

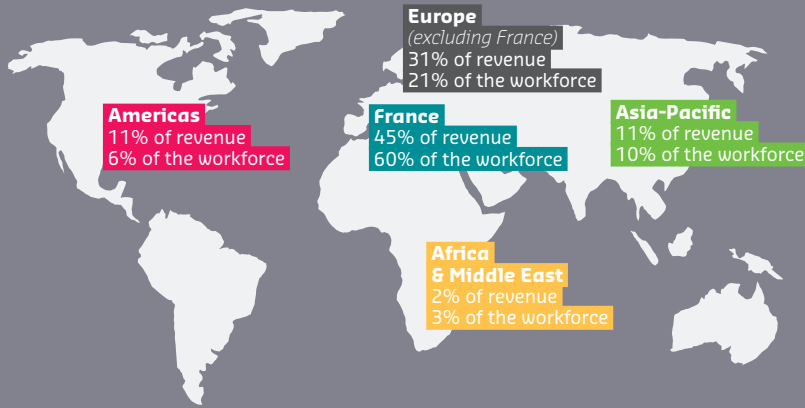
CSR AT THE HEART OF OUR ACTIVITY 2013



GEODIS

Geodis in 2013

REVENUE AND WORKFORCE BY REGION



REVENUE BY BUSINESS LINE

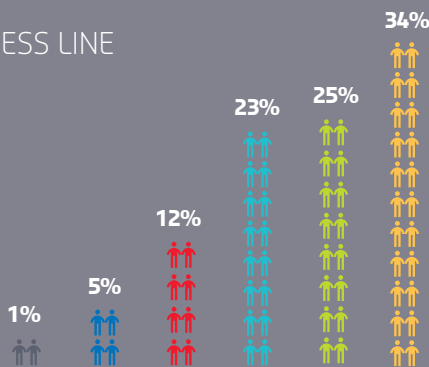


€6,891 million
in revenue in 2013

WORKFORCE BY BUSINESS LINE

- Head Office
- Supply Chain Optimisation
- Road Transport
- Contract Logistics
- Freight Forwarding
- Groupage/Express

30,900
employees
in 67 countries



SCOPE OF THIS REPORT

Geodis is an integral part of SNCF Geodis, the freight transport branch of SNCF. Geodis is the largest SNCF Geodis business entity. The four SNCF Geodis activities are: Geodis, STVA (transport and logistics for finished vehicles), Rail Freight and Multimodal Transport, and Asset Management.

This document refers to Geodis and is an abbreviated version of Geodis CSR Report 2013. The complete report and 2013 CSR key indicators for 2013 are available on the Geodis website at www.geodis.com.

FIVE BUSINESSES

Network Solutions

Groupage/Express

24-hour and 48-hour groupage, twice-daily next-day industrial express and express parcels service, small parcels up to 30 kg.

Freight Forwarding

Sea, air and combined sea-air freight forwarding, value-added services (customs clearance, etc.), e-services, industrial projects (out of gauge cargo, offshore pipelines, plant relocation, etc.).

Road transport

Full and part truck loads, specialist solutions (controlled temperature transport, etc.), multimodal transport (rail-road, etc.), operational flow coordination.

Supply Chain Solutions

Contract Logistics

Inbound and outbound flows, distribution logistics (multi-client hub, pick & pack, cross-docking, pooled supply, etc.), industrial logistics (vendor managed inventory, etc.), value-added services (kitting, co-packing, etc.), reverse logistics.

Supply chain optimisation

Total supply chain management and optimisation, centralised coordination and control tower, selection and purchasing of subcontract transport and logistics services.

CSR AT THE HEART OF OUR BUSINESS

As a consumer of energy, provider of jobs and essential link for industrial manufacturers and world trade, the transport and logistics industry operates in an environment where economic, environmental and social challenges intersect.

Our corporate social responsibility (CSR) approach is firmly rooted at the core of our strategy, interpreted in our company plan and implemented through the work we do every day. We firmly believe that if it is to grow effectively and efficiently within its ecosystem, Geodis must respond effectively to the expectations of all its stakeholders.

We understand the challenges and constraints faced by our clients, anticipate their needs, and respond to their requirements through broad-based services and solutions.

We take whatever action is required to be efficient and responsible in the way we conduct our operations by training and supporting our teams, adapting our logistics resources, involving our partners and evolving our information systems.

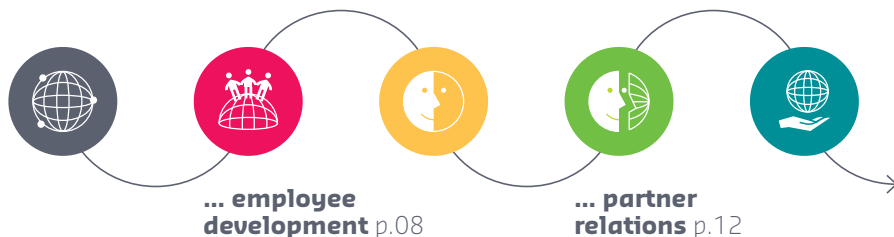
We measure our progress towards sustainable performance, not only economically, but also environmentally and socially. We share this sustainable growth with all our stakeholders.

Geodis puts Corporate Social Responsibility at the heart of...

... Group strategy p.04

... client relations p.10

... community relations p.14



OUR AMBITION AND OUR PLAN

Ambition 2018 is the Geodis company plan setting out how the Group intends to **develop and grow over the coming years.**

Our mission

We help our clients succeed by overcoming logistical constraints.

Our vision

We are the growth partner for our clients.

Our 5 values

We are expert in transport and logistics solutions united by a shared passion and a shared commitment.

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

Our business principles

To achieve our goal of **Stakeholders' Total Satisfaction (STS)**, our operating methods are structured around the assertive application of seven business principles, which we refer to as our **7 Golden Rules**. In particular, the Group is committed to being a good citizen and a responsible business throughout its sphere of influence.





● **INTERVIEW WITH MARIE-CHRISTINE LOMBARD,**
CHIEF EXECUTIVE OFFICER, GEODIS



In a fast-changing economic context, corporate social responsibility contributes to creating value for the Group and its stakeholders.

AT THE HEART OF GROUP STRATEGY

How was 2013 for Geodis?

