The world is our horizon

Our commitment to future generations

2018

Corporate Social Responsibility Report
This report outlines the CMA CGM Group’s key corporate, social, societal and environmental responsibility information and measures for the 2018 period, in compliance with Article 225 of the Grenelle 2 Act and the European Directive regarding the disclosure of non-financial information.

The information presented in the report has been identified based on the material issues at stake and is available in the methodological note.
CMA CGM Group, a world leader in maritime transport, has developed for more than 40 years on strong human and entrepreneurial values: initiative, boldness, integrity and imagination.

Values that are reflected every day on our CSR policy, that make our commitment a true conviction.

The conviction to leave our planet cleaner.

The conviction that a global company has not only economical but also societal responsibilities; its purpose is to go beyond the financial performance.

A conviction particularly strong for CMA CGM and its staff members, given the Group’s family dimension and profoundly human values to which we are committed.

We share this conviction with our clients, our suppliers and partners that expect an exemplary performance from our Group.

For this reason, CMA CGM is committed to build everyday a sustainable future by pursuing its ambitious Corporate Social Responsibility carried by 6 pillars:

- Ethics and compliance
- Value chain
- Social involvement
- Security and safety
- Environment
- Societal commitment

Through this report, you will discover every challenge our Group faces, and the actions implemented to answer them concretely. Actions that demonstrate the Group and its staff members’ commitment, the commitment for future generations.
CMA CGM, founded by Jacques R. Saadé, is a leading worldwide shipping group. Now headed by Rodolphe Saadé, CMA CGM enjoys continuous growth and is constantly innovating to offer its customers new maritime, inland and logistics solutions.

To continue its development, the Group’s strategy is structured around 4 main thrusts:

- Customer-centric services, by providing them innovative solutions tailored to their needs;
- Maritime, inland and logistics development;
- Innovation and digitalisation;
- Human expertise, combined with an agile internal organisation;

This strategic ambition is conveyed through its vision: “SHIPPING THE FUTURE.”

The CMA CGM Group’s brands, business activities, business lines and value chain

Over the past few decades, CMA CGM has expanded its scope of activity which is now broken down into 3 main areas:

- Shipping activities:
- Inland activities: port, intermodal and logistics
- Office-based activities: head office support, regional offices, network of Group agencies and subsidiaries

The Group now has over 750 offices in more than 140 countries. The brands associated with the Group’s business activities are as follows:

As an expert logistics provider, one of CMA CGM’s core business, the Group must set an example at all stages of its value chain. Indeed, with over 30,000 suppliers and 65,000 customers worldwide, CMA CGM is innovating and imagining the goods transport solutions of the future.
THE GROUP AMBITION

The ambition of the CMA CGM Group, a world leader in responsible and innovative shipping

As a key player in the promotion of economic development on a local and international level, the group carries millions of tons of cargo on its ships every day. These products range from high-tech products to consumer goods as well as perishable foodstuffs. The Group’s strength lies in the many interactions with all its stakeholders, particularly its employees, its most valuable asset. The Group is keenly aware of its social and economic impact. Accordingly, with a view to enhancing the shipping industry and creating shared value, it innovates to provide cutting-edge and more efficient logistics and technological solutions to its customers and partners by leveraging on support from its suppliers and subcontractors.

THE GROUP’S VALUES

- Boldness: go beyond the limits
- Initiative: dare to progress
- Integrity: continuously strive for sustainable prosperity
- Imagination: constantly adapt to be the best in the field

THE GROUP’S STRATEGIC PROJECTS

- Customer-Centricity: focus on customers to provide innovative partnerships and customized solutions
- Maritime, inland and logistic development
- Innovation & digitalization
- Human expertise combined with an agile organization

KEY RESOURCES

- Total assets: USD 21,098 million
- USD 7,735 million of adjusted net debt
- More than 30,000 suppliers
- More than 420 ports of call
- More than 200 maritime lines
- More than 650 operated vessels, including 191 company-owned
- 39 terminals
- More than 750 offices worldwide
- 37,092 employees
- 149 nationalities / 140 countries
- 4,903 International and French seafarers
- Float capacity of more than 2.6 million TEUs
- More than 8,200 million tons of oil purchased for the maritime fleet

RESULTS

- USD 23,476 million of turnover
- More than 6,500 customers
- 20.7 million of TEUs carried
- 212,342 training hours provided to employees

Last Time Injury Frequency Rate (LTIFR) related to accidents at work:
- Maritime: 1.26
- Terminals: 13.2

- 1.24 tons of CO2/TEUs carried
- 0 major pollution
- 139 containers lost at sea
- 8,000 children supported by the CMA CGM Foundation
- More than 700 containers and 5,000 tons of relief supplies transported since the beginning of the "Containers of Hope" operation

2018 AWARDS

CSR 6 AXES

- Ethics and Compliance
- Vision, Values
- Social
- Safety and Security
- Environment
- Societal

2018 COLLABORATIONS

1. minority participation included / 2. scope: CMA CGM, APL, CNI, excluding APL / 3. 2018 transshipment TEUs – Finance / 4. decrease of the ratio by -17% between 2014 and 2015 / 5. decrease of the ratio by -33% between 2014 and 2015 / 6. including 1.36% in a single event during a storm
**Adding value over the entire value chain**
- Strategic course set based on customer centricity, Group expansion, innovation and human expertise.
- Innovative projects and initiatives as part of the Group’s transformation.
- A programme to improve the customer experience.
- A responsible procurement programme for a lasting relationship with our suppliers and subcontractors.

**An exemplary approach to ethics and compliance**
- Strengthening of the Compliance organisation.
- Continued implementation of the measures and procedures stipulated by the Sapin II Law.
- Updating or creation of a Code of Ethics, Partnership Charter, Anti-Corruption Code, Gift and Hospitality Policy, Third-Party Assessment Policy, Conflict of Interest Policy and Interest representation Policy.
- Training and whistleblowing system (Ethics Hotline), fundamental for risk prevention.
- Achievement of the Group Surveillance Plan.

**The commitment of our employees**
- 37,092 employees worldwide, including 4,905 at sea.
- 212,342 hours of training provided to employees in 2018.
- 6 Partnerships with top French universities (Grandes Ecoles).
- “We are shipping”: female leadership transformation programme.
- Telecommuting scheme experimented in Marseilles and Le Havre.
- Rollout of a Company Mobility plan at the head office.
- Launch of a worldwide simplification approach.

**Excellence in terms of safety**
- “Safety First”: safety of people and property.
- Triple Quality, Safety of people and Environment certification for the owned fleet.
- Significant improvement in the frequency rate of accidents affecting the Group, the fleet and terminals over the past 5 years.
- Maritime solidarity: 13 search and rescue missions at sea.
- Preventive security policy within a context of major natural events and geopolitical instability.

**Environmental protection**
- Commitment by CMA CGM to the energy transition: equip the nine 22,000-TEU vessels with Liquefied Natural Gas which are scheduled to be commissioned in 2020. It should also be noted that 4 LNG Containerships will be commissioned in 2019.
- 2.5% improvement of the Group’s energy performance in line with the -30% goal between 2015 and 2025, and 6.5% increase in atmospheric emissions alongside the rise in business activity in 2018.
- Introduction of an ETA 2020 programme as part of preparation for the Global Sulphur Cap in 2020, determination of the Group’s strategy in terms of conventional fuels, LNG and the scrubbers system.
- Development of the Customer Care Sustainability Program, including value-added services such as MyCarbon Footprint, the promotion of transport and logistics solutions or the commitment and cooperation through Sustainability pacts and the Clean Cargo Working Group.
- No major oil pollution in 2018, however 138 containers were lost during a storm at sea in early 2018.
- Continuation of the programmes to reduce the impact of the vessels, especially as regards energy efficiency, reduction of atmospheric pollution, underwater and ambient noise, liquid and solid discharges.
- The Group was once again rewarded for its environmental policy in particular via the French Ship Owners Association Blue Charter, customer awards as well as awards received in connection with voluntary port programmes worldwide.

**The Group’s societal commitment at a global and local level**
- Containers of Hope: over 700 containers and 5,000 tons of humanitarian aid carried via the programmes of partner organisations since the start of the operation.
- 200 associations supported by the CMA CGM Foundation since its creation.
- 2018 call for projects: 180 applications received, 16 associations selected in 2018 making it possible to provide assistance to over 8,000 children.
- Launch of a skills sponsorship programme for employees at the Group’s head office.
- Over 38 projects in favour of local communities achieved in 2018 by CMA CGM employees.

**2018 CSR Highlights**

**CSR within CMA CGM**

**2018 Corporate Social Responsibility Report**
Awards

In 2018, the Group received 40 distinctions and Awards. These awards recognised the high quality of service, customer relationship and operational excellence provided by the Group as well as its CSR and environmental initiatives.

EcoVadis - In 2018, for the 4th consecutive year, the Group achieved a GOLD level with a substantial improvement of its rating. EcoVadis, the CSR rating agency, has ranked CMA CGM amongst the 1% of the most efficient shipping companies.

CDP – Carbon Disclosure Project - With a B- rating, CMA CGM received an above-average score in its business sector in 2018.

Happy candidates - In 2018, the CMA CGM Group HR department was awarded the choosemycompany.com / Happyindex® / Candidates 2018 accreditation. This new label recognises the high quality of the recruitment process implemented by the Group HR department which, for its 1st participation placed 2nd in the general ranking of companies with over 1000 employees.

Safety at sea prize - In November 2018, APL was awarded the Crew Connect Global safety at sea prize. This prize was bestowed upon APL for its practices and initiatives which helped to reduce risks for human life at sea.

Happy Trainees - In 2018, for the 4th consecutive year, the CMA CGM head office received the “Happy Trainees” label rewarding the Group’s HR policy for trainees and apprentices.

ISO certifications: The entire scope of the CMA CGM owned fleet obtained the triple ISO 9001, ISO 14001 and OHSAS 18001 certification. 39% of the Terminals subject to the CMA CGM HO Terminals SSE policy⁵ are ISO 9001, 14001 and/or OHSAS 18001-certified.

Lloyd’s List Global Award - CMA CGM was presented with the Environment Prize at the Lloyd’s List Global Awards, a prize which highlights the pioneering role played by the Group in the energy transition in the shipping industry.

Cooperation

As part of its open continuous improvement drive, the Group relies on inter-company cooperation to effectively anticipate the CSR issues and risks and to share the experience feedback and good practices with its peers, partners and all its stakeholders.

Maritime Anti-Corruption Network is a global business network working towards the development of a maritime industry free of corruption that enables fair trade to the benefit of society at large.

Business Actions to Stop Counterfeiting & Piracy is an inter-company initiative against counterfeiting and piracy.

Container Ship Safety Forum - Launched in 2014, the CSSF is a NGO that brings together the major shipping players whose aim is to improve safety performance and management practices in the container shipping industry.

European Community Shipowners’ Associations is a trade association which promotes the interests of European shipping so that the industry can best serve European and international trade in a free and competitive environment to the benefit of shippers and consumers.

Clean Cargo Working Group is an inter-company initiative involving major brands, cargo carriers and freight forwarders which is dedicated to reducing the environmental impacts of international goods carriage.

Armateurs de France is a professional organisation which brings together all French shipping and maritime service providers. Its role is to represent the French shipping companies with national and EU public authorities, the International Maritime Organisation and the International Labour Organisation.

World Shipping Council is the industry trade group representing the international liner shipping industry. The WSC supports the development and the supervision of regulatory issues relating to safety, security, environment and other maritime regulations.

Centre INter-entreprises De l’EXpatriation (CINDEX – Shared company expatriation centre) is a unique platform for discussing and sharing good practices regarding the international mobility strategies and policies of major global European groups.

⁵ CMA Ships scope excluding Mercosul Line.
⁶ Scope of the Terminals subject to the CMA CGM HO Terminals SSE policy – List available in the methodological note.
“The CMA CGM Group has always believed that its economic performance was inextricably linked to social and environmental performance.”

Rodolphe Saadé
Chairman and Chief Executive Officer of the CMA CGM Group

Main thrusts and challenges

During 2018, the Group’s CSR approach was elaborated and adjusted based on its business activities to better reflect its desire to be a driving force of environmental, economic and social transition.

The approach is broken down into 6 thrusts and 15 challenges:

- **Ethics and compliance**
  - Customer Centricity
  - Innovation and digital transformation
  - Sustainable procurement

- **Value chain**
  - Diversity
  - Collaborators’ working conditions
  - Collaborators’ development

- **Social**
  - Health, safety and security of our collaborators
  - Assets safety

- **Safety and Security**
  - Energies
  - Material & waste
  - Pollution & release
  - Ocean: biodiversity

- **Environment**
  - Territorial integration & development
  - CMA CGM Foundation
  - Local & emergency relief

- **Societal**
  - Continue our commitment with communities through the Foundation and the Group and local actions.

The ambitions of the 6 thrusts

- **Ethics and compliance**
  - Prevent corruption risks and develop our policy regarding ethics and compliance among all our stakeholders

- **Value chain**
  - Carry on with our development and innovation policy, to improve our client’s satisfaction

- **Social**
  - Promote diversity among our teams and develop training courses for all our employees

- **Safety and security**
  - Prevent and reduce accidents, security risks, and improve work life quality

- **Environment**
  - Improve vessels’ energy efficiency and develop “eco-friendly” technologies

- **Societal**
  - Continue our commitment with communities through the Foundation and the Group and local actions.
During 2019, the priority SDGs for the Group will be identified alongside the completion of the CSR risk assessment and the comparison with the CSR challenges.

As a reminder, the CSR thrusts and challenges were identified with reference to the exhaustive list of CSR criteria included in Article 225 of the Grenelle II Act.

3 The details regarding the methodology used to prepare the materiality matrix are provided in the Methodological Note of this report.
The Group's CSR risk mapping

With support from the Risk Management department, a CSR risk mapping was created in connection with the materiality matrix. The 2018 work involved:

- Firstly, identifying the existing mappings of the Group's risks associated with each of the 15 CSR challenges and positioning each of these risks in a "CSR" risk mapping;
- Secondly, the challenges of the materiality matrix and the risks of the CSR risk mapping were measured against each other. This served to determine:
  - The challenges without associated risks;
  - Whether the positioning of each risk was similar to or differed from the challenges. In this exercise, differences were identified and explained.

To date, the following CSR-related risks have been identified:

- Risk of non-compliance with "ethics and compliance" regulations especially regarding: competition, corruption, economic sanctions and personal data protection;
- Risks in partnerships with our suppliers and subcontractors;
- Breach of human rights;
- Improper working conditions;
- Poor health & safety management;
- Uncontrolled climatic change;
- Scarcity of materials and uncontrolled waste production;
- Uncontrolled pollution;
- Harm to biodiversity

Risk management and mapping of the Group's risks

Risk management is handled by the Corporate Risk Management and Internal Audit Department. The Risk Management team implements a Corporate level approach under the impetus of Top Management, with contribution from the various business lines. The methodology is based on a qualitative assessment carried out at a given time and projected over a year. The Group’s risk mapping and the micro risk mappings per business line / function are based on two criteria:

- Probability of occurrence of the risk;
- Severity of the impacts of the risk.

Steering of CSR performance

The CSR and Environment Department reports to General Management and is tasked with:

- Implementing the CSR policy in line with all of the Group’s policies;
- Identifying stakeholder’s CSR issues, priorities and expectations;
- Setting CSR goals and coordinating the CSR action plans;
- Assessing, measuring and reporting on the CSR performance.

A CSR dashboard has been established to measure and steer the Group’s sustainable development performance, through a series of quantitative and qualitative indicators which are consolidated on a half-yearly basis. – cf. page 110 Table of Indicators.

The exhaustiveness and reliability of the data, which increases from year to year, is guaranteed by indicator sheets describing in particular the collection and consolidation scope and processes. An extract of these indicator sheets is included in the “Methodological Note” section of this document. – cf. page 114 Methodological Note.

