforced our organisation at Group level in order to coordinate initiatives in this area, to educate and train employees, and to analyse incidents, with a view to implementing new rules and procedures.

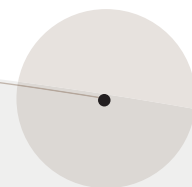
With the creation of an Ethics Committee, the Group sought to ensure that all the principles of the Code of Ethics were clearly understood and implemented. This year, we deployed an e-learning tool about ethics, based on practical day-to-day situations, to raise employee awareness on these issues

What is the short-term outlook?

Geodis will continue to educate and train employees to integrate sustainable development in their day-to-day working practices. Innovation is also one of our main areas of focus. This concerns not only logistics engineering – the development of new information systems and the deployment of a port logistics offering integrating combined transport and rail motorways – but also the general application of onboard IT systems, particularly for use in eco-driving training courses.

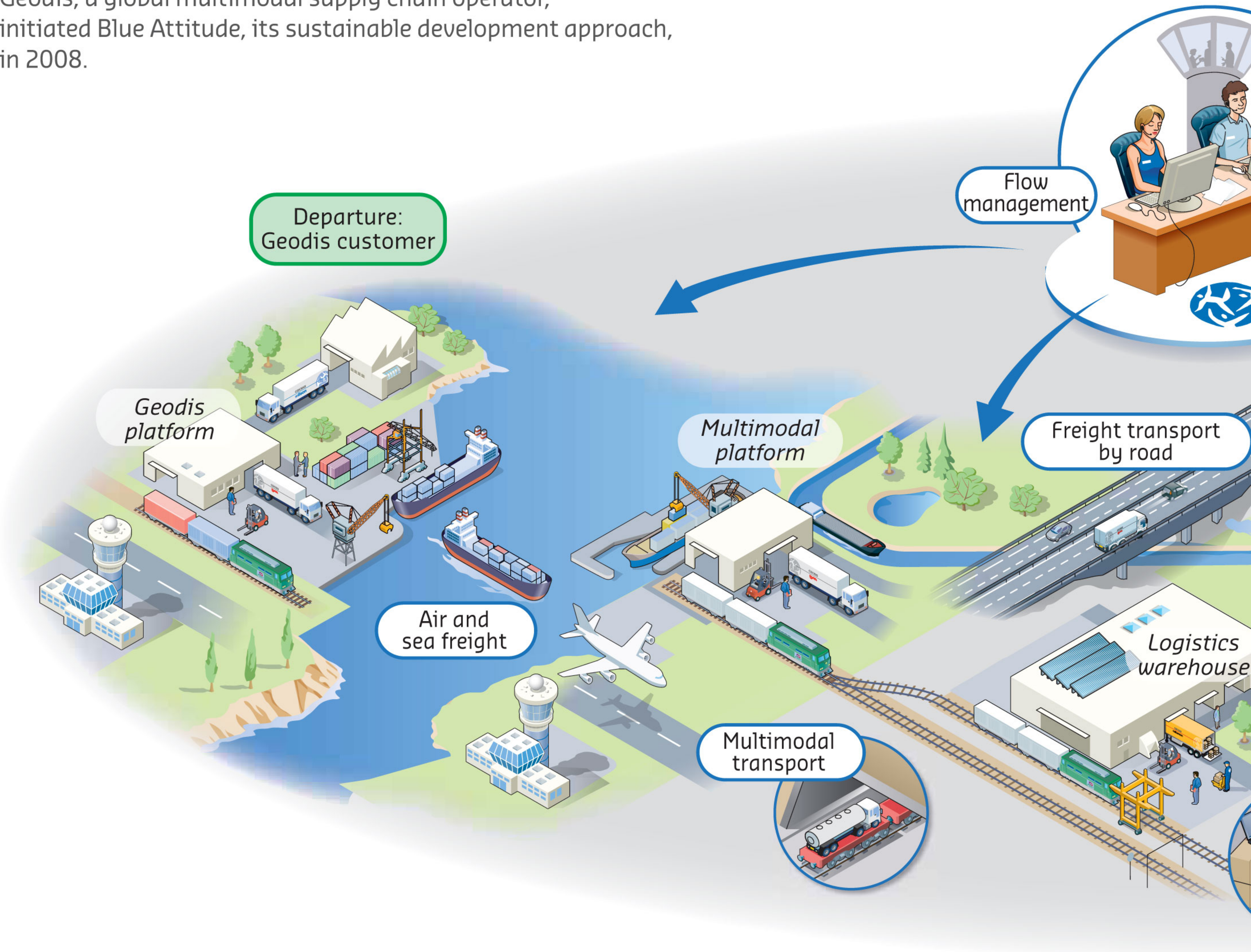
I am convinced that we will be able to meet our commitments through closer cooperation with our subcontractors and increased consultation of our stakeholders.

Sustainable development creates value. In this respect, it is an integral part of Group strategy. It supports the transformation of our working practices, the management processes of our activity and our commercial offering. This is the ambition of our Blue Attitude approach that I would like all employees to take on board.



GEODIS ACTIVITIES AND SUSTAINABLE DEVELOPMENT ISSUES

Geodis, a global multimodal supply chain operator, initiated Blue Attitude, its sustainable development approach, in 2008.



Measure and reduce greenhouse gas emissions

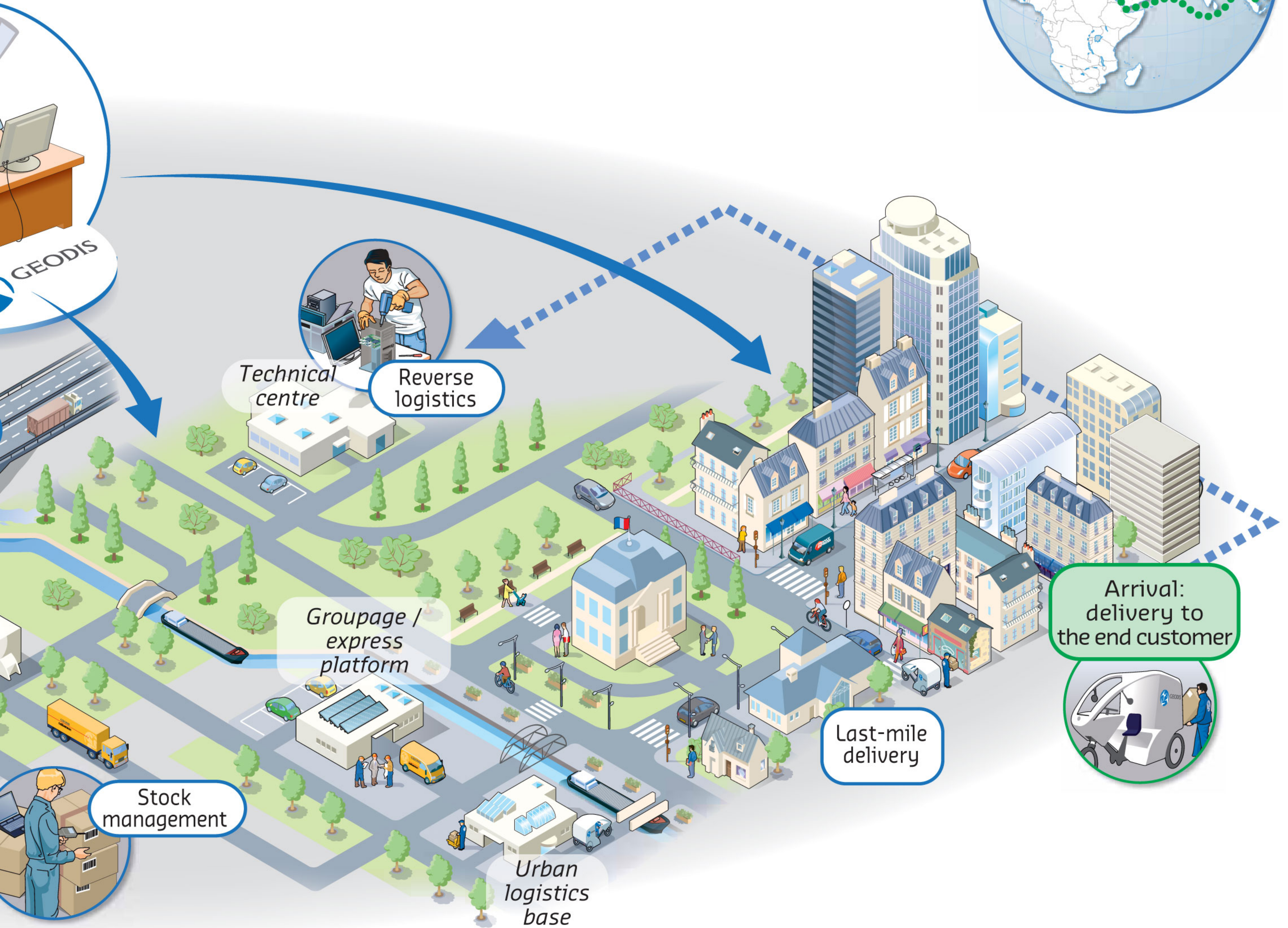
- Reduce energy consumption (fuel, electricity, gas).
- Optimise flows and develop multimodal services.

Control our environmental impacts

- Improve on-site environmental management.
- Reduce local pollutant emissions and nuisances linked to freight transport.

Support and involve customers and

- Meet customer req
- Involve and raise our suppliers.
- Respect our ethical over the world.



olve our partners
 urements.
 awareness among
 commitments all

Forging strong community ties

- Contribute to local economic development.
- Encourage initiatives that benefit the community.

Being a responsible employer

- Ensure employee safety.
- Develop skills.
- Promote diversity and social dialogue.
- Respect our ethical commitments all over the world.

ANTICIPATING CHALLENGES



Fuel station of Geodis Calberson Paris Europe site in Bonneuil-en-France.

A key sector regarding sustainable development issues

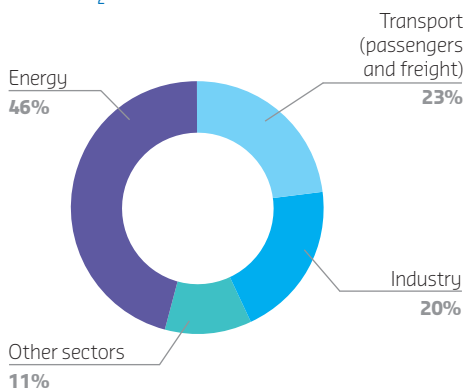
As an energy consumer, major job creator and essential intermediary for manufacturers, the transport and logistics sector is at the heart of today's environmental, social and economic challenges. Geodis, a global actor in the supply chain, works on a daily basis to address these issues in order to better meet the needs of its stakeholders and prepare for new regulation.

Nearly 23% of the planet's CO₂ emissions are produced by the transport sector (10% for freight¹ alone) and rose 44.5% between 1990 and 2007². The transport sector is also still heavily dependent on fossil fuels, making it highly sensitive to oil price rises. These environmental and economic requirements are at the root of the sector's commitment in favour of a transition towards new sources of energy to help in the fight against climate change.

This transformation is being made in an increasingly urbanised world. More than half of the world's population now lives in dense urban centres that have to be supplied in consumer goods. Road freight today accounts for 20% of all urban traffic³, generating sound pollution (the number-one concern for city dwellers) and accidents (8.7% of vehicles involved in lethal road accidents in France are heavy goods vehicles⁴). The situation makes it vital to group goods transport to cities – using rail, waterway and full truck loads – while favouring the least invasive “final kilometre” logistics for urban populations.

The transport sector is labour intensive, and so today's issues in the industry also have a social and economic dimension. While trade was slowed by the recent crisis, the basic trend remains the same: trade will continue to grow because it is correlated to economic growth. At the same time, transport demand and geography are changing. The sector follows trends in

World CO₂ emissions



Source: International Energy Agency, 2009, in the survey «Fret mondial et changement climatique» (Global freight and climate change), Centre d'Analyse Stratégique, France, 2010.

1) and 2) Summary of the survey “Fret mondial et changement climatique” (Global freight and climate change), Centre d'Analyse Stratégique, France, 2010.
 3) Laboratoire d'Economie des Transports, France.
 4) ONISR (Observatoire National Interministériel de Sécurité Routière), France, 2009.
 5) World Trade Organization, 2009.

the location of industrial centres, which, owing to growing energy costs, are tending to move closer to consumption centres. It is its ability to anticipate these challenges that makes sustainable development an opportunity for Geodis.

Tailored solutions

A one-point increase in world GDP entails a two-point rise in world trade⁵. The direct link between economic vitality and transport flows has shaped the sector's business model, which is flexible and responsive by nature. Geodis structures its offering to respond to customer expectations and anticipate changes in their needs. Group initiatives in sustainable development are based on that same responsiveness and tailored to the needs of each stakeholder.

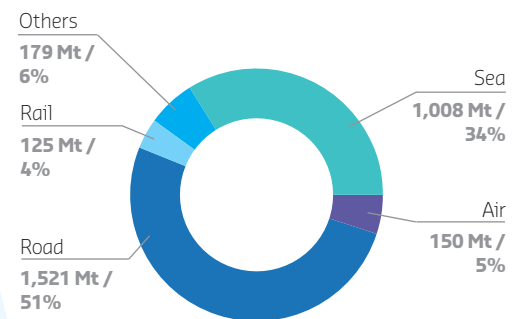
The environmental concerns of customers are also linked to ecological awareness in their territories and activity sectors. This highly diverse situation makes it more vital that the Group bring customers a modular offer, not just a transport type but optimised solutions with complementary fit on all continents and for all trade flows, including pre- and post-shipping. For example, from Asia to Europe and depending on logistics constraints and goods type, customers can choose sea transport – slower but more carbon-efficient – or air transport, which is faster but more polluting.

But Geodis is convinced that integrating sustainable development in its products and services is a deep-seated trend. The Group continues to support its customers in this approach and some of them include sustainable development goals in their contracts with Geodis.

