

CSR REPORT • 2020

Launching our CSR policy

ACKNOWLEDGEMENTS

Sogestran's first CSR report is the fruit of our new CSR policy, introduced at our own initiative in 2020.

We would like to thank all of our stakeholders, clients, suppliers and institutional, financial and commercial partners, as well as all of the group's employees, for their commitment and their contributions to this policy.

This report has been compiled by Sogestran's CSR team with help from external agency "*Histoire de Comprendre*," and with the support of the sales and communication department. It has been made possible by the involvement of Group's employees from all areas of the company. We would like to extend special thanks to all those who were more closely involved in the process, contributing their own testimony, helping with data gathering, agreeing to be photographed to illustrate our activities, and above all demonstrating their commitment to this project day after day.

Report CSR 2020

Launching our CSR policy



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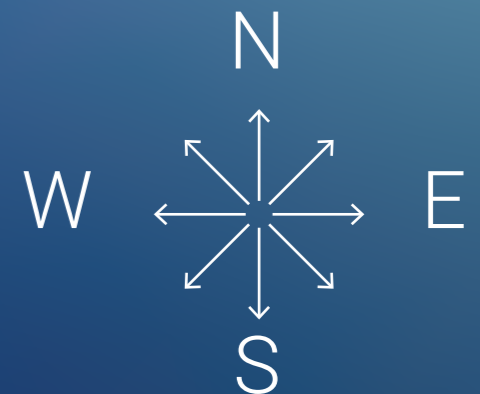
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FOREWORD

The need to do things differently

I was at sea for 40 years, and I captained ships for 26 of those years, including the three-masted Belem from 1992 to 2016. Over the course of my career I certainly saw things change in the merchant navy, with efforts made to reduce our impact, both in response to regulatory restrictions and as attitudes evolved. But there is much work still to be done. This experience shaped my personal conviction that preserving the marine ecosystem, and our environment in general, will require a truly radical change. In our field, sail power is clearly the most mature and effective solution that we have: it's a 5000 year old innovation! New materials and assembly techniques, as well as improvements in weather forecasting and routing, allow us to more effectively control the energy consumption of our ships. With 4200m² of sails catching the wind, combined with an optimised energy mix, these new vessels are almost entirely decarbonized. The combined effect of these technologies makes the NEOLINE a very attractive model. The company was founded in 2015, with the goal of putting a sail-powered cargo ship into service by 2023. When I first met Pascal Girardet at the Maritime Economy Forum in Brest in 2017, he had already heard about the project. Before we even got down to talking about the technical side of things, we bonded over our shared values. He too was keen to see things change, and to play a role in supporting innovation. By taking a stake in NEOLINE in 2020, Sogestran demonstrated their commitment to action, not just words. That commitment, combined with the operational support of the teams at Maritime Nantaise, is already putting the wind in our sails.



Michel Péry,
President of the
NEOLINE Supervisory
Board



EDITORIAL

Rising to the great challenges of our age

The society we live in has finally come to realise that today's model of economic production has no future. Our company would be nothing without the environment in which it exists. We are inextricably bound up with the regions, the countries and the continents in which we operate, and with the broader societal trends which are shaping our world. I want Sogestran to be fully engaged with the realities of our environment, in tune with contemporary concerns and ambitions for the common good, contributing, at our own level, to the change we all need to see. I believe we have a duty to reflect and represent our society, and to be attuned to the great challenges of our age. I also want us to live up to our responsibilities. In terms of our people, Sogestran needs to reflect the cultural richness and diversity of the communities where we recruit. Our group should be a force for integration. With regard to the environment, we must continue with the actions and initiatives launched to reduce our carbon footprint and, ultimately, to foster the emergence of a fully decarbonized world. This inaugural CSR report offers a modest but concrete account of our efforts so far, testament to the vision that guides us. It also reflects our commitment to progress, which is cause for optimism in its own right.



Pascal Girardet
CEO of Sogestran

Our expertise, our vision, our model

Sogestran is an independent, family-owned group established in Le Havre in 1948. Our core business is the inland and maritime transport of valuable merchandise. We are particularly expert in the logistical handling of hazardous materials.

Our Expertise

Sogestran has 4 core activities:

- **Inland navigation**

As France's leading river transport operator, Sogestran has a diverse and specialised fleet of vessels (double-hulled barges, ballastable barges etc.) serving the Rhône, the Seine, the Loire, the Danube and the navigable waterways between Dunkirk and Rotterdam.

- **Maritime transport**

The Group's maritime transport companies operate 25 vessels specialising in the transportation of passengers, oil products, chemicals, cement and special industrial cargoes, as well as vessels equipped for tests and tracking. The Group has its own freight service and shipping agency.

- **Multimodal transport**

Sogestran provides logistical solutions for the transport of containers and pallets spanning the whole value chain, from sea ports to urban platforms via river, rail or road.

- **Industrial services**

Established to meet the logistical demands of the chemical industry at the port of Le Havre, these services now include cleaning and repairs of containers and tankers.



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Our vision

THE RAISON D'ÊTRE OF OUR GROUP, AND THE FOUNDATION OF OUR LONG-TERM AMBITIONS, IS TO PUT OUR IMAGINATION AND OUR RESOURCES TO WORK FOR OUR CLIENTS AND THEIR CARGOES.

The values that guide us:

- **Trust** - Our word is our bond and we value integrity
- **Agility** - We encourage bold thinking and the willingness to take risks
- **Pride** - We take pride in our work, and greet success with humility
- **Commitment** - We spare no effort, and we never give up

The ambitions that drive us:

To become Europe's leading name in inland waterway logistics, to carve out a place in high-value maritime segments and to deploy our integrated approach to industrial services.

Our approach to CSR:

THE GROUP'S CSR POLICY IS FOUNDED UPON A FEW SIMPLE CONVICTIONS:

- the fact that our activity necessarily depends upon the society and the environment within which we exist,
- the importance of taking our stakeholders into account,
- the need to examine our internal processes and integrate CSR considerations into their implementation,
- establishing closer links between our Quality, Environment and Safety certifications and our expert divisions; operational excellence is a key elements of our company culture,
- treating this policy not as a peripheral concern, but instead as a measure of progress at the very heart of our business, and one which requires our commitment year after year.

THE IMPLEMENTATION OF SOGESTRAN'S CSR STRATEGY RELIES ON AN APPROACH WHICH IS:

- selective: focusing our efforts on the most significant challenges,
- guided by best practices: to speed up the pace of change on the ground,
- bottom-up and top-down: taking into account the specificities of each market and working in a spirit of cooperation and consensus.