2013 was a year of contrasts. Goods transport is a direct reflection of economic activity. So our business suffered from a crisis in volumes as a direct result of economic slowdown in France and the wider Europe, although business continued to grow in North and South America, and in Asia. In periods of crisis, we also see a tendency amongst companies to outsource their services, so our contract logistics and flow management activities were able to benefit from that.

Over and above changes in the wider economic environment, I would particularly like to highlight the fact that 2013 was a year of change for Geodis; a year marked by the introduction of our Ambition 2018 corporate plan, which sets out our mission, vision and values, as well as the operating methods we share right across the Group. Delivering total satisfaction to all our stakeholders is central to that plan. Regardless of what is happening in the wider economy, having a clear and engaged vision of Geodis' social responsibility remains a very significant expectation for our clients, our employees, our partners and our shareholder.

What are the main successes in terms of CSR?

I believe in the virtues of measurement in order to engage in a process of continuous improvement. That belief was behind our first Group-wide employee satisfaction survey, which we conducted in 2013. What it reveals is a high level of commitment to the corporate plan, and a widespread recognition of the commitment made by the Group in its CSR policy. We are also proud of the 63/100 rating awarded by EcoVadis, which underlines our performance on these issues.

We continued throughout the year to put in the effort required to control the environmental impacts of our business activities, but 2013 was also marked by progress in social and societal issues. In terms of gender equality, we were awarded the Gender Equality European Standard (GEES) for France, Germany, the UK and Italy at the beginning of the year, and other countries are being audited for the same label during 2014. We also launched our Geodis Women's Network to promote women in leadership throughout our business, many areas of which are all too often seen as male domains.





Have you identified areas for further progress?

Geodis is proactive in its commitment to employee safety, and those areas of our business most exposed to safety risks have developed tailor-made awareness information and training resources. Even so, safety must remain our key priority.

I also want us to set an even better example in terms of employing and integrating disabled employees, at the same time as supporting what we, in France, refer to as the social and solidarity economy. This is a process of continuous improvement, although we have yet to reach the level we would like to be at. Lastly, the results of our employee satisfaction survey show that we could do better when it comes to training, and this year we are launching action plans in all our entities to improve our training performance even further.

So how exactly do you see the role of CSR in the development of Geodis going forward?

CSR is a state of mind: it's about envisaging our place and role in society, but it's also about the way we work. What makes our Group special is that we operate in all the disciplines involved at every link in the logistics chain: that's what allows us to offer our clients the optimised solutions they seek. But as well as our clients, the fact that we include all our stakeholders in the strategy of our Group is a direct function of

our long-term vision. In a highly fragmented and competitive world like today's transport and logistics industry, the differences between operators are based on quality, the breadth of services they offer, and their commitment to act as a responsible company: clearly, Geodis is very well positioned in all these areas. That being so, our CSR policy creates value and contributes to the development of Geodis.



CSR is a state of mind: it's about envisaging our place and role in society, but it's also about the way we work.



A CSR policy strengthened to meet the expectations of our stakeholders

Geodis shares its sustainable development issues with all its stakeholders, internal and external.

EMPLOYEES

RIKKE JANNICHE,
HR CORPORATE MANAGER,
GEODIS FREIGHT FORWARDING DIVISION

Investors In People is an independent international standard, and a valuable management tool that we use to help us manage and improve overall company performance: it's much more than just an HR label. Putting men and women at the heart of the business boosts its performance and makes it more attractive in the labor market.



Our people expect the company to adopt a management style based on listening and communication, and to provide them with the opportunity to develop their skills, to meet company objectives.

CLIENTS

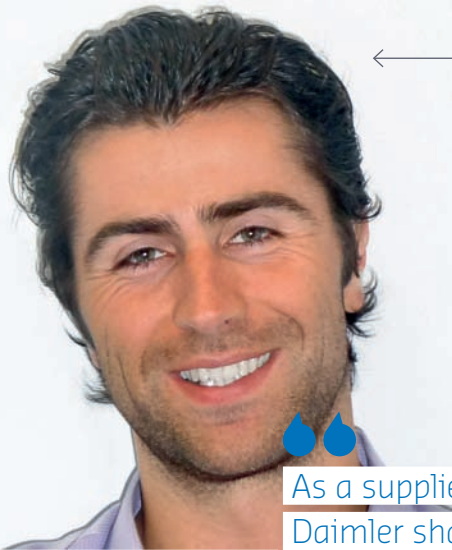
ALCYON GRANDIZO,
GLOBAL SUPPLY CHAIN - PURCHASING EFFECTIVENESS,
SUSTAINABLE DEVELOPMENT DIRECTOR,
SCHNEIDER ELECTRIC

In 2013, we evaluated more than 30% of our major suppliers through Ecovadis. The performance delivered by Geodis puts the company in the top quartile, which reflects a good level of maturity across the full range of CSR issues. That's one of the criteria on which we evaluate our suppliers, in the same way as we do for quality, price and lead times.



We expect a commitment, progress initiatives and results measurement from partners and suppliers like Geodis.

PARTNERS



JOHANNES KRAMER,
KEY ACCOUNT MANAGER INTERNATIONAL, DAIMLER

Reducing our trucks' fuel consumption is our number one priority target, just as it is for Geodis. Saving fuel offers the twin benefits of shrinking the vehicle fleet environmental footprint and reducing the long-term total cost of ownership for trucks. We work closely with our clients, such as Geodis, in this goal.

As a supplier of vehicles to Geodis,
Daimler shares its client's environmental goals.

SOCIETY



NICOLETTE VAN DER JAGT,
DIRECTOR GENERAL, CLECAT
(EUROPEAN ASSOCIATION
FOR FORWARDING, TRANSPORT,
LOGISTICS AND CUSTOMS
SERVICES)

Logistics operators can find new sources of efficiency by inventing more flexible, more dynamic logistics solutions. The challenge here is to work with the far-reaching social trends that are linked to climate change, the depletion of natural resources, urbanization and the ageing profile of the world population.

The logistics industry will have to adapt and
innovate even faster if it is to remain sustainable
and fulfil its central role in the economy.