CO₂ emissions from freight, detailed by transportation mode

(in Mt of CO₂ and % of the total freight emissions)

Total: 2,983 Mt of CO₂



Source: survey "Fret mondial et changement climatique" (Global freight and climate change), Centre d'Analyse Stratégique, France, 2010.

Innovating for customers and sustainable development

The Group has a highly developed culture of innovation at grass-roots level. Employees are stimulated by the issues of their customers, whose environmental, economic and social needs guide innovation and represent opportunities to create new offers or improve the performance of services.

This approach to innovation is based on energy efficiency, the search for ecological solutions for transport and storage, pilot projects using “clean” vehicles, as well as the partial or complete outsourcing of the supply chain. These trends will continue to develop in the future and strengthen customer expectations of their service providers in terms of service quality and times.

These practical advances come in a number of forms, particularly through multimodal solutions, new urban logistics services and the end-to-end optimisation of the supply chain. While the research effort results from the strong ambitions of Geodis, it also relies on long-standing partnerships (with automotive manufacturers and equipment suppliers) that serve to develop increasingly efficient solutions and equipment adapted to customer needs.



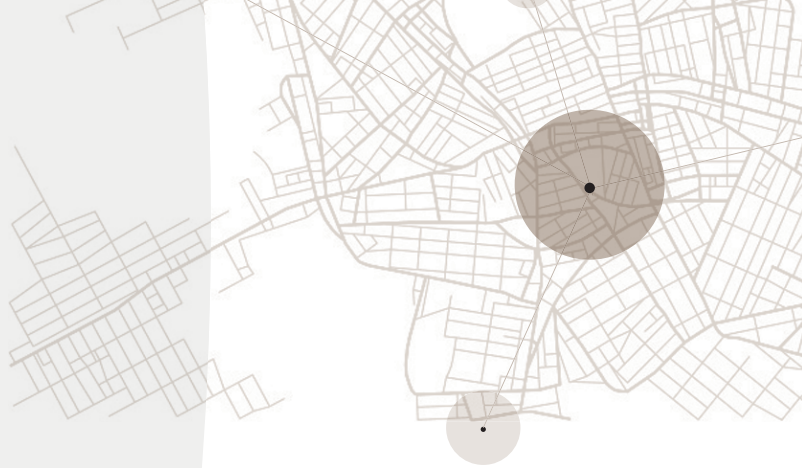
Geodis teams, the driving force behind innovation.

Investments

Besides external growth operations, Geodis invested €120 million in 2010 to support its commercial development, extend and renovate the buildings and renew its IT systems. On this amount, 40% account for tangible or intangible investments (non-financial) and especially €40 million are dedicated to transportation equipment and IT tools.

Improving the performance of services and measuring impacts

Optimising transport flows is a key strategic lever in improving the environmental performance of Geodis. To increase the efficiency of its services, Geodis has developed a 4PL (*fourth party logistics*) offer that consists in managing the customer's supply chain end to end. Since 2009, Geodis SCO (Supply Chain Optimisation) has offered to purchase and coordinate all the transport services for a shipper/customer. This complete management of the customer's supply chain helps to improve global performance, and notably environmental performance.



Supply chains are also optimised through considerable investments. In 2010 Geodis spent more than €15 million on the development of IT tools. For Geodis Calberson for example, certain innovative, tailor-made solutions such as Geodriver, an information database for drivers, and Copilote, a route sequencing tool, reduce empty transport mileage and thus fuel consumption (see page 20).

Geodis BM's multimodal offer includes different combinations of rail and road, replacing truck by train on certain segments. In urban logistics, Geodis Calberson has developed new solutions aimed in the long term at reducing the CO₂ emissions of vehicles in built-up areas to zero. In addition, Geodis is building on modal complementarity and rolling out its port logistics offer. By facilitating coordination between operators at ports and reducing transit times, this offer helps to improve the competitiveness of port infrastructure.

To be relevant, these solutions have to be based on objective benefits. To measure their impact, Geodis notably uses a CO₂ calculator developed by the Group over the last two years. The calculator is used to directly integrate CO₂ impact in the sales offer, at the same level as the price (see page 18).



Delivery tricycles used by Geodis in DISTRIPOLIS.®

Bruno Mandrin

Director of Geodis Calberson, Groupage / Express division

“Urban logistics: a key current topic.”

What is your main project for the coming year?

In Paris, we are fortunate to possess an urban logistics site in the city centre. We want to get the most out of this advantage to optimise final-kilometre distribution. As part of a new concept called DISTRIPOLIS®, this site is set to begin small-scale deliveries with electric vehicles and delivery tricycles, replacing the diesel vehicles used today. To that end, we will set up a network of ecological urban logistics bases (called BLUE) across the city.

What is your long-term objective with this project?

By end-2015, all our vehicles in Paris should be CO₂ free. Looking beyond Paris, other big cities in France are also interested in the approach. All of them see urban logistics as a key current topic.

OVERSEEING OUR CORPORATE RESPONSIBILITY



Geodis Wilson reception in Hong Kong.

Commitments shared by all

In 2008 Geodis launched Blue Attitude, five commitments that express its ambitions and structure Group actions on sustainable development.

To roll out these principles, the sustainable development department, reporting to senior management, relies on a network of correspondents across the divisions and functions of the Group. The sustainable development department outlines the strategy and coordinates the policy through strategic committees and steering committees. In addition, each /division draws up its own objectives and action plans. The progress made is measured each year through reporting, with environmental and labour indicators. Through their day-to-day involvement, operational teams also play a key role in implementing the policy.

Moreover, since it was integrated in SNCF in April 2008 and since the creation of SNCF Geodis, the Group has taken part in the sustainable development steering committees organised by SNCF to ensure that consistent action is taken at all its subsidiaries.

Monitoring sustainable development at Geodis

Consolidation, monitoring and animation by Group sustainable development department

Monitoring within the divisions
Specific to each division, according to its organisation



The 5 commitments of Geodis



Working with CUSTOMERS in their sustainable development approach by the implementation of innovative, performance-oriented economic and environmental solutions.



Getting PEOPLE involved and increasing their safety by means of awareness and training programmes to encourage new ideas and heighten personal accountability.



Taking care of the ENVIRONMENT and controlling the risks by the improvement of vehicle and facility environmental quality and the marketing of alternative modes of transport.



Involving PARTNERS in fulfilling commitments through sustainable development supplier selection criteria and subcontractor coaching, awareness and training programmes.



Partnering with the COMMUNITY by being a responsible actor and a good citizen playing a key role in local development initiatives designed to involve all members of the community.

Structuring dialogue around sustainable development

Geodis has for many years dialogued with its stakeholders – customers, employees, suppliers – through satisfaction surveys, regular meetings and assessments.

Until now, consulting with stakeholders on sustainable development issues was not part of a structured approach based on regular meetings. In late 2010 Geodis sought to take a new step forward by bringing together a representative group of its main stakeholders (customers, suppliers, NGOs and trade unions) to discuss the Group's sustainable development policy with them. The participants expressed their expectations and recommendations on actions taken and the corresponding communication. Their opinion on this report is posted on the Group website (www.geodis.com) and the Group will transform this initiative into a regular event.

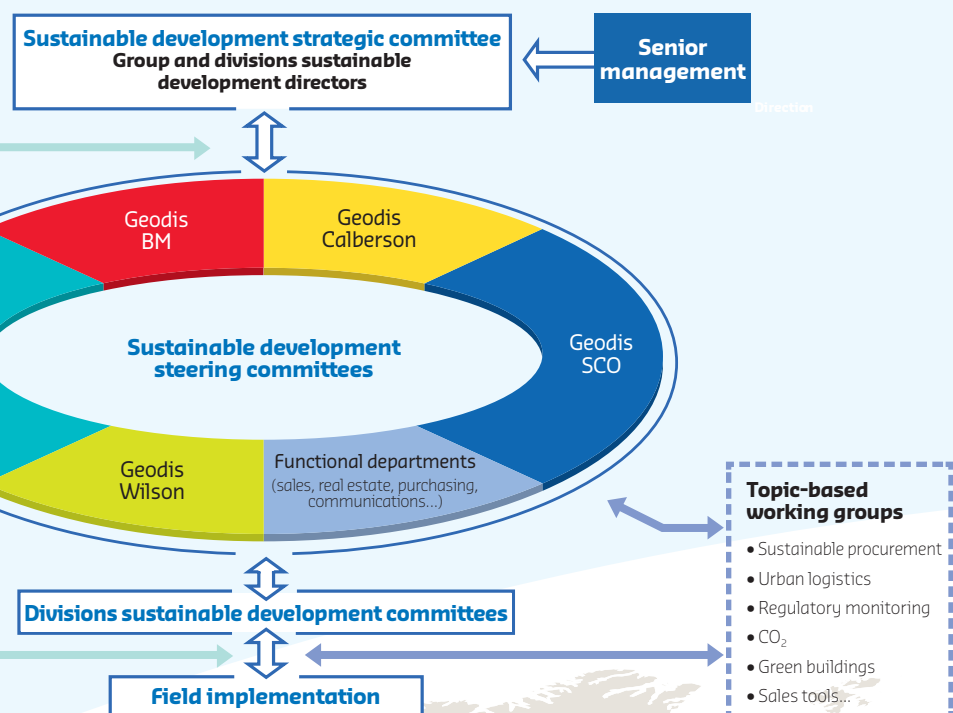
Geodis Calberson listens closely

To better understand and meet the sustainable development expectations of shippers (customers or not), regional directors and depot managers, Geodis Calberson carried out a large-scale survey in 2010 with 1,000 contacts, leading to a wealth of valuable information:

Shippers: two-thirds said they were committed to sustainable development and a quarter said they were willing to pay more for a logistics service offering a benefit in this area.

Regional directors: nine out of twelve regions consider sustainable development as essential but would like more information on what the division is doing about it.

Depot managers: most of them said they were involved and that they had taken practical action concerning the environment (91% of them), labour issues (98%) and the community (23%).



For stronger and shared ethics

In line with its strong external growth, Geodis has over the last few years taken on employees with different company practices and cultures. But whatever the regions where the activities are located, Geodis applies the same ethical principles, in particular those in the UN Global Compact, signed by Geodis in 2003. The Global Compact upholds ten universal principles in human rights, labour law, environmental protection and the fight against corruption.

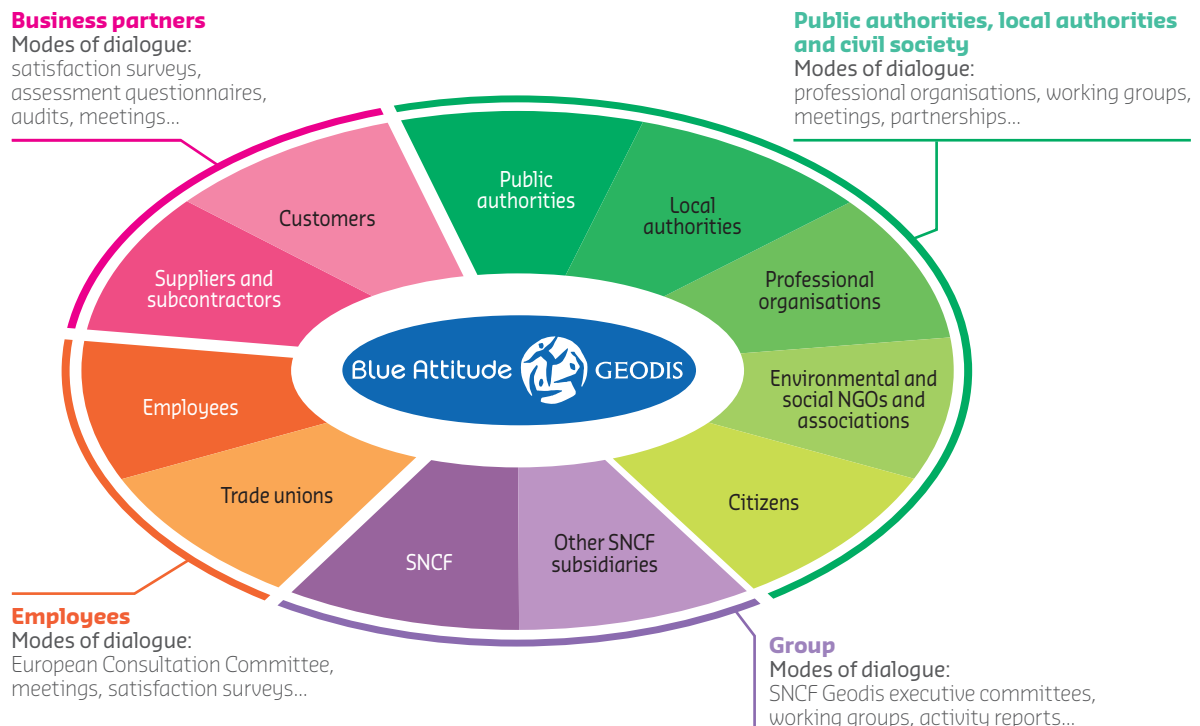
To reassert the Group's ethical commitments wherever it operates, a new Code of Ethics was drawn up in 2009 and disseminated to all employees. The principles of the code reflect the Group's responsibility to each of its stakeholders, including civil society, business partners, its shareholder, network and staff. They cover a range of subjects including the respect of laws, free competition and non-discrimination, as well as the fight against

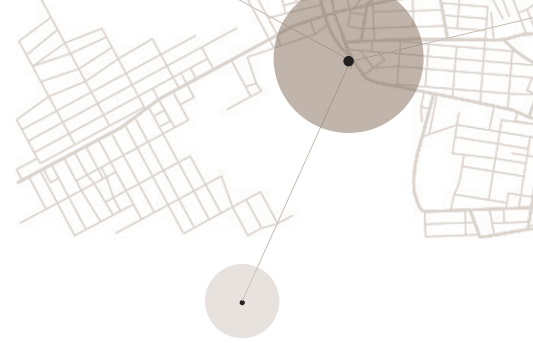
conflicts of interest and corruption. These principles echo everyday situations that concern each employee, whatever their function or country.