THE SUMMARY CONTAINED IN THIS DOCUMENT SHOULD ALLOW READERS TO:

- gain an immediate insight into the most significant challenges identified, the strategic initiatives launched at group level, and the corresponding indicators;
- understand the challenges and initiatives specific to each activity.

The clarity of this report is itself testament to our determination that readers should be able to fully comprehend our commitment to progress and continuous improvement, backed up with pertinent, comprehensible data presented within their appropriate professional context.

What made you decide to put your CSR policy on a formal footing in 2020?

CT: The Group had developed its QSE management system to the point where it was delivering a good level of performance. We felt that it was essential, due to the nature of our business (particularly the transportation of hazardous materials, often through sensitive ecosystems), to push things further in that domain. Making it official in this way also illustrates the Group's dedication to engage with the most pressing concerns of our contemporary society, both in terms of the multicultural diversity of our teams, which is something we care deeply about, and also of course in the environmental domain. CSR has been added to our fundamental values, and that has meant establishing a dedicated department at Group level and appointing Lénéaick as CSR Director.

LLF: Our QSE culture has shaped the way the Group works for decades now. Putting it on a formal footing has been a very revealing exercise, illustrating our long-standing sensitivity to these issues and reaffirming our position in terms of societal awareness. It has also helped our colleagues to identify best practices and those who put them into practice, rallying their teams around a philosophy of progress which has been tried and tested in the field.

Some might say that you're latecomers to this issue. How do you explain that?

LLF: As I said, we were already well aware of our responsibilities in this domain, with a lot of environmental initiatives in place as well as the guiding principles of our social philosophy. It was simply time for us to switch to a more comprehensive and aspirational approach which informs our understanding of our work and the way we go about it. Clearly stating our position in this manner pushes us to show more ambition, and to be accountable. In our sector, and for a business of our size, the timing is right.

CT: In 2018 we did a lot of work on our values, our vision and the *raison d'être* of our Group, looking to define the core values that inform all of our activities. It became clear that CSR was one of those fundamental values. That process of reflection, and



Christophe Thébaud

the fact that the underlying motivations have now had the time to settle in, means that we have now reached the necessary level of maturity to really get to grips with the subject. The time is right for us to be more open and vocal about our policy in this area, and we know full well that speaking up brings with it certain responsibilities.

What were the guiding principles behind this new approach?

LLF: Credibility, both internally and externally, and a commitment to the long term.

CT: This approach helps us to progress. It's one of the tools at hand to make the whole company grow, in every sense of the word.

So far, which initiatives have best embodied the Group's commitment to these subjects?

CT: Our involvement with NEOLINE, an innovative project aiming to develop sail-powered maritime transport, is at once highly significant for a medium-sized shipping operator such as ourselves, and

Launching our CSR policy

Interview with Lénéaick Le Faou, Sogestran Group CSR Director, and Christophe Thébaud, Vice-President of Sogestran Group

also a real reflection of our dedication to taking action in this field. It is an example of our vision, our capacity to think ahead.

LLF: There are so many! We are working to reduce our impact by driving down our energy consumption, aboard ship and on land, as well as reducing waste, through more environmentally-friendly practices and recycling. We also have a strong engineering culture which is conducive to experimentation. We are always looking to assess the relevance of alternative solutions, and to make them work for us. Last but not least, I think that the way the Group looks after its employees is crucial, in fact it's perhaps the driving force behind our commitment to CSR.

How are you coordinating the deployment of this policy?

LLF: 2020 was all about getting to grips with the different dimensions of CRS, with the Group's executive committee heavily involved in the process. 2021 will see a greater focus on communication, as embodied by this report. It is intended as a learning tool, helping us to ensure that our teams are aware of our approach and our CSR strategy, as well as the various themes it encompasses.

CT: This year we will also be working on defining a certain number of indicators. Consolidating those indicators will help to solidify our action strategies.

Of course the indicators could go in the wrong direction, from one year to the next. How will you handle that risk, in such a competitive environment?

CT: We have to accept that risk. But an indicator heading the wrong way isn't necessarily a black spot on the company. On the contrary, it's a warning light flashing on the dashboard. It's there to help us tackle problems, and to solve them.

LLF: That's the name of the game! And it's also a way of shining some light on the complexity of our work.



Lénéaick Le Faou

Environmental challenges

Sogestran is fully engaged with these challenges as part of our commitment to the energy transition, which requires a substantial reduction of CO₂ emissions, but also in the interests of preserving the environments in which we operate, both natural (aquatic milieus in particular) and urban (air pollution).

Alternative energy sources

The energy transition

Sogestran produces greenhouse gas emissions due to the energy consumption of our river and sea-going vessels and, to a lesser extent, the running of our land-based infrastructure (industrial service facilities and central departments). The individual travel emissions generated by our land-based teams and ships' crews - using company cars and service vehicles - are also taken into account.

Preserving natural environments

Sogestran has a duty to protect the natural environments in which we operate, particularly aquatic environments.

Our initiatives

Our policy of using alternative energy sources and raw materials, our economical use of resources and our management of industrial waste (grey water, fuel residues etc.) are all aimed at reducing the risk of environmental pollution.

Experiments with 100% plant-based fuel for a self-propelled barge operating on the Seine, involvement with the development of a new routing system for ocean-going cargo ships, installation of a high-performance water treatment station using biological agents, and of course clamping down on day-to-day micropollution: initiatives are in place at every level of the Group. Inspiring and proliferating, such actions are testament to our sensitivity to the vulnerable environment in which we operate, and the need to respect it.

The Sandre, a boat experimenting with biofuels

In 2020, self-propelled barge Le Sandre took part in a biofuel trial using methyl ester derived entirely from French rapeseed oil, known as Oleo100. Over the course of 6 months, the crew measured fuel consumption, conducted comparative measurements of emissions and monitored the technical performance of the barge. The project was partly funded by grants from VNF (Voies Navigables de France) and the French Environment Agency (ADEME) as part of their policy of support for “environmentally-friendly innovations in river transport.”

The use of biofuels by river and sea-going ships is one of the avenues being explored by Sogestran with a view to driving down greenhouse gas emissions. While biofuels are already widely-used in road transport, their use in river and maritime transport is still in its infancy on account of the considerable technical and operational challenges involved. “Before launching the trial we had extensive discussions with the DGITM (transport authority) and ADEME regarding the regulatory aspects, and with VNF regarding their financial support,” notes Steve Labeylie, Director of Institutional Relations and Innovation at Sogestran. “To the best of my knowledge, in 2020 we were the first river barging operator to use biofuels. We opted for Oleo100, which is made by Saipol in Normandy using only French rapeseed oil. It made sense to embark on this experiment in partnership

with a client whose products we have been transporting by river for many years now.”