CSR reporting is coordinated by the CSR Department. The data from the “CSR Dashboard” is checked by an Independent Third-Party Organisation every year. The report from this Independent Third-Party Organisation is appended hereto. – cf. page 107 Report by one of the Statutory Auditors

Analysing the trends of these indicators serves to quantify the impact of the policies implemented, identify the thrusts for growth and determine and/or adjust the goals and action plans for the year in progress and in the medium term. – cf. page 107 CSR Goals, 2018 achievements, 2019 action plans

A CSR Committee meets on a quarterly basis to analyse the “CSR Dashboard”, didentify the strategic thrusts driven by Top Management and determine the appropriate course of action. This Committee is made up of members from departments such as Human Resources, Risk Management and Internal Audit, Compliance, Finance, Communication and Marketing, and the network of agencies, Purchasing, Transformation and Innovation, Security, Safety and Environment, the Lines as well as CMA Ships, the CMA CGM Foundation and subsidiaries.

It is also worth noting that specific “business line” or “project” Committee meetings are held in parallel and more operational working groups are set up at a greater frequency.

At the same time, an expanding network of CSR officers has been established.

The Group’s CSR performance recognised by EcoVadis

CMA CGM communicates about its CSR approach both within and outside the company. Moreover, in our efforts to extend our CSR policy beyond the mere regulatory requirements, every year, the Group voluntarily submits its CSR performance for assessment by EcoVadis.

With a GOLD rating in 2018, CMA CGM ranks amongst the top 1% of companies assessed by EcoVadis worldwide.

Furthermore, in 2018, the Silver Sustainability Award was bestowed upon CMA CGM by Nike to recognise its sustainable development commitment.
“Our future development cannot be reasonably achieved without an ambitious social responsibility policy. This assessment, which ranks us amongst the top 1% of the most responsible companies demonstrates our desire to chart a course towards an even more respectful future and encourages us keep stepping up our efforts. This ambition is intrinsically linked with the family-oriented dimension of our group and its strong human-focused values.”

Tanya Saadé Zeenny
Executive Officer Delegate of the CMA CGM Group

Joint actions and interactions with stakeholders
Recognising that the CSR approach is an evolving issue, and with a view to fostering the sharing of views and practices, the Group demonstrates its commitment through:
• Inter-company and multi-organisation cooperative actions;
• In participation in conferences;
• Partnerships with other companies and economic players particularly by contributing to work and initiatives;
• And of course, training and associating customers and suppliers and all of the Group’s stakeholders in the CMA CGM CSR approach and raising their awareness.
Examples of the Group’s various actions are given throughout this report.

Video showing the CMA CGM CSR approach for all stakeholders:
https://www.youtube.com/watch?v=e45k9ub7r70&feature=youtu.be

CSR days: raising the awareness of employees to the Group CSR approach
During the European sustainable development week 2018, CMA CGM organised a series of conferences, workshops and open days at the head office bringing together over 600 employees.

2 Conferences
• Presentation of the 6 main thrusts and the CSR strategy within CMA CGM;
• Presentation of the environmental challenges for the shipping sector.

2 Open Days
Meeting of the employees with the members of 3 associations, for the launch of the skill sponsorship programme by the CMA CGM Foundation.

6 workshops
Holding of 6 more targeted workshops for approximately twenty employees per session to raise their awareness regarding:
> The Environment strategy: new CO₂, SOₓ, NOₓ challenges; new regulations, etc.
> Ethics & Compliance: Gift and hospitality, hotline, AFA Question, Due diligence, etc.

Examples of the Group’s various actions are given throughout this report.
As an expert in logistics, a core business of the Group, CMA CGM must be exemplary at all stages of its value chain. As a matter of fact, with over 30,000 suppliers and 65,000 customers worldwide, CMA CGM innovates and imagines the goods shipping solutions of the future by developing:
• Innovation & digital transformation to serve operational performance;
• Customer satisfaction: improving the customer experience at all stages of the process;
• Responsible procurement: establishing a lasting and efficient relationship with suppliers and subcontractors.

1. Innovation & digital transformation to enhance performance

A dedicated organisation Digital transformation is a strategic goal for the Group. It includes both improving the Group’s performance and enhancing the service provided to customers. The Group relies on 3 elements as a means of concretely bringing about this transformation:

1. Several dedicated teams (Digital Office, Transformation, Digital Factory, Data) to achieve the digital transformation of the Group. Their common aim is to initiate new projects, prove their concept and commercial value, develop the best of these projects and ease their implementation within the Group’s business lines at an international scale.

2. Our digital strategy is built on 5 strengths which will transform the shipping sector over the next 10 years and which will help to answer to the following 5 questions:
• How can we remain relevant in an constantly changing industry?
• How can we continuously and efficiently optimise the management of operations?
• How can we optimise our rates and volumes for our customers?
• How can we foster customer loyalty through a tailored customer experience?
• How can we provide the Group’s employees with the tools to do their jobs better?

3. An investment fund called CMA CGM Ventures, which invested in a dozen start-up in France and abroad. The goal is to support the growth of these start-up internationally, while allowing them to draw from the CMA CGM ecosystem and the expertise of all employees. In most cases, these are start-up with which the Group has developed operational partnerships (Nyshex4, e-dray5, Traxens) so that they can continue over the long term.

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4 Nyshex: leader on the digital market for sea freight contracts.
5 E-dray: software aimed at improving the container shipping operations.
In 2018, the transformation launched some 45 projects and partnerships, such as:

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**SmartPort Challenge**

As part of the SmartPort Challenge, the Group tasked start-up with imagining the port of the future and particularly with optimising container logistics: Optimisation of Gate Out by Trucks. The SmartPort Challenge was initiated by the Marseilles Provence Chamber of Commerce and Industry, Aix Marseille University and the Grand Port Maritime de Marseilles with a view to further enhancing the existing port ecosystem in France. CMA CGM decided to champion this innovative approach by becoming a partner of this project alongside 6 other major international groups.

In October 2018, Rajesh Krishnamurthy, Senior Vice-President of IT, presented the challenge to the start-up:

“This challenge stemmed from a simple and operational observation: shipping is very competitive and one major issue for the industry players is the optimisation of container flows, as several steps are required for the timely departure of the container from the terminal [...]. The aim of this challenge is to improve the supply chain so as to provide the best possible service to customers and reflect the CMA CGM Group’s overall digitalisation policy.”

Start-up had until late 2018 to submit their projects. The selected candidates will be able to test and implement their solutions for a period of 3 months in early 2019 within The Camp and will be presented with a € 15,000 grant.

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**BLUEBOX: first in-house innovation competition**

BLUEBOX is a virtual suggestion box to promote innovation and creativity for digital transformation. “Digital technology plays a pivotal role in the company’s transformation through its agility, simplification and especially the collaborative applications”, explained Thierry Billon, Senior Vice-President and sponsor of the Digital Culture theme.

Three themes were selected to guide the employees’ ideas:

- **Customer Focus**;
- **Operational Experience**;
- **Digital Culture**.

This virtual suggestion box was a resounding success given that:

- 379 ideas were deposited into the Bluebox;
- 60% of the Head Office employees took part in the competition by offering ideas, voting for or commenting on their favourite ideas.

The 3 selected projects subsequently took part in the Design Thinking phase. For 3 days and based on collaborative workshops, the various groups refined their ideas, determined the user needs as well as the issues in order to achieve a design draft and a description of the various desired functionalities.

**Key partnerships signed**

At the Salon des Entrepreneurs business fair held in October 2017, Rodolphe Saadé announced his intention to create a CMA CGM start-up incubator in Marseilles (France) and to attract start-up from all around the world to this incubator. This ambitious incubation project was launched with a view to addressing several key issues:

- Encouraging boldness and innovation;
- Taking an active part in the economic buoyancy of the Provence Alpes Côte d’Azur region;
- Creating optimum conditions for innovation within the shipping sector;
- Accelerating the Group’s digital transformation;
- Assisting in the emergence of a specialised innovation ecosystem in particular in the area of logistics.

This project will build on the various initiatives developed by CMA CGM in the region:

- Support of “Carburateur”, a business incubator located in the Northern districts of Marseilles and created with support from public authorities;
- Partnership with Aix Marseilles French Tech;
- Partnership with The Camp, an innovative campus bringing together major corporations, start-up, professors and researchers;
- Partnership with global IT leaders such as IBM and Infosys.

**ZEBOX**

ZEBOX is an international start-up incubator and accelerator that was created in Marseilles in 2018 by Rodolphe Saadé, Chief Executive Officer of the CMA CGM Group. It works in areas such as transport, logistics, mobility and X.O industry.

As part of its incubation programme, ZEBOX hosts 15 start-up for a period of 12 to 18 months. An acceleration programme will be launched in early 2019 and will make it possible to host 8 start-up for a period of 8 months.

The driving objective is to become a world benchmark for innovation: artificial intelligence, blockchain, virtual reality / augmented reality, ecosystem of connected objects, cybersecurity, robotics, etc.

**ZEBOX has three goals:**

- Guiding the success of the start-up with projects developed based on cutting-edge core technologies such as artificial intelligence, blockchain, the ecosystem of connected objects and robotics by immediately steering them towards international perspective;
- Fostering open innovation by establishing arrangements between major corporations and the start-up so that they can innovate together;
- Creating a genuine network of business and cooperation opportunities by establishing solid partnerships with the various ecosystems and prominent figures in innovation worldwide.

The support provided is customised to match the needs of each independent business as it is prepared with a dedicated, expert and human-centric ZEBOX team. Sector experts and the ZEBOX mentor network thereby provide the start-up with assistance on a daily basis.

The start-up hosted by ZEBOX can draw on a solid network of partners, French and international corporations from various complementary sectors including CMA CGM, the founding Corporate partner of ZEBOX, and Accenture, BNP Paribas, Centrinex and EY. This network of partners provide the start-up with valuable business expertise and grant them access to exceptional resources including experts, technologies, the possibility of completing proofs of concept, business opportunities, international network, capital-risk, business angels, etc., thereby fostering their development.
11 start-up were selected for the incubation programme and 4 for the acceleration programme.

Below is a list of some of the hosted start-up:

**ALTGR** develops tools to automate the tasks of data scientists. It seeks to broaden access to data science;

**Smart Sailors** develops digital solutions and interfaces for an optimum management of vessel fleets, crews and inventories in all sectors connected with the shipping industry;

**SailEasy** offers self-service sailboats via a highly flexible digital platform and combines the advantages of rental with that of ownership. Over 100 members share a fleet of fifteen sailboats moored in Marseilles, Hyères, Ajaccio and La Rochelle. It is worth noting that the start-up just completed a fundraising round amounting to EUR 1.7 M;

**Transpare** was founded in Morocco. This start-up is a marketplace which establishes contacts between shippers and forwarders. By tailoring the digital features and tools to the needs of the business sector, Transpare reinvents the freight procurement process as well as the current methods of cooperation between Importers/Exporters and sector professionals. It aims to simplify dealings between companies and provide greater transparency regarding costs and expertise;

**Trend** incorporated in Lebanon, develops a travel booking platform that relies on recommendations from a community of travellers. It seeks to provide greater transparency and authenticity via the verified opinions that are collected;

2. **Customer satisfaction: improving the customer experience at each step of the journey**

The “Customer Centricity” goal is a key strategic priority of the Group. Within this context, a programme to improve the customer experience was launched to allow CMA CGM to:

- Meet new customer expectations;
- Stand out from competitors with an innovative range of services;
- Capitalise on its closeness to customers.

Rodolphe Saéé, Chief Executive Officer of the CMA CGM Group, has set all his teams the goal of becoming the No. 1 shipping line of its customers.

The CMA CGM Group chose the TPM conference to present its new “Customer Centricity” strategy and also introduced the Customer Experience programme driven by a powerful ambition: “Caring beyond Shipping”, working closely with our customers.

Therefore, CMA CGM prepared an ambitious transformation plan which will improve all of its interactions with its customers. This involves changes to the internal structure, an acceleration of the training programmes and new digital tools.

Customer satisfaction is a core concern of CMA CGM and as such the company has committed to improving its service quality, through the performance of annual customer surveys and the establishment of the Customer Charter defined in 2015.

The annual survey carried out in late 2017 was used to gather the opinions of over 23,000 customers in 180 countries. Based on these results, CMA CGM carried out a more thorough analysis of customer expectations via 1,700 interviews conducted in 2018. Service indicators have been established on this basis and dashboards are now used to give customers greater visibility. They therefore fall within a process of continued improvement. This approach was supported by a Customer Journey Mapping carried out with 11 customers.

New initiatives have been launched:

- CMA CGM invested in a new multi-channel customer contact centre. It is fundamental to ensure consistency between the various channels and this will benefit employees by lightening their work load and improving the quality of service provided. In 2019, this tool will be integrated into the e-commerce platform and will include a self-service function. The first pilots were conducted in 2018 in 4 countries. This phase preceded a plan for global roll-out in the shared services agencies and centres to ensure end-to-end service quality.

- To enhance the Group’s digital transformation, which will provide interested customers with a fully digital service in 2019, CMA CGM also added twenty new features to its e-commerce solution throughout 2018. These include online payment (gradually implemented in each country), new simplified customer dashboards with a self-service reporting module, new operational notifications regarding the transported goods, a shipment geo-tracking tool, a dynamic online support, the provision of all inland rates, etc. Other features will be rolled out in 2019, such as the Geo schedule, instant booking confirmation, electronic B/L, etc.

“In terms of customer experience, we have to listen to and take into account the views of each customer, throughout their journey and their interactions with us.”

Patricia PICINI,
Head of Global Accounts, Customer Experience & Marketing

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*The TPM conference, organised by the Journal of Commerce, is one of the shipping sector’s most important events. Over 2,000 visitors attended the eighteenth edition held in Long Beach, USA from 04 to 07 March 2018, including some of our biggest customers.*
In addition, as a means of providing further support to customers in the development of their business, CMA CGM has created new value-adding innovative services. Through this strategy, the company can specifically address customer needs, thereby making CMA CGM a key partner in their logistics chain.

In 2018, 6 new value-adding products were launched:
- **Traxens:** the smart container. As a matter of fact, the containers are series-equipped with top-of-the-line connected technologies, serving to transmit data almost in real time, regarding the position (geographic location, etc.) and condition of the goods (temperature, impact detection, etc.). Therefore, the customer benefits from better traceability and cost optimisation tools;
- **Cargo Value SERENITY:** the first product of the SERENITY range intended to compensate for unforeseen events during goods transport;
- **Reeferflex:** a new technological system for the transportation of liquids via a bag installed in a container;
- **Climactive:** controlled atmosphere technology, which maintains products’ freshness up to destination by more rapidly reducing the oxygen level within a container;
- **Bar locks:** to secure the goods and prevent thefts;
- **Reefer Pharma:** offering tailored expertise and enhanced control for the pharmaceutical industry.

Specific training courses are organised per region to provide sales teams with the necessary expertise regarding these products. Moreover, other actions implemented for customers were recognised during 2018. Below are a few examples:

**CMA CGM Mexico named “Carrier of the Year 2017” by Wal-Mart – April 2018**

During 2018, CMA CGM Mexico received the “Carrier of the Year 2017” Award during the annual awards ceremony organised by Wal-Mart for its suppliers. This award highlights the high level of operational performance achieved over the year. Wal-Mart used this evening, attended by the managers of the ten largest carriers in the region, to set its objectives for the rest of the year.

In April 2018, APL won the “Ship Owner / Operator” Award at the Seatrade Maritime Awards Asia 2018. The award acknowledges APL’s excellent performance in terms of innovation, customer service, operations, commercial development and environmental protection. APL’s Chief Executive Officer stated: “This is a momentous win as APL celebrates 170 years of global shipping. This award reflects the confidence that shippers have in the APL brand. At the heart of our customer-first culture is APL’s innovative spirit, which will live on for many more years to come.”