The content of the Code of Ethics and the means for achieving staff buy-in are defined by an Ethics Committee set up in 2010 and bringing together several senior Group directors (including managing directors and financial, legal, HR and communication directors).

Having become a global player that makes half of its revenue outside France, Geodis is subject to a growing number of national and international rules and standards. To make sure these rules and standards are respected, Geodis has strengthened its compliance policies, to which its policy on ethics makes a significant contribution.

Geodis main stakeholders and modes of dialogue on sustainable development





Ethics in practice

To disseminate the Ethical Charter as widely as possible at the company, Geodis trains its staff using an e-learning platform. A training module proposed for all employees is directly accessible via the Group intranet, Connect, in French and English.

Through short videos showing various real-life situations, employees are able to get a firmer grasp of how the charter affects their everyday work. The training course also aims to help staff to transpose the key principles of the charter to their professional practices and through questions help them to better understand ethical issues. Various topics are covered: commitment and responsibility, respect for diversity, environmental respect and risk prevention, harassment and conflicts of interest. Better informed and trained, staff are able to judge situations faster and decide how to handle ethical dilemmas. They also have access to an Intranet site with a collection of documents, information and contacts for any questions they may have.



Damien Goy

Director of internal control and ethics at Geodis

“Raising awareness and opening dialogue for a responsible commitment on a daily basis.”

What are the Group’s main ethical risks?

Our ethical risks are conventional and actually the principles we highlight are to be found in the charters of other major groups. We cover topics as varied as legal compliance, relations with our partners – be they suppliers or customers – and staff working conditions. Our originality lies more in the fact that we are a service company, whose operational success is based above all on its men and women. And so staff buy-in in terms of everyday activities was essential to us.

What issues are involved in raising awareness of ethics?

Ethics play a part in the decisions taken by employees, quite simply because they often concern other people. So our e-learning course shows where the ethical dimension is to be found in their professional practices.

And what about the results?

More than 2,000 employees connected to the e-learning module in a two-month period in late 2010, which is promising. Some of them asked me my advice about a precise question. We will continue to encourage staff to learn with these modules.



Poster on the Code of Ethics.

GEODIS AMBITIONS FOR SUSTAINABLE DEVELOPMENT



 <p>CUSTOMERS</p>	<p>Improving customers' satisfaction by anticipating and meeting their expectations</p> <p>Develop high environmental performance services (multimodal transport, cleaner vehicles)</p> <p>Give information on operational performance (tracking of incidents) and environmental performance (CO₂ mo)</p> <p>Roll out ISO 9001 certification</p>
 <p>PEOPLE</p>	<p>Ensuring health and safety in the workplace</p> <p>Roll out OHSAS 18001 standard</p> <p>Develop training and risk prevention programmes on sites and on the road</p> <p>Encouraging involvement on sustainable development</p> <p>Develop training and awareness raising programmes on sustainable development</p> <p>Encourage sharing of best practices and initiatives</p> <p>Increasing well-being in the workplace</p> <p>Enhance workspaces, develop stress management programmes</p> <p>Offer assistance services to specific employees (night workers, disabled employees...)</p>
 <p>ENVIRONMENT</p>	<p>Measuring and reducing our carbon footprint</p> <p>Implement regular measurement of CO₂ emissions linked to our activities (flows and buildings)</p> <p>Set up and manage action plans to reduce CO₂ emissions</p> <p>Improving environmental performance of our transport solutions</p> <p>Reduce pollutant emissions caused by transport (ecological driving training, renewal of the vehicles fleet, mo)</p> <p>Improving environmental performance of our sites</p> <p>Roll out ISO 14001 certification</p> <p>Reduce and recover waste produced by our activities</p> <p>Measure and reduce our electricity, gas and water consumption</p>
 <p>PARTNERS</p>	<p>Assessing and involving our partners</p> <p>Assess and measure our suppliers and subcontractors sustainable development performance</p> <p>Create a partnership with our main transport subcontractors</p>
 <p>COMMUNITY</p>	<p>Developing philanthropy</p> <p>Support and participate in actions towards the community</p> <p>Fostering the employment of disabled people</p> <p>Promote the integration of disabled people into the workforce</p>



	Geodis BM	Geodis Calberson	Geodis Logistics	Geodis Wilson	Geodis SCO
	●	●	●	●	
delling and reporting)	●	●	●	●	●
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MEASURING AND REDUCING OUR CARBON FOOTPRINT



Managing CO₂ emissions: a key criterion

Goods transport contributes 10% of global CO₂ emissions. Reducing these emissions is of major concern, as a report by the *Centre d'Analyse Stratégique*¹ forecasts a possible threefold increase by 2050 leading to heightened climate change.

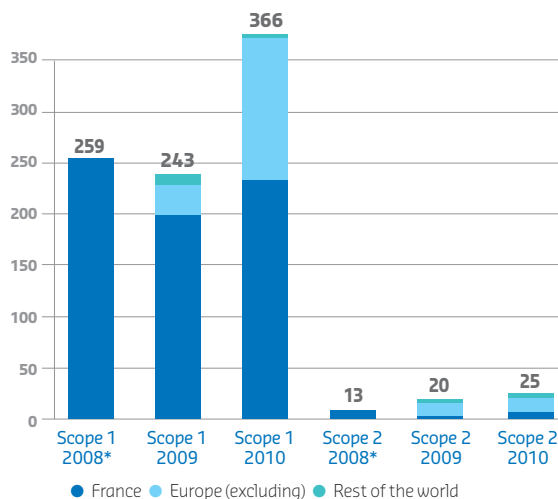
The majority of countries, particularly in the European Union, have implemented strict regulatory and fiscal mechanisms to encourage businesses to evaluate and reduce their emissions of greenhouse gases, including CO₂, and consequently emissions from transport. This issue is something all stakeholders must take seriously and Geodis has made the management and reduction of CO₂ emissions a priority.

In this light, 2010 was a decisive year for Geodis. The Group set up a CO₂ team to model, on request, customers' emissions as part of tenders and optimisation projects. Its work is based on a calculator enabling to assess emissions warehouse-to-warehouse, including pre- and post-carriage, for any country and mode of transport. The customer can choose the best solution in terms of lead time, cost and now CO₂ emissions. This system was submitted for verification to Bureau Veritas Certification in 2011.

At the same time, the gradual rollout within the divisions of reporting tools will ultimately result in regular and systematic management of CO₂ emissions for goods transported on behalf of customers. In 2009 and 2010, some ten *Bilan Carbone®* (Carbone Footprint assessments) were carried out using the Ademe² method at operational sites (logistics warehouses, groupage platforms) and administrative buildings (head office).

These measures are part of the wider scheme which SNCF Geodis is implementing to measure, for the first time, its carbon footprint in 2011.

Evolution of Geodis CO₂ emissions
(as thousands of tonnes of CO₂-e)



The evolution observed in 2010 can be explained mainly by the integration of new entities and the progressive economic recovery.

Scope 1: direct emissions from fuel and gas combustion
Scope 2: indirect emissions from electricity purchasing

* Data non available in 2008 except for France.

1) Survey "Fret mondial et changement climatique" (Global freight and climate change), Centre d'Analyse Stratégique, France, 2010.
2) French Environment and Energy Management Agency.
3) Charter of voluntary commitments for the reduction of CO₂ emissions in road freight transport.
4) Geodis BM: all France; Geodis Calberson: West and Touraine-Anjou regions, Poitiers, Angouleme, Cahors, Lille and Limoges sites.

Geodis signs the Ademe CO₂ charter

In 2008 Geodis signed "Objectif CO₂"³, a charter drawn up by the French authorities and Ademe.

In doing so, the Group made the commitment, over a three-year period and within specific perimeters⁴, to reduce its CO₂ emissions. The corresponding action plan targets reductions in fuel consumption, training in eco-driving, modernisation of the vehicle fleet, the roll-out of onboard IT systems and the development of multimodal transport solutions.

At Geodis Calberson, the number of entites to have signed the charter has more than doubled in 2010 and progress has been made on the reduction of the average fuel consumption and on driver training. The West region outperformed its fuel reduction target by 1%. At the Angouleme depot, 84.2% of drivers were trained instead of the planned 25%. Some sites have strongly decreased their CO₂ emissions, such as Poitiers depot (-18.9% of CO₂ emissions), Cahors depot (-8.7%) and Angouleme depot (-5.2%). The other sites sustain their efforts.

Geodis BM has set itself the ambitious objective of reducing fuel consumption by 1.5 litres/100 km by the end of 2011 (compared to 2008). As a whole, the trend is favourable. To achieve its objective, Geodis BM continues its policy of continuously renewing its vehicle fleet, training drivers and increasing modal transfer.

BEST PRACTICE

Conforama saves money and carbon emissions thanks to multimodal

To reduce demurrage and detention charges for its 8,000 shipping containers arriving at ports in Fos-sur-Mer and Le Havre, Geodis Wilson's Marseilles depot offered its customer, furniture retailer Conforama, an environmentally and economically sound solution. It combines two modes of transport, rail and barge, and fully meets the needs of the customer. "We want to minimise the use of trucks," explains Nicolas Messy, Director of Inbound Transport at Conforama. In 2010, 60% of volumes concerned were transported by rail and 40% by barge. In 2010 the use of waterway transport cut CO₂ emissions by 54% compared with transport entirely by road.

Sources of Geodis carbon emissions

CO₂ transport flows

Owned resources / Subcontracting

Main emissions sources:

- Road ● Rail ● Groupage / Express ● Waterways
- Air ● Sea ● Multimodal

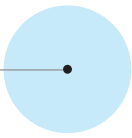
CO₂ buildings

Operating sites and commercial offices

Main emissions sources:

- Fixed assets ● Staff travel
- Services consumed ● Energy and processes
- Materials consumed ● Waste





Multimodal transport: a flexible solution

Every Geodis customer brings a different set of requirements for the transport of their goods. These can be technical, depending on the type of goods (heavy, valuable, etc.), economic or environmental, such as lead times and CO₂ emissions. Convinced that the best means of transport is an optimised multimodal mix, the Group draws on its experience to develop adapted, flexible multimodal solutions that take each customer's situation and constraints into account.

Geodis BM offers combined rail-road and rail-motorway transport in Europe for grouped transport (block trains) and non-grouped transport. These options benefit from advances made in several areas in 2010: centralised management which registers and dispatches transport orders; replacement of around a third of swap bodies, and clarification of roles between the road agencies that monitor the portion of transport by road, and the multimodal agencies which manage rail transport and centralise information.

In 2011 France Express, Geodis Calberson express network, launched its Top One service which transports urgent shipments under 30 kg by TGV high-speed train. Top One is available in France (around 50 railway stations), in London and in Belgium and offers a more environment-friendly service.

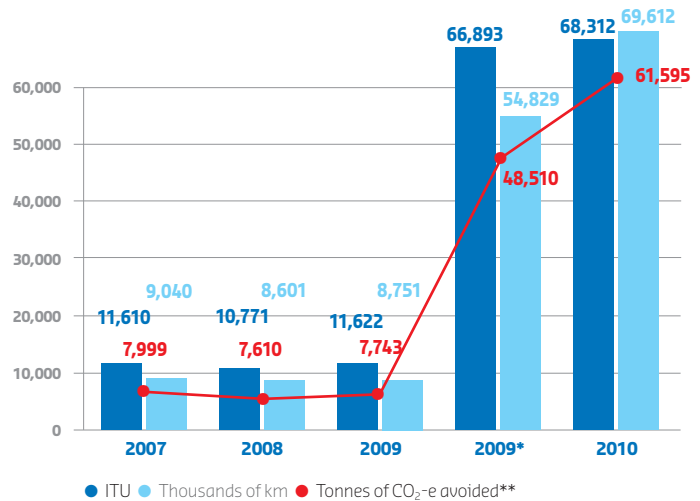
Geodis Wilson combines air and sea transport to optimise the three factors of lead time, cost and CO₂ emissions.

Tools that optimise transport plans

Upstream, computer modelling compares cost, lead time and CO₂ emissions for different transport scenarios to facilitate the choice of solutions that best meet the customer's requirements. IT solutions are also used during pick-up and distribution. By end 2010 Geodis BM had fitted 60% of its owned fleet with its onboard IT system, Eliot. Since 2009 Geodis BM has invested €5 million in onboard IT to smooth communication between the driver and the site, and to collect data (loaded weight, consumption) in real time. At Geodis Calberson, specially-developed software such as Geodriver and Copilote help optimise drivers' rounds and reduce dead mileage by 5% to 10%.

Lastly, transport management systems are already including CO₂ emissions in divisions' reporting to customers.

Geodis BM modal transfer in France

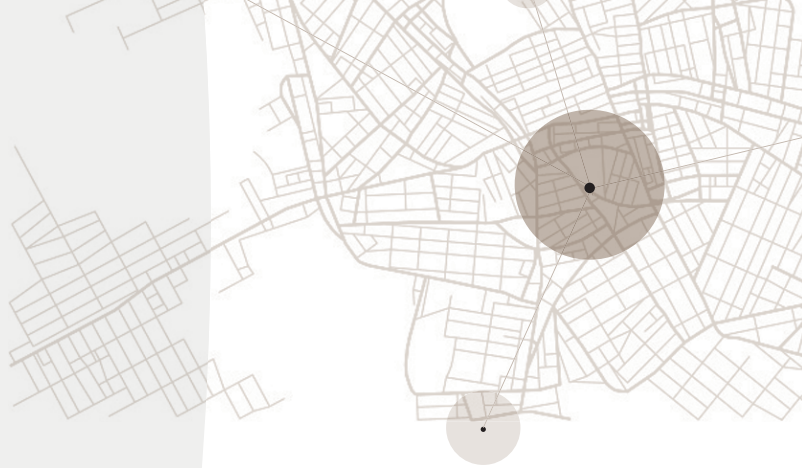


The development of Geodis BM multimodal activity continued in 2010 especially with Rouch and Districhrono integration.

* Data for 2009 is not consolidated because of the integration of Rouch and Districhrono operations during the first quarter of 2009.

** Tonnes of CO₂ emissions avoided are calculated on the basis of fuel consumption for an equivalent journey by road.

ITU: intermodal transport unit (containers, swap bodies, semi-trailers).