CHECKING THAT USING BIOFUEL MAKES ENVIRONMENTAL SENSE, AND THAT IT ALLOWS THE ENGINES TO FUNCTION NORMALLY.

The purpose of this experiment was to confirm the environmental advantages of using biofuel to power river boats, and also to ensure that the fuel was technically compatible in real conditions. “Biofuels tend to be hygrophilous, allowing bacteria to develop when water is present, and they also have a powerful detergent effect. But a lot of condensation builds up in the fuel tanks on our boats. We needed to check that those two properties did not pose a problem to the effective running of the engine.” The trial was closely monitored by the technical team at our river transport

division. The crew took regular readings. The crew themselves are convinced that river transport has an essential logistical role to play in our cities, where air quality is a major issue, and were fully on board with this experiment. The Sandre, fitted with a hybrid diesel-electric engine, was already ahead of the curve when it first launched in 2010. “We chose The Sandre for this trial because it operates in the Greater Paris region, a particularly dense urban environment. Moreover, the fact that the two electric motors can be powered using separate tanks - one using only diesel, and the other using only biofuel - allows for direct comparison between very meticulous emissions measurements,” Steve Labeylie explains. “The results have been satisfactory, both technically and environmentally. We didn’t observe any technical problems, most likely because the tanks

were thoroughly cleaned in advance,” he notes with satisfaction. The data compiled by the supplier reveal a reduction of around 60% in both greenhouse gas and particulate emissions. The on-site emissions measurements, conducted by CERTAM, an independent laboratory in Rouen, yielded similar results.

FURTHER RESEARCH INTO THE USE OF ALTERNATIVE FUELS

But there is more work to be done before this new fuel can be deployed more widely. “In terms of logistics, we need to establish specific distribution networks for the river transport sector, promoting economies of scale so that biofuels are widely available and not prohibitively costly. We also want to conduct further research and experiments involving other alternatives

to diesel, for example using fuels derived from the recycling sector.” That also means keeping up a regular dialogue with engine manufacturers, working on technological advances and their compatibility with potential new fuel sources. Innovation through experimentation represents a practical, intelligent approach to the energy transition of the Group’s fleet, which currently comprises over 160 river boats and 25 ships.

The crew themselves are convinced that river transport has an essential logistical role to play in our cities, where air quality is a major issue, and were fully on board with this experiment.



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A refurbished water treatment plant using biological agents

Between October 2019 and April 2020, work took place to expand the treatment station handling the dirty water produced by Tank Solutions Normandie (TSN), part of our industrial services platform. The new process - which combines both a physical-chemical treatment and a biological treatment - enables us to reduce our environmental impact.

TSN - located within the industrial port of Le Havre - specialises in cleaning out tanks and containers used to transport hazardous materials. The facility handles some 120 vehicles every day. "Cleaning out the tanks, between unloading one product and loading up another, is an important regulatory requirement. Depending on the viscosity or adhesive properties of the last substance unloaded, there is always a certain amount of residue on the interior walls and at the bottom of the tank, and that can lead to dangerous chemical reactions between the old and new products," explains Véronique Dufour, Quality, Safety and Environment Director at our Industrial Services division. "When a vehicle leaves our premises, the driver gets an APLICA/EFTCO cleaning certificate indicating that the tank has been cleaned in an accredited cleaning station, and can now be safely filled again in any factory handling chemical products," she continues.

Cleaning a tank or container which has previously held a flammable, toxic, corrosive or dangerous substance is a highly technical

activity. While soda can be cleaned out with water, other substances require the use of hot water, solvents, soda or even diesel. TSN is equipped to deal with some 15,000 chemical substances on behalf of clients. The whole business hinges upon guaranteeing the safety of the operators working on the cleaning lines, and ensuring that the facilities are compatible with the cleaning processes used. Although it is positioned at the end of the line, passing through the cleaning station is mandatory for all units entering the site.

THE CLEANING PROCESS AND THE CIRCULAR ECONOMY

Water is of vital importance to TSN. It takes between 200 and 250m³ every day to clean the containers passing through the station. Most of that is pumped directly from the nearby River Seine, which is considered to be "industrial water" (i.e. not drinking water). This has no impact on the natural environment, because there is no shortage of water in this area. The cleaning process is also compatible with the circular economy

13

cleaning lines
(7 for truck tankers,
6 for containers)

120

tanks washed every
day (on average)



A tank being washed at the TSN facility

TSN recovers the steam given off by a neighbouring industrial waster incinerator, using it to heat the water. TSN also recovers aluminium sulphate from a refinery, using it as a reagent to eliminate pollutants during the treatment process.

FREQUENT, INDEPENDENT ANALYSES TO ENSURE COMPLIANCE WITH STANDARDS

The TSN cleaning station treats all of the waste water produced by its cleaning activities. This "dirty" water is carried away by the gutters lining the 13 cleaning lines. It then passes through an initial decanting phase, removing any oils in suspension (which are also recovered and reused for specialist applications). The water then undergoes physical and chemical treatments, passing through 3 successive tanks in which biological treatments, using living bacteria, strip away the nitrogen, carbon and any residual nitrates until the water meets the standards defined by the DREAL (regional directorate for the environment, development and housing). "The regulatory compliance of our waste water is non-negotiable. If we detect

an incident where the regulatory thresholds are exceeded, we halt activity until the problem has been resolved," Véronique Dufour explains. "The biological cleaning process we use is tightly-controlled. It runs 24/7 with no need for human intervention, but under constant monitoring. We perform daily analyses on the discharged water, and each week we send samples to a certified external laboratory for additional analyses. The DREAL can perform checks at any time, both on our discharged water and on our own records." So far, the station is hitting all of its objectives. It is fully compliant with the regulatory requirement of 120 mg/l COD (chemical oxygen demand, a measure of the quantity of pollutants present in waste water). To put that into perspective, before it enters the treatment tanks the water we deal with has an average COD of 1500mg/l.

250 m³

cleaning water processed
every day

120 mg/l

COD in the water leaving
the treatment plant

Limiting our impact on marine ecosystems

Reducing your fleet's energy consumption is an essential aspect of environmental policy for any maritime transport company. Within the Sogestran Group, Maritima and Maritime Nantaise have both launched initiatives aimed at limiting the sources of pollution associated with their emissions. The on-board cetacean detection system is another way of contributing to the preservation of marine ecosystems.