In October 2018 in Singapore, APL announced that it had received the 2018 Quest for Quality Award from Logistics Management (LM) – Nashville, USA. APL earned the highest score in the equipment and operations category among the 12 winning ocean carriers. Likewise APL has impressed buyers of logistics and transportation services with excellent on-time performance, information technology and customer service, posting above-average weighted scores. Ed Aldridge, APL’s North America President, who received the award, stated: “This Award is an important benchmark of customer satisfaction and performance excellence.”

3. Sustainable procurement: establishing a lasting relationship with suppliers and subcontractors

CMA CGM places fundamental importance in establishing a stable and long-lasting relationship with its suppliers. To this end, the Group, purchasing advisors, suppliers and subcontractors work in close cooperation for this purpose.

The adoption of the Sapin II Law and the law on the duty of care of parent companies and contracting authorities has led the Group to strengthen its oversight mechanism in relation to the fight against corruption, respect for human rights and the fight against environmental impairment related to its business activity. – cf. page 35 Compliance with requirements of the Sapin II Law.

Strategically, the Group has opted to conduct this work simultaneously and in accordance with a unique methodology in order to foster the adoption and implementation thereof.

- The establishment of a Supplier Risk Committee
  - During 2017, the Group created a Supplier Risk Committee in order to enhance the coordination of procurement risks within the Group and to monitor the actions put in place. In addition to all the operational representatives from the purchasing department, this Committee aggregates the key stakeholders working in the relevant areas of expertise (Legal, Compliance, Audit and Risk, Human Resources and CSR department). Within this context, the Group has put in place the action plans regarding the regulatory changes involving suppliers.

- The Third-Party Code of Conduct to strengthen its responsible approach
  - cf. page 36 The Group’s compliance policies.

In 2018, the CMA CGM Group created a Partner Charter which outlines all of the Group’s CSR commitments and obligations as well as the expectations for its suppliers and subcontractors. Therefore, the suppliers consulted during calls for tenders and those awarded contracts via other methods must sign this Partner Charter before any agreement is made. This charter is systematically included in the contracts. To strengthen its approach and promote responsible behaviour amongst suppliers, the CSR contractual clauses are added in the contracts and General Purchasing Conditions.

**Mapping of procurement risks as a cornerstone**

In 2018, a mapping of “procurement risks” was implemented at Group level, with the risk assessment methodology used being that applied by the Group’s Risk Management department. – cf. page 18 Risk management and mapping of the Group’s risks.

This mapping of “procurement risks”:
- Outlines the purchasing areas and regions;
- Assesses the risks in terms of corruption, economic sanctions, human rights, health & safety, the environment, etc.;
- Classifies the risks into segments associated with a given category of suppliers and intermediaries;
- Determines the action plans to reduce the risk level.

The establishment of a supplier and subcontractor assessment system to enhance the steering of procurement risks

An overall supplier and intermediary assessment system has been established and covers the aforementioned main risks. Since January 2018, the Group’s Central Purchasing Department has worked, with support from an outside consulting firm, on developing a specific procedure aimed at strengthening the steering of supplier risks. This procedure relies on a classification of the purchasing categories based on three risk levels (High, Medium, Low).
The assessment system consists of 5 steps:

1. The “pre-qualification” step, this step is aimed at identifying the suppliers and intermediaries at greatest risk. It is achieved with a tool that relies on country-specific indices regarding corruption, ethics, environment and type of activity.

2. The “risk-assessment” step, includes the systematic sending of an assessment questionnaire to all suppliers and intermediaries. This questionnaire contains several sections with the following themes: general information, financial elements, fight against corruption, economic sanctions, human rights, health & safety, the environment, etc. This assessment questionnaire was developed with the assistance of all the relevant support functions of the company (Legal, CSR, Finance, Purchasing, etc.), and is enhanced by feedback. The whole of this information is recorded in a single qualification report per supplier.

3. The third step is the “analysis” step. It is carried out at a 1st level by the purchasers of the various relevant areas. In the event of a more thorough 2nd-level analysis, the purchaser will call on the support division of the Centrale Purchasing Department. Finally, for the complex cases or cases which have not been resolved by the support division, a 3rd level of analysis will be conducted with the involvement of the CMA CGM support functions (finance department, legal/compliance department, CSR department). In 2019, the purchasers will receive training and guidance in order to quickly identify the areas for improvement and thereby develop progress plans with the suppliers.

4. The fourth step is the “Qualification” step and depends on the overall grade received by the supplier and the level of priority:
   - For the suppliers who obtain an above average grade per area (approx. 60%), a standard qualification is issued and is valid for 4 years;
   - For suppliers between 25% and the previous threshold, a 2-year qualification is issued;
   - For suppliers below 25%, a 1-year qualification is issued.

5. The last step, the “Monitoring” step, is used to carry out watch and take advantage of a dynamic system. As a matter of fact, given the fast-moving and ever-changing market, each supplier qualification may be reassessed under the following cases:
   - Legal change of the supplier entity;
   - Changes in the market environment (financial, legal, CSR problems, etc.);
   - At the end of the qualification period (mentioned above);
   - In the event of changes to the contract.

The “Business hold” concept
Should, after being qualified, a supplier represent a heightened risk in particular regarding the anti-corruption or human rights theme, its status may be considered as “Business hold”. In this case, the purchaser will carry out a more thorough investigation into the issue. If it is confirmed, the management board may ask the supplier in question to immediately prepare a full report on the incident, the potential consequences and the corrective action plans. The management board may decide to suspend certain activities for a given period or decide on more appropriate actions.

The establishment of monitoring indicators as part of a continued improvement approach
To measure the efficiency of the implemented actions, 5 monitoring indicators have been identified and cover the main procurement risks.

- % of suppliers which signed the Partner Charter;
- Number of assessed suppliers;
- Average score of the companies assessed by EcoVadis;
- Average score of the companies assessed by CMA CGM with Cscreen;
- Ratio of suppliers at risk.

The pilot period will help to obtain a reference point and define the required adjustments. These monitoring indicators will be disclosed in the next report on non-financial information.

The criteria used to assess the risk level are as follows:
- Location: the countries in which the supplier operates
- Level of sensitivity of the supplier’s business activity with regard to the compliance risk

The enhanced comprehensive supplier and intermediary assessment system will be implemented in 2019 under the supervision of the Group’s Central Purchasing Department, initially with a pilot period of 3 months before being gradually rolled out to the entire Group. The aim is to harmonise the various practices and to have a common procedure applied at Group level.

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The pilot period will help to obtain a reference point and define the required adjustments. These monitoring indicators will be disclosed in the next report on non-financial information.
The Compliance Department reports to the Legal Department and is comprised of fifteen legal practitioners at the Marseilles head office and compliance officers worldwide. It is structured into four main components:

- Business ethics and Anti-Corruption
- Economic sanctions
- Competition
- Personal data protection

The Code of Ethics is the centerpiece of CMA CGM’s commitment to upholding the highest standards of business ethics, personal integrity and compliance in all of its business activities.

The Code of Ethics is applied worldwide to all legal entities, subsidiaries, affiliates, partnerships, joint ventures and other business associations directly or indirectly controlled by CMA CGM. The CMA CGM Partner Charter contains the main principles of the Code of Ethics, and is intended for third parties.

The Code of Ethics applies to all individuals worldwide working for CMA CGM, regardless of their management level, particularly the executive officers, managers and employees.

The Code of Ethics is available in French, English, Arabic, Spanish and Mandarin. In 2018, the Code of Ethics was updated to take into account the changes which occurred regarding the fight against corruption, compliance with economic sanctions, competition law and personal data protection.
As a company, employer and responsible corporation, CMA CGM must be exemplary and must adopt the highest standards in terms of integrity.”

Rodolphe Saadé, Chief Executive Officer of the CMA CGM Group

1. Business Ethics and Anti-Corruption

CMA CGM has continued its efforts to strengthen its anti-corruption compliance programme by adhering to the requirements of the Sapin II Law (A) as well as revising or creating specific Compliance procedures for the Group (B) while taking part in joint actions with other shipping players (C).

A. Compliance with requirements of the Sapin II Law

In 2018, the Group continued to develop an anti-corruption programme including the eight pillars of the French anti-corruption law, known as the Sapin II Law. This anti-corruption programme includes:

- The introduction of an Anti-Corruption Code of Conduct, forming an integral part of the Binding Corporate Rules of companies established in France and concurrent updating of the Code of Ethics. The Anti-Corruption Code of Conduct contains rules applicable to the fight against corruption and influence peddling and the disciplinary sanctions in the event of breach;
- The generalisation of a whistleblowing platform (Ethics Hotline) intended to gather reports from employees and third parties concerning the existence of conduct or situations that conflict with the Group’s ethical rules;
- The performance of a Sapin II risk mapping under the responsibility of the Group’s Risk Management Department, geared towards identifying, assessing, ranking and managing the corruption risks to which the Group is exposed. It also serves to report to Top management and the persons in charge of Compliance, the information needed to establish measures to prevent and detect the risks of corruption that are appropriate for the identified challenges;
- The strengthening and updating of the procedures (due diligence) to assess the compliance situation of CMA CGM’s partners, intermediaries, suppliers and customers;
- The introduction of internal and external accounting check procedures to ensure that the ledgers, registers and financial statements are not used to conceal acts of corruption or influence peddling;
- The updating of a classroom-based and e-learning training system intended for the executives and staff who are most exposed to the risks of corruption and influence peddling;
- The performance of an assessment of the anti-corruption compliance system carried out by the Internal Audit Department.
In 2018, the Group revised its 
Conflict of Interest Policy. This policy involves 
an annual conflict of interest disclosure statement which is mandatory for all 
persons considered as “key people” and 
a list of whom is included in the appendix. 

The code of Ethics, as mentioned in the 
introduction, applies to the entire CMA 
CGM Group.

The Third-Party Code of Conduct is 
intended for all “Business Partners”, i.e. 
all individuals or organisations which/who 
do business with CMA CGM, in particular 
the suppliers, intermediaries, dealers, 
distributors, subcontractors, consultants 
and joint ventures. Our Business Partners 
are required to join the Partner Charter. 
They are expected to strictly adhere to 
CMA CGM Partner Charter or equivalent 
rules of behaviour. – cf. page 29 The Third- 
Party Code of Conduct to strengthen its 
responsible approach

The Gifts and Hospitality Policy describes 
the acceptable and prohibited behaviours. 

In 2018, the Group also revised its Conflict 
of Interest Policy. This policy involves 
an annual conflict of interest disclosure statement which is mandatory for all 
persons considered as “key people” and 
a list of whom is included in the appendix. 
The 2018 Conflict of Interest Policy has 
expanded the list of key people subject to 
this mandatory annual disclosure statement. 

Further, in 2018, with the introduction of the Ethics Hotline, the 
code of conduct and ethical rules 
are made via this new system. However, 
an alternative procedure is planned for 
employees who do not have access to the 
Internet. These changes are included in the 
new Conflict of Interest Policy initiated in 2019.

The CMA CGM Group has also developed 
a compliance “due diligence” procedure applicable to third parties with whom 
CMA CGM hires any interest 
representative. 

The MACN is based in Copenhagen and is carried out by BSR, a Non-Governmental Organisation. 

In 2018, the Group worked 
on the development of an Interest 
Representatives Policy. This policy will 
take effect in January 2019. The Interest 
Representatives Policy lays down the 
applicable code of conduct and ethical rules 
and specifies a “due diligence” procedure before CMA CGM hires any interest 
representative. 

The CMA CGM Group has also developed 
a compliance “due diligence” procedure applicable to third parties with whom 
CMA CGM intends to develop a business 
relationship. Given the sectors in which 
it operates, CMA CGM has business 
relationships with many third parties 
(customers, suppliers, subcontractors, 
intermediaries, brokers, co-investors, 
etc.). By exercising vigilance regarding the 
integrity of the third parties with which 
it does business, CMA CGM is acting to 

In 2018, the Group also revised its Conflict 
of Interest Policy. This policy involves 
an annual conflict of interest disclosure statement which is mandatory for all 
persons considered as “key people” and 
a list of whom is included in the appendix. 

The work of the MACN is structured around three core areas:

C. The Group’s actions 
to guarantee compliance 
within the shipping 
industry

The MACN 

In 2018, the Group has been a member of the Maritime Anti-Corruption 
Network, which is fighting to eliminate corruption in the shipping and port sectors. The Maritime Anti-Corruption Network is a global business network working towards 
the development of a maritime industry free of corruption that enables fair trade to the 
benefit of society at large.
2. Economic sanctions

As a leading French player in maritime shipping, CMA CGM must carry out its business by complying with regulations regarding economic sanctions. Leveraging on a dedicated team within the Legal Department and by raising the awareness of each employee to these problems, CMA CGM has embarked upon a security and compliance approach.

The ever-changing requirements in this area call for constant monitoring of regulatory developments, close cooperation with the relevant national and international authorities as well as empowerment of all staff through access to an interactive platform allowing them to understand the guidelines and good practices in the business activities involving the countries and exports at risk.

Moreover, CMA CGM has enhanced its approach for compliance with economic sanctions via a training programme with e-learning modules made available to each employee and newcomer, as well as classroom training sessions.

3. Competition

The CMA CGM Group has made it its top priority to ensure that its employees know and comply with competition law. At the end of the maritime conferences in Europe in 2008, the Group developed a competition law compliance programme designed to guarantee that all the business activities of the Group’s entities and subsidiaries in France and worldwide comply with competition law. This programme applies to all Group employees, especially in connection with their relationship with customers, competitors, partners and suppliers.

This programme has led inter alia to the creation of a division of legal practitioners specialised in competition law within the Group’s Legal Department and to the delivery of many classroom and online training courses. Following the delivery of an e-learning programme from 2008 to 2018 which helped to train tens of thousands of employees in France and abroad, the Competition Law Compliance division of the Group’s Legal Department developed a new general competition e-learning module based on a more interactive format and which includes the differences in the legal systems of the foreign companies acquired by the Group over time.

This online training module is supplemented by tailor-made classroom training sessions for certain categories of employees, subsidiaries and entities of the Group.

At the same time, a good practices guideline, memos and regular publications on competition law news are broadly disseminated within the Group.

In the event of doubt, employees are strongly encouraged to consult the Competition Compliance division of the Legal Department or its local officers worldwide to ensure that their actions are compliant.

Any breach by an employee to the competition rules may be reported via the professional whistleblowing platform “Ethics Hotline”.

Suppliers and service providers from whom the Group purchases goods and services are also required to comply with the Group’s policy relating to competition law.

Finally, the Group implements specific measures when it acquires companies or creates joint ventures with partners in order to adhere to the competition rules applicable to these economic transactions.

4. Personal data protection

For the past several years, CMA CGM has embarked upon a personal data protection policy within its information systems.

CMA CGM implements the organizational and technical means to protect the personal data of data subjects (customers, suppliers, employees, third parties) and extends its compliance policy to subcontractors and subsidiaries to guarantee compliance with the European personal data protection standard worldwide. The enforcement of this policy is supported by:

• An intra-Group data protection policy;
• A network of Data Protection Officers – DPOs;
• An Audit Plan;
• A training plan for employees.

The Data Protection Officer (DPO) appointed by the Group ensures that this personal data protection policy is properly enforced.

5. Compliance: a company culture achieved through raising awareness and training of all employees

The dissemination of the Compliance culture within the Group is achieved via various methods:

› Tone at the top: Managers must set the example and ensure that the projects that they supervise are handled ethically and comply with the Code of Ethics and applicable laws.

› Adaptation of the compliance approach based on the perceived risk: the sectors at risk of non-compliance should be highlighted by correlating the compliance efforts to the sectors where the risk of non-compliance is the highest based on our risk mapping.

› The dissemination of the policies over the Intranet: the documents comprising the Group’s Compliance programme can be consulted by all employees on the Group’s Intranet, on a dedicated page. This page aggregates all the Group’s Policies and Procedures and tools for all employees such as interactive charts to identify the countries subject to economic sanctions. At the same time, the “Ethics and Compliance” space on the www.cma-cgm.fr website provides all individuals with the Code of Ethics, the Partner Charter and outlines our various Ethics and Compliance policies.