Promoting clean shipping

Global maritime transport emits more greenhouse gases than a country such as Germany¹. However, insufficient information on maritime traffic is an obstacle to the development of less polluting technologies. Geodis Wilson has joined the Clean Shipping Project, which encourages shipping companies to provide information about their vessels, such as their type, speed or age (see page 26).

1) Regulating Air Emissions from Ships, The State of the Art on Methodologies, Technologies and Policy Options Joint Research Centre, 2010.

Reduce fuel consumption

On the road, eco-driving and less polluting vehicles are the main levers in reducing CO₂ emissions.

At Geodis BM and Geodis Calberson, drivers are trained to drive more smoothly and consequently use less fuel. Geodis BM also sets its drivers individual consumption targets. "Diesel Challenges" encourage friendly competition between drivers to cut fuel consumption.

Vehicle equipment also contributes to reduced CO₂ emissions. Geodis BM has restricted its fleet's engines to 82 kph since 2006, instead of the legal requirement of 90 kph. This saves each year 1.2 litres/100 km. When "greening" its vehicles, Geodis BM works with partners such as Michelin whose low-consumption tyres cut diesel consumption by 3%. Geodis BM conducts regular trials of alternative fuels such as compressed natural gas (CNG).



Combined rail-road transport: trailer being transferred to a wagon.

Michel Ardouvin

Director of the Geodis BM site in Lieu-Saint-Amand (North region, France), head of Geodis BM fuel strategy in 2010.

"Fuel consumption: trained drivers who are reaching their targets."

What steps have you taken as part of the fuel strategy?

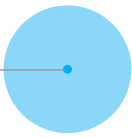
First I visited all the sites to check that fuel consumption was being properly recorded. We compiled consumption for different categories of activity – long and short zones, transport of food, chemical products, gas, etc. – then set targets per vehicle and per activity.

What resources are available to help drivers reach their targets?

An instructor shows them how to adapt their driving to save fuel, for example by keeping the right engine speed or using the vehicle's inertia. The hardest part is for the driver to respect these fundamentals when he is by himself in his cab.

What are the results so far?

For the entire fleet, in 2009 we saved an average 0.3 litres/100 km compared with 2008. As well as the environmental benefits, this represents a saving of €500,000. We are still aiming to save €1.5 million over three years by end 2011.



CONTROLLING OUR ENVIRONMENTAL IMPACTS



Delivery in the city.



Geodis Logistics warehouse in Dublin, Ireland.

Global approach to impact analysis

As well as emitting greenhouse gases linked to climate change, transport and logistics operations also have other environmental externalities such as atmospheric pollution, noise and traffic congestion.

Minimising local pollution

Road transport is the main source of local pollutant emissions affecting air quality and public health in the European Union¹ such as nitrogen oxides (NOx), carbon monoxide (CO) and NMVOC². Engine noise also amounts to a significant nuisance, particularly from city-centre deliveries.

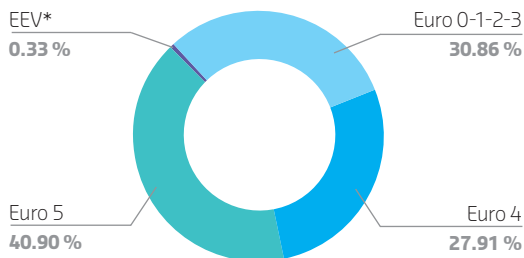
One effective way to bring down pollutant emissions is to renew the vehicle fleet, which is one reason why Geodis is committed to an ambitious programme of modernising its fleet every three years. Geodis thus features the latest, least pollutant, technologies. By the end of 2010, 41% of Geodis vehicles worldwide were compliant with Euro 5, the most recent European Union vehicle emissions standard.

More environment-friendly sites

Geodis is also attentive to other causes of environmental impact, such as warehouse energy consumption, packaging materials consumption, water discharge from washing stations and the waste – hazardous or not – produced at its sites, which has to be treated or reused.

Through the rolling out of an environmental management system, including ISO 14001 certification, sites are committed to continuous improvement. By 2010, 177 of Geodis sites worldwide (26%) were ISO 14001 certified. This standard is just part of the picture, because Geodis is aiming at triple quality-safety-environment (QSE) certification, with ISO 14001 for environmental management, ISO 9001 for quality management and OHSAS 18001 for safety. By the end of 2010 triple certification had been obtained by 50 sites in seven countries (Australia, Finland, France, Morocco, New Zealand, Sweden and the United Kingdom).

Breakdown of the global Geodis fleet at end-2010



* Environmentally Enhanced Vehicles: "cleaner" vehicles (CNG, electric...).

1) EEA, European Environment Agency, Annual Report, 2008.
2) Non-methane volatile organic compounds.

Monitoring building energy consumption

Geodis operates more than 650 sites worldwide – logistics platforms, groupage depots and sales offices – with about one half in France. In 2010 electricity consumption across Geodis sites in France topped 72 million kWh, and gas consumption 38 million kWh.

Geodis, which rents most of its buildings, endeavours to control its consumption. A large part of the investments needed for bringing down energy consumption would involve improvements to insulation, heating and lighting, and user behaviour. Projects are under way, either locally or in partnership with the Geodis purchasing department, with the aim of developing tools for monitoring consumption and energy expenditure as closely as possible to actual site needs, allowing for business variability and seasonality.

Since 2009 Geodis Logistics in Germany has been gradually rolling out a precise automated system for tracking electricity consumptions and costs. Performance is compared across different sites and action plans implemented. The purchasing department has launched a similar project covering electricity, gas and water, starting in France.

The *Bilan Carbone@* (Carbon Footprint assessments) carried out at ten French sites in 2010 yielded a number of action plans on reducing energy consumption, including raising staff awareness to adopt energy-economic practices.

2010
Blue Attitude
Trophy

BEST PRACTICE

Automatic effluent control to reduce pollution risks

The Geodis BM Chimie site in Metz won a Blue Attitude Trophy in 2010 for creating a system to automatically monitor effluent from its washing station. By giving a more accurate picture of wastewater quality, the new equipment helps to reduce pollution risks and improve safety. In the daytime, an alarm lamp lights to alert on poor water quality. And if a problem arises during the night, effluent is not discharged into the municipal drainage system. Automatic control also brings significant improvements in operator working conditions.

Tyres for fuel savings

With a fleet of 4,906 vehicles, Geodis BM and Geodis Calberson see tyre management as an important lever for environmental performance. Through a long-standing partnership with Michelin, regrooving, tyre pressure control and preventive vehicle monitoring are systematic practices, bringing benefits that include fuel savings, longer tyre life and lower waste volumes for Geodis.



Verification of the danger signs on the side of a tank truck.

Treatment methods matched to each waste category

Logistics sites and groupage and express delivery centres can generate substantial amounts of hazardous waste. Filtration sludge (generated by cleaning the inside of tanks) and workshop waste (such as machinery or vehicle batteries, oil filters and waste oil...) are examples of hazardous waste. In all cases, suitable treatment is needed to minimise the environmental impact. Other types of waste, non-hazardous, such as wood (pallets), cardboard, metal and plastic films can be recovered if sorted beforehand. At most Geodis sites, the environmental management system covers management of the waste generated by business operations. This involves sorting, storage and disposal to processing centres. In addition, there are widespread staff education campaigns on sorting of office papers.

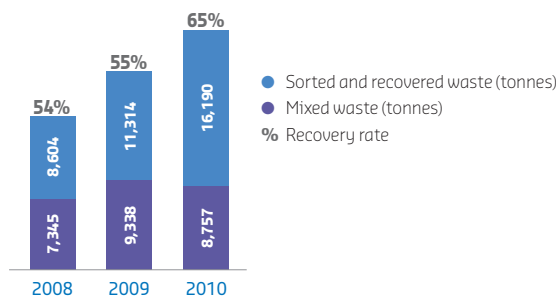
Geodis activities in France account for 74% of the waste generated by the Group (72% of non-hazardous waste and 93% of hazardous waste).



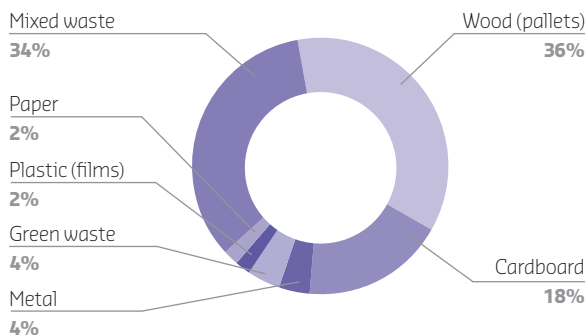
BEST PRACTICE Green service fee

Geodis Wilson in Sweden has introduced a levy of €2.5 to €4.5 on each goods dispatch. The sum goes into a fund managed by a committee made up of Geodis Wilson customers and the Swedish Society for Nature Conservation. Some €103,000 had been raised by June 2010, with around €320,000 expected annually. The aim of Geodis Wilson in Sweden and the fund management committee is to invest an average €53,000 a year on environment-based research and development projects. The initiative received first prize in the 2010 Blue Attitude Trophy.

Non-hazardous waste production and recovery in France (in tonnes)

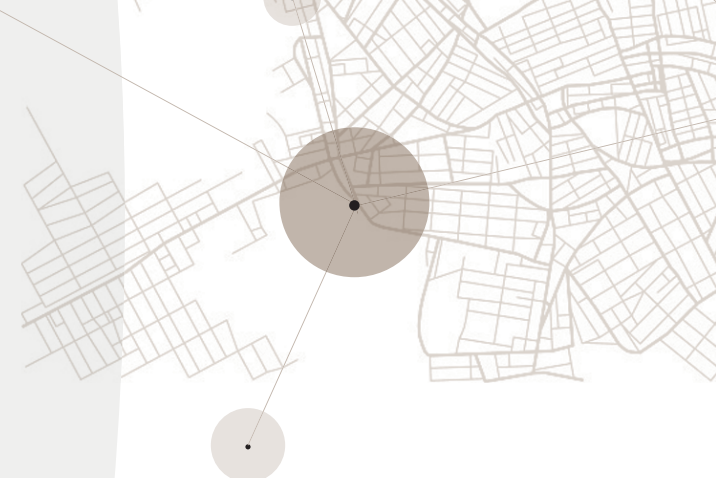


Breakdown of Geodis non-hazardous waste in France in 2010
Total: 25,496 tonnes



Reverse logistics for end-of-life products

European regulations now require that companies' logistics chains include end-of-life products. Geodis Logistics provides these businesses with its experience and expertise in reverse logistics, particularly with electric and electronic products. With seven processing centres in Europe, the Group optimises solutions for middle-life and end-of-life products and ensures traceability and total reliability for processes such as dismantling, recovery and disposal.



Less nuisance from urban logistics for city dwellers

Traffic – and delivery trucks in particular – is one of the main environmental nuisances in urban areas. Final-kilometre logistics generates pollution, noise and congestion, prompting local authorities to limit or even ban city centre access for polluting vehicles.

Geodis implements a range of modular solutions to address these mounting challenges. From the dispatch centre to the city, grouped rail or waterway transport deliveries would cut down on the pollution caused by trucks. But customers' warehouse networks usually date from the eighties or nineties, when the business model was more favourable to road than to rail or waterway. Warehouses are still predominantly located near to motorway hubs, and this is an impediment to alternative approaches.

Once in the city centre, goods are increasingly being carried by more environment-friendly methods, such as delivery tricycles and electric, natural-gas (CNG) and hybrid vehicles. Geodis Ciblex, Geodis Calberson's express parcel and document delivery network, uses tricycles to deliver 6,200 points in central Paris. This delivery mode also raises productivity, and has been extended to other major French cities including Bordeaux, Dijon, Lyon, Rouen, Strasbourg and Toulouse.

Roll out of modern, environment-friendly solutions calls for the reorganisation of urban logistics through the creation of "ecological urban logistics bases" in city centres. These facilities, called "BLUE", are part of the new DISTRIPOLIS® concept launched by Geodis Calberson in 2011 to optimise final-kilometre distribution.



Electric vehicle used by Geodis in DISTRIPOLIS®.

BEST PRACTICE

Hazardous goods and safety

Because of the environmental risks inherent in loading, transporting and unloading hazardous goods, these operations require staff training and special procedures. Geodis BM is setting up joint procedures with customers, in the chemicals sector for example, to improve the safety of hazardous goods transport and minimise risks in the event of accidents. Teams are trained using methods that include simulations of worst-case scenarios.

Port logistics

Sea transport accounts for around 75% of total worldwide freight volumes¹. The development of this mode owes much to economic factors. However, ports obviously form major break-of-bulk points, often to the point of bottlenecking. Administrative procedures and the complexities of coordination between container operators and port authorities hold up containers for six days on average. Geodis operates at 40 ports worldwide, offering continuous-flow end-to-end solutions using portside multimodal platforms that favour combined transport.

¹ Survey "Fret mondial et changement climatique" (Global freight and climate change), Centre d'Analyse Stratégique, France, 2010.

RAISING AWARENESS AND INVOLVING OUR PARTNERS



Containers being loaded onto a freighter.

Working closely with freight subcontractors

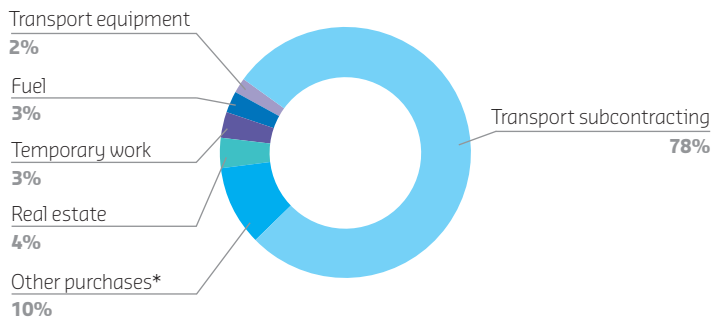
Geodis subcontracts a substantial proportion of its freight services. Subcontracting represented a full 61% of Geodis revenue in 2010 and was by far the biggest expenditure item, at 78% of the total amount.