In late September 2020 the MN Tangara left the port of Libreville, on the West coast of Africa, headed for Dégrad-des-Cannes in French Guiana, carrying with it the beta version of a routing technology designed to adjust the ship's direction in response to meteorological conditions. Over the course of the journey, data were gathered and recorded in order to consolidate the software developed by Nantes-based start-up D-Ice. This partnership also extended to a second, more operational, development phase in which the programme was tested in real conditions during a fifteen-day voyage between Fort-de-France et La Pallice. This trial involved crucial input from the captain and crew, who regularly adjusted their route as per the instructions given by the software, while also gathering and recording data which could be used to plot valid alternative routes. "This solution enables the ship to sail in the best possible weather conditions, which is a real benefit for ocean crossings, i.e. long journeys in which the weather conditions can be

hard to predict," explains Édouard Leveau, Technical Director of Sogestran's Maritime Division. Using this technology requires a change of operational approach: "you have to accept the need to change course during the crossing, whereas previously the route has always been mapped out in advance," Leveau adds. Turning points in the middle of the ocean are recalculated every 24 hours. Although the tool still needs to incorporate more advanced modelling of the vessels to achieve maximum efficacy, the trials proved to be highly promising.

"Normally, my instinct would be to get the two engines up and running right away, to make a good start. This time, I followed the computer's advice to leave Fort-de-France at a moderate speed, using just one engine. That allowed us to save fuel without pushing back the arrival time," remarks Dominique Puget, captain of the MN Tangara. The computer also advised the captain to pass to the north of the Azores islands, rather than to the south as he had intended. This

This solution ensures that ships sail in the best possible meteorological conditions.



MN Toucan en route for Kourou (French Guiana).

© Quentin Nadeau

also proved to be a pertinent choice: "We only had 24 hours of rough weather. If we had gone south we would have had the bad weather right in front of us, and it would have taken us longer to get through the storm. That would have meant running both engines at full throttle for a longer period of time," he explains. The aim is to achieve fuel savings of 5% on each voyage - "which can add up to several tonnes of fuel," Édouard Leveau notes.

AN ADDITIVE TO OPTIMISE FUEL COMBUSTION ON SHIPS OPERATING CLOSE TO SHORE

Maritima's 6 vessels all run on diesel which, compared with the HFO generally used at sea, contains less sulphur. Diesel is frequently used by ships operating close to shore, but adding a biodegradable, enzyme-based additive known as XBEE allows for more thorough fuel combustion, while

also reducing the concentration of heavy particles in the fumes.

SOFTWARE FOR LOCATING AND PROTECTING CETACEANS

Our commitment to caring for marine ecosystems is also illustrated by our adoption of a new collaborative tool for counting and tracking whales and other cetaceans. The MN Colibri and MN Toucan have already been fitted with this new tool, as has the Capo Nero which regularly passes through the Mediterranean Pelagos sanctuary. "In 2020, the Capo Nero reported sightings of around fifty specimens of dolphins and fin whales," recounts Christian Domini, Director of Maritima. Subscribing to this application helps us to reduce the risk of collisions in the habitats frequented by these animals.

50

number of dolphins and fin whales spotted in 2020 by the Capo Nero

Using alternative energy sources for last-mile delivery

A standard river-borne container convoy can transport as much freight as 220 HGVs. Upstream and downstream road transfers are therefore crucially important to the Group's multimodal activities. The aim is to ensure that the environmental benefits of river transportation are not cancelled out by using trucks to cover dozens of kilometres between the river port and the final destination.

Sogestran delivers furniture items and household electronics to large chain stores. "Last-mile delivery is inevitable 99% of the time," explains Benoît Mugnier, Director General for Multimodal Activity. In France, where there is very little privatisation of river banks, consignments must be delivered to river ports which are rarely their final destination. Sogestran is therefore obliged to use trucks to transfer goods from our barges to our clients' warehouses.

USING GAS FOR A CLEANER LAST MILE

In 2019, Sogestran formed a partnership with a transporter whose vehicles run on NGV (natural gas for vehicles) or bioNGV. Over the course of the year, 10% of our deliveries are now made by trucks running on gas. "Of the alternative energy sources available, NGV is currently the only technologically mature solution. Not only is it better for the environment than diesel, producing 20% less CO₂ and 95% fewer particles, it is also competitively-priced," adds Benoît Mugnier. As

for bioNGV derived from methanisation, its carbon footprint is virtually nil since the CO₂ released during combustion is equivalent to the CO₂ absorbed by the methanised plant material.

"It is possible to fill up at NGV stations connected directly to the gas network, which also helps to minimise the externalities, or negative effects, associated with supply-side logistics," Benoît Mugnier explains, adding that this gas is the same used to heat our homes.

Vehicles running on gas are also as much as 4 times quieter than vehicles with standard engines. They also offer greater autonomy than electric vehicles: "which is an important factor, since our vehicles often do more than 300 km for two round trips," Benoît Mugnier notes. Electric alternatives are not yet powerful enough to pull a 40 tonne articulated trailer with sufficient autonomy.

10 %

of annual deliveries are now made by trucks running on gas

Unloading the Zulu 3 barge.

ZULU, A SOLUTION FOR THE FUTURE WHICH IS ALREADY IN USE

Belgian firm Blue Line Logistics, who developed the Zulu solution five years ago in partnership with Sogestran, became a full subsidiary of our Group in 2020.

Zulu is a new boat designed specifically for urban logistics. Fitted with an on-board crane, this special barge has an automatic unloading system and a quay-level deck which makes handling easier. These small vessels can carry cargoes of 250 to 350 tonnes, compared with the 3500 tonnes carried by a classic river-going container barge. "The great advantage of Zulu is that it can get into city centres, much closer to our clients," declares Benoît Mugnier. "Zulu helps to ease road congestion. It doesn't intrude upon people's space, and has a limited impact on the aesthetic environment since it can be fully unloaded in 30 minutes," he adds. This solution allows for major reductions in last-mile transfer distances. With autonomy no longer being an issue, the last mile (in this

case, that expression can be taken literally!) can be covered by electric vehicles.

There are already four Zulu barges in operation in Belgium and France. Blue Line Logistics is shortly due to take delivery of a fifth vessel, which will be used in Paris. Construction is already under way on a sixth barge, this one hydrogen-powered. This innovative boat is expected to be operational in early 2022, making it Europe's first hydrogen-powered cargo vessel.