› Employee training. Training is also a key element in the Group’s Compliance policy:

• Guidance is offered for all the Group’s employees via classroom courses taught at the head office and in the regions. These courses are renewed on a regular basis and are intended for those employees who are most exposed to Compliance risks irrespective of their geographical location;
• e-learning modules on Compliance are compulsory for Group’s employees and are regularly updated. In 2018, two new e-learning modules were introduced, one entitled “Introduction to personal data protection” on European Competition Law and another entitled “Fighting corruption”;
• All new employees receive support in their compliance training. Firstly, they are required to sign the Code of Ethics online before starting their employment contract. They then receive a reminder email concerning all the e-learning modules on compliance that they are required to take. Finally, as of December 2019, a member of the Compliance Department will briefly explain to new employees the Department’s actions during the various orientation sessions.
6. A whistleblowing system: Ethics Hotline

The reporting of potential or proven breaches to laws, regulations, policies or procedures of the Group are embodied in the Code of Ethics and encourages accountability amongst the Group’s employees in their commitment to ethical conduct.

CMA CGM provides employees and third parties with a website: http://cma-cgm.ethicspoint.com which allows them to:

• Ask questions to the Compliance Department;
• Make a report via an online form;
• Make a report via a dedicated phone number (the phone numbers are listed per country and are available on the Group’s website or on the intranet);
• Ensure that whistleblowers remain anonymous, if they so desire and if the local regulations so allow;
• Access to a 24/7 platform.

As of 2019, the Ethics Hotline system will be used to gather statistics in terms of the reports made.

The introduction of this new system will also go in hand with new policies, such as the Non-Retaliation Policy intended to remind employees of CMA CGM’s commitment to protecting whistle-blowers who make reports in good faith of a potential breach to the law or internal policies.

As such, all employees are encouraged to use any means to report, by any method, to Top Management, their line managers or the Group Compliance Department and/or by any other existing channel, any breach to the Code of Ethics, the compliance policies as well as the applicable procedures and regulations, irrespective of their area and particularly:
• Fraud and/or corruption;
• Anti-competition practices;
• Respect for human rights;
• And generally any potential breach to the Group’s Code of Ethics or Policies.

7. Duty of care – Vigilance Plan

In 2017, as soon as the law on the duty of care by parent companies and large corporations was voted, a cross-functional and multi-disciplinary work group involving the CSR, Risk Management and Purchasing divisions was created to meet the 5 requirements of the law.

Their first tasks, to best enforce the Law on the Duty of Care, were to:

• Identify all the actions undertaken by the Group regarding health, safety, the environment and social aspects;
• Identify the scope and breakdown the Group’s business activities;
• Within the company: office-based activities, operational, maritime and terminal activities;
• Outside the company: suppliers and subcontractors.

Note: detailed progress of the actions carried out as part of the vigilance plan is presented in the following pages. They will be analysed during 2019. The effectiveness of these actions will be presented in the 2019 CSR Report.
In order to cover the entire Group and the diversity of its business lines, the scopes used in the CSR report (in accordance with the materiality matrix applied were:

The risk-assessment scope covers shore-based activities in France and abroad. Maritime operational activities, the Terminals, Logistics and suppliers and subcontractors. 5 Human rights risks, 5 Environmental risks and 6 Procurement risks have been identified as part of this exercise. The main risks are as follows:

1. Risks for the health and safety of people onboard owned vessels and at the terminals. Security risks avoided.
2. Risks of pollution and damage to biodiversity: hydrogen sulphide pollution or pollution through the loss of containers, pollution by vessels, pollution of the soil.
3. Risks associated with the climate: CO2 emissions, physical, technological, regulatory and financial risks.
4. Risks associated with the use of subcontractors/suppliers’ service providers who may not be compliant with the law.
5. Risks associated with the dismantling of vessels, health and safety of workers, pollution, working conditions and fundamental rights.

The methodology applied by the Group’s Risk Management department includes the identification of existing controls and the gathering of the action plans associated with the assessed risks.

Presentation of the mapping of the Group’s major risks (including the risk of Non-Compliance with the Duty of Care) every quarter to the Audit and Risk Committee as well as the Directors and Auditors during the Audit and Accounting Committee meetings.

Monitoring and regular update of the mapping of HSE risks (Health Safety Environment) by the Global Environment & Sustainability department.

Discussions on the Duty of Care with our partners, suppliers, customers and other stakeholders.


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Discussions on the Duty of Care with our partners, suppliers, customers and other stakeholders.


The Environment, Health and Safety risks of the operational activities already form the subject of a risk assessment, environmental analyses or preliminary societal and environmental impacts studies in connection with new projects.

Participation in various cooperative work groups such as Clean Cargo, Maritime Anti-Corruption Network, Containment Safety Program, Cargo Incident Notification Scheme, or the Business Actions to Stop Counterfeiting & Piracy.

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In 2018

- 37,092 employees worldwide, including 4,905 at sea
- 6 Partnerships with Prestigious French Universities
- 212,342 hours of training received by employees in 2018
- “We are shipping”: female leadership transformation programme
- Telecommuting system experimented in Marseille and Le Havre
- Attractive employer: “Happy Candidates 2018” for France
- Company Mobility Plan
- Launch of a worldwide simplification approach

The CMA CGM Group’s global reach, its wide range of business lines and large number of business activities foster employee career development on shore and at sea.

The Group’s workforce is divided into 3 large categories with different and complementary activities and jobs.

These are:
- Office-based activities: the support functions at the head office, regional offices, network of agencies of the Group and its subsidiaries;
- Maritime and shore-based activities (ports and terminals, logistics and intermodal activities (road, river, air), etc.).

Breakdown of the workforce per type of activity

Shore-based activities

Maritime activities

Office-based activities

1 The Group’s entire consolidated workforce, i.e. 37,092 employees
1. Workforce

As of 31/12/2018, the number of Group employees was 32,670 people. The total number including international seagoing staff was 37,092 employees.

<table>
<thead>
<tr>
<th>Group total workforce</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(excl. international seagoing personnel)</td>
<td>34,647</td>
<td>37,092</td>
</tr>
</tbody>
</table>

The number of new hires amounted to 8,208 people and the number of departures amounted to 6,337 people.

Regarding seagoing staff:

As of 31/12/2018, the number of seagoing staff amounted to:

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>French seagoing staff</td>
<td>4,946</td>
</tr>
<tr>
<td>International seagoing staff</td>
<td>4,219</td>
</tr>
<tr>
<td>Total seagoing employees</td>
<td>9,165</td>
</tr>
</tbody>
</table>

The upward trend in the number of seafarers can be explained by the slight increase in vessels as well as an adjustment of the calculation methods.

2. Diversity

The strength of the CMA CGM Group lies in the diversity of the Men and Women working there. Diversity plays a fundamental role in guiding the Group’s strategy. As a source of inspiration and innovation, it helps us to better understand customer expectations, and to offer them tailored transport solutions and high-quality services. The diversity within the Group is defined by gender equality, multi-culturalism, and intergenerationality in order to foster emulation to enable mutual enrichment.

The CMA CGM Group strives to give everyone the same opportunities so they can advance in the organisation. Our Code of Ethics clearly explains our aim to expand diversity and equal opportunity. We derive our integrity by respecting and protecting the fundamental rights and freedoms as instituted in the Universal Declaration of Human Rights. Through this declaration, we have committed to eliminating any discrimination of any kind, based on nationality, class, race, disability, gender, age, religion and political views.

More broadly, the Group’s anti-discrimination policy is based on the principles of freedom of opinion, job placement and retention for disabled employees and job equality as per the collective bargaining agreement. As such, many projects have been put in place and continuous talks are underway between the personnel representative bodies and management to address more in-depth areas of action for the labour climate and the work environment in general.

In May 2017, the CMA CGM Group created the Diversity for a better performance committee. The goal of this Committee is to make diversity a source of performance for the Group and is structured around 3 areas of focus:

A. Multiculturalism

The Group’s workforce consists of people from 149 nationalities, spread across 140 countries. As multiculturalism is a source of richness for the Group, initiatives have been developed, particularly via training tools, in order to facilitate dialogue and optimise communication, not only within the Group but also with its customers and all its stakeholders.

Breakdown of workforce by region:

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe (except France)</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Africa – Middle-East</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Asia – Oceania</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Americas</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Asia – Oceania</td>
<td>47%</td>
<td>46%</td>
</tr>
</tbody>
</table>

In 2018, the workforce increased in Asia, Oceania and the Americas, as a result of strengthening of the staffing levels within the shared services centres.

B. Intergenerationality

Within the Group, the average age of employees is 37 years of age and the average number of years of service is 7.

In 2018, the Group celebrated its 40th anniversary, it is partly due to the diverse profiles and ages of its employees that the Group has acquired such a solid foundation.

<table>
<thead>
<tr>
<th>Age</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20</td>
<td>28.5%</td>
<td>29.6%</td>
</tr>
<tr>
<td>20 – 29</td>
<td>30.6%</td>
<td>32%</td>
</tr>
<tr>
<td>30 – 39</td>
<td>19.8%</td>
<td>20.2%</td>
</tr>
<tr>
<td>40 – 49</td>
<td>13%</td>
<td>11.2%</td>
</tr>
<tr>
<td>50 – 59</td>
<td>13.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>60</td>
<td>4.9%</td>
<td>2%</td>
</tr>
</tbody>
</table>

As over 60% of the Group’s employees are between 20 and 40 years old, “expert” conferences and mentoring initiatives have been developed to support young talents and foster the transfer of expertise.
Launch of a world simplification approach

In late July 2018, the Group launched an approach to simplify procedures with a view to improving its efficiency. This approach is intended for all employees, whether on land or at sea, irrespective of their department or subsidiary. The goal is to identify a problematic area which may be simplified or improved within the day-to-day working practices and thereby help to streamline the Group’s organisation.

A specific address has been created to allow employees to share their simplification ideas. This programme has received strong support from employees since its introduction, with over 280 ideas received in just a few months.

These ideas are studied during a simplification committee meeting, attended by the CEO of the Group and the entire executive team. At the end of the committee meeting, some initiatives are approved to be implemented whereas others which do not require strategic decisions are directly validated by the relevant departments. The Group provides regular updates on the initiatives which have been implemented, and those underway or which have been validated and encourages staff to continue contributing to the simplification approach.

**C. Gender equality**

With women representing 45% of the Group’s workforce, and 13% of employees in a management position, the CMA CGM Group has committed to fostering gender equality at the workplace for many years. This commitment is demonstrated by a strong recruitment, promotion and training policy as well as the organisation of events such as themed lunches, as a time to share, talk and to inform, collect suggestions from female employees and recommend new actions (Day of the Woman, Pink October, conferences, range of communication campaigns, etc.).

It is also worth noting that pursuant to the Copé-Zimmermann law laying down rules for gender balance in boards of directors (over 40% of female directors), the CMA CGM Board of Directors is comprised of over 45% of female directors.

**D. Disability**

The CMA CGM Group helps to support people with special needs during their professional career. At the head office in Marseilles, the Occupational Health and Safety Committees attended by the Employment Relations and Union representatives meet regularly to support employees returning from long-term absences which includes inter alia various meetings organised between the human resources team, the manager and, as applicable, the occupational psychologist.

In 2018, on the United Nations’ International Day of Persons with Disabilities, the CMA CGM Foundation and the Human Resources Department invited employees of the Tower to take part in a round table discussion about disabilities. This informal event gave employees the opportunity to discuss this issue, share their experiences and report any difficulties. As a further step, the Group Human Resources Department initiated a working group in December 2018 on the consideration of disabilities within the company. The goal is to ultimately increase awareness with regard to diversity as a source of richness, inspiration and creativity for the company.

**3. Work organisation**

**A. Quality of life at the workplace**

Several steps have been taken to ensure a good work-life balance for employees. For example, a gender equality agreement specifies in particular the 100% coverage of paternity leave for shore-based and seagoing personnel, working time arrangements for pregnant women, provision of 12 cribs within a private daycare centre to accommodate 18 children of employees or the payment of an “early childhood allowance” through the works councils, and the establishment of individualised hours for full-time employees (variable time slots) for all onshore institutions in Metropolitan France.

Efforts to improve the quality of life at the workplace mainly relate to ensuring better working conditions. This includes a serious reduction in the number of days lost through sickness, an improved quality of work and a dynamic approach to the workplace – including the appropriation of the workplace by the employees. Exemplary measures in this regard are an almost 50% reduction in sickness absences in 2018 (from 3.5 to 1.7 work days per 100 full-time workers) and the diversity agreement which focuses on reducing the number of days lost due to sickness. The goal is for these efforts to lead to an increase in performance and productivity. In 2018, on the International Day of Persons with Disabilities, the CMA CGM Foundation and the Human Resources Department invited employees to the Tower to take part in a round table discussion about disabilities. This informal event gave employees the opportunity to discuss this issue, share their experiences and report any difficulties. As a further step, the Group Human Resources Department initiated a working group in December 2018 on the consideration of disabilities within the company. The goal is to ultimately increase awareness with regard to diversity as a source of richness, inspiration and creativity for the company.

We are Shipping

The CMA CGM Group has set up the We Are Shipping program, which aims to support women in their professional development and to promote harmonious internal diversity in management functions.

In 2018, 12 women joined this leadership transformation program. Through a whole series of actions and events (group coaching, testimonials of women with an inspiring career, personal branding workshop, training, co-development, personalized HR...), they were able to work on their development plan and create a network in France and internationally with women occupying responsible positions.

The program is already starting to produce encouraging results with mobilities and promotions, in France and internationally and a general awareness of the interest for all to develop internally diversity.

In 2019, a second group of 14 women will benefit from the same program. The We Are Shipping program will also be deployed in several other countries.
Company Mobility Plan

In May 2018, a specific mobility team was put together in Marseilles primarily to improve day-to-day mobility and simplify the use of public transportation. Following a survey of employees, several avenues have been explored and practical solutions have been proposed. These include:

- the “C-Park” in-house application: this application was developed by the CMA CGM digital teams as a means of optimising the unused parking spaces at the CMA CGM Tower (leaves, absences, business trips, etc.). Following a trial period in the Summer of 2018, the application was officially launched in November 2018. This solution serves to reallocate an average of 80 parking spaces per day, to employees who are in need of a parking space, up to 150 spaces may be distributed per day during holiday periods.
- A dedicated car sharing platform: “Klaxit”. The employees who are interested in the solution and offering their services sign up and input their journey into the application. The first 20,000 kilometers are offered by CMA CGM to employees. This solution was introduced in 2018 and enabled 82% of the registered employees to receive car sharing offers.

Furthermore, during the Mobility week, various communication initiatives were organised to pass on the solutions proposed and to promote the day-to-day mobility of employees (open house days, information sessions, poster campaign in the elevators, creation of a community group, article in the company’s internal newsletter, etc.). In addition, employees in Marseilles have been provided with various information sharing forums and communication tools to discuss their mobility on a daily basis (dedicated email address, community network, information on the Group’s intranet, etc.). The company has also signed a partnership agreement with “La Cité des Entrepreneurs” (an association bringing together the Chamber of Commerce and Industry and Euroméditerranée) to take part in, meet, share and keep abreast with new transport alternatives.

The HR team assigned to the Company Mobility Plan will continue to work in 2019 and will rely in particular on the various partnerships established with institutions such as: Métropole, Région Sud (Auditorium, working groups on Mobility, etc.).

Skills-based sponsorship program

In 2018, the CMA CGM Group and the company foundation introduced the Skills sponsorship program. This programme is an effort to harness employees’ professional and/or personal skills, to the benefit of a solidarity project. 10 volunteers in Marseilles (under an indefinite-term contract for over 6 months and with the consent of their manager) spent two half-days of their working time in one of the four partner associations of the scheme to help them with specific tasks. This is a genuine commitment by the Group’s employees to their civic responsibility to support associations which help children in difficulty on a daily basis. cf page 103 – Set-up of the Skills-based sponsorship program.