The Geodis subcontractor spectrum is very wide. Geodis works with some major air and sea companies, but the bulk of subcontracting is with very small companies. Most Geodis BM subcontractors are small or mid-sized businesses with 20 to 30 employees. Some partners are referenced and commissioned regularly, while others are called on more infrequently. Regardless of the form it takes, subcontracting inevitably increases the exposure to economic, environmental and social risks. Which is why Geodis works closely together with its partners.

Environmental assessments are carried out for regular partners. Geodis Wilson evaluates air and sea freight partners and Geodis BM includes environmental criteria in the approval questionnaires issued to major subcontractors. Geodis BM also provides subcontractors with the same "Driver's Manual" issued to its own drivers in order to remind them of essential rules on safety and eco-driving.

Some Geodis divisions also involve major subcontractors in joint initiatives. Geodis Wilson partners take part in the Clean Shipping Project, a European initiative focusing ship owners, logistics specialists and industrial companies on the joint objective of reducing the environmental impact of sea freight, through reducing speed, improving maintenance and optimising maritime routes.

Breakdown of Geodis expenditure by purchasing category in 2010



* Travels, consultancy / fees, IT, cleaning services...

Purchasing as a lever for sustainable development

All purchasing categories are considered as potential levers for improving Geodis's environmental and social performance. Since 2008 Geodis has been phasing in sustainable development criteria in its supplier selection and evaluation processes, both for major expenditure items (such as real estate, temporary personnel/work, fuel) and more regular items (travels, packaging, consumables, etc.).

2010
Blue Attitude
Trophy

BEST PRACTICE

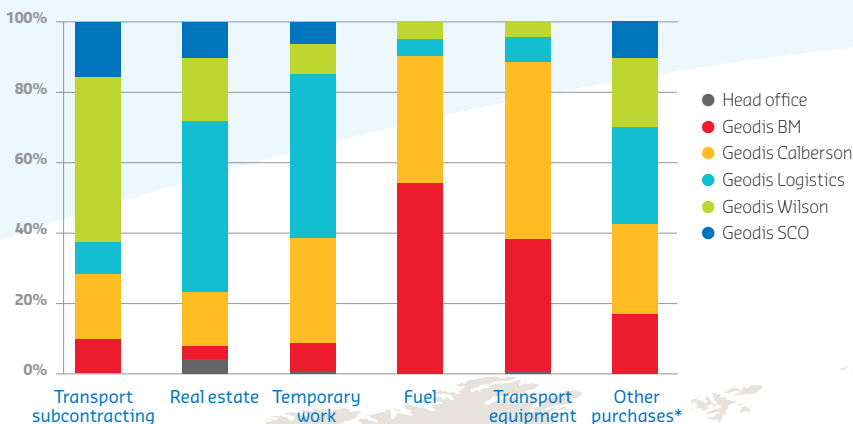
CiTi one, the result of a close supplier partnership

Geodis Calberson worked with its partner Fenwick Linde to design and test a new, quiet, ergonomic, electric pallet truck. Cooperation helped the partner precisely define the kind of constraints that the machine would be meeting in city-centre delivery duty (pavement access, low noise requirements, etc.). The new truck, baptized CiTi one, is now marketed by Fenwick Linde and is notably be used by Geodis as part of its urban logistics service, DISTRIPOLIS® (see page 25).

Evaluation of air and sea freight subcontractors

Geodis Wilson, which does not have its own air and sea transport vessels, includes sustainable development performance in its subcontractor selection criteria. The 2008 environmental evaluation of main air and sea partners was renewed in 2010. Based for example on energy policy and environmental impact reduction programmes, the assessment revealed firm commitment of the 12 main air subcontractors and 10 main sea subcontractors. Most of them say they are ready to share their data on energy consumption or CO₂ emissions, and even ready to develop partnerships. Geodis Wilson will be using these findings to step up joint initiatives with its partners.

Relative part of each entity in each purchasing category in 2010



* Travels, consultancy / fees, IT, cleaning services...

FORGING STRONG COMMUNITY TIES



Philippe Croizon swimming across the Channel.

The exploit of Philippe Croizon

Arm and leg amputee Philippe Croizon took up the seemingly impossible challenge of a cross-Channel swim. Geodis started to support him since 2009, through its Foundation. Daily training and the design of swimming prostheses, a development that will benefit other disabled people in the future, enabled him to accomplish this incredible feat. In 2010 Philippe Croizon succeeded in swimming across the Channel, from Folkestone to Cap Gris-Nez. This victory over handicap provides a lesson in courage for all, and touched a chord with Geodis employees.

Involvement in current affairs

Geodis is an active contributor to debate with economic and institutional players. The Group takes part in work to upgrade French and European regulations in the transport and logistics sector and in the field of sustainable development.

Promotion of long-term youth employment

Geodis's local community involvement is also reinforced by its strong presence in labour market areas, especially in temporary and youth employment. Around 19% of the overall Geodis workforce is aged under 26. During the last five years (2006 to 2010), Geodis hired over 5,000 young people with over half of them (2,700) with permanent employment contracts. Among them, half has joined the Group divisions with long-term contracts, accounting for an average of 8,000 contracts each year. At the same time, Geodis divisions signed more than 39,700 youth interim contracts. As well as facilitating first-job access, Geodis is also committed to transforming this initial work experience into lasting employment.

Support for social change projects

The Geodis Foundation was created in 2007 to encourage entrepreneurship and initiative among the disabled. One of the grant-supported projects in 2010 was a recruitment agency for disabled executives, set up by Tanguy De La Forest.

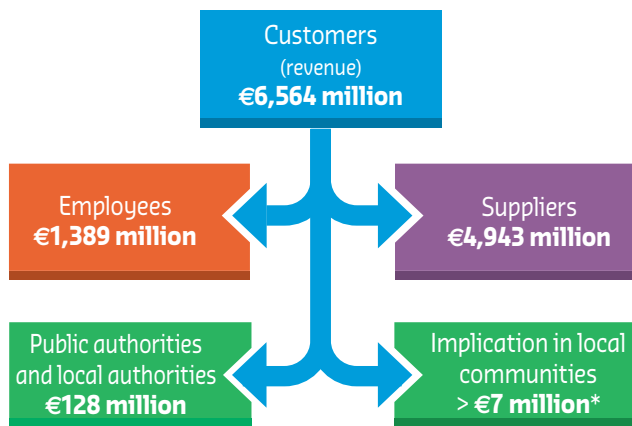
In addition, a number of initiatives, small- and large-scale, receive support from local Geodis teams, which again contributes to effective community interaction. Geodis personnel at each site choose the causes they wish to support, such as aid for victims of the Chilean earthquake in February 2010, aid for diseased children, education on breast cancer and support for the Red Cross.

Emergency supplies for natural disaster zones

The Geodis Wilson Aid & Relief department provides specialist logistics services for humanitarian crisis situations, carrying medicines, food and shelters to disaster sites on behalf of organisations including the Red Cross, the World Health Organization and the World Food Programme.

Revenue distribution among stakeholders in 2010

This diagram shows the economic weight of Geodis main categories of stakeholders.



* France only

FAVOURING A DYNAMIC HUMAN RESOURCES POLICY

Supple, grassroots HR strategy

With a 30,000 workforce in almost 60 countries, Geodis acts as a responsible employer, providing its employees with career advancement opportunities and watching over their safety through listening, training and social dialogue. Geodis operates in a highly fragmented business sector, populated by numerous local companies with diverse histories and identities. Against this already heterogeneous backdrop we find further diversity in the development of Geodis itself, partially achieved through external growth, with the result that the workforce today includes a large proportion of employees of very different corporate and national cultures.

Though some divisions, such as Geodis Calberson and Geodis BM, have a long-standing corporate culture (Calberson is more than 100 years old and BM 80), others, like Geodis Logistics, are much younger. Finally, Geodis Wilson and Geodis SCO were founded in 2007 and 2009 respectively, integrating teams from other countries worldwide.

In keeping with this cultural diversity, Geodis practises decentralised human resources management, respectfully integrating new units along with their management teams, and steadfastly developing employee loyalty: employee time with the company averages 12 years.

Emphasis on trust, integration and advancement

Geodis divisions draw strength from diversity and develop their own specific projects accordingly. The *Total Employee Satisfaction* approach rolled out by Geodis Calberson and Geodis Logistics, for example, or *Investors in People* rolled out by Geodis Wilson, lay down sound principles of mutual trust between employees and management, and invites beneficial emulation at all levels, for employees and sites. Structural enterprise projects have also been introduced, such as *Ça se partage* (Sharing Best Practices) at Geodis BM, *Mission, Vision, Values* at Geodis Wilson, and *Generation Energy* at Geodis Calberson. All these projects include HR standards on job profiles and career management.

All Geodis HR initiatives converge on the objective of furthering employees' career plans and personal development. Similar impetus is also seen in strong cross-functional drives spanning all divisions, on issues such as employment and skills planning, personnel safety and respect for diversity.



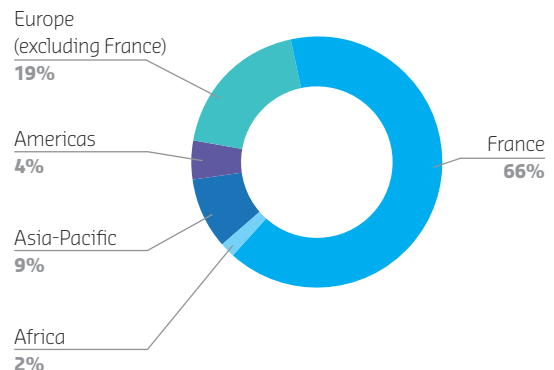
Scanning the labels on parcels, in a Geodis Logistics warehouse.

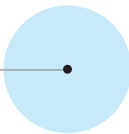


A Geodis Calberson driver.

Workforce by geographical region at end-2010

(as full-time equivalents)
Total: 30,000 employees



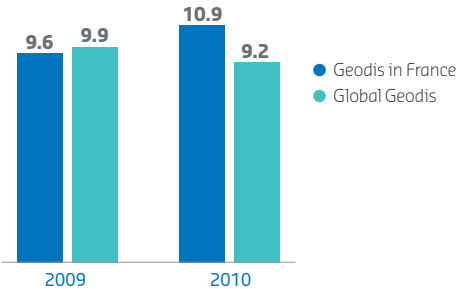


Staff training and support

Geodis strives to anticipate its employees' career development needs and addresses their expectations by placing a strong emphasis on training, to facilitate mobility for all. Training averaged 9.2 hours per employee worldwide in 2010. Mobility is also encourage through the Job Centre, on the Intranet in European countries.

High-potential employees are offered diploma courses, such as *Geodis Evolution* at Geodis Calberson, *Rendez-vous IML* (Logistics Management Institute) at Geodis Logistics, and *Geodis Executive Master*, a Geodis management syllabus run in partnership with the ESCP Europe business school.

Training hours (per full-time equivalent per year)



Control at the entrance of a site.

The G@CAMPUS e-learning platform offers a full-coverage parallel training path with a total of 115 modules. It has been accessible to Geodis SCO personnel since 2010 and is being rolled out group-wide in 2011. A specific course on sustainable development will be added to the catalogue in the near future.

Geodis encourages mentorship and coaching as an effective path to skills transfer. Since 2005, 800 work-study contracts have been signed in France. Also in 2010 a total of 28 participants from 17 countries benefited from Geodis Wilson's *Global Talent* programme, which organises skills transfer from managers to young talents.

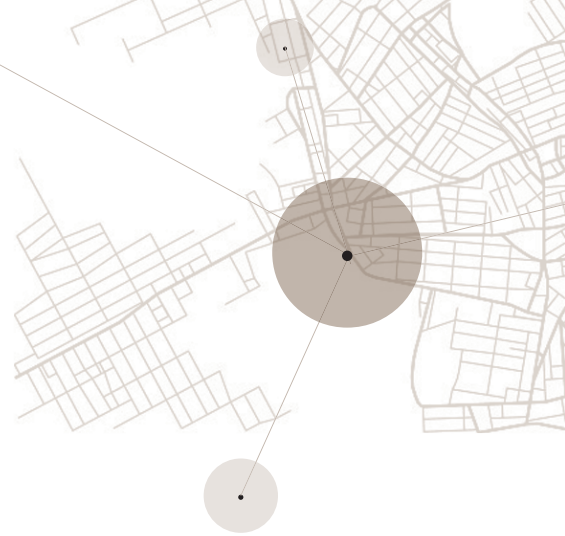
Safety for people and goods

Because of the potential dangers inherent to its business operations, Geodis takes every possible measure – group-wide and division-specific – to counter safety risks on the road and at its sites.

Geodis created a safety and security department at Group-level to optimise the coordination of safety measures group-wide. Its original mission, on security for goods, was extended to cover safety for people in 2010.



Training at Geodis Wilson in Guadeloupe.



Management systems have been set up to provide a sound basis for division-specific health and safety policies. They are for example based on the OHSAS 18001 international standard (occupational health and safety management system). At end-2010, 57 Geodis sites worldwide had obtained OHSAS 18001 certification.

More specifically, road safety is a priority for Geodis BM, at a time when the whole Groupe saw five fatal road accidents in 2010. As far as Geodis BM is concerned, it stepped up training and awareness-raising efforts through the introduction of a new prevention plan and pushed ahead with regular operations such as in-house campaigns to educate personnel on accidents at work. All drivers involved in accidents go for instance through an in-depth debriefing on accident causes with their site directors. Also, "safety challenges" are held in partnership with customers. The 2010 update to the Geodis BM "Driver's Manual" insisted on prohibited and risk-prone behaviours (such as phone calls at the wheel, alcohol, fatigue and high speeds). The manual has been printed in six languages for users throughout Europe. In France, audits to pinpoint openings for progress have been run by Automobile Club Prevention, an organisation certified by the French transport ministry. Moreover, a new employee profit-sharing scheme signed by Geodis BM in 2010 includes two safety-linked eligibility criteria (occupational accidents and road accidents).