For Wim Van Riet, Supply Chain Director at Coeck, a Belgian industrial firm which manufactures concrete and distributes building materials, using the Zulu barge is a great way of reducing urban congestion: "The tonnage offered by Zulu is equivalent to 12 articulated trucks. Our clients far prefer this solution: it is more ecological and more space-efficient. We have been working with Blue Line Logistics since 2014, and we do 5 or 6 deliveries a week using Zulu for goods on pallets."

The great advantage of Zulu is that it can get into city centres, much closer to our clients.



© Arnaud Bouissou

Social challenges

Sogestran's activities have potential implications for the health and safety of our people. Given the highly-specific nature of our work, maintaining a high level of expertise in our teams is also a critical priority.

Super-safety

Safety

It is absolutely imperative for Sogestran to guarantee the physical and mental well-being of all employees and partners as they go about their work. Their missions sometimes require them to work in challenging, risky environments where they could potentially fall into the water. They may also come into contact with hazardous materials.

The working environment...

Sogestran must also strive to be an attractive place to work, to earn the loyalty of our staff and to promote a culture of benevolence and inclusion, based on strong relationships and effective sharing of information.

Honing skills

Sogestran has a duty to secure the sustainability, growth and international expansion of its activities by maintaining a wealth of specific skills in the workforce, with utmost respect for quality standards.

Our initiatives

Our efforts to strengthen our safety culture come on top of the high industrial performance already guaranteed by the standards with which we comply. We have also demonstrated, in the challenging context of the Covid-19 crisis, our capacity to keep our activities running while protecting the health of our employees and taking specific measures to address the concerns of crews. With regards to maintaining skill levels, we are especially committed to living up to our responsibilities as the leading name in the river transport sector in France, and we train many of the apprentices entering the industry.

Improving safety for crews

Sogestran's work involves sensitive activities, and our employees may be required to work in risky environments or come into contact with hazardous substances. The absolute necessity of ensuring the physical and mental well-being of our people, as well as the importance of protecting the goods entrusted to our care by our clients, have led the Group to adopt a "Supersafety" policy developed with input from the Institute for Industrial Safety Culture (ICSI).

In 2018, Sogestran's senior management noticed that the number of workplace accidents was no longer falling and that, in certain fields, accidents were on the increase. "We had safety procedures in place, and our employees were all issued with PPE (personal protective equipment)," explains Jean-Christophe Chauvet, QSE Director of the Inland Navigation Division, "but we still did not have a real safety culture."

In pursuit of that objective, Sogestran reached out to the Institute for Industrial Safety Culture (ICSI), an association dedicated to improving safety in companies. The ICSI were interested in our "case" - since Sogestran was the first shipping company to become a member of the association - and offered to support the group with the development of a new policy dubbed "Supersafety," launched in July 2019. "We started by focusing on the activity responsible for most accidents, and we will subsequently share results and

methods across all of the Group's entities," explains Jean-Christophe Chauvet. So the first priority was inland navigation. For barge captain Cédric Leleu, this is a profession beset by some very real risks, the most serious being the risk of falling into the water. "But there are also risks associated with handling, because the cargoes we carry are heavy, and risks associated with the materials we transport, which can be dangerous in their own right," he adds.

"IF ONE OF US MAKES A MISTAKE, WE ALL SUFFER."
Having identified barging as a key priority, the first task of the ICSI was to compile a report on the current state of Sogestran's professional practices, strengths and weaknesses. That meant detailed documentary research, in situ observation and interviews with employees. Both "sailors" and "land-bound" staff were invited to respond to a very detailed (and anonymous) questionnaire, sharing their perceptions of health and safety issues, their habits and practices

etc. A total of 530 completed questionnaires were received, a response rate of nearly 95%. Analysis of these responses revealed a number of key points: training, commitment and team spirit. The latter becomes extremely clear in our conversation with Cédric Leleu's crew. "Aboard ship we all have to live together, we're more of a team. "If one of us makes a mistake, we all suffer," states first officer Axel Dreville. "These values are strengths on which we need to draw, to make up for our weaknesses in other areas," affirms Jean-Christophe Chauvet. Because there is no denying that certain weaknesses do exist: although Sogestran has a very strong professional culture, we still have work to do to ensure that respecting the rules is part of our safety culture. We cannot accept flippant, fatalistic attitudes to accidents. A number of other points emerged from this diagnostic phase, including demands for clearer and more apposite rules, and a



Mooring manoeuvre for a river convoy

desire to see the leadership role of captains reaffirmed.

FOSTERING A SHARED VISION OF SAFETY
And then Covid-19 came along, and the whole project was put on the back burner. "We saw a great level of participation from our employees, which brings with it a high level of expectation. The delay was probably frustrating for some of them." That was certainly the reaction of Cédric Leleu and his crew, who thought the project was dead and buried... But the process did start up again, and during the summer of 2020 senior managers and employee representatives (13% of the whole Barging division) worked together to define Sogestran's safety "vision." Together they identified three priority areas where the Group needs to improve: the rules

(no-gos¹ and "golden rules"); the role of captains; technical skills and knowledge. Finally, in October 2020, further sessions were organised to set out the action strategy. The programme has since been implemented in 2021. There is still much work left to be done, but with a clear vision and explicit priorities, as well as the commitment of all of our colleagues, Sogestran's safety culture will continue to take root and thrive in the long term.

¹ Rules which can see a mission called off if the necessary human, technical and environmental conditions are not met.

95%

Rate of response by employees to our anonymous safety survey. We analysed 530 responses

Safe sailing in the age of Covid-19

The Covid-19 pandemic, which has been raging for more than a year now, has required us to impose stricter boarding conditions for crews. The aim has always been to guarantee the safety of our staff, and to help them deal with the strain of being away while also ensuring that the business keeps moving.

In March 2020, as the epidemic swept across Europe, the most pressing priority was to secure enough personal protective equipment for our staff. Although these unprecedented circumstances did not lead to a significant decrease in the volume of goods transported by Sogestran, they did have an immediate impact in terms of the means and measures required to ensure that our crews could continue to work safely. France was struggling with a shortage of face masks at the time. The QSE departments and the Group's Inland Navigation and Maritime divisions fought tooth and nail to secure a handful. "We managed to put together Covid-19 kits which were sent out to all on-board crew at their home addresses, so they could abide by the necessary safety measures while travelling to their ships," recounts Erwan Gloannec, QSE Director at Maritime Nantes. For river barge crews, these measures were combined with an increase in the

reimbursement rate for travel expenses, encouraging staff to use their own vehicles when travelling to join their boats and thus reducing their risk exposure.