Company concierge service

The CMA CGM Group has set up a company concierge service at the Head Office to attend to the well-being of its employees, help them save time and generally make their life easier on a daily basis.

The “Conciergerie” by CMA CGM offers a wide range of services to employees such as:
- Daily services: dry cleaning, ironing, shoe repair shop, sewing workshop, administrative procedures, etc.
- Home service: child minding, homework assistance, house cleaning, DIY projects, gardening, etc.
- Delivery services: medication, flowers, take-away, etc.
- Other services: shirts and ties, coffee capsules, stockings, etc.

Every day, employees can consult with the concierge during the opening hours. They are also able, via a private connection, to contact a 24/7 call centre which allows them to book the services that they require. The services can be paid for online through a secure payment or via an e-wallet. In 2018, 6,754 employees used the services offered by Conciergerie by CMA CGM, with an average of 350 visits per month.

Partnership with Hôpital Européen

The CMA CGM Group has developed a partnership with Hôpital Européen since 2015. This hospital is located close to the CMA CGM Tower, thereby enabling employees to receive high-quality medical care closeby. They have a dedicated email address to make appointments for consultations and medical exams.

The quality of life at the workplace of seagoing staff

This approach is both proactive and comprehensive:
- It is comprehensive as it acts on the social-organisational levels in connection with the work activity and assists employees with their specific health needs.

The joint Quality of Life at the Workplace group has continued its work. Its role is to analyse the results of the social follow-up and Quality of Life at the Workplace surveys, while issuing recommendations.

Within this context, it carries on the initiatives implemented in previous years: ergonomy of the vessels, Land-Sea relationship, Quality of Life at the Workplace onboard vessels. New actions have been conducted to promote and raise the awareness of the crew to the Quality of Life at the Workplace, good managerial practices, and the prevention of addictions. Furthermore, this year, new measures were introduced, including the simplification of the administrative processes on board, the analysis of accidents with fault tree analyses alongside the persons involved in the accidents.

The CCP group has set up specific training for the Quality of Life at the Workplace officers onboard the vessels. This training has been tailored with the Marseilles Prevention Institute for qualification purposes and extended to all shipping companies.

The Quality of Life at the Workplace officers onboard the vessels will be provided with awareness raising tools to conduct their prevention actions. The CCP group will act as a “back-up” support for these individuals.

A partnership with ESP Consulting, an expert sports and performance centre has been implemented, in order to optimise the health and physical performance of seagoing personnel and reduce accident rate. ESP Consulting set up a pilot group onboard a vessel for three months to carry out its tasks, be identified by staff at sea and gather from the seagoing personnel the options for future improvement. The result obtained revealed an improvement of 40% of the physical condition for all the assessed criteria.

Another area for improvement for seagoing personnel is the food onboard vessels. A test phase was conducted with direct supply of the vessels without using the services of a shipchandler. The outcome was a positive one both in terms of the quality of the food and the pricing. This experiment will be gradually extended to the other vessels.

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B. Psycho-social risk prevention

The Group’s policy on psycho-social risks is covered by an agreement signed on 20 May 2010 (agreement on preventing psycho-social risks among CMA CGM UES employees). The document provides milestones for a preventive programme to measure, analyse and monitor psycho-social risks. The recommended actions include:

- Preventing risks of workplace or sexual harrassment and instituting a reporting procedure;
- Organising training courses for managers in psycho-social risk prevention.

Since the agreement was signed, a psychological support unit has been set up. The unit is available by telephone or online 24/7 and is a completely confidential space for employees to talk to someone of their choice. In addition to preventing psycho-social risks, it embodies the Group’s sustained promise to improve life in the workplace for its employees.

Several long-term projects have been launched at both the individual and collective levels. The priority areas to work on are work environment, social climate and employee guidance.

As part of the 2018 action plan, the Group commissioned an external training organisation to continue providing training to managers regarding good managerial practices.

An action plan on the Quality of Life at the Workplace has also been introduced and is structured around optimising working conditions and employee guidance. To employee wellbeing: emotional balance processes and procedures and specific provision is structured around optimising working conditions and employee guidance.

In 2016, a system was put in place to track, count and check employee attendance on the Marseilles site (Attendance Check Agreement). The working time remains unchanged, however it may vary by relatively 3 hours per week, provided that the average time per month is observed. The arrival and departure time ranges of the employees have been extended for greater flexibility in the management of their schedules.

In 2018, the pilot programme for telecommuting in the company was introduced. Telecommuting is an innovative form of working organisation which enables inter alia a better home-life balance, improved working conditions for employees and greater independence in the accomplishment of their tasks.

To this end, a pilot programme for telecommuting was experimented for four months for a limited number of services and employees at the Marseilles and Le Havre sites. The fleet management department adopted the rest time system, and the monthly working hours are monitored on board and on land to ensure our compliance.

In order to see to it that seagoing staff get enough rest and avoid fatigue, the Group initially set a monitoring threshold of 120 hours for ratings and 150 hours for the hospitality department.

In general, the Captain and the Chief Mechanic on board oversee that the standards established in the convention are followed.

Maritime Labour Convention

The International Labour Organisation (ILO) met in 2006 to create a unique document aggregating all the obligations concerning the working conditions and life onboard vessels. The Maritime Labour Convention (MLC) was created, adopted and published, and this convention became mandatory as of 2013.

International maritime law now has 4 pillars:

- SOLAS: Safety - Convention for the safety of life at sea;
- MARPOL: Environment - Convention for the prevention of maritime pollution;
- STCW: Training and certificate - International convention on standards of training, certification and watch-keeping for seafarers;
- MLC: Social protection and working conditions – Maritime Labour Convention, i.e. the minimum living and working conditions for all seafarers.

In August 2017, 84 members of the ILO ratified this convention, representing 85% of global shipping.

MLC is organised into 5 parts:

- Minimum requirements for seafarers to work on a ship;
- Employment conditions;
- Accommodation, recreational facilities, food and catering;
- Health protection, medical care, welfare and social security protection;
- Compliance and enforcement.

Due to the high quality of its vessels, CMA CGM was able to implement the MLC well before the deadline date of 2013. During the certification phase, no major shortcoming was found and whenever the vessels are inspected, the Group demonstrates excellent working and living conditions onboard its ships.
D. Social dialogue

Social dialogue is a vital part of company life. It mainly occurs by providing employees with information. Strategy, economic, financial, social and organisational questions are addressed in a range of meetings attended by staff and management representatives. In addition to the staff representatives appointed at each entity, these include the Group Committee, Central Works Council in France, Entity Committees, the CHSCT (Health, Safety and Working Conditions Committee) and a variety of specialised joint commissions.

Pursuant to the International Labour Organisation (ILO) conventions and by virtue of the principles instituted in its Code of Ethics, the Group undertakes to respect the freedom of labour unions and the rules of Ethics, the Group undertakes to respect the principles of the ILO, the Marseilles and Le Havre facilities, the CHSCT Group Committee, Central Works Council and other sites in France to comply with the Group’s Code of Ethics, the Anti-Corruption Code of Conduct and the whistleblowing policy.

4. An attractive employer

A. Career management

In 2017, the Group continued the development of career management, inter alia by transforming its HR tools. A new talent management approach was proposed for better support through the roll-out of the C&Mé “Talent Management” module as an employer, in more than 40 countries for over 15,000 employees. It involves succession plans, identification of talents, assessments, optimisation and forecasting of organisations depending on activities. Within this context, the Group has implemented a “High Potential” identification process. This international review of “High Potential” is used to determine the key positions and anticipate succession plans. Furthermore, the Group encourages the initiatives of all employees seeking to embark upon new challenges. To this end, the Performance Interview, which has been officialised since 2015 in the new human resources management tool C&Mé, allows shore-based employees and their line managers to take stock of their goals, measure their performance, formulate new career development wishes and express their training needs.

Mobility makes it possible to put skills where they are needed within the Group. The Group’s mobility policy offers a variety of innovative career paths in addition to regular types of mobility (expatriation, local contracts, secondment). As a result, employees are better able to expand their range of skills, hone their expertise or rise up through the ranks in managerial positions.

JUMP (Junior Upwards Mobility Program), as an innovative scheme, gives our young talents a chance to work abroad for 6 months to discover new jobs and a different working environment. Every year, some twenty employees take part in this international mobility programme.

“SWAP” is another option whereby two employees from different entities trade jobs.

The VIE programme (Volontariat International en Entreprise – French internship programme) sends young graduates abroad to our local organisations to expand their knowledge, acquire new interpersonal skills and help standardise practices and procedures within the Group. At the end of their contracts, we offer them career opportunities and a chance to take on new challenges to help the Group grow. In 2018, 30 VIE participants were stationed primarily in Africa, Asia, North and South America.

Finally, every year, the Group offers employees expatriation contracts in a number of different countries. In addition to sharing best practices and standardising working methods, international mobility gives employees exposure to more responsibility and the chance to widen their range of skills.

The programme involves discussions, conferences and targeted communications throughout the year, whereby employees learn about the interests of international mobility. In 2017, new programmes were introduced to attract, retain and develop the talents within the Group. The Sponsorship programme is aimed at accelerating and easing the integration of Executives. Mentoring is also available to support our talents in taking their job positions.

These two programmes are based on establishing a special relationship, confidence and mutual respect, and allow experienced employees to share their knowledge of the Group, their network and their experience.

In 2019, focus will be placed on developing Mentoring within the company. A panel of managers will be invited to take part in an information session on Mentoring that will be coordinated by the Group Human Resources Department. At the end of this session, some of the managers, who have volunteered to take part in the programme, will receive a half-day of training on the role and responsibilities of the Mentor. As support, a group for discussion and sharing between mentors will be formed.

The Lead Program was continued in 2018, with:

• The launch of the 3rd promotion dedicated to the Americas (ended in late 2018);
• The start of the 4th promotion (24 participants for the Europe Middle East Africa region). This CMA CGM Corporate leadership training programme that was established as a partnership with Sciences Po Paris & Financial Times IE Business School CLA, is designed to prepare young talents in managerial positions to cope with the future challenges of our industry and take up positions of responsibility.

Since its launch in 2017, 91 Group employees have taken part in this leadership programme, including 68 in 2018. Work is currently being conducted on the new directions to be given to the programme for 2019.
Onboarding process

Integration is an essential issue which has emerged as a driving force behind the retention and development of our new talents. It is a decisive period of the employee’s career which must be given our entire attention and requires the involvement of all stakeholders in the company.

In 2017, the implementation of the “Onboarding” process in the USA, and then in France, allowed the CMA CGM Group to professionalise the new employee orientation process. At present, even before arriving in the company, new employees receive special guidance for the accomplishment of administrative formalities and key information (via a digital portal) in order to foster adherence to the company’s culture and values.

In 2019, the “Onboarding” process will be introduced in Singapore and the employees will have access to a new information portal which can now be consulted from C&Me. This new version of the digital portal will also be implemented in the US and in France in 2019.

Espace MAPP

CMA CGM is also a member of the Espace MAPP Association in the PACA region (Mobility and Career Guidance). Espace MAPP supports the inter-company mobility of employees from several locally influential companies through shared experiences or feedback enhanced by training sessions also conducted by the association, thereby offering a diverse range of career paths.

In 2018, a new concept “Talents & Territoires” was introduced in connection with Espace Mapp. “Talents & Territoires” is aimed at establishing contact between employees of major corporations with local SMEs/start-up so that these companies can take advantage of the specific skills offered by the employees. In summary, the project is akin to a skills sponsorship programme by local corporations for the local economic environment.

Managing the careers of seagoing personnel:

The fleet management department regularly monitors the careers of seagoing personnel. A briefing is held at each embarkation during which the validity of certificates is verified and a check is conducted to determine whether seafarers attended the mandatory training sessions. The Group is working to set up a “land-sea-land” career management system for officers of its owned fleet. They are given assignments at the head office to facilitate discussions between the various sectors and provide them with future career opportunities on shore.

Projet Feedback 360°

In 2018, the Group decided to embark upon the development of an overall feedback culture in the company.

Feedback 360° is an individual development tool:

• Comparing self-perception (self-assessment) and colleagues’ perception serves to identify the strengths and areas for improvement of a participant whether he or she knows them;
• The procedure is continued by an individual development plan around concrete actions.

The pilot project was launched with a portion of the Corporate Officers in Marseilles so that, in turn, they can become actors of the feedback culture within their organisation.

In implementing Feedback 360°, the company would like to institute a long-term process with the teams and enable individual and collective development.

“Thomas International” questionnaire

In France, CMA CGM has been using the “Thomas International” questionnaire for the past several years as a tool for making good recruiting decisions. This assessment tool specifically describes the behavioural module of an individual in a work situation. The result gives rise to a constructive discussion with the candidate which confirms or disproves the analysis of his or her professional profile. The “Thomas APP” provides additional information which supplements the assessment made by the recruiter.

All of the HR teams abroad have been trained in using the tool and propose it to all their candidates.

In 2019, the “Team” version of the questionnaire will be tested in Marseilles. The “APP Team” questionnaire will serve to pool all the profiles of a team, create a profile therefrom and highlight the key points thereof (support points, complementarity of the profiles, areas to be developed, etc.). Therefore, the tool and its analysis enable a better understanding of the various interactions of the team for better cooperation and to determine the avenues for making full use of its development potential.

The operational HR teams in Marseilles will be trained in using the tool and will subsequently coordinate workshops with the various teams.

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B. A competitive wage policy

In order to attract, retain and motivate talents, CMA CGM relies on a wage policy that has 3 priorities:

- Equality within the company
- External competitiveness
- Performance-based remuneration

Since July 2016, as part of the integration of the APL teams, the CMA CGM Group has undertaken an overall approach to harmonise salaries and health insurance, welfare and pension schemes, in approximately 40 countries. This process was conducted via comparative studies regarding the levels (salary, social benefits) and the structures for the relevant countries. As a follow-up, an audit was initiated in late 2017 for all the Group companies. In 2018, the audit report provided an exhaustive assessment of the Group’s supplementary health care, welfare and pension schemes.

The approach to harmonise the health insurance and welfare schemes continued in 2018 and gave rise to the signature of an umbrella policy with an international broker on 1 December 2018. The broker’s scope will initially extend to 55 countries for which it will negotiate the policies or policy renewals for the Group (life insurance / disability and health care).

The CMA CGM Group is thereby demonstrating its ability to align the level of health and welfare coverage for the Group’s employees to market practices (similar industry), while taking into account unique local and regional characteristics.

For information, on 31/12/2018, the payroll amounted to: USD 1,886 M.

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Reform of the Pay As You Earn (PAYE) system

In 2018, the Group Human Resources Department wanted to assist all employees of the France scope in the transition process to the Pay As You Earn (PAYE) system as of January 1, 2019. Therefore, in addition to the official campaign led by the Tax Authorities, at all the sites, the employees were invited to information sessions coordinated by Ernst & Young. The aim was to help them understand and anticipate the change, outline all the impacts of the reform and give them the opportunity to ask questions to a tax lawyer.

CMA CGM Academy helps all employees on a daily basis in all their job-related activities and offers a wide range of e-learning or classroom-based courses with an instructor to fulfill everyone’s needs. Its purpose is to guide the Group’s strategy particularly via strategic actions such as the strengthening of human expertise combined with an agile organisation. This is obtained through the administering of agile training courses to support the projects (raising awareness to the agile method, Lean Six Sigma, etc.).