CSR management at the highest level of Governance

MANAGEMENT BOARD

Operational and Support Function Departments



Signatory of the United Nations Global Compact since 2003

A CSR approach at the heart of our Ambition 2018 company plan

A CSR POLICY BUILT AROUND 4 STAKEHOLDERS



Employees
Be a committed and attractive employer



Clients
Be a partner to our clients' growth



Partners
Rally our partners around our commitments



Community
Be a responsible and social player

A STAKEHOLDER COMMITMENT BUILT ON ETHICS AND COMPLIANCE

Group CSR Department

Network of correspondents
in operational entities and support functions

ETHICS AND LEGAL COMPLIANCE: ROBUST MEASURES

Ethics Committee, at the highest level, with responsibility for policies and procedures efficiency, their good diffusion, prevention and reporting. 4 meetings per year.

- 2009: Code of Ethics.
- 2011: appendix on compliance with competition legislation.
- 2012: appendix on compliance with anti-corruption legislation.



For more information:
www.geodis.com



AT THE HEART OF EMPLOYEE DEVELOPMENT

Leveraging company commitment and employer appeal through human resources policy.

COMMITMENTS AND PROGRESS IN 2013

Ensuring employee health and safety on the road and on-site

- The OHSAS 18001⁽¹⁾ certification programme remained equal in 2013, with 22% of the sites certified. This occupational health and safety management system provides a robust resource for accident prevention in the workplace.
- Training and awareness are important aspects of accident prevention. Drivers receive regular training in eco-driving techniques.

(1) Operational Health and Safety Assessment System.

Securing employee loyalty

Projects have been initiated in the context of the company plan Ambition 2018, launched in 2013.

- In 2013, Geodis conducted its first-ever working conditions survey to measure the opinions of all its employees worldwide.
- The Group has embarked on an Investors In People (IIP) approach. The Freight Forwarding division has already achieved this respected human resources benchmark standard in Northern Europe and the USA. The certification

programme is being rolled out at head office, and then throughout the Group in 2014.

Developing the engagement and skills of everyone through a permanent commitment to training

G-Campus has been offering bespoke e-learning training courses for three years now. More than 80,000 hours of training have been delivered in 67 countries since 2011. A special G-Campus module has now been developed to introduce employees to the Ambition 2018 corporate plan. Nearly 3,000 of them had completed this module by the start of 2014.

Promoting diversity within teams

- Geodis has been awarded GEES-GEIS (Gender Equality European Standard – Gender Equality International Standard) accreditation by Bureau Veritas. Four countries - France, Germany, Italy and the UK - are now certified compliant with this gender equality policy management system. The certification programme will be rolled out to other countries in 2014, including Canada, Mexico, Australia, Hong Kong and The Netherlands.
- Geodis Women's Network was introduced in 2013 to promote women in leadership and gender diversity.

OUTLOOK FOR 2014

- Intensify the efforts on safety.
- Deploy the Investors in People approach.
- Develop the diversity policy, in particular on men and women professional equality and on the integration of disabled people in the workplace.
- Implement action plans based on the results of the first employee satisfaction survey conducted in 2013.

SAFETY

Addressing behavioural attitudes to reduce risks at every level

Geodis sees occupational safety as a major part of its overall performance. Whether on the road, on its own sites or on those of its clients, the Group is committed to continuous improvement.

→
JÜRGEN KIEFER,
QUALITY, ENVIRONMENT AND SAFETY MANAGER,
LOGISTICS, GERMANY



Fitting flashing lights to forklift reduces the risk of accidents in our warehouses.

The “Blue Spot Initiative” consists in fitting a blue light to our forklifts. This visual warning system and is supporting the safety within the warehouse. We see a significant reduction of critical situation where there was an accident risk.

40 forklifts already had blue spots at the end of 2013. There will be 70 forklifts equipped by the end of 2014, i.e. 70% of the scope, on the Logistics division sites in Germany.

→
ROBERT ARRIAGA,
SAFETY MANAGER,
ROAD TRANSPORT, FRANCE



We involve our clients in our safety initiatives.

Training in eco-driving techniques is essential to adapt our drivers’ behaviour and reduce risks, but since the majority of accidents take place on our clients’ premises, it is equally vital that we involve them in our safety initiatives.

19 instructor trainers specialising in eco-driving techniques.

→
SOUFIEN DERAOU,
HEALTH, SAFETY AND ACCIDENT PREVENTION OFFICER, GROUPAGE/EXPRESS, FRANCE



J’aime mon cœur, - a one-day awareness session on cardiovascular factors.

We hosted a *J’aime mon cœur* (I Love my Heart) cardiovascular risk factors prevention day for employees on one of our sites. The session included an information on these risk factors, a lipid screening through hair testing, an appointment with the doctor, and a healthy eating workshop with a dietician.

40 employees took part in the one-day *J’aime mon cœur* awareness session on a site employing 150 people. Participants reported a 100% satisfaction rate.

→
GILLIAN JIWANI,
IT & BUSINESS EXCELLENCE MANAGER,
FREIGHT FORWARDING, CANADA



Understanding the risks and challenges, and gathering the views of our people.

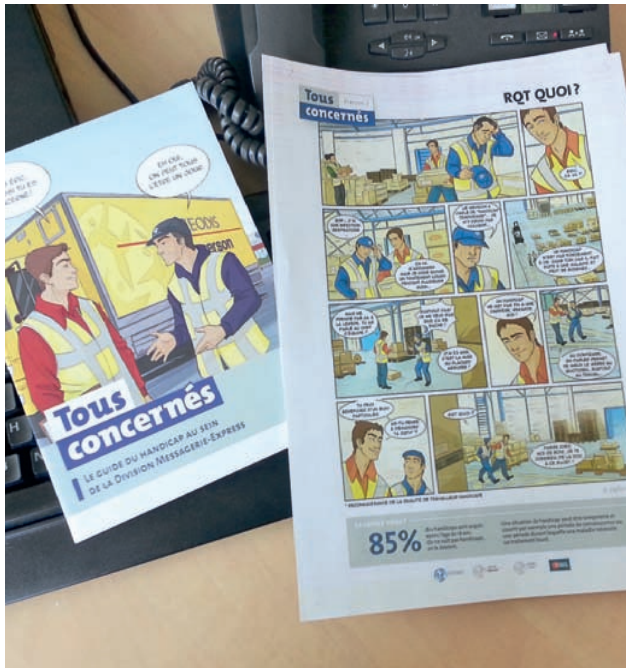
We have followed up on the worldwide Health, Safety and Environment Survey by implementing a practical action plan to address all those issues where we identified satisfaction ratings as being too low.