The safety of staff may also depend on the security of goods. Geodis divisions use on-board electronics and management systems such as TAPA (Transported Asset Protection Association, international standard for freight security. Five Geodis Logistics and Geodis Wilson sites had obtained TAPA certification by the end of 2010.) The aim is to minimise the risks of goods theft throughout the supply chain and thereby improve personnel safety.



Reminder on safety road signs at Geodis BM agency in Sainte-Hélène du Lac, France.



Industrial Projects operations, Geodis Wilson.

Security and safety in risk zones

Geodis Wilson's Industrial Projects Department specialises in transport and logistics for large-scale projects in specific sectors such as oil, rail and mining. The department has to ensure the safety of staff working in potentially difficult situations. It does so by first making an overall assessment of the geographical areas concerned (as regards political and military situations, etc.). Teams then receive general training on standard practices, followed by a detailed briefing by the site security manager on locally relevant issues such as respect for local populations and traditions.

Local approach to social dialogue

Geodis applies a highly decentralised approach to labour relations dialogue, consistent with the histories and cultures of its various entities. Most of the agreements signed with unions are local (region- and division-specific). Some 50 such agreements were signed in France in 2010, on issues such as diversity, union rights and seniors.

At Group-level, 30 union representatives from several European countries meet as a European Consultation Committee (ECC), which acts as a major player on labour relations dialogue. Top management informs the ECC members on Geodis's business decisions, the economic situation, strategy and development prospects. Also, they can give input on projects at European scale. In late 2010 ECC members attended a day-long training course on sustainable development.

To improve working conditions, Geodis also carries out satisfaction surveys, under the Total Employee Satisfaction programme, for example. The latest workforce satisfaction survey at Geodis Logistics (in December 2010) showed satisfaction rates of 79% among division employees and 90% among interim personnel.



Diversity, an asset for Geodis

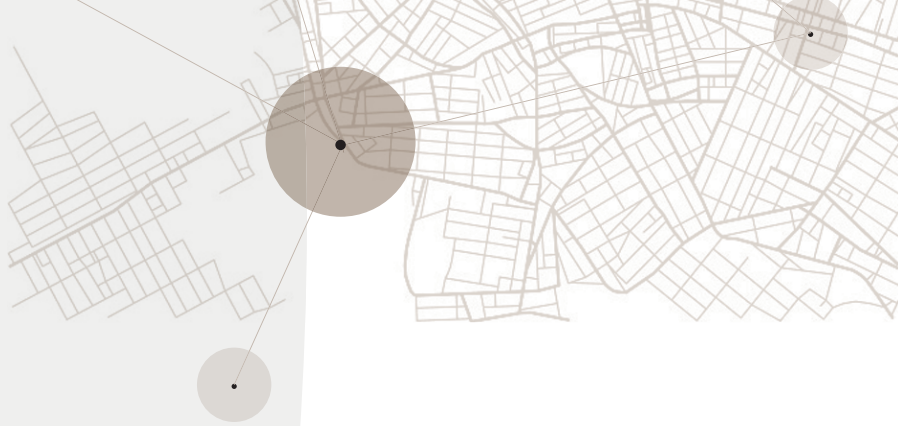


A Geodis Calberson employee scanning labels.

In 2010 Geodis also launched a wide-reaching programme on improving working conditions and tackling psychosocial risks. At Geodis BM, a working group was set up to identify populations at risk (through surveys) and take measures to better manage work-related stress. This initiative will progressively be phased in Group-wide. As well as focusing on stress prevention, Geodis Calberson efforts in 2011 will also be addressing risks of musculoskeletal disorders, that could be reduced for delivery drivers by using, for example, equipment such as polyvolume vehicles.

Personnel education on sustainable development

At Geodis, personnel education on sustainable development uses a varied range of materials to reach as many people as possible. On Connect, the Geodis intranet, employees have access to the Blue Attitude space, which includes information, tools and examples of Geodis initiatives.



In 2009 Geodis introduced the Blue Attitude Trophy to reward the best sustainable development initiatives taken by Geodis personnel. As an example, in 2010 the Geodis Calberson North Region in France won a prize for its Eco-Attitude campaign, which rolled out a panoply of communications materials to educate staff on ecologically responsible practices.

In 2010, Geodis Logistics completed its Total Customer Satisfaction and Total Employee Satisfaction programmes with a third part called Total Citizen Satisfaction, aimed at encouraging best citizen practices. A communication campaign with posters in six languages was carried out for all Geodis Logistics employees.

Geodis also encourages green practices. For example, eco-driving training courses open to all staff were given at at head office to teach drivers how to reduce accident risks and achieve fuel savings.

Integration of disabled persons

Though many jobs at Geodis require physical effort and may make it difficult to integrate disabilities, Geodis nevertheless strives to improve the induction of handicapped people in the workforce. The proportion of disabled people at Geodis in France remains moderate and is yet to reach the 6% share required by French law, and wide variations exist across sites and countries. At Geodis Calberson, a Handicap Mission has been set up targeting a 6% rate by 2013.

In 2007 Geodis set up a foundation to encourage entrepreneurship and initiative among the disabled. (See page 28.)



Geodis Logistics warehouse in Saint-Ouen-l'Aumône, France.

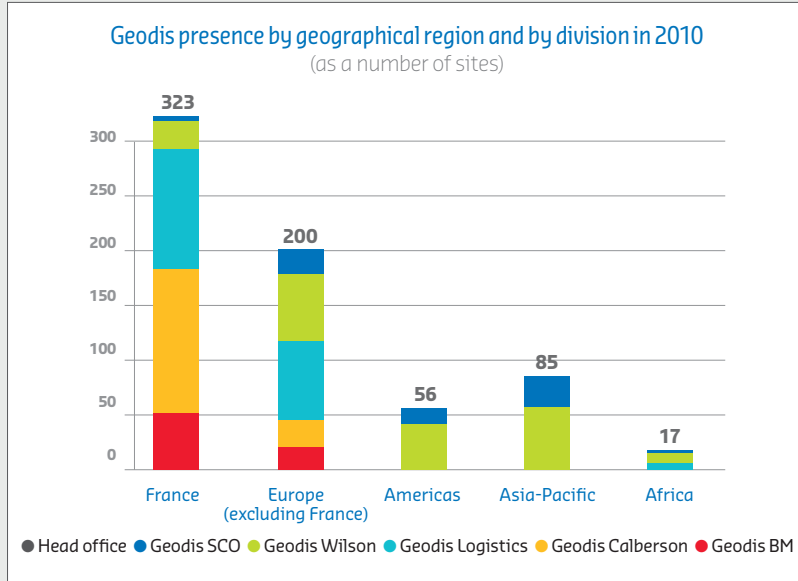


BEST PRACTICE

Improving integration of the disabled

In 2010 two initiatives on employment for disabled people were awarded Blue Attitude Trophies. Geodis Logistics site at Hénin Beaumont was awarded the Trophy for its efforts on employment for handicapped people despite the context of highly seasonal workload, an obstacle overcome through partnership with several interim agencies, including Partnair Handicap, Adia and Manpower. The second trophy went to the Geodis Logistics site at Lüdinghausen in Germany, which has hired handicapped people (two to four, during a pilot phase) in operational positions such as packing, sorting and labelling.

• GEODIS PRESENCE WORLDWIDE

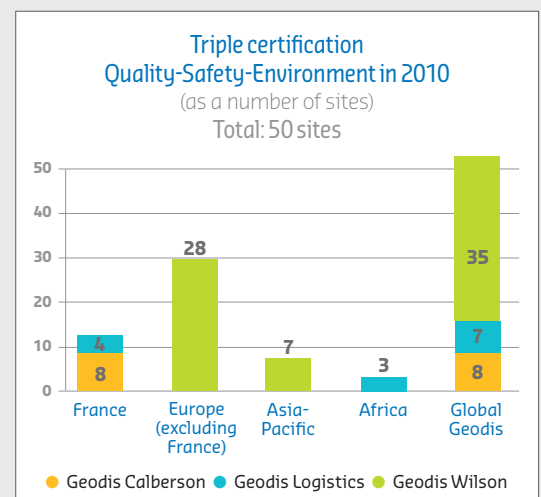
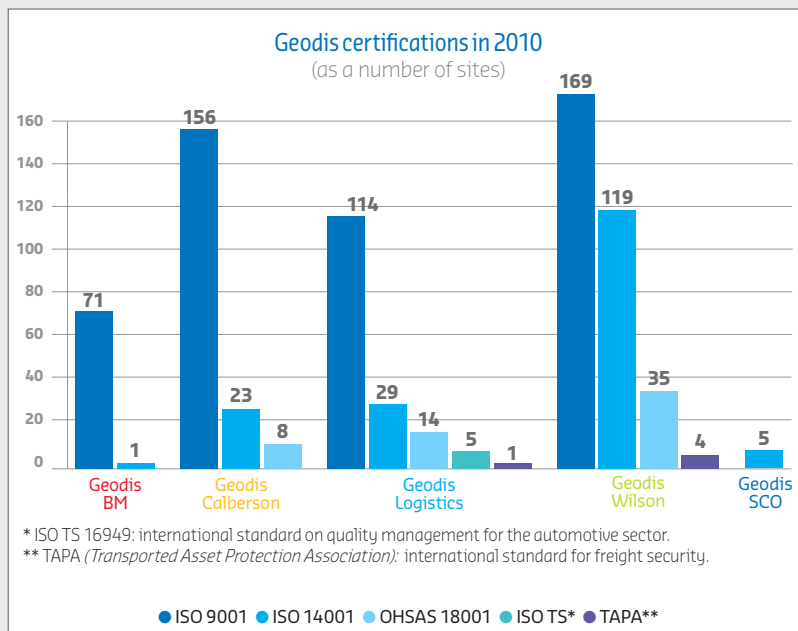
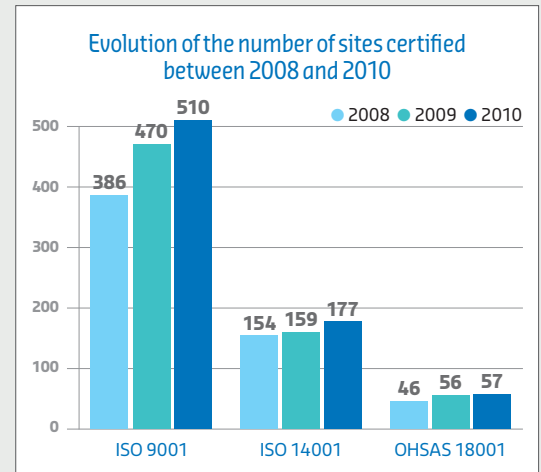


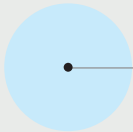
Geodis continued its development in 2010, particularly in international markets. Between 2008 and 2010, the number of sites rose 15% (from 592 to 681), consolidating the Group's presence primarily in Europe (30% increase in the number of sites), the Americas (+31%) and Asia (+25%).

• SITE CERTIFICATION PROCESS

Quality, environmental and safety certifications continued between 2008 and 2010. At end-2010, 75% of sites held ISO 9001 certification, 26% had ISO 14001 certification and 8% OHSAS 18001 certification.

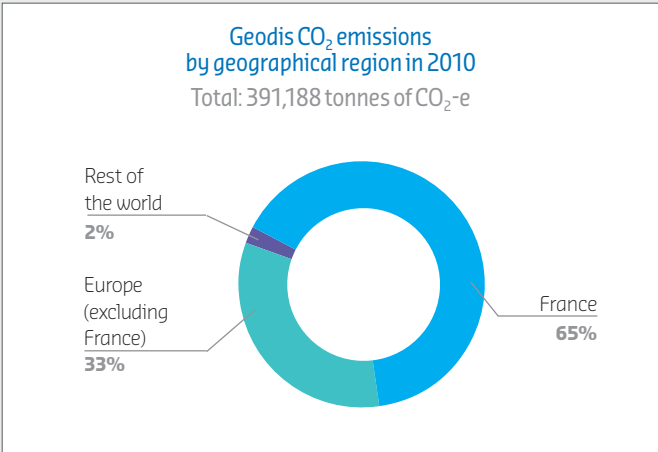
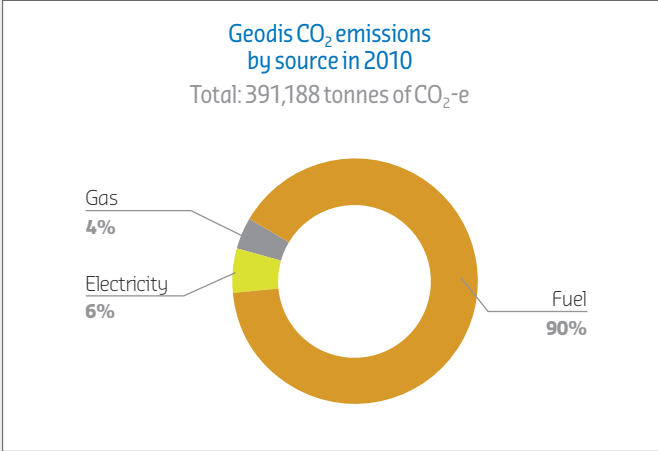
Most of the certified sites are in Europe but the process is gradually being extended to other regions of the world. Geodis is also making progress in triple certification (quality-safety-environment), which has been achieved by 50 sites in France, the United Kingdom, Sweden, Finland, Morocco, Australia and New Zealand.