- In 2018, CMA CGM Academy organised training on the IFRS 16 standard. This is a new international accounting standard for the finance teams (classroom and e-learning sessions), which must be applied as of 1 January 2019.
- All the Group’s operations worldwide are subject to rules on competition law. To deepen employees’ insight into these rules, CMA CGM Academy offers e-learning courses related to Competition Compliance.
- CMA CGM Academy offered employees an overview of the general anti-corruption laws and principles and, more generally, the laws and principles applicable in the shipping sector.
- The European General Data Protection Regulation (GDPR) lays down strict rules for the handling, storage and processing of data. These rules apply to all CMA CGM companies worldwide which process the data of citizens and residents of the European Union. The Group Legal Department and CMA CGM Academy introduced a new compulsory training module for the entire staff on the basic data protection rules.
- The CMA CGM Group is currently deploying Office 365 suite to all employees. In addition to the Microsoft office automation tools (Word, Excel, etc.), Office 365 also offers new online collaborative services such as Teams and Yammer. To guide employees in their familiarisation with these tools, a set of video tutorials (from beginner to expert level) is available on the Academy portal. This is intended to help them broaden their knowledge of the new version of the office automation tools as well as to learn about the new tools which are fundamental to collaborative working.
- In order to ensure optimum implementation of the various USA training modules (SAP), CMA CGM Academy has put together, trained and guided a network of “Super Key Users” and “Key Users”.

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C. A strategic training policy

The Group’s training policy is part of a comprehensive strategy on career management and skills development.

The CMA CGM Group is committed to maintaining and strengthening the skills of its workforce. In 2018, the Group administered 212,342 hours of training to all its employees. The difference in the number of hours of training in 2017 and 2018 is due to a change in the method of calculating the training hours.

<table>
<thead>
<tr>
<th>Training</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of shore-based staff</td>
<td>85,367</td>
</tr>
<tr>
<td>Training of French wagging staff</td>
<td>16,550</td>
</tr>
<tr>
<td>Training of international wagging staff</td>
<td>110,725</td>
</tr>
<tr>
<td>Total number of hours of training</td>
<td>212,342</td>
</tr>
</tbody>
</table>

The scope of the classroom training data corresponds to France shore-based and wagging employees, i.e. 23.6% of the 2018 Group consolidated workforce. The scope of the distance training data corresponds to France shore-based and World covering employees in C&M, i.e. 94% of the 2018 Group consolidated workforce. It should be noted that the “training” data reporting process is being rendered more reliable with the ultimate goal of achieving a scope of 100% of the Group’s consolidated workforce. It is also worth noting that all the data related to the training of employees from all Group entities is ultimately intended to be collected by the CBME tool. Finally, as the reporting methodology has changed for the calculation of distance training hours, the 2017 data was not reused as it could not be compared with the 2018 values.

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Financial consolidation scope.
Design Thinking is an innovation and management approach that is considered as a synthesis between analytic thinking and intuitive thinking. It relies heavily on a co-creativity process involving feedback from the end user. 

Certificate training programmes

In 2018, the Academy also developed certificate training programmes for France. The development of this type of programme requires a sizable investment from the company as well as the training organisations to comply with a stringent regulatory context. These comprehensive and professional development programmes are an asset for employees’ employability as their skills are valued and recognised by the certification. For example, the language certificate training courses are validated by TOIEC (Test of English for International Communication), the office automation training courses by TOSA (Test On Software Applications) and the managerial training courses by Titles such as Head of business administration and management issued by Kedge Business School.

Launch of blended training courses

In 2018, the Academy also focused on the development of innovative blended training courses at the head office and in the agencies. The blended courses combine various types of learning activities (e-learning, classroom-based, various resources). For example, the INSIGHT programme uses this type of training as it offers a course that is comprised of inspiring videos, e-learning modules prior to sessions and inter-sessions, as well as regular and fruitful interactions with the instructor and leader, via exercises to be handed in and co-development workshops. The same formula has been used for targeted training courses: sales representatives, maritime operational staff, line management controllers.

Creation of the LAB

The Lab by CMA CGM was also created in 2017. It is an area dedicated to innovation and transformation. This disruptive working space is based on 4 pillars:

- Imagine
- Experiment
- Create
- Work together

The Lab offers a modular working area as well as digital equipment providing access to exclusive resources such as the work headed by the Academy’s teams in “Design Thinking”11 mode. In 2018, the occupancy rate of the Lab was 72%.

Training for seagoing staff:

The Training for seagoing staff is based on STCW 2010 training courses (international convention that determines the required professional certificates for each onboard function), some of the certificates are renewed every 5 years after refresher training, and after some training courses needed for CMA CGM tools as requested by CMA Ships (internal software, techniques, safety, simulators, etc.).

D. Key partnerships

The CMA CGM Group proactively pursues dialogue between higher education and business, so it forms close working relationships with universities and colleges. In France, the CMA CGM Group formed active partnerships with Sciences Po Paris, HEC Paris, Kedge BS, Aix Marseille Université, IAE Aix-en-Provence and IEP Aix-en-Provence. These agreements created official links between CMA CGM and these institutions, and provide a framework for the mutual commitments that they have made. The joint initiatives take the form of conferences, round-table discussions, CMA CGM industry experts speaking in university courses, and business projects, the Group’s participation in the examination committees or its taking part in opening ceremonies and gala evenings.

Outside of the agreement, the Group also conducts occasional partnership actions by attending conferences, round-table discussions and job fairs organised by top French universities (Grandes Ecoles) such as forums at ESCP, Polytechnique or EM Lyon. These events give the Group the opportunity to expose students to the business and the wide variety of jobs in the industry.

11 Design Thinking is an innovation and management approach that is considered as a synthesis between analytic thinking and intuitive thinking. It relies heavily on a co-creativity process involving feedback from the end user.
Hosting of 10th grade interns at the head office
Throughout the year, the CMA CGM Group hosts young high school students in Marseilles as part of their 10th grade internship entitled “Discovery of the world of work”. Exclusively reserved for the children of employees, this initiative is highly popular with the employees of the head office. It is a means for them to introduce their children to their working environment and for the children to find out what their parents’ jobs entail. It is also a way for the company to provide insight into its operations and increase its local presence.

In 2018, the company also welcomed pupils from the priority education area (ZEP – Zone d’Éducation Prioritaire) to do their 10th grade internship at the facility in Marseilles. Accordingly, several periods were identified during the year to guarantee optimum organisation and make them feel especially welcome in the company. As of 31/12/2018, over sixty 10th grade interns have been hosted at the head office.

Furthermore, in 2018, the CMA CGM Group and the local Education Authority signed an innovative partnership introducing teaching of maritime transport in secondary schools. The CMA CGM Group is delighted to have the opportunity to share its shipping expertise and experience with the teaching staff and students.

Therefore, 2018 saw visits from groups of students and their teachers to the site in order to learn about the Group, its business operations and its wide variety of jobs in an international context.

Fostering creative cooperation with Thecamp
Thecamp, located close to Aix-en-Provence, is a campus for innovation and interaction dedicated to the city of tomorrow and digital transformation. It is a unique and extraordinary place where students at the end of their studies and professionals go to receive training and information (training courses, conferences, meet-ups, hackathons, events, collaborative projects, etc.).

As a private partner and founder of Thecamp, CMA CGM takes its employees there throughout the year, to get inspiration and to imagine, anticipate and build a desirable future that is being made possible by new technologies.

E. An efficient information system
Since 2014, the Human Resources information system, C&Me, has been helping standardise HR processes around the world. This tool offers greater visibility of all HR programmes (mobility, development, training courses) and fosters better performing and more detailed management of human resources through elements such as objectives and skills management. Lastly, it encourages employees to be more proactive and effective in their careers.

Subsequent to the roll-out of “Talent Performance” in 2015, two other modules were added to the C&Me HR series in 2016, providing HR teams and managers with the necessary leeway to steer the teams and manage resources:

- “Talent Acquisition”, dedicated to recruiting and internal mobility;

The entire recruiting process is now paperless, from the recruitment request to the selected candidate’s joining the company. C&Me allows managers to monitor the progress of their requests as well as their recruitments. They are able to review the application and assess them online. It is also a new talent management initiative which is being offered to provide better support to HR and managers in their day-to-day activities: talent acquisition, training, performance, development and mobility.

All the HR processes have been reviewed through C&Me, making them simpler, more standardised and leaner and thereby more in line with the key issues at stake for the Group.

In 2017, two new modules were deployed:

- “On Boarding”, dedicated to the integration of new employees. With the roll-out of this new module in the USA and in France, the entire integration process is now paperless, from the performance of administrative formalities to the provision of practical information provided to employees even before their first day at the company;
- “Work Force Analytics” is a reporting tool that offers each HR BP synthetic information and key indicators depending on his or her scope.

This tool also offers a new approach for the extraction of C&Me data with reliable indicators shared by all the countries where it has been introduced.

The roll-out of C&Me continued in 2018 to reach over 30,000 employees managed in the tool across more than 80 countries. The roll-out mainly related to the Africa region and some subsidiaries recently integrated within the Group.

2018 ended with the implementation of the new C&Me interface ensuring a better user experience for the Group employees (simplified design, more intuitive interface, compatibility with mobile terminals, etc.).

In 2019, the “Onboarding” module will be introduced in Singapore and the new digital portal will be migrated to the US and in France. The Group recruiting portal will also be entirely redesigned and will receive a new ergonomy to guarantee enhanced user experience (clearer view of openings at the Group, compatibility with mobile telephones, etc.).
5. Awards and certifications

The Group received several awards in 2018, thereby honouring the initiatives put in place to develop its attractiveness.

“Happy Candidates” label

The CMA CGM Group Human Resources Department was awarded the 2018 choosemycompany.com / HappyIndex® / Candidates accreditation.

This new label recognises the quality of the recruitment process established by the Group’s HRD which, for its 1st participation, was placed 2nd in the general ranking of the companies with over 1,000 employees.

“Happy Trainees” label

In 2018, the head office of CMA CGM was awarded the “Happy Trainees” label for the 4th consecutive year, in recognition of the Group’s HR policy for interns and work-study students. The head office was ranked 16th in the Happy Trainees ranking which lists the French companies recommended for the quality of their internships and work-study programmes.

136 interns and work-study students in Marseilles answered a questionnaire conducted by Meilleures-entreprises.com. They gave their opinions on the quality of their experience at CMA CGM in 6 areas: career advancement, working environment, management, motivation, pride and enjoyment.

In the end, 92% of the interns recommend CMA CGM for the quality of its internships and work-study programmes. These results pay tribute to the Group’s specially designed HR policy for interns and work-study students.
In 2018

• “Safety First”: safety of people and property;
• Triple Quality, Safety of people and Environment certification for the owned fleet;
• Significant improvement in the Group’s accident frequency rate: home and terminals over the last 5 years;
• Maritime solidarity: 13 saves and rescue missions conducted;
• Preventive security policy against a backdrop of major natural events and geopolitical instability.

1. Maritime safety

Maritime safety is governed by stringent local and international laws and regulations that are usually determined at the international level through the International Maritime Organisation (IMO) as well as at the regional and local levels. These laws and regulations are complex and change often. The Group’s compliance is routinely evaluated through a series of external audits by the authorities, the port of call country, classification societies, as well as through internal inspections and audits. Accordingly, each vessel is subject to three-fold regulations each with their own specific inspections:

- International regulations (MARPOL, SOLAS, Code IMS...);
- The regulations of its flag. The CMA CGM owned fleet is distributed under 14 different flags: primarily European and Singapore flags;
- Local or regional regulations.

As a means of checking the seaworthiness of the vessels, the port of call countries carry out regular inspections onboard the ships: Port State Control – PSC. If problems are detected, deficiencies are recorded and may result in the detention of the ship.

During 2018, the owned fleet obtained a deficiency rate per PSC (Port State Control) of 1.08, this same rate was 0.71 during 2017. This increase stemmed from 2 factors:

- A problem with a PSC officer in Nakhodka (Russia). This PSC officer records deficiencies which are not based on regulations, and detains vessels based only on their flag States. If the United Kingdom detains a Russian vessel, he will detain a British vessel in a spirit of reciprocity. Complaints have been filed to invalidate the deficiencies and detentions via the relevant flag States of the vessels (France, UK, Cyprus). These complaints have been sent to the Russian authorities as well as the Tokyo MOU secretariat.
- The rise in the number of PSCs in 2018 increased the risk of deficiency.

In 2018, 11 ships were detained. Of these 11 ships, complaints have been filed for 6 to have the ships released (including 4 ships detained in Nakhodka). The 5 other detentions are as follows:

- CMA CGM FORT SAINT PIERRE was detained under the PARIS MOU due to poor deck condition. The ship was released after training of the crew.
- CMA CGM TANGER was detained by the VINA DEL MAR MOU due to poor training of the team in emergency procedures. At the time the ship was detained, it was not managed by CMA Ships but by a third-party Shipmanager. Therefore, it was not a CMA Ships crew that was manning the ship. Since then, ship management has been recovered directly by CMA Ships. The ship was released after training of the crew.
- APL SAVANNAH was detained by the PARIS MOU due to a crack in the body of the oily water separator. The ship was released after this crack was repaired.
- APL HOLLAND was detained by USCG due to failure to comply with security procedures for the screening of people at the gangway. The ship was released after the crew received training and an additional audit by the classification society.
- CMA CGM AMBER was detained under the TOKYO MOU due to safety exercises (fire, confined space) which were not done or which were poorly done. The ship was released after crew training and satisfactory performance of the exercises.

Employees Health and Safety is a major priority for the Group. Some operations and jobs represent significant risks, particularly onboard vessels, as well as in the terminal and warehouse operations.

The CMA CGM Group’s safety policy is designed to avoid any accident which may result in injuries or the loss of human life, whether to employees at sea or on land, or major damage to the vessels, goods or the environment. This is achieved by establishing a set of procedures in an Integrated Management System (IMS) which are periodically assessed and revised. These procedures are common to all vessels managed by CMA Ships, regardless of the flag.

A dedicated organisation, the SSE (Security, Safety, Environment) department, analyses, and prevents risks, inspects and implements technical and organisational procedures in accordance with the regulations in force. Every year, the department conducts audits onboard the vessels and on land, to verify that the CMA CGM safety policy is properly applied. It is also in charge of operational coordination in the event of a major crisis.

Certifications

CMA Ships has undertaken an additional process of triple certification for its entire scope22:

- ISO 9001 Quality and Customer Satisfaction;
- OHSAS 18001, Occupational Health and Safety;
- ISO 14001, Environmental Protection.

As part of the efforts to continuously improve the QHSSE performance of the terminals23, 2018 ended with 18 OHSAS 18001, ISO 14001 and ISO 9001 certifications obtained for all of the 23 covered terminals, i.e. approximately 39% of the Terminals subject to the CMA CGM QHSSE policy which has established a voluntary certification process. The goal for 2019 is to maintain this level of certification.

In 2018 Corporate Social Responsibility Report

Excellence in safety and security

1.08
0.71 1.08 0.91

Number of detentions

7

Average number of deficiencies per inspection

0.71
1.08
0.91

Indicators 2017 2018 201824

<table>
<thead>
<tr>
<th>Number of deficiencies per inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.71</td>
</tr>
<tr>
<td>1.08</td>
</tr>
<tr>
<td>0.91</td>
</tr>
</tbody>
</table>

22 CMA Ships scope excluding MERCOSUL Line.
23 Scope of the Terminals subject to the CMA CGM HO Terminals SSE policy – List available in the methodological note.
The severity of the maritime events is classified based on a matrix rated from A to D, with D being a serious event. This matrix takes into account 4 major categories of impacts:

- Impacts on the health and safety of the crew and the vessel;
- Environmental impact;
- Impact on the public;
- Financial impact.

Between 2017 and 2018, the major maritime events, rated D, slightly increased from 5 to 8.

In 2018, 8 major maritime events (D) were recorded:

- On CMA CGM TIGRIS, a kilogram of cocaine was discovered on the deck by the dockers. The vessel was detained for 1 week by the Chinese authorities to conduct an investigation. The investigation proved that the crew was not involved. This event was rated D due to the financial impacts of the delay in vessel departure.
- On CMA CGM VOLGA, the ship’s cook was found dead in his cabin due to a heart attack.
- On CMA CGM OHIO, the ship’s captain was found dead in his cabin due to a heart attack.
- On APL SCOTLAND, a mechanic was found dead in his cabin due to a heart attack.
- On APL SOUTHAMPTON collided with a fishing boat of the coast of China. The fishing boat sank, resulting in the death of 2 seafarers.
- On APL SOUTHAMPTON, a lieutenant was found dead. This death was due to suicide.
- On CMA CGM G. WASHINGTON, 138 containers were lost at sea in the Pacific due to bad weather.
- CMA CGM NOBIMA collided with a ship in China. The other ship sank without causing any injuries.