93.8% of employees in Canada said they were satisfied with their working conditions.

DIVERSITY

Foster **equal opportunity**

As a source of performance and innovation, Geodis conducts a voluntary policy regarding diversity, to initiate a dynamic of progress and offer equal opportunity to all.



GEODIS WOMEN'S NETWORK **GENDER EQUALITY IN THE WORKPLACE NOW HAS ITS OWN NETWORK**

Launched at head office by Marie-Christine Lombard in 2013, Geodis Women's Network had 178 women manager members by the start of 2014. Its rollout will continue in 2014, with particular focus on the regions of France, Germany and the USA. The aim of Geodis Women's Network, which is linked to the network *SNCF au Féminin*, is to raise awareness of gender equality in the workplace, promote diversity and encourage women in leadership. Working groups of network members worked on Geodis 7 Golden Rules during 2013.

DISABILITY AWARENESS

To overturn preconceived ideas about disabled employees, raise managers' awareness of the issue and encourage ownership of the challenges, the Groupage/Express Division launched the 'Tous concernés' (All In It Together) employee communication campaign in France. This was a three-stage campaign, beginning with the 'Tous concernés' poster to arouse interest, followed by distribution of a comic strip designed to dispel false preconceptions about disability. Lastly, a simple but comprehensive booklet addressed every aspect of the issue: definitions, an explanation to different forms of disability (disabilities may be visible, may develop or may be temporary), encouragement of those with disabilities to make their problems known (so that their working conditions can be adapted accordingly), and a presentation of the correct process. At the same time, managers received a guide covering a broad range of good practices for conducting recruitment interviews, integrating disabled employees into the team, and adapting behaviours to everyday practicalities, depending on the type of disability concerned.



Key figures for our social policy

FIRST INTERNAL SATISFACTION SURVEY



81% RESPONSE RATE for this survey, which was translated into 27 languages for all employees worldwide.



86% SATISFACTION an encouraging headline rate for this first internal survey. **The resulting action plans are being deployed in 2014** (for training, career development, etc.).

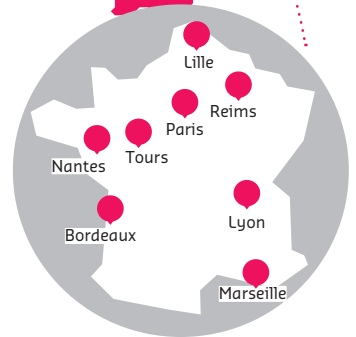


82.3% OF EMPLOYEES ARE SATISFIED with the **environmental and social initiatives** implemented by Geodis.



MORE THAN 3,000 EMPLOYEES

have seen the Ambition 2018 presentation **at various management meetings worldwide.**



WORKFORCE

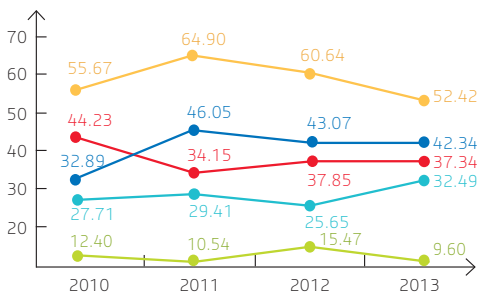


GENDER BREAKDOWN

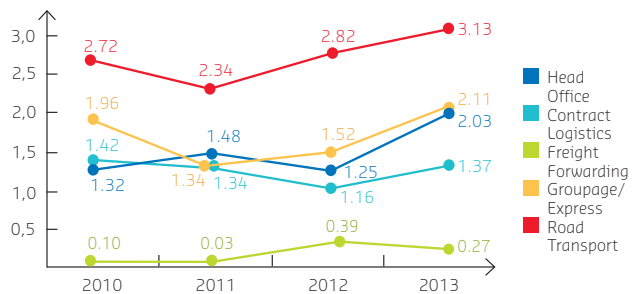


OCCUPATIONAL ACCIDENTS

Occupational accident frequency in France



Occupational accident severity in France



Frequency of occupational accidents: (number of accidents involving at least one day of lost time/total number of hours worked) x 1,000,000.
Severity of occupational accidents: (number of days lost/number of hours worked) x 1,000.



For more information The complete report and all the 2013 CSR indicators are available on www.geodis.com



AT THE HEART OF CLIENT RELATIONS

Driving innovation by offering optimised eco-friendly solutions that allow us to partner the growth of our clients.

COMMITMENTS AND PROGRESS IN 2013

Optimising client supply chains through innovation

A range of different resources are used to optimise the financial and environmental performance of road transport flows.

In the Groupage/Express Division, the Geodriver and Copilote tools optimise delivery round scheduling to reduce the distances covered, and therefore the amount of fuel consumed.

In the Road Transport Division, the Eliot system installed in all vehicles provides continual monitoring of fuel consumption. Vehicle fuel consumption is also reduced by using energy saving tyres, a speed governor setting of 82kph instead of 90 (since 2006) and eco-driving techniques.

Developing multimodal and alternative low-carbon transport solutions

• Combining modes of transport boosts the operational and environmental performance of clients in ways specific to their circumstances (type of goods, regions, distances, delivery times, carbon impact, etc.).

Alternative solutions such as modal transfer from air freight to sea freight, combined rail-road transport, and city centre rail shipments. Its expertise in five key supply chain disciplines makes Geodis the specialist in multimodal solutions.

• The vehicle fleet is continually updated with vehicles that comply fully with the Euro 5 standard⁽¹⁾ and above. In fact, 70% of the Group's own fleet meets the Euro 5 (68%), Euro 6 (0.6%) or EEV (1.7%)⁽²⁾.

Measuring CO₂ emissions as the starting point for reducing them

The Group complies fully with the obligation introduced in France on October 1st, 2013 to inform its clients of the CO₂ emissions as a result of its transport services. Also in 2013, Geodis continued the general introduction of environmental reporting by integrating the EcoTransIT World application into the Group information systems used by all its business functions. This application assesses emissions of greenhouse gas and atmospheric pollutants for all modes of transport (rail, road, sea, air, waterways).