SYSTEMATIC TESTING DURING CHANGEOVERS

In the meantime, the QSE team fine-tuned the protective protocols: "We banned everybody except crew members from coming aboard ship, whereas previously you would have 6 or 7 people from different organisations on board when the boat is at anchor, including clients and port officials. Record-keeping went almost entirely digital," explains Christophe Seux, Agency Manager at Compagnie Fluviale de Transport (CFT). At the maritime port terminals, too, all points of contact were regulated by new procedures. In both cases, ships were disinfected as frequently as necessary.

The protocols in place included systematic testing during crew changeovers: all crew members employed by the Group's

In the meantime, the QSE team fine-tuned the protective protocols:

CLT teams - Transport XXL of components for 80 offshore turbines destined for the Saint-Nazaire wind farm

maritime companies were required to take two tests, 10 and then 2 days before boarding ship. In the intervening period they were asked to self-isolate. In our river barging agencies, antigen tests have been conducted by a nurse every Thursday since 3 December 2020. Thursday is crew changeover day, and the tests are performed between 6am (when the crew preparing to board reports for duty) and 1pm (when the shuttle ferrying crew back from the boat arrives).

DEALING WITH THE PRESSURES OF BEING AWAY FROM HOME, AND THE CHALLENGE OF TRANSPORTING CREWS TO AND FROM SHIP

Another problem which needed to be tackled rapidly was how to deal with the strain of being far from home, one of the eternal

problems of the seafaring life. During the first lockdown, it was sometimes impossible to get crew members home, due to the total closure of many hotels, airlines and even car hire companies. In Spring 2020, thanks to the French embassy in Spain, Sogestran Shipping was able to secure papers for the French officers aboard the *Mayoury*, enabling them to take a taxi from Cartagena to Montpellier or Perpignan. Another tricky question which arose was how to secure the repatriation of any crew members who should fall seriously ill with Covid-19 anywhere in the world, with virtually all transport at a standstill. To deal with this problem, the Group's maritime companies operating outside France took out specific insurance policies.

"We had to deal with a lot of questions and a lot of uneasiness. When you're a long

way from home, those anxieties are magnified," recalls Benoist Grosjean, Managing Director of Sogestran Shipping. Increasing the satellite bandwidth and installing wifi stations aboard the company's ships, making it easier for crew members to communicate with their families, helped to ease some of that uncertainty, as did the weekly meetings organised to keep crews informed. "We really looked forward to those Friday updates. We felt supported, we felt like the company was serious about looking after us. That had a positive impact because we felt reassured, but it also helped to maintain a good atmosphere on board," recalls Patrice Le Goualher, who made his maiden voyage as captain of the *Mayoury* on 10 March 2020.



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Teaching and sharing, on land and at sea

At Sogestran we have specific training strategies for each division, covering our legal obligations as well as an array of additional subjects. As France's biggest provider of river transport services, the Group leads by example and trains a large number of apprentices for the benefit of the industry as a whole.

Marc Le Goff, who spent 16 years sailing the Seine and the Rhône before becoming a barging expert for Sogestran, works with the HR department to recruit and support apprentices discovering this profession for the first time. He also handles evaluations of barge captains, and monitors the progress of their skill portfolios. He also takes part in the open days organised by specialist schools such as the CFANI (the inland waterway apprentice training centre). "We give everybody their chance: children of sailors and 'land-lubbers' alike," he explains. "To have Marc sharing his experience as a former captain is really important, because an apprenticeship is a big undertaking. We sometimes give candidates the chance to take part in an observation week before making their decision: it helps the young recruits to feel more confident about their career choice, but it also allows us to see how they behave, because there is a social side to life aboard ship," notes Aline Boutron, Inland Navigation HR Director. Apprenticeships last for between 1 and 3 years, depending

on the age of the apprentices, their existing qualifications and the qualifications they hope to obtain.

IMMEDIATE ONBOARDING: "SHADOWING YOUR MENTOR"

As soon as they arrive on board, apprentices become part of the crew: each apprentice is assigned a mentor, usually the captain, who they will "shadow." Under the mentor's wing, the young apprentice learns the ropes of the sailor's trade: steering, mooring, looking after the boat, engine maintenance, and of course life as part of a crew. Safety occupies a central role. Apprentices are issued with educational materials before being assigned to their ships. Some operations, particularly mooring or docking, must always be conducted with qualified supervision. To obtain their boat licence, the young recruits must successfully perform the most delicate manoeuvres 10 times (passing under bridges and through locks, rounding bends and navigating shallows). Once they have been taken on permanently, crew members undergo regular training (on how to handle cables and rigging, techniques and posture etc.) in order to maintain a genuine culture of safety. Eco-conscious navigation is also

Naëlle Da Costa, helmswoman, joined Sogestran as an apprentice in 2018.



© Christophe Pouget

In 2020, in the Inland Navigation Division:

16

Apprentices on placement, 6 apprentices hired

320

participants in training courses

addressed early on. "We teach future pilots how to adjust their engine power to strike the right balance between speed and fuel consumption; when approaching locks, we teach them to moor the boat and stop the engines," notes Marc Le Goff.

As well as the professional skills they develop day after day, the mentors keep an eye on their apprentices' capacity to interact with the other members of the crew. They also monitor their progress in school, checking their contact books. If the apprenticeship period goes well, and if there are jobs available, the apprentices are recruited on a permanent basis when they have completed their courses.

PORTRAIT OF A YOUNG RECRUIT: NAËLLE DA COSTA, HELMSWOMAN

"I'm 20 years old and I'm a landlubber, as they say in the business!" Naëlle Da Costa

had always preferred working outdoors with her hands, and could not see herself going to university. But she was keen to get her Baccalaureate. Spending her high-school work experience aboard a pusher barge was an eye-opener. She soon decided to enrol on a 3-year apprenticeship course at the CFANI. "It wasn't easy finding a company. There aren't many that are willing to take on minors - I was 16 at the time - especially in such a male-dominated industry. The team at Sogestran were really welcoming," she recalls. She spent the first year assigned to a self-propelled barge. In her second year she joined the crew of the pusher boat Le Biarritz. "You realise right away that navigating a pusher is different. With a convoy of multiple barges, there is more resistance and more drift going into corners," the young helmswoman explains. Transporting fuel products also requires specific training. The

apprenticeship programme leads to numerous qualifications: CAP River Transport, ASP, CRR for radio communications, ADN for the transportation of hazardous goods, SST, Bac Pro and a boat licence. Upon completing her studies, Naëlle was taken on permanently as a helmswoman. "I'm still learning new skills. I recently got my electrical diploma and an ADN certificate in Chemistry," she concludes.