The SSE department carried out investigations subsequent to each of these events to determine the causes and recommend corrective actions to avoid their re-occurrence.

A proven crisis management plan

Although the CMA CGM safety management procedures are mainly preventive, the Group also has a comprehensive plan for managing crisis situations. This plan contains responses to emergency situations onboard ships as well as at the branches and terminals. The plan is tested at least once per year and routine training sessions are conducted to improve the response capabilities of the crisis management teams. In addition, the Group carries out regular drills in conjunction with the authorities to prepare for potentially dangerous events. These include pirate attack simulations, emergency towing, fire and pollution.

In the event of a crisis, the affected entity will firstly call the 24/7 emergency hotline where it will be put in touch with the person on call. This person will inform the various departments of the situation, and based on the severity of the event, will decide to start a crisis unit bringing together all the relevant parties. There is a dedicated room for this purpose in Marseilles and Singapore with all the necessary means of communication. The crisis will therefore be managed from this room. Once the crisis has been resolved, an investigation will be carried out to determine the causes of the problem and to draw lessons therefrom in order to avoid recurrence of the same event.

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EMERGENCY EVENTS

<table>
<thead>
<tr>
<th>A 24/7 Officer on duty</th>
<th>Assessment of the severity of the event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication to management</td>
<td>Positive</td>
</tr>
<tr>
<td>Triggers crisis</td>
<td>Positive</td>
</tr>
<tr>
<td>Crisis management</td>
<td>+ SSE management + CMA Ships + Line management + Communication Department</td>
</tr>
<tr>
<td>Investigation / Feedback</td>
<td>+ Executive Management + Communication Department</td>
</tr>
</tbody>
</table>

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Fleet Navigation Center: state-of-the-art technological resources

Modern technological resources such as those related to the weather are developed in-house by the expert captains of the Fleet Centers in order to mitigate navigation-related risks. These resources are then provided to the captains and officers onboard the Group’s Vessels and include navigation aid systems or decision-making systems for navigation during bad weather.

At the centres located in Marseilles, Singapore and Miami, experienced ship captains constantly track the routes, analyse risks and advise and support the Fleet vessels as well as the Group’s operational staff.

The navigation centres are also tasked with ensuring optimum piloting practices in terms of Fuel consumption, compliance with ship speeds in whale reproduction areas, compliance with the regulated navigation areas. To this end, the experts at the centres have developed innovative piloting methods, as well as methods for the kinematic monitoring of the vessels associated with powerful analysis tools which take into account the geography, meteorological elements and marine currents in real time, as well as the risks related to piracy.

This year, a new tool was developed to anticipate Deadlines and congestions in order to reduce as early as possible the speed and waiting time before the ports and thereby lessen the Carbon footprint via innovative actions.

In partnership with the Reefer Department, the fleet centers have become GDP-compliant (good distribution practices of pharmaceutical products) and now monitor in real time very sensitive Reefers such as Aquaviva, Pharmaceuticals & Superfreezer.

A team of ship’s captains with expertise in Vessel operation study and set the rules for nautical access to all the ports at which the Group calls. Given the introduction of new ships into the fleet, as well as the constant changes being made to ports and terminals, a group of experts is needed with strong experience in the operation of large vessels, to study navigation-related risks and to proactively set the rules of access to the ports. Indeed, this involves adjusting the cargo capacity in order to guarantee economic profitability while constantly preserving the vessels, crews and the port environment. Therefore, the rules of access concern the sizes of the ships (length, width and draught), the necessary support equipment (such as tugboats) as well as the acceptable hydrometeorological conditions (tides, currents, wind). In similar fashion, feedback is collected so as to provide the successive ship’s captains with the most up-to-date and relevant information possible.

Search and rescue

Because of the vastness of the oceans, the various players in the shipping industry have to work together to rescue people in danger. At whatever time, the vessels may have to be diverted to lend assistance to another ship in distress. These operations are Search & Rescue (SAR) operations. In 2018, 13 operations were carried out by vessels in the owned fleet.

Stowaways

Measures have been put in place onboard ships in order to prevent the boarding of stowaways, make regular searches to detect their potential presence and, as applicable, to manage the stowaways found on board. These procedures have been included in the Ship Security Plan (SSP), which is set by the International Ship and Port Facility Security (ISPS) code. The ship’s SSP is a confidential document. In 2018, 9 stowaways were found onboard vessels of the owned fleet.
2. Occupational health and safety

The Group’s prevention policy revolves around risks analyses of safety and working conditions. This is a process of continuous improvement whereby all players, from Top Management to seagoing staff and operational staff, are involved on a day-to-day basis.

The vessels of the owned fleet sail under different state flags, in international waters with seafarers from different cultures and nationalities. As a result, the standardisation of the procedures and practices within our fleet has become a major issue. With this in mind, the Accident Prevention Committee (APC) was created. This committee meets regularly and reviews results concerning health and safety, regulatory changes, feedback from the vessels and innovations which may improve safety onboard the vessels.

At the various maritime, inland or shore-based entities and in accordance with applicable regulations, all risks are identified, assessed and covered annual prevention plans. These prevention plans address various themes such as personal protection equipment, chemical risks, psychosocial risks, addictions and noise exposure.

The main health and safety risks to the employees differ based on the business activities:

<table>
<thead>
<tr>
<th>Shipping activities</th>
<th>Terminal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire / explosion</td>
<td>Collisions between machinery and pedestrians</td>
</tr>
<tr>
<td>Falls from height or tripping and falling</td>
<td>Falls from height</td>
</tr>
<tr>
<td>Risks associated with manual handling operations</td>
<td>Manual handling</td>
</tr>
<tr>
<td>Psychosocial risks</td>
<td>Tripping and falling</td>
</tr>
<tr>
<td>Movement and posture</td>
<td>Falling objects (mainly lashing bars)</td>
</tr>
<tr>
<td>Noise / Vibration</td>
<td>Vibrations</td>
</tr>
<tr>
<td>Electricity</td>
<td>Electricity</td>
</tr>
</tbody>
</table>

Every quarter, feedback on the events which occurred on board (accidents, near misses and inspections) is compiled and discussed among the owned fleets. This gives seafarers the opportunity to draw from each other’s experiences and put them in a better position to anticipate risks.

Training and awareness campaigns are crucial components of prevention. They revolve around compulsory job-related training courses, knowledge-building sessions on land, on board, at the work station, remote training tool and catalogue for seagoing staff, special training courses for all second officers as well as a programme of regular drills and navigation simulators. Seminars are held at the head office and attended by officers from all the Group’s fleets. Attendees discuss a range of operational and onboard safety-related topics (analysis of reported events, safety management, etc.).

Furthermore, the Group is an active member of the CSSF – Container Ship Safety Forum. This non-governmental organisation which was started in 2014 brings together major shipping players with the aim of improving safety performance and container shipping management practices.

During 2018:

<table>
<thead>
<tr>
<th>Terminals&lt;sup&gt;a&lt;/sup&gt;</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency rate of work accidents with sick leave</td>
<td>19.1</td>
<td>13.2</td>
</tr>
<tr>
<td>Fatal accidents</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

The frequency rate of work accidents with sick leave at the terminals managed by the Group decreased in one year due to an efficient prevention policy for the entire scope. 2018 saw an increase in the volumes and operations of the terminals. However, the risk assessment approach implemented at the terminals serves to decrease the work accidents with sick leave. In 2018, a fatal accident occurred at one of our terminals. It was a collision between a pedestrian, employed at the terminal, and a handling vehicle that was reversing at the time. The victim died further to the injuries sustained.

For the maritime scope, the frequency rate of accidents increased in 2018 compared with 2017, with a rate of 1.25 in 2018 against 0.9 in 2017, with a constantly growing number of vessels each year. There were more accidents in 2018, however they were less severe and involved shorter absences.

In 2018, the Severity Rate was integrated as a performance indicator for vessels. This rate measures the number of days sick leave further to a work accident per thousand of hours worked. For 2018, the score was 0.2.
French law has introduced an obligation for French citizens for vessels flagged under the French physicians and the Labour Inspectorate asbestos onboard the ships.

The regulations in force and prohibiting any contractual conditions aimed at adhering to spares performed by unscrupulous suppliers found on some ships.

During these expert investigations, materials and products containing asbestos were recorded 1,950 near misses, an increase of approximately 2% compared with 2017.

Asbestos risk

CMA Ships took the initiative of updating the Inventory of Hazardous Material (IHM) on the managed vessels of its owned fleet. This update is recommended by the 2009 Hong Kong Convention and by the European Regulation on ship recycling adopted in 2013, which will soon enter into force following a ratification process by the International Maritime Organisation (IMO).

Asbestos has been prohibited onboard materials containing asbestos on board. Asbestos has been prohibited onboard French vessels since 2002; however this prohibition is not in force in all countries.

An action plan is underway with support from an ad-hoc committee, the services of specialised companies accredited to remove these parts containing asbestos have been planned and the Group has also ordered regulatory inspections (e.g. measures to remove dust in the atmosphere). Dedicated personal protection equipment has been provided and the operating process of the ships includes the potential presence of materials containing asbestos on board.

Asbestos has been prohibited onboard French vessels since 2002; however this prohibition is not in force in all countries. The ship building contracts and the contractual conditions for purchase of consumables for the ships clearly prohibit the presence of asbestos in the building process as well as the delivered parts. An “Asbestos free” certificate is supplied with new ships and part deliveries.

Moreover, in June 2016, the VGM (Verified Gross Mass) international regulation took effect and involves compulsory container weighing prior to loading them on vessels. This regulation is intended to prevent accidents and loss of containers at sea. The Group anticipated this regulation and therefore modified its information systems before the effective date, in order to electronically incorporate the Verified Gross Mass data of the container sent by customers. This data is transmitted to the relevant people at each stage of the shipping process, thereby ensuring the security of the shipping chain.

To manage dangerous goods, the Group has a dedicated computer application which is connected to the global booking IT system. This application which electronically incorporates the international regulation makes it possible to determine the way dangerous goods are declared then packaged and stowed in the container. As a means of managing and checking the 1 million 500 thousand requests received per year for the carriage of dangerous goods, the Group relies on a network of 7 dangerous goods offices that are strategically located worldwide to be close to our customers and reduce the processing time of these requests. As a matter of fact, for each dangerous goods request, the assigned dangerous goods office must check whether the request complies with the IMDG Code, our in-house procedures, the various port restrictions of the ports used during the carriage of said cargo and whether the dangerous goods are authorised by the charter party of the vessel(s) involved in the transport. If the goods must be loaded on

3. Cargo security

The CMA CGM Group is commissioned to transport a wide variety of cargo that range from consumer products to dangerous goods, whether manufactured or not. Some cargo can represent a danger during transport, so the Group put in place a dedicated organisation to inspect, analyse and prevent risks related to the carriage of goods. For this purpose, the Group divides goods into three categories:

- Goods qualified as dangerous by international regulations (International Maritime Dangerous Goods (IMDG) code) or national laws (CPR99 – Code of Federal Regulations) that impose strict regulations on transport (packaging, segregation, temperature, stowing, etc.).
- Potentially dangerous goods that require recommendations: chemicals in reefer, loading and admissibility of heavy goods, etc.
- Controlled goods subject to regulations on stopping or limiting motion (waste, protected species, etc.).

APL receives Safety at Sea award at the Crew Connect Global Awards 2018

In November 2018 in The Philippines, APL received the Safety at Sea award at the Crew Connect Global Awards 2018. The award is a recognition of APL’s best practices and initiatives which led to the reduction of risk to human life at sea.

APL reiterates the emphasis placed on safety onboard the vessels and at the terminals operated. “Through safety protocols and training, APL encourages seafarers to adopt the right attitude towards safety management” said Dennis Yee, global head of safety, security and environment at APL.

APL adopts policies and processes that safeguard early detection, prevention and mitigation of associated risks to enable safe and secure operations. In 2017, APL reported its 10th consecutive year of zero fatality and a very low injury frequency rate.

In addition, APL joins over 160 shipping companies to provide a worldwide safety network that assists search and rescue coordinators in responding to emergencies at sea.

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APL joins other initiatives which led to the reduction of risk to human life at sea. APL reissues the emphasis placed on safety onboard the vessels and at the terminals operated. “Through safety protocols and training, APL encourages seafarers to adopt the right attitude towards safety management” said Dennis Yee, global head of safety, security and environment at APL.

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Near misses

A near miss is an involuntary incident which could have caused damage, injuries or death, but which was narrowly avoided. These near misses must be studied, recorded and the experiences shared to reduce the probabilities of similar incidents occurring. Most work accidents are preceded by near misses which should have served as a warning. In 2018, CMA Ships recorded 1,950 near misses, an increase of approximately 2% compared with 2017.

Asbestos risk

CMA Ships took the initiative of updating the Inventory of Hazardous Material (IHM) on the managed vessels of its owned fleet. This update is recommended by the 2009 Hong Kong Convention and by the European Regulation on ship recycling adopted in 2013, which will soon enter into force following a ratification process by the International Maritime Organisation (IMO).

Asbestos has been prohibited onboard materials containing asbestos on board. Asbestos has been prohibited onboard French vessels since 2002; however this prohibition is not in force in all countries. The ship building contracts and the contractual conditions for purchase of consumables for the ships clearly prohibit the presence of asbestos in the building process as well as the delivered parts. An “Asbestos free” certificate is supplied with new ships and part deliveries. Furthermore, since 2013, CMA CGM requires that classification companies perform asbestos surveys before delivery of the vessels built in Korea, China and The Philippines so as to verify that there is no asbestos on board.

To search for asbestos prior to any work on materials and equipment likely to expose workers to asbestos. The terms and conditions of the preliminary search for asbestos are outlined in decree dated 9 May 2017, supplemented by orders specific to the maritime sector as well as an enforcing standard. CMA CGM is one of the ship owners which contributed to the preparation of this standard, and preliminary searches have already been carried out on the RIF-flagged ships.

An action plan is underway with support from an ad-hoc committee, the services of specialised companies accredited to remove these parts containing asbestos have been planned and the Group has also ordered regulatory inspections (e.g. measures to remove dust in the atmosphere). Dedicated personal protection equipment has been provided and the operating process of the ships includes the potential presence of materials containing asbestos on board.

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During these expert investigations, materials and products containing asbestos were found on some ships. These stem from maintenance operations carried out by third parties or the deliveries of spares performed by unscrupulous suppliers which do not comply with the Group’s contractual conditions aimed at adhering to the regulations in force and prohibiting any installation of new equipment containing asbestos onboard the ships.

The Group immediately took measures to protect the crews, inform the relevant authorities (State flag, class, seafarers’ physicians and the Labour Inspectorates for vessels flagged under the French International Register (RIF)), and the CHSTC for French citizens. French law has introduced an obligation to search for asbestos prior to any work on materials and equipment likely to expose workers to asbestos. The terms and conditions of the preliminary search for asbestos are outlined in decree dated 9 May 2017, supplemented by orders specific to the maritime sector as well as an enforcing standard. CMA CGM is one of the ship owners which contributed to the preparation of this standard, and preliminary searches have already been carried out on the RIF-flagged ships.

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Excellence in safety and security
2018 Corporate Social Responsibility Report

agencies and the dangerous goods offices. As regards the goods with controlled safety advice to the lines and agencies.

With regard to potentially dangerous goods, i.e. which may represent a risk such as the out-of-size or conventional loads, reefer, flexitanks, poorly declared goods, the Group has provided its in-house customers with 3 experts who are tasked with providing safety advice to the lines and agencies.

As regards the goods with controlled movement, the 3 aforementioned experts are responsible for advising the lines, the agencies and the dangerous goods offices.