⁽¹⁾ Euro standards: the Euro emissions standards are EU regulations setting maximum limits for vehicle exhaust emissions (excluding CO₂).

⁽²⁾ Environmentally Enhanced Vehicles, i.e. "clean" vehicles such as electric vehicles, natural gas or hybrid

OUTLOOK FOR 2014

- Develop partnerships with clients to better understand their CSR expectations and offer adapted solutions.
- Assist clients in their supply chain carbon footprint optimisation, building on Geodis measurement tools.
- Continue to deploy the most environmental-friendly operational solutions.

SOLUTIONS

A comprehensive range of services

Geodis offers its clients a package of solutions to optimise supply chain economic and environmental performance.

CHINA-EUROPE RAIL LINK

Geodis is developing its range of rail transport options between China and Europe: containers are loaded onto rail wagons that are routed through the Chinese and Russian rail networks as far as Eastern Europe, from where they complete their journey by road.

Interview with Olivier Storch, Sales and Marketing Director Asia-Pacific, Freight Forwarding Division.

What is the market positioning of the rail service between China and Europe, compared with other modes of transport?

Rail offers a valuable alternative to air freight and multimodal sea/air solutions, which usually include sea freight as far as Dubai, and onward air freight to Europe. The journey time from China to Europe is between 2 and 4 days by air transport, 22 days by sea/air, between 35 and 45 days by sea freight alone, and between 18 and 23 days by rail. In terms of cost, rail is between 4 and 6 times more expensive than sea freight, but 2 or 3 times cheaper than air freight. The natural clients for the rail solution are therefore those dealing in high-added-value products where demand is seasonal over a fairly short period, or

those involved in a just-in-time supply chain. Examples would include high street fashion, where there may be up to 6 collections per year, and high-tech components. Our first full 40-wagon chartered trains ran at the end of 2013 carrying outside industrial plant components between China and Eastern Europe for industrial clients.

What are the environmental benefits of rail?

Compared with sea freight, rail offers a 25% reduction in CO₂ emissions. Compared with air freight, the gain is spectacular, with emissions reduced by a factor of 12.



For more information
www.geodis.com



Compared with air freight, the gain is spectacular, with costs 2 or 3 times lower and carbon emissions reduced by a factor of 12.





BUSINESS CASE: USING A MULTIMODAL SOLUTION TO DECREASE THE CARBON FOOTPRINT

Industrial and medical gas producer Air Products approached Geodis with a plan to transfer part of the traffic flows between its operating sites from road to rail. So now, a Geodis tractor unit arrives at the Air Products depot in Isle-d’Abeau twice every week to collect a trailer loaded with more than 200 gas cylinders and take it to the Vénissieux rail freight hub, where it is loaded onto a train. From there, it travels 600 km overnight to the Dourges terminal, where it is collected by a tractor unit that delivers it directly to the Air Products facilities at Templemars in Northern France and Keumiée in Belgium. This multimodal rotation is the equivalent of 220 trucks per year, and reduces the Air Products carbon footprint by more than 70 tonnes equivalent of CO₂ per year as well as being a financially competitive solution.

MULTI-SCENARIO MODELLING OF CLIENT CO₂ EMISSIONS

The simulation and reporting systems used by Geodis give the Group the ability to model its client’s emissions. For example, the emissions generated by transporting goods from the German site of a lighting manufacturer to its Danish facility were modelled on the basis

of three scenarios: road, standard rail-road, and an alternative itinerary. The client was then able to decide on the optimum solution for meeting its own cost, delivery time and greenhouse gas emissions criteria.

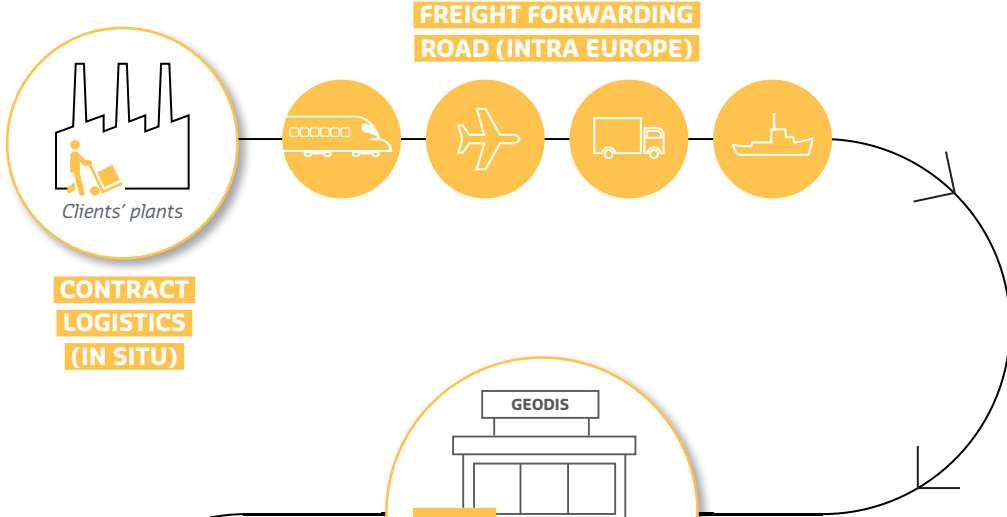
GEODIS CSR PERFORMANCE CONTRIBUTES TO THAT OF ITS CLIENTS

Having been rated on its CSR commitment by EcoVadis since 2009, Geodis joined this independent ratings agency in 2010 in response to increasing demand from its clients. In 2013, several clients such as Air Liquide and Lafarge wanted to evaluate the CSR performance of their own supply chains, in which Geodis forms an essential link. The 63/100 rating achieved by Geodis puts it amongst the top 11% of companies in all industry sectors, as measured in terms of environment, social issues, fair business practices and supplier management.