• CO₂ EMISSIONS

GRI* indicator: EN16

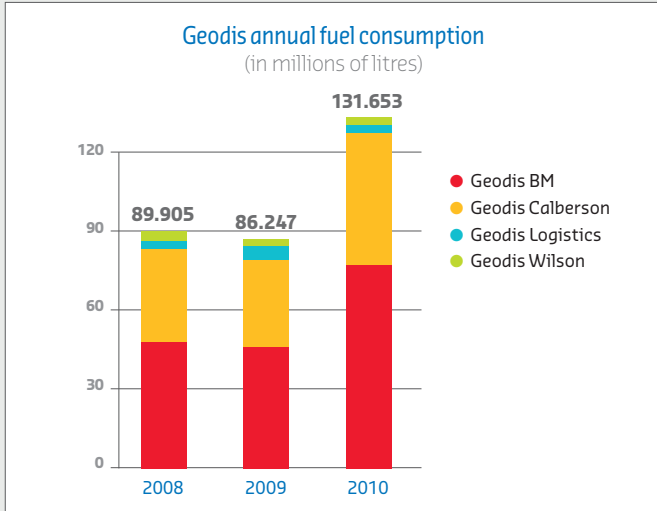


The CO₂ emissions measured here are based on the energy consumed by Geodis sites and vehicle fleet. In particular, they do not include subcontractor emissions. Most of the emissions are from the fuel burned by the vehicle fleet, primarily in France. For more information, and to track Geodis CO₂ emissions between 2008 and 2010, scopes 1 and 2, see pages 18 to 21 in the chapter "Measuring and reducing our carbon footprint".

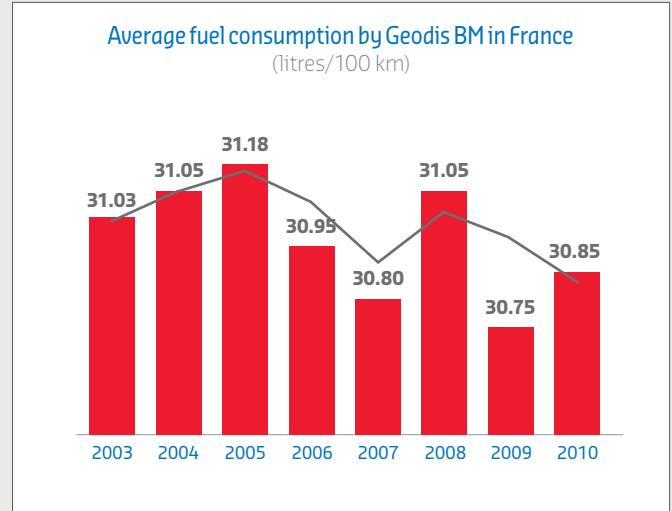
* Global Reporting Initiative version 3 (www.globalreporting.org)

• **TRANSPORT** / Fuel consumption

GRI* indicator: EN3



The significant increase in fuel consumption in 2010 can partly be explained by the new entities integrated by Geodis Calberson and Geodis BM and by the economic recovery.



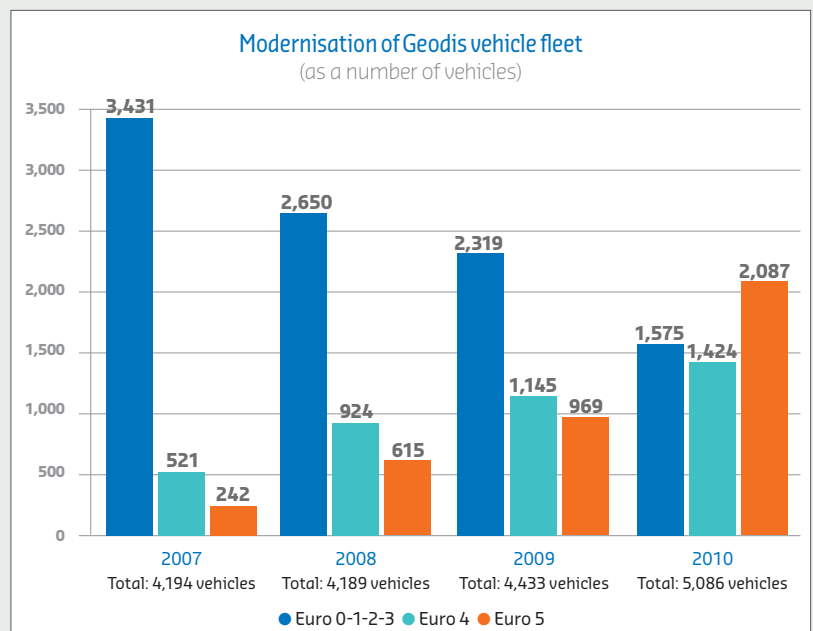
The sustained efforts made by Geodis BM over a number of years to reduce the average fuel consumption of its trucks continued in 2010. Despite a slight increase in 2010, the trend is favourable and Geodis BM is still aiming to cut fuel consumption by 1.5 litres/100 km by the end of 2011 (compared with 2008).

• **TRANSPORT** / Vehicle fleet

GRI* indicator: LT2

Geodis BM and Geodis Calberson are continuing to gradually modernise their fleets. In 2010, the fleet complying with the Euro 5 standard became the largest (41% of the total fleet is Euro 5 compliant at end-2010).

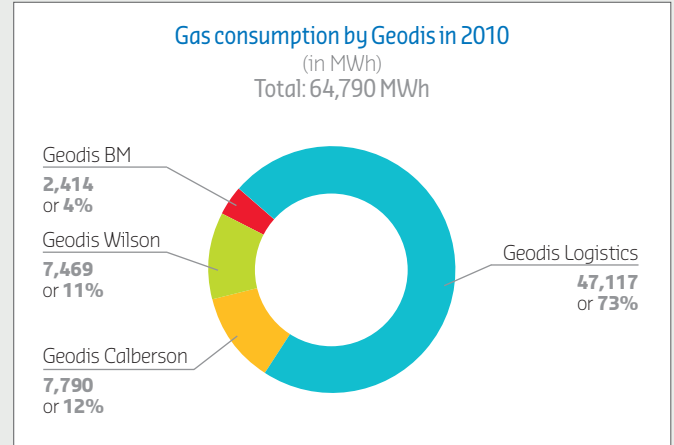
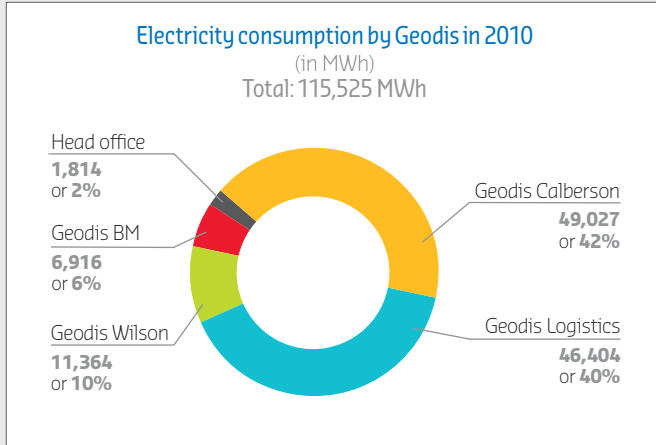
At the same time, the deployment of electric vehicles for urban deliveries is scheduled as from 2011.



* Global Reporting Initiative version 3 (www.globalreporting.org)

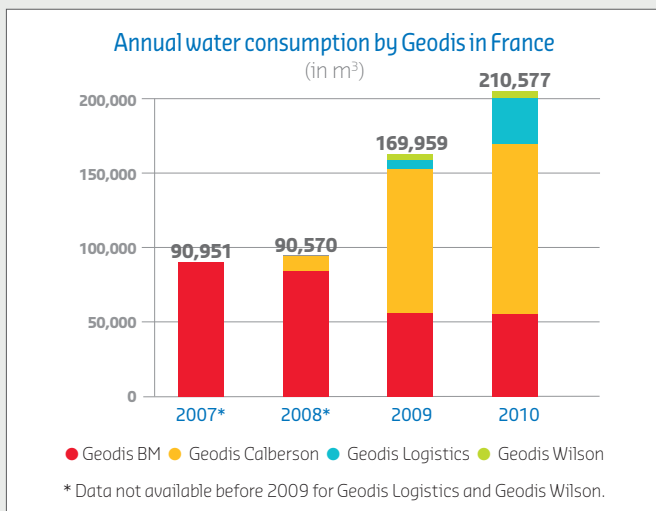
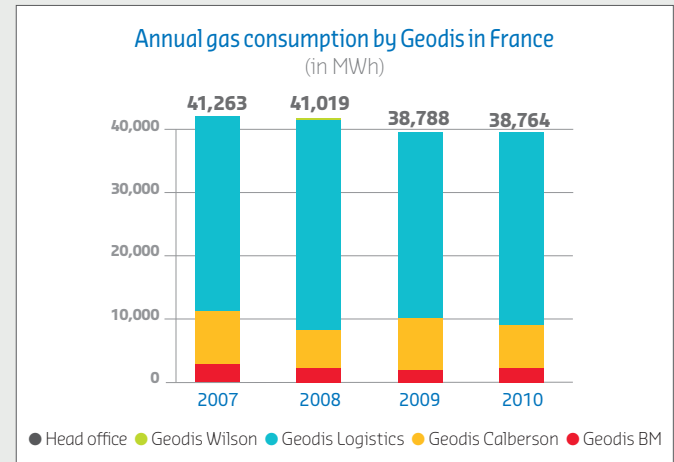
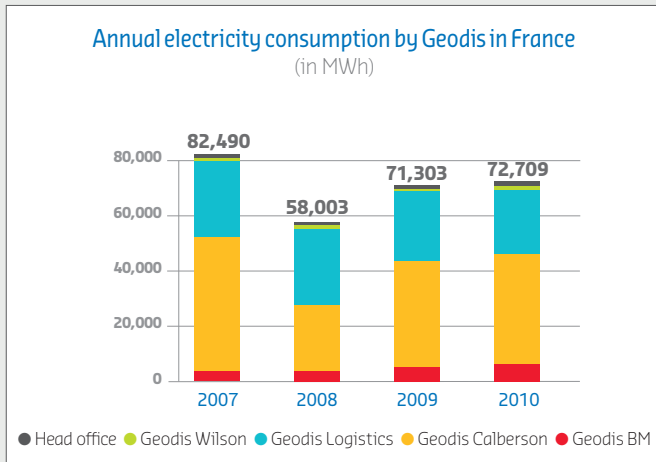
• **BUILDINGS** / Electricity, gas and water consumption

GRI* indicators: EN3, EN8



Logistics and groupage activities are energy-intensive by nature (warehouse lighting, heating, energy consumed by handling equipment and conveyors). Europe (including France) accounts for the bulk of electricity

and gas consumption (80%) in 2010. Efforts to cut consumption remain in progress. They primarily concern the redevelopment and renovation of existing sites and initiatives to raise staff awareness.

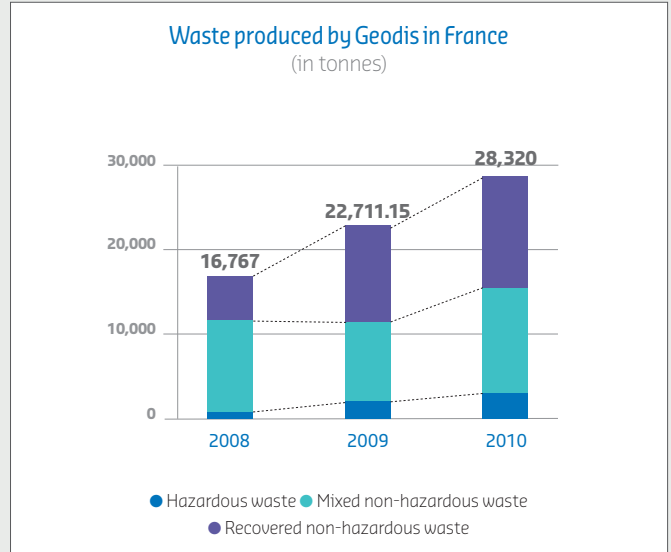
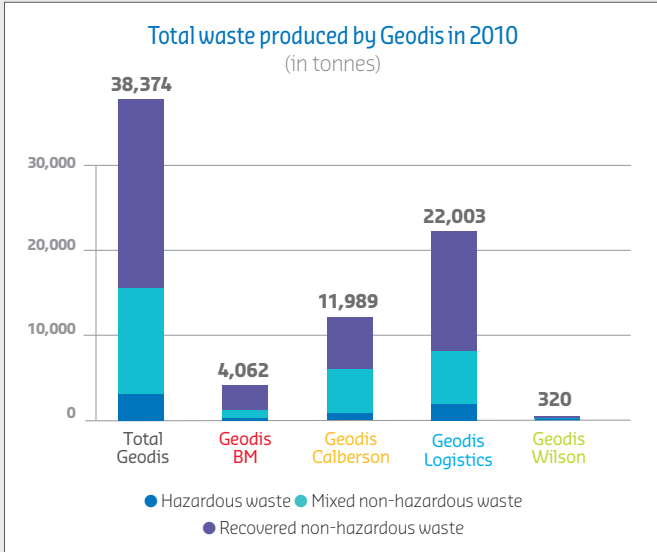


Most of the water consumed by sites concerns the internal tank washing facilities, of which Geodis BM has four, or external vehicle washing facilities.