As well as the professional skills they develop day after day, the mentors keep an eye on their apprentices' capacity to interact with the other members of the crew.

Societal challenges

Sogestran has societal responsibilities, including the obligation to comply with all applicable laws and regulations in the countries in which we operate. Our long-term vision also inspires us to place great importance on the quality and integrity of our relationships with all stakeholders. Sogestran also makes an active contribution to the development of the territories which are home to our activities.

Ethical charter

Business ethics

Sogestran is committed to combating anti-competitive practices, and preventing and detecting all forms of corruption.

Integrity

Sogestran is committed to transparency and integrity in our relationships with third parties (clients, brokers, suppliers, shipping agents etc.), with utmost respect for ethical standards.

Regional Roots

The Group is also dedicated to nurturing the development of the territories in which we operate, contributing by training young people as well as supporting local sporting and social initiatives.

Initiatives

The Group has a clearly-established Compliance policy, which can be accessed in full on a dedicated Intranet page. We also have a regularly-updated code of conduct, informed by our work to map corruption risks, and a procedure for managing whistleblowing information. Our relationships with suppliers are governed by our Purchasing Charter and our Ethical Charter. These tools are backed up with training modules designed to help employees get to grips with the associated best practices.

What does compliance mean to the Soges-tran Group?

SD: That's a big question! Compliance is not just a matter for the legal department or the compliance team. It is also, and above all, an approach which chimes with the values embodied by each and every employee representing our Group, and which is reflected in their actions. Whether you work in Human Resources, Sales, Quality or Maintenance... Compliance affects us all!

How did you approach such a broad subject?

SD: From the outset, we have approached compliance as an opportunity rather than an obstacle. We analysed our business practices across all of our divisions, and we soon realised that we all share a set of core values, including the determination to do things the right way, our respect for clients and suppliers, our sense of loyalty and our transparency. Working on a clear Compliance policy gave us the opportunity to clearly define these values and “institutionalise” them, in the interest of sharing them even more widely.

How challenging was it, complying with this new regulatory requirement?

SD: The first challenge was obviously to comply with the law! The second was to get employees involved in the process. To rise to that challenge, we surveyed a panel of a hundred employees to sound them out on these issues. We wanted to know if they'd ever encountered any complicated situations, and how they reacted. We also worked to map out risks by activity and by geographical area. The next step was to produce a code of conduct applicable to all of the Group's employees, setting out clear rules on these matters. That eventually took the form of a “dos and don'ts” pamphlet, issued to all employees joining the Group and accompanied by an online training module which has been made available to all employees. Finally, we have put a whistleblowing system in place allowing employees to anonymously report any incidents involving



“Our approach to Compliance is consistent with our CSR philosophy in that it helps to create a working environment compatible with our employees’ core principles, helping to avoid any moral dilemmas.”

Our Compliance policy

Interview with Sophie Douarec, the Group's Legal Director +

serious infringements of the rules. We also set up a dedicated email address for all questions regarding Compliance.

What are you doing to ensure that employees really take this on board?

SD: The interviews we did revealed that everybody was already very up to speed with this issue, each in their own sector. There was already a clear understanding of what you can do, what you can accept and what you must not accept. What was lacking was a formal definition of our approach, something everyone could identify with. We now have that with the new Compliance framework. It also facilitates the roll-out of other programmes, anti-corruption initiatives for example, or ethical charters applicable to our purchasing procedures. Of course that also means taking full account of our relationships with clients, who also have their own complex and comprehensive Compliance protocols.

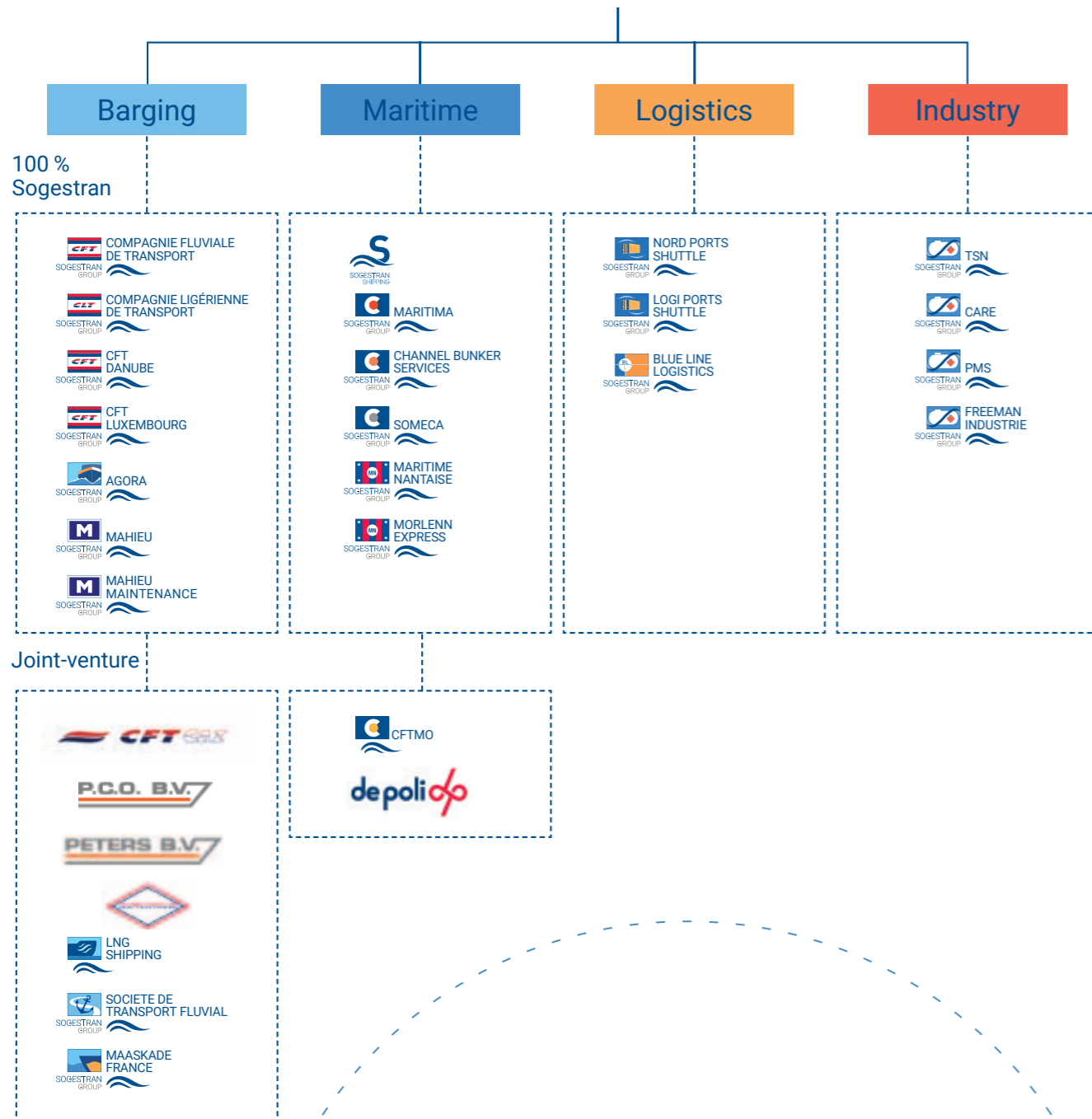
Is this policy now fully finished and operational?