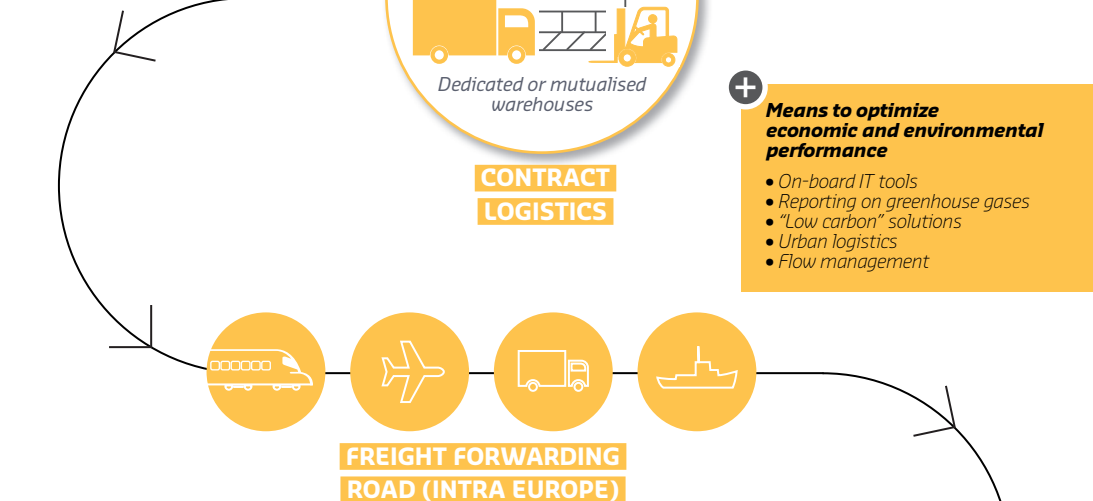


Solutions integrated into clients' value chain

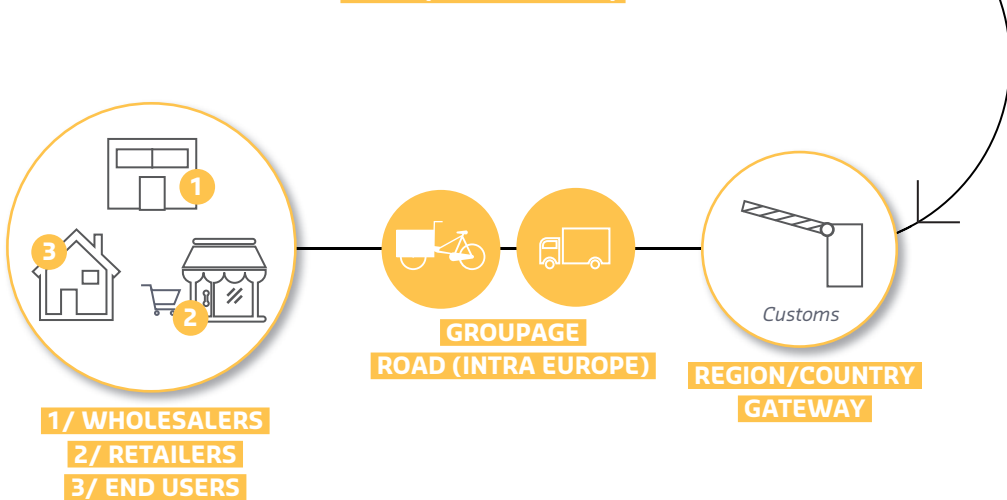
INBOUND FLOWS



OUTBOUND FLOWS



DISTRIBUTION FLOWS





AT THE HEART OF PARTNER RELATIONS

Uniting our suppliers and subcontractors around our commitments by involving them in a process of dynamic progress.

COMMITMENTS AND PROGRESS IN 2013

Purchases: leveraging Geodis CSR performance

Geodis purchases (including transport and logistics subcontract services) make a crucial source of leverage for achieving the Group's CSR targets. For example, 87% of greenhouse gas emissions are generated by subcontractors⁽¹⁾. For France, Geodis purchases in 2013 totalled over 2 billion euros.

⁽¹⁾ According to the most recent calculation of Geodis carbon footprint worldwide in 2010.

Evaluating suppliers and subcontractors

The CSR performance achieved by the Group's key suppliers (property, temporary employment, fuel, packaging, operational consumables, IT, vehicles, etc.) and road, sea and air transport subcontractors is evaluated by the independent ratings agency EcoVadis.

Including CSR criteria in supplier selection

Social and environmental criteria have been integral to supplier selection analytics and standard contracts since 2011, and have a decisive influence in determining the choice of a new supplier or a contract renewal.

OUTLOOK FOR 2014

- Continue to evaluate suppliers and subcontractors on their CSR performance.
- Develop responsible procurement by using suppliers that meet environmental-selection criteria, for example.
- Foster socially inclusive purchasing from the specially adapted and protected employment sector of the economy, by working with suppliers that employ disabled workers.

SUBCONTRACTING

Improved risk management

The Geodis financial model relies greatly on the use of subcontracting, and the Group is keen to involve its partners in its continual CSR improvement process.



CORALIE GUGLIOMETTI,
DEPUTY QUALITY, SAFETY
AND ENVIRONMENT
DIRECTOR, ROAD
TRANSPORT DIVISION

What are the safety challenges posed by subcontracting?

Our transport operations are heavily reliant on subcontracting. Controlling our risks therefore means we have to be certain that our subcontractors comply with all safety, quality and environmental regulations. As a contractor, Geodis is required to check that its partners are authorised and accredited to provide the services concerned, and that they comply fully with all the applicable laws and standards. Added to that, our clients are increasingly sensitive to safety issues, and are asking their transport providers for supporting documentation and evidence, even where subcontractors are involved.

How have you changed the inspection process?

One of our goals has been to harmonise practices across all our sites on the French scope, as a first step. We have redrafted our subcontractor selection process, in collaboration with the officers in charge of subcontracting

purchases, who account for the interface between subcontractors and our sites. We have incorporated a Quality, Health, Safety and Environment (QHSE) evaluation procedure. At the start of the partnership with a new transport provider, a QHSE Charter explains the respective commitments between Geodis and the subcontractor. Throughout the contract period, a highly detailed management and inspection system identifies all compliance failures and uploads the relevant details to the information system. This in turn allows us to monitor the quality and implementation lead times of corrective actions taken following an incident. The process can ultimately lead to contract termination where appropriate solutions are not implemented within the time allowed.

Controlling our risks means we have to be certain that our subcontractors comply with all safety, quality and environmental regulations.



COMBINING LOWER COSTS WITH REDUCED ENVIRONMENTAL IMPACT

When it changed electricity provider for some of its sites in France during 2013, Geodis was seeking to optimise its contracted power demand, because the new supplier's tariffs are based on actual consumption. This choice has resulted in fewer kilowatt-hours consumed, saving money.