* Global Reporting Initiative version 3 (www.globalreporting.org)

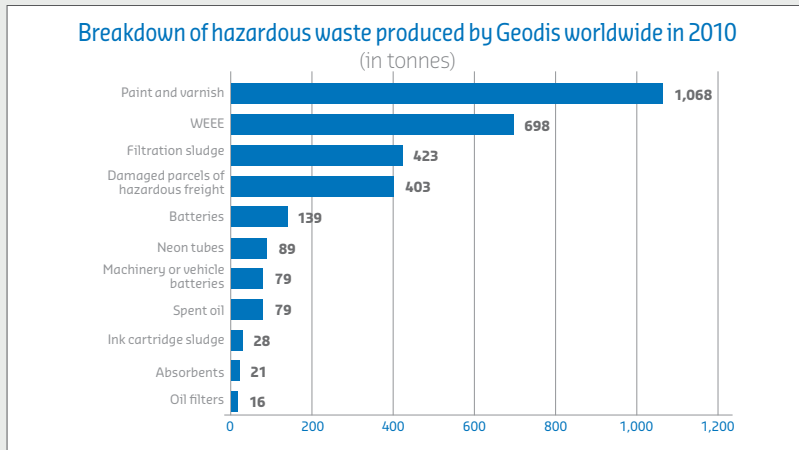
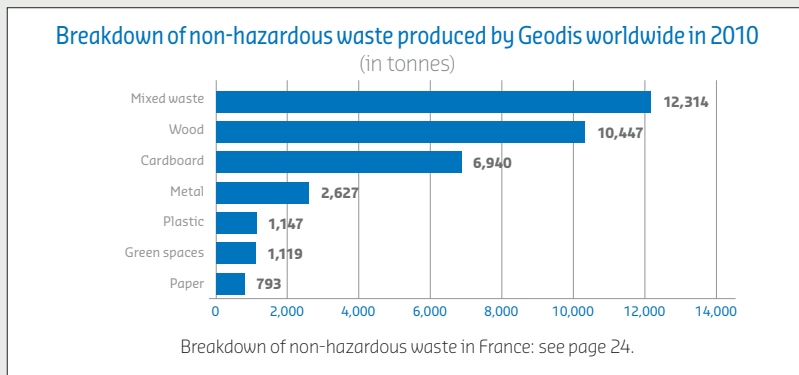
• **BUILDINGS** / Waste

GRI* indicator: EN22



Waste production, which is directly linked to the level of business activity, rose strongly in 2010 owing to the integration of new activities. Logistics and groupage account for most of the waste produced (57% and 31% of the total respectively). Almost all waste is produced in France (74 %) or

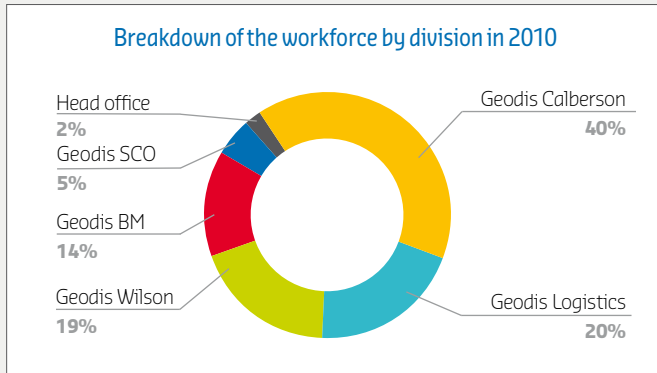
in other European countries. The efforts made over a number of years to promote waste sorting and recovery have significantly increased rates of on-site recovery. In 2010, 65% of waste was recovered, primarily wood and cardboard.



* Global Reporting Initiative version 3 (www.globalreporting.org)

• **BREAKDOWN OF THE WORKFORCE**

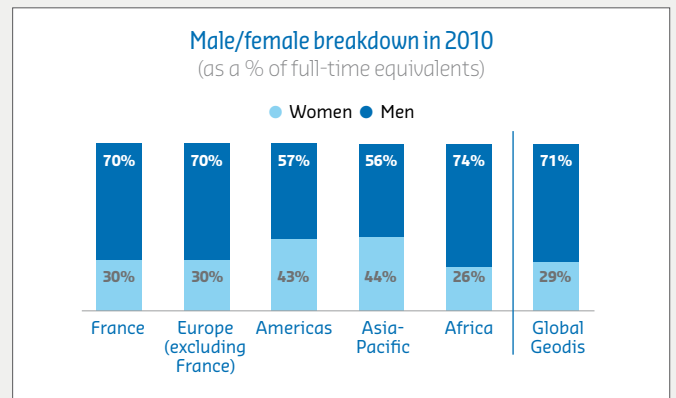
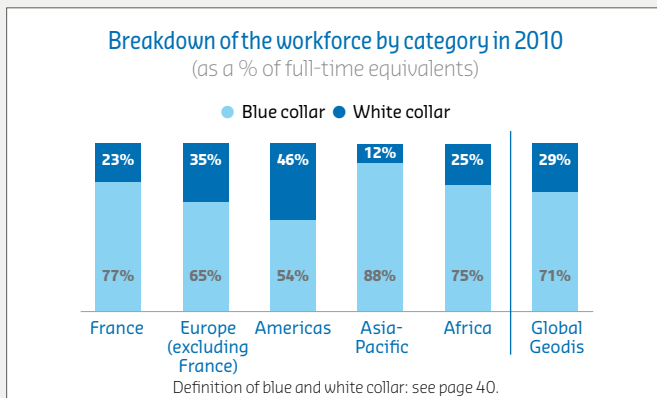
GRI* INDICATOR: LA1



Between 2008 and 2010, the workforce expanded from 26,381 to 30,000 employees. The road, groupage/express and logistics activities account for the bulk of the workforce. France has the highest number of employees, with 65% of the total (full-time equivalents), followed by the other European countries (19%) and other regions around the world (Americas, Asia-Pacific and Africa) with 16% (see graph, page 29).

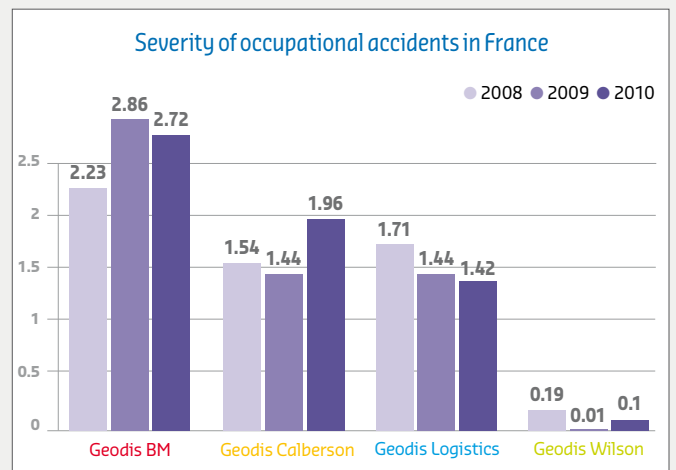
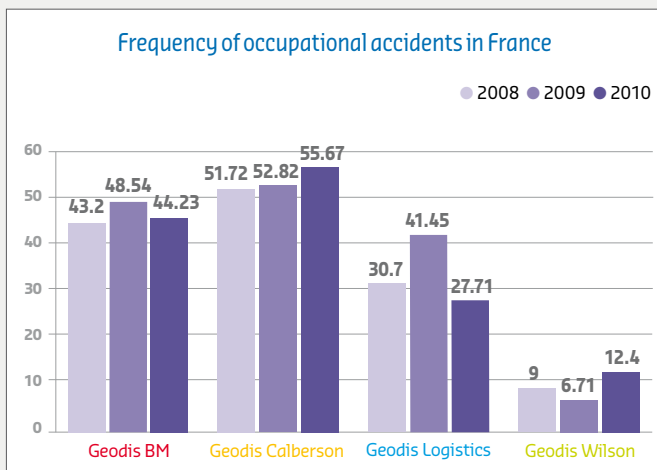
In a sector which by nature has a low number of female employees, the percentage of women in the workforce has remained stable since 2008 around 30%, even though it varies in line with the geographical regions and specific nature of activities.

In the same way, the breakdown by category (blue collar and white collar) showed little change between 2008 and 2010.



• **PERSONNEL SAFETY**

GRI* INDICATOR: LA7



Following a significant increase in the number of occupational accidents at Geodis BM in 2009, particularly road accidents, a series of major initiatives were put in place in 2010 to reverse the movement. These included a partnership with Automobile Club Prévention, a road safety training/consultancy body. The first positive results were not long in coming. For Geodis Calberson, the increase in the frequency and severity of occupational accidents in 2010 can be explained primarily by changes to the workforce breakdown, with a higher percentage of high-risk personnel,

following the takeover of the companies Ciblex and Cool Jet (4.5% increase in operating workers out of the total). A site-by-site analysis is underway in 2011 to identify the actions to be implemented. At Geodis Logistics, even if safety approaches differ from one region to the next, a range of initiatives have been put in place to educate, train and mobilise employees. In the space of three years, the workforce has expanded by 40%, while the number of accidents has fallen by 40%. The objective of the division is to cut the frequency of occupational accidents by 10% by the end of 2011.

* Global Reporting Initiative version 3 (www.globalreporting.org)

Reporting methodology

Reporting scope, data collection and consolidation process

Since there is no recognised reporting system relevant to its activities, the Group has created its own procedures based on a methodology for collecting, analysing and consolidating environmental and social data. Reporting forms include the indicators, the bases of calculation and the areas concerned.

At present, the Group does not have a common system for collecting data. Information has been consolidated through each division's structures in the areas of human resources, quality, safety, the environment and purchasing. The figures shown for 2010 are therefore calculated or

estimated using data from three sources: operational sites, divisional and/or Group information systems, and suppliers. Data are presented by geographic area and by division.

Depending on the data presented, the scope of consolidation can vary and include only some of the sites or countries concerned. Data are presented for five geographical regions: France, Europe (excluding France), the Americas, Asia-Pacific and Africa. The list of countries in each region is set out in the table below.

	Europe (excluding France)	Americas	Asia-Pacific	Africa-Middle East
Geodis BM	Germany, Spain, Italy, Luxembourg, Netherlands, Portugal, UK	-	-	-
Geodis Calberson	Belgium, Italy, Luxembourg, UK	-	-	-
Geodis Logistics	Germany, Spain, Eastern Europe, Ireland, Italy, UK	-	-	Morocco, Tunisia
Geodis Wilson	Belgium, Denmark, Finland, Germany, Italy, Netherlands, Norway, Spain, Sweden, UK	Argentina, Brazil, Canada, Chile, Colombia, USA, Mexico, Peru	Australia, Bangladesh, China, Hong Kong, India, Indonesia, South Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand, Vietnam	South Africa, United Arab Emirates, Morocco, Qatar, Tunisia
Geodis SCO	Germany, Austria, Belgium, Croatia, Czech Republic, Denmark, Spain, Hungary, Ireland, Italy, Netherlands, Poland, Romania, Russia, Slovakia, Sweden, Switzerland, UK	Argentina, Brazil, Canada, Chile, Colombia, USA, Mexico, Peru, Venezuela	Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam	Israel, South Africa

Choice of indicators

Reporting data are divided into three categories – environmental, social, and economic – to reflect the Group's commitments and measure the effectiveness of the actions taken by the divisions.

The Group has thus selected its own indicators on the basis of relevance, based on international benchmarks and the guidelines of the Global Reporting Initiative, version 3¹.

A document setting out a formal definition is provided for each indicator to ensure that the same method of calculation is used for all geographic areas and activities.

Limitations of the methodology

Certain factors limit the reliability of the data:

- different collection and reporting methods from one division to another,
- varying availability for some of the data needed to calculate indicators.

Reviewing and verifying the indicators

Environmental data are consolidated and verified by each division's quality, safety and environment departments and the Group's sustainable development department. Social data are consolidated and verified by the HR departments at head office and within each division.

The consistency of the data is verified by the divisions and the Group's sustainable development department. This verification includes a comparison with the data from previous years and systematic analysis of any differences deemed to be significant.

At present, the Group does not have the data verified by any outside organisations.

A few definitions

Waste

- Production of non-hazardous waste: the total tonnage of wood (including pallets), cardboard, paper, plastic, including film and polystyrene, metals, green waste and mixed waste (non-recovered).
- Recovery rate of non-hazardous waste: total tonnage of non-hazardous waste recovered minus the tonnage of mixed non-hazardous waste divided by the total tonnage of non-hazardous waste produced.

- Production of hazardous waste: total tonnage for eleven categories – absorbents (including soiled rags, saturated sand), batteries from road vehicles or handling machinery, filtration sludge (from sludge traps/oil separators for stormwater or the treatment of tank cleaning water), ink cartridges, damaged packaging used for hazardous materials, oil filters and used oil from road vehicles (axles, transmissions, engines), IT/office automation equipment (WEEE), paints and varnishes, batteries and accumulators, neon tubes.

CO₂- equivalent (CO₂-e)

- Emissions linked to the consumption of fuel, electricity and gas: total emissions, expressed in terms of CO₂ equivalent, linked to fuel, gas and electricity (minus emissions avoided through the generation of renewable energy) and gas.
- Emission factors used: as set out in the Greenhouse Gas Protocol (www.ghgprotocol.org). For fuel, the emission factor used is 2.681 kg CO₂e/litre. For gas, the emission factor used is 0.205kg/CO₂e /kWh (based on gas with a low heating value). For electricity, the emission factors vary from one country to the next.

Employees

- Full-time equivalent employees: total number of hours worked / average hours worked annually in a full-time job.
- White collar: executives, supervisors, employees
- Blue collar: operating workers, drivers.

Safety

- Frequency of occupational accidents: number of accidents involving at least one day of lost time x 1,000,000/total number of hours worked.
- Severity of occupational accidents: number of days lost x 1,000/number of hours worked.
- Road accidents involving partial or full responsibility per 100 km (road accidents in which Geodis is partly (50%) or fully responsible / number of km travelled) x 100.

¹ Guidelines established in 1997 by the Coalition of Environmentally Responsible Economies (CERES) and the United Nations Environment Program (UNEP) for reporting on the economic, environmental and social performance of corporations, governments and non-governmental organisations. Version 3 was published in 2006.

This is the third sustainable development report published by Geodis. It can also be viewed and downloaded in French and in English on www.geodis.com

Acknowledgements

The Geodis sustainable development report 2010 was produced by the sustainable development department in cooperation with the communications department, with input from the functional and operational departments of Geodis, Geodis BM, Geodis Calberson, Geodis Logistics, Geodis Supply Chain Optimisation and Geodis Wilson. We would like to thank all those who contributed to this report.

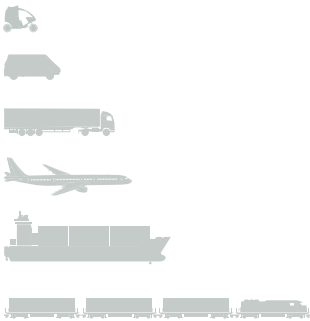
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Non-contractually binding document - June 2011

Consultancy: Utopies – Design and creation: Verbe.

Printed on an ecological PEFC paper by an Imprim' Vert certified printer.





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