SD: A new phase is about to begin, starting with a new risk-mapping exercise. Since the last one in 2019, the relative importance of our maritime activities has increased, and the Group's international operations have expanded. In order to make sure that employees who have only recently joined the

Group are fully involved, the teams at Freeman, De Poli and BLL NV will be receiving special training. We will also be working on redrafting our ethical charters.

What is the connection between Compliance and CSR?

SD: We have noticed that our employees, particularly younger generations, feel very strongly about ethical issues affecting our work: fighting corruption, maintaining management integrity, ethical charters and concrete action for sustainable development are all subjects they care deeply about. Our approach to Compliance is consistent with our CSR philosophy in that it helps to create a working environment compatible with those principles, helping to avoid any moral dilemmas. Their trust in the Group is reflected in the quality of the professional relationships they form, which has a positive impact on our business. So Compliance is part of a virtuous circle! More broadly speaking, it is in keeping with the increasingly high expectations of our stakeholders - our clients, who can draw upon our policy when assessing their own impact, but also our institutional partners and even our investors, who are increasingly drawn to initiatives which embody social and societal progress.



Social indicators



Workforce

Sogestran France

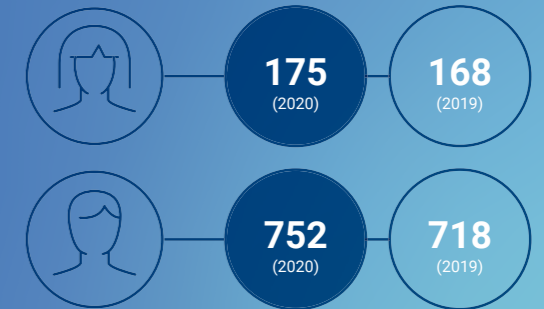


Group as a whole, including overseas subsidiaries



Gender balance

(Group as a whole, including overseas subsidiaries)

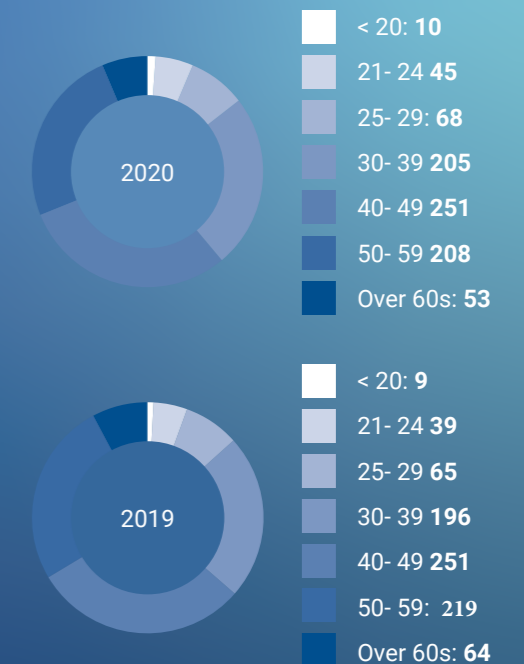


Workforce in each division

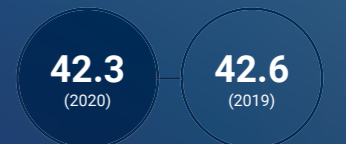
(Group as a whole, including overseas subsidiaries)



Age breakdown



Variation in average age



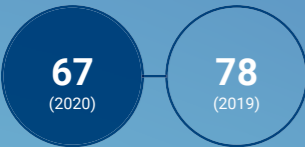
Social indicators

Employment

Number of new recruits

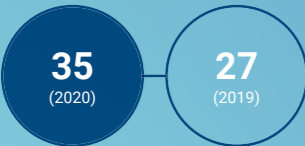


Number of voluntary departures



Training

Number of apprenticeships and training contracts



Hours of training dispensed



Health & Safety

Number of employees occupying QHSE posts within the Group



Workplace accidents
Number involving missed days

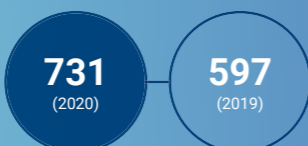


Ethics

Number of employees completing the Compliance training module in 2019-2020



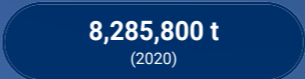
Number of employees receiving training



Environmental indicators

Inland Navigation Division

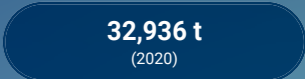
Annual tonnage transported



Annual tonnage transported x distance travelled in kilometres



CO₂ emissions



Excluding transport by freight companies

Maritime Division

Annual tonnage transported



Annual tonnage transported x distance travelled in nautical miles



CO₂ emissions

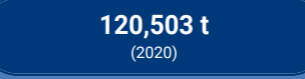


Multimodal Division

Multimodal container activity



Urban distribution



Urban distribution in Belgium and France

Rate of reduction in CO₂ emissions made possible by multimodal transport including river freight, compared with road-only alternative



Calculated using the France Waterways EVE ecocalculator

Reduction of other harmful factors (noise, congestion, pollution, accidents) made possible by multimodal transport including river freight, compared with road-only alternative



Industrial Services Division

Storage
10,000m² of warehouse space for the storage of packaged or bulk chemicals

Fill ratio



Cleaning activities
13 chemical lines equipped with between 2 and 4 washing heads

Pollutant removal rate of our water treatment system





SOGESTRAN
GROUP