All the printer cartridges used by the Group in France are now recycled compatible cartridges, rather than brand-new cartridges from the same supplier. The impact of this transition is important environmentally, but also in terms of price, since the new cartridges cost only a third as much as those previously used.

VEHICLES TESTED BEFORE PURCHASE

In The Netherlands, the Road division has renewed its fleet in 2013, ordering road tractors compliant with Euro 6 standard. These vehicles have been tested before being purchased, in order to know their fuel consumption at use. These tests have been realised

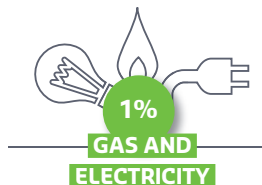
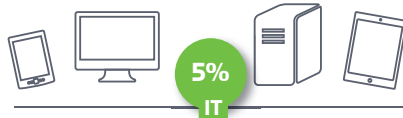
thanks to a close partnership between the Road Transport division and the trucks manufacturers.

SOCIALLY INCLUSIVE PURCHASES: APF ENTREPRISES

The Groupage/Express division works with the Entreprises Department of the French Paralysis Association (*Association des Paralysés de France* or APF) to fulfil its needs for printing, graphic design and routing. In addition to a clear affinity in terms of value, APF Entreprises was able to put forward a convincingly competitive case on the basis of cost and quality, and is now an approved supplier.

Geodis purchases breakdown by category

(Scope France, 2013)





AT THE HEART OF COMMUNITY RELATIONS

Being a responsible and supportive stakeholder in society by controlling our environmental footprint and engaging with the wider community.

COMMITMENTS AND PROGRESS IN 2013

Reducing polluting emissions from vehicles

In the transport industry, controlling environmental impact means limiting vehicle emissions:

- greenhouse gases, including the carbon dioxide (CO₂) that is causing climate change,
- local pollutants, such as carbon monoxide (CO), nitrogen oxides (NO_x) and particulates, which affect air quality and human health.

Geodis is continually upgrading its fleet with vehicles that meet the Euro 5 or Euro 6 standards. The Group's vehicles are also fitted with a range of fuel reduction technologies, including engine governing, energy saving tyres, semi-automatic transmissions, roof and side deflectors, side fairings and hybrid tyres. Drivers receive training in eco-driving techniques. Lastly, the Group also uses electric, hybrid and compressed natural gas powered vehicles.

Improving site environmental performance

Geodis uses a management system based on the ISO 14001 standard to reduce the environmental impact of its buildings (logistics warehouses, groupage centres, sales offices and head office).

This management system includes measures to minimise consumption of gas, electricity and water, and manage waste. At the end of 2013, 38% of Geodis sites worldwide were certified to ISO 14001 standard.

Engaging with local people

Wherever the Group operates, its people are committed to helping local communities across a broad range of initiatives, and can rely on the full support of Geodis. The Group also works in favour of disabled people through the Geodis Foundation, which is a lever of its social commitment.

OUTLOOK FOR 2014

ENVIRONMENT

- Continue to implement initiatives that reduce fuel consumption.
- Update Geodis global carbon footprint calculation.
- Develop environmental initiatives for buildings.

COMMUNITY

- Enhance and encourage corporate sponsorship policy and citizenship initiatives worldwide.

ENVIRONMENTAL INITIATIVES

360° involvement

Reducing the amount of electricity consumed by its infrastructures, working alongside other industry players on the reduction of freight transport environmental impact... Geodis has a strong practical commitment internally and in association with its stakeholders.



INSTALLING LED LIGHTING IN NEW FACILITIES

Construction of the new Groupage/Express Division Facility at Guipavas near Brest provided the opportunity to install 100% LED⁽¹⁾ lighting: the 189 lighting units will generate electricity savings of 65,000 kWh every year, i.e. 53%.

LED lighting offers two major advantages over the use of fluorescent tubes: low power consumption and much longer life, despite the higher initial installation cost. Installing this technology as part of a new build makes financial sense, because the system is expected to pay for itself after only 4½ years, but retrofitting LED lighting to an existing building is not cost-effective because of the expense involved in removing the old system and fitting the new.

⁽¹⁾ LED: Light-Emitting Diode.

ACTIVE INVOLVEMENT IN INDUSTRY INITIATIVES

Working alongside its clients and other supply chain players,

Geodis is a driving force in global initiatives for all modes of transport. The Group is actively involved in developing EcoTransIT, the solution used by the Group to calculate its CO₂ emissions. Geodis contributed to organising the **EcoTransIT World Forum** held in Paris in April 2013, attended by transport operators, shipping clients and institutions to discuss the issues surrounding the calculation of industry greenhouse gas emissions.

Geodis is also a contributor to the **Clean Shipping Index** (sea freight) and a series of regional and national road transport initiatives: **SmartWay** (USA), **Fleetsmart** (Canada), **Transporte Limpio** (Mexico) and **Green Freight Europe** (Europe).



COMMUNITY ENGAGEMENT

Employees with **social commitment**

Regardless of whether they work in France, Italy or Hong Kong, everyone at Geodis, at their own level, takes part in the socially supportive initiatives undertaken by the Group. Its employees are proud to be involved in the community.



THE GEODIS FOUNDATION: COMMITTED TO PREVENTING ALL FORMS OF EXCLUSION

Formed in 2009 under the aegis of the Fondation de France, the Geodis Foundation encourages entrepreneurship and initiative amongst disabled people, and invites the submission of projects twice every year. In 2013, the Geodis Foundation made awards to eight projects designed to raise awareness of disability issues in schools, create facilities where disabled and able-bodied people can interact, and produce sign-language DVDs of story tales for children.

www.fondationgeodis.org



PUTTING GEODIS EXPERTISE TO WORK FOR *RESTOS DU CŒUR*

In France, the Logistics division site at Etupes supported the 2013 campaign of *Restos du Cœur* (a charity distributing free meals to the homeless) by providing it with a goods reception area, storage space and cross-docking (a site that aligns supply and delivery flows) to facilitate product collection. A truck and driver were also made available for fortnightly return journeys between the *Restos du Cœur* distribution centre in Besançon and the site in Etupes. The volunteers working in the *Restos du Cœur* centres of Montbéliard, Audincourt and L'isle-sur-le-Doubs came every day to collect the goods required to distribute 8,000 meals per week, as well as grocery and personal products. The campaign ran until the end of March 2014, and generated great enthusiasm amongst the Geodis staff responsible for preparing the pallets and coordinating with the charity's volunteers.

PRACTICAL SUPPORT FOR OTHERS, WORLDWIDE

In the aftermath of the tornado that struck Oklahoma in May 2013, employees in the Freight Forwarding Division were so concerned by its effects on people's lives that they wanted to do something to help. The result was the setting up of the *Aid & Relief Fund* to help more than 1,300 families whose homes had been destroyed. The Freight Forwarding Division is involved in

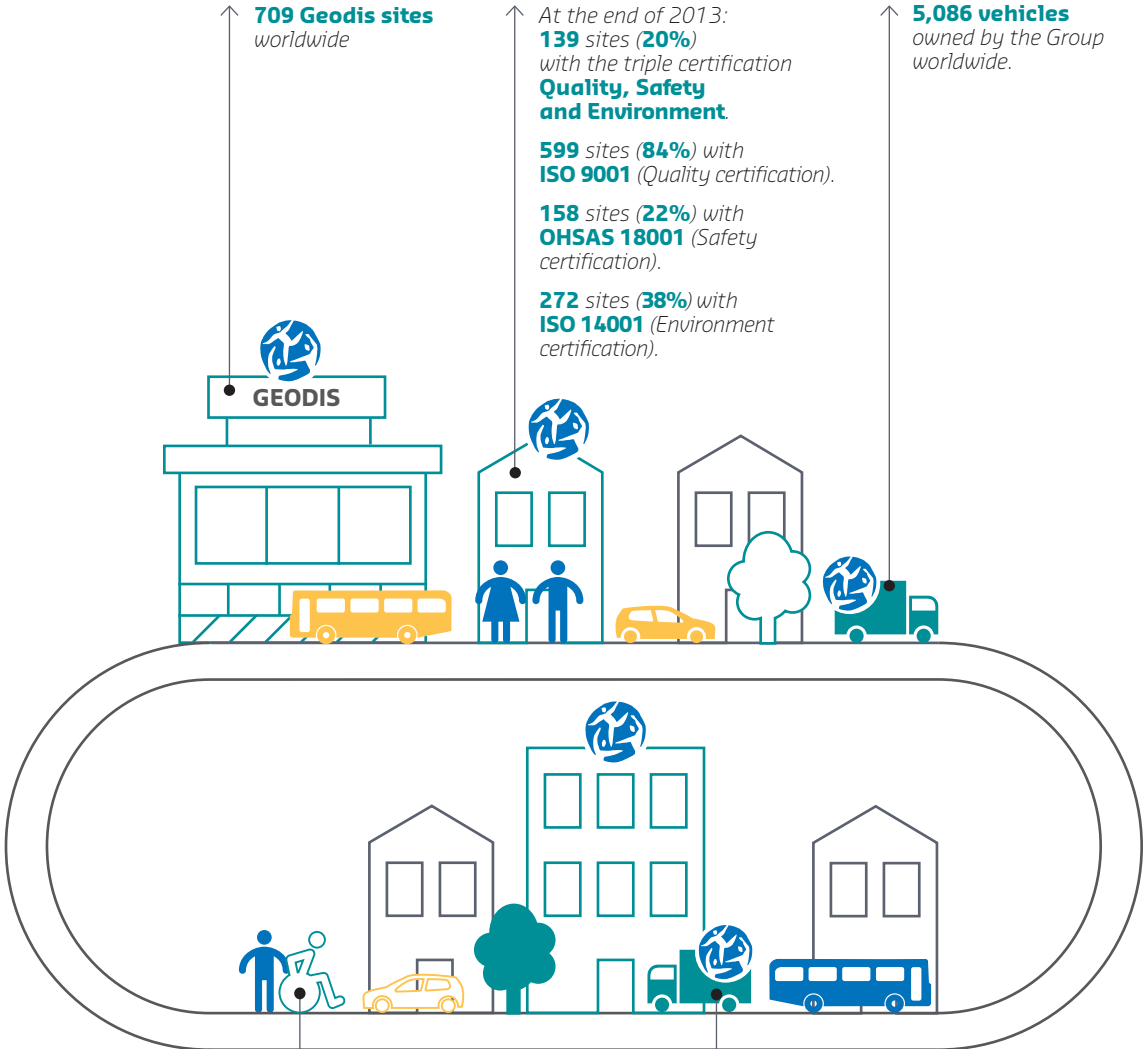
local socially supportive initiatives all over the world through the volunteer efforts of its employees. These initiatives include entering and supporting a team for the RopaRun 2013 relay race between France and The Netherlands to raise funds for cancer research (in France and The Netherlands), and supporting charities such as the Children's Cancer Foundation in Hong Kong and Alice4children in Italy.

A commitment to the environment and to society

709 Geodis sites worldwide

At the end of 2013:
139 sites (20%) with the triple certification **Quality, Safety and Environment**
599 sites (84%) with **ISO 9001** (Quality certification).
158 sites (22%) with **OHSAS 18001** (Safety certification).
272 sites (38%) with **ISO 14001** (Environment certification).

5,086 vehicles owned by the Group worldwide.



 **For more information**
The complete report and all the 2013 CSR indicators are available on www.geodis.com

26 projects supported by the Geodis Foundation since 2009, including 8 in 2013.

3,434 vehicles, are Euro 5 compliant, i.e. 68% of total.

32 vehicles are Euro 6 compliant, i.e. 0.6% of total.

86 vehicles are EEV (Environmentally Enhanced Vehicles, such as those running on electricity, natural gas, or hybrid vehicles), i.e. 1.7% of total.

**This document is an abbreviated version
of Geodis 2013 Corporate Social
Responsibility (CSR) Report.**



For more information

The complete report and all the 2013 CSR indicators, as well as details of the reporting methodology (scope of the reporting, process for collecting and consolidating data, choice of indicators, limitations of the methodology, checks and verification of indicators) are available on www.geodis.com

Geodis

CSR Department
Cap West – 7/9 allées de l'Europe
92615 Clichy cedex
France

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