Finally, the CMA CGM Group uses its best endeavours to prevent unlawful carriage of goods in accordance with the various regulations and the Group’s Code of Ethics. This mainly relates to goods on the IUCN (International Union for Conservation of Nature) red list of threatened species, those covered by Appendix I of the Convention on International Trade of Endangered Species (CITES) or the Washington convention, the United Nations Convention against illicit traffic in narcotic drugs and psychotropic substances, and various UN rules on embargoed goods.

On land

For the past several years, CMA CGM has developed an overall inland security policy. This policy uses relevant and appropriate measures and equipment to reduce the exposure to security, health, natural and technological risks by the Group’s business activities and staff across the globe. Accordingly, CMA CGM seeks to optimally safeguard and protect everyone’s safety.

For example, the countries around the world are categorised into various criticality levels, depending on the risks identified in each country. For each country, appropriate measures are introduced to secure the Group’s site as well as to protect the employees whether they are local, expatriates or on assignment. Within the Group, 85 countries have been categorised as high risk. Any traveller going to those countries must be registered with the Group Security Department, and briefed as applicable.

In 2018, some 1,000 visits to high-risk countries were managed in this way. Moreover, in 2017, the Group had to cope with over 70 situations directly involving its operations and/or staff, some of which required the set-up of an ad-hoc crisis unit. These situations related to natural disasters, armed conflicts, threats against a number of employees and emergency medical evacuation.

4. International security

At sea

With the aim of preventing threats at sea and as a means of coping therewith, CMA CGM has developed a comprehensive range of operational, legal and human measures. These measures are constantly reassessed and tailored to the changing security context (piracy, traffic, etc.). Therefore, the risk of piracy is continuously monitored and analysed, and each solution is tailored to appropriately respond to the identified hot bed of piracy (West Africa, Indian Ocean, South-East Asia, etc.).

In 2018, approximately 246 piracy events were recorded worldwide, 223 of which included confirmed pirate attacks. Of these 223 attacks, most took place in South-East Asia and in West Africa. 4 CMA CGM vessels experienced acts of piracy over the elapsed year.

Active involvement of CMA CGM within the BASCAP

The Group works closely with recognised organisations to fight against counterfeiting and arms trafficking, such as for example the BASCAP – Business Actions to Stop Counterfeiting & Piracy.

Active involvement of CMA CGM within the CINS

The Group is a founding member of the Cargo Incident Notification System (CINS), an information sharing platform for large maritime companies (70% of carried TEUs) that enables rapid notifications of security and safety issues with container-transported goods. This system has already significantly improved the quality of transporting goods in containers.

To fight against false declarations, the 17 CINS member companies took the initiative to set up a joint system to detect poorly declared loads in order to improve the overall safety of container ships.

Active involvement by CMA CGM within CINDEX

Cindex (inter-company expatriation centre) is a place for dialogue and sharing of good practices on international mobility strategies and policies by a network of major European groups. Each member benefits from the experience of the others, while maintaining full freedom of action and decisions, and observing absolute confidentiality. It is an informal network between peers, based on pooled knowledge and trust. The fact that Cindex co-opts its members guarantees a genuine sharing of concerns.
In 2018, the CMA CGM Group's environmental policy continues to play a key role in its commitment to sustainable and responsible development. Major focus areas include reducing the Group's environmental footprint of all maritime and inland operations, regulatory compliance, the anticipation of future regulations, and the development of eco-efficient logistics chains with its customers and partners.

Environmental protection is a key focus of the CMA CGM Group's commitment to sustainable and responsible development. Major key issues for the Group include the continued reduction of the global environmental footprint of all maritime and inland operations, regulatory compliance, and above all the anticipation of future regulations, and the development of more eco-efficient logistics chains with its customers and partners.

### General Policy

The CMA CGM Group's environmental policy relies on 3 strategic axes:

- **Air**: climate change and air quality
- **Oceans**: ocean preservation and marine biodiversity
- **Innovation**: innovative and environmentally-friendly solutions

### Inauguration of CMA CGM ANTOINE DE SAINT EXUPERY

In September 2018, CMA CGM inaugurated its flag ship, CMA CGM ANTOINE DE SAINT EXUPERY, the largest container ship in the world flying the French flag:

- A 20,600-TEU (Twenty foot Equivalent Unit) capacity;
- End-to-end, the 20,656 TEUs represent a 123 kilometre long chain of containers;
- 400-metre long and 59-metre wide;
- Longer than 4 football fields and bigger than the Empire State Building and the Eiffel Tower.
CMA CGM ANTOINE DE SAINT EXUPERY features the best eco-technologies:

• An electronic injection engine that significantly reduces fuel consumption (-3% on average) and oil consumption (-25%);
• A Becker Twisted Fin, a system placed in front of the propeller and serving to improve water flows and significantly reduce the energy expenditure and CO₂ emissions (-4%);
• A system for the treatment of ballast water by filters and UV lamps used to release to the sea, water that is entirely free of living organisms and capable of impacting marine biodiversity;
• A shore power connection system for operations when in port.

CMA CGM chooses LNG

The CMA CGM Group has decided to use Liquefied Natural Gas (LNG) to power its next nine giant 22,000-TEU ships which will be commissioned in 2020. For the first time in the history of container shipping, a shipping company has made the ambitious choice of a cutting-edge technology for its large-capacity vessels.

The building of the first ship in the series was officially launched with the "steel cutting" ceremony held on 26 July at Jiangnan Shipbuilding in Shanghai, China.

Containerships

CMA CGM has continued its external growth strategy with the acquisition of CONTAINERSHIPS. In early 2019, 4 new LNG-powered 1,400-TEU vessels will enter the fleet. This opportunity confirms our desire for innovation and our choices in favour of LNG and also expands our skills and future experiences from building to the first bunkers.

Exhaust gas treatment systems

On 30 March 2018, the Group took delivery of CMA CGM PREGOLIA, a 2,500-TEU Ice Class vessel assigned to the Baltic sea. It is the first vessel of the fleet to be equipped with a scrubber. This investment is mainly driven by the fact that the vessel will serve at navigation zone exclusively situated in the Sulphur Emission Control Area (ECA). This system scrubs the exhaust gases, thereby capturing the Sulphur oxide (SOₓ) and nitrogen oxide (NOₓ) particles. These releases are then retained to be reprocessed on land. The fleet of scrubber-ready vessels has been supplemented with the entry into service of CMA CGM NEVA and CMA CGM LOUGA.
1. AIR: Energy transition

By the very nature of the transport business, which relies heavily of fossil fuels, energy consumption remains a major issue. It is an economic, environmental and public health challenge for the Group and is carefully monitored by its various entities. The Group’s energy consumption is directly associated with the level of both greenhouse gas and polluting air emissions.

Climate change is a major issue that in the long run will result in more technical, regulatory, financial and operational restrictions, yet will also give rise to new opportunities for responsible and sustainable marine transport.

The CMA CGM Group now holds market leadership for innovation in energy transition.

A. Energy consumption

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2017</th>
<th>2018</th>
<th>2018 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel consumption of the maritime fleet*kt</td>
<td>7,783</td>
<td>6,259</td>
<td>6%</td>
</tr>
<tr>
<td>Energy / loaded TEU$</td>
<td>413</td>
<td>399</td>
<td>-3%</td>
</tr>
</tbody>
</table>

In 2018, the fuel consumption for the CMA CGM Group’s maritime activity was 6,259 ktons, i.e. 6% higher than in 2017. With regard to energy efficiency, we reported a net improvement in the amount of fuel per container carried that equals a 3% decrease over 2017.

For many years now, the Group has conducted several initiatives to reduce fuel consumption which include replacing the fleet’s propulsion, reducing speeds, optimising routes and improving propulsion and hydrodynamic technology.

- More specifically, in 2013, CMA CGM launched a programme to optimise its owned fleet primarily by modifying its bulbous bows. These changes were done in dry dock and help to maximise the ship’s hydrodynamics at applied speeds. 64 ships have already been modified, 4 of which in 2018. This innovation can cut fuel use and CO₂ emissions by 5-10%. Moreover, there is also a propeller change programme whose design enables energy optimisation. In 2018, 25 propellers were changed.

- Another example of efforts to reduce energy consumption is CMA Ships’ limiting the capacities of the main engines of its largest vessels to adapt to the current navigation speeds.

- In 2018, the Group introduced a programme to install recovery boilers for the auxiliary engines (as for the main engine). Indeed instead of burning oil to produce the necessary steam, the boiler will recover the heat from the auxiliary engines exhaust gases, even when the main engine is shutdown. This technology has been installed on vessels.

The Navigation Support Centres’ role is to anticipate extreme weather events and advise Captains in choosing a route and minimising the consumption of our vessels. 3 “Fleet centers” covering all the time zones are manned 24/7 by seagoing personnel assigned to the shore-based facilities. Moreover, a Group operations department has been set up in order to optimise all the Group’s operations (maritime and operational management of the ships, decrease of port congestion, optimisation of the CMA CGM sea and land network).

B. Energy transition

a. CO₂ target, 2018 achievement compared with the set target

According to the International Maritime Organisation (IMO), CO₂ emissions from shipping account for 2.2% of global CO₂ emissions.

During the MEPC 72 meeting (Maritime environment protection committee) held in April 2018, the IMO entered into an agreement regarding the reduction of CO₂ emissions associated with the shipping industry, thereby contributing to involve the sector in the fight against climate change. This agreement sets a goal of – 50% of CO₂ in 2050 versus 2008, a reduction in CO₂ emissions per container of 40% in 2030 and 70% in 2050, and the strengthening of standards for new ships.

CMA CGM is well aware of its challenges and has therefore set a new ambitious goal compared with the set target. Between 2015 and 2025, the Group has already reduced its CO₂ emissions per carried container by 15% since 2015.

As a reminder, in 2015 the European Parliament passed the Monitoring, Reporting and Verification (MRV) regulation that requires companies to mandatorily report CO₂ emissions in the direction of to and within the European Union. 2018 was the first year of reporting and each carrier has submitted the report of its CO₂ emissions to the European Union. The Group has developed a dedicated reporting tool in order to ensure its compliance, in cooperation with the classification society ABS.

Alongside the European system, an IMO global CO₂ emissions reporting system referred to IMO DCS (Data Collection System) will take effect in January 2019. These two systems will coexist as of 2019, however discussions are underway between the European Union and IMO to harmonise the two reporting systems.

2 Global maritime scope – Owned and chartered fleet – 2018 annual consumption.

4 Loaded TEU = Remunerative TEU 2018 – Finance.
b. Overall assessment of the Group’s CO2 emissions

The main source of greenhouse gas emissions of the CMA CGM Group is the combustion of fuel oil consumed by the vessels which represents more than 85% of the Group’s total energy balance. Energy consumption (mainly electricity) in relation to shore activities (agencies and terminals) is not significant in comparison with the consumption of the shipping fleet.

The main indirect sources of CO2 emissions for the Group are associated with the building of the vessels operated by the Group as well as the production of fuel oil used onboard the vessels. In 2018, scope 3 represented approximately 14% of the Group’s CO2 emissions.

Assessment of the greenhouse gas emissions produced by the Group17 in tons of CO2 eq emissions

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>85%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>0.2%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>-14.7%</td>
</tr>
</tbody>
</table>

17 Scope 1, 2 and 3 as set by the Greenhouse Gas Protocol - www.ghgprotocol.org / It is worth noting that the Scope 2 and 3 data is in 2017 data, and the Scope 1 data is in 2018 data.

C. Air pollution

In addition to CO2, the Group is very concerned about sulphur emissions, nitrogen oxides emissions and fine particles. Since these emissions create issues for public health and air quality, increasingly stricter international and local regulations are being in force.

a. Global Sulphur Cap 2020

In October 2016, the International Maritime Organisation (IMO) set a 0.5% cap for the sulphur contained in the fuel used onboard ships that will enter into force on 1 January 2020. This will reduce the quantity of sulphur oxide from vessels by 85% and should have a significant impact on improving air quality, particularly for the populations living close to ports and coasts. This regulation is subsequent to the implementation of Annex VI of the MARPOL convention for the prevention of air pollution from ships.

The Group has set up a dedicated working group (Countdown 2020 WorkGroup) aggregating representatives from many departments at the head office (Banking, Operational Management, Sales Representatives, Environmental Department, Legal Department, etc.) who are tasked with anticipating all the issues related with this new regulatory obligation to ensure compliance by the Group: purchase of fuel oil, cleaning of the tanks, procurement prospects, etc.

CMA CGM pre-empt and studies all technological solutions to ensure its compliance such as the use of low sulphur fuel, installing scrubber systems or any other alternative such as LNG propulsion.

> Test of new 0.5% sulphur content fuel oil formulations in cooperation with our suppliers;
> Ordering of 9 LNG-powered vessels;
> Delivery taken of three 2,500-TEU ships equipped with hybrid scrubber systems;
> On 30 March 2018, the Group took delivery of CMA CGM PREGOUA Ice Class, a 2,500-TEU vessels assigned to the Baltic line. It is the first vessel of the fleet to be equipped with a scrubber. The Group opted for a hybrid scrubber which can operate in open loop or in closed loop. This investment is mainly driven by the fact that the vessel will serve a navigation zone exclusively situated in the sulphur Emission Control Area (ECA). This system scrubs the exhaust gases, thereby capturing the sulphur oxide (SOx) and nitrogen oxide (NOx) particles. These releases are then retained to be reprocessed on land. The fleet of scrubber-ready vessels have been supplemented with the entry into service of CMA CGM NEVA and CMA CGM LOUGA. CMA CGM is conducting 3 pilot projects to install this technology on its large vessels. Indeed, even though this scrubber technology has been proven in the land industry, it must be adapted to the high powers of our vessels.

In 2018, the average rate of sulphur in the fuel oil purchased by the Group was 2.42%.

b. Indicators Breakdown

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>2018</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions</td>
<td>24.28</td>
<td>25.76</td>
<td>6%</td>
</tr>
<tr>
<td>CO2 / carried TEU</td>
<td>1.29</td>
<td>1.24</td>
<td>- 4%</td>
</tr>
</tbody>
</table>

18 TEU = Tons / TEU
Due to this technology, some 28,000 tons of ports which are equipped with this system to shore in China on a voluntary basis in the 20%. To ensure regulatory compliance of our vessels fitted with this technology connect systems. The Group is studying the possibility of shore connection to standalone systems supplying the electricity produced on site with gas turbines.

b. Shore connection
In California, since 2014, local regulations require maritime companies to use shore power instead of using on-board engines. The initial threshold of 50% was increased to 70% in 2017, thereby reducing fuel consumption and inherent air emissions by an additional 20%. To ensure regulatory compliance of our vessels and calls, thirty of CMA CGM ships were equipped with alternative shore power systems. Our vessels fitted with this technology connect to shore in China on a voluntary basis in the ports which are equipped with this system. Due to this technology, some 28,000 tons of CO₂, 14 tons of SOx and 35 tons of PM10 have not been released into the air. The Group is studying the possibility of shore connection to standalone systems supplying the electricity produced on site with gas turbines.

c. Emission Control Areas
To date, there are 3 main areas where sulphur emissions from vessels are regulated: Northern Europe, North America and, since 2018, China.

China has established Emission Control Areas (ECA) in its territorial waters, in order to handle the recurrent problem of air pollution. This environmental programme took effect on 1 April 2016 and requires vessels to use low sulphur fuel. Since 1 April 2016, the Group’s vessels calling at the Shanghai, Ningbo-Zhoushan, Suzhou and Nantong ports must switch to a fuel with less than 0.5% sulphur content at anchorage and at berth. Since 1 January 2018, the obligation to use 0.5% fuel oil has been generalised to all Chinese ports.

The next stage of the Chinese environmental programme will take effect on 1 January 2019. Indeed, all vessels shall be obliged to burn fuel oil with a sulphur content of maximum 0.5% whenever they enter the Emission Control Areas. All of the Group’s vessels comply with the Chinese requirements, the necessary bunker purchases are anticipated in order to guarantee full compliance upon entry into force of the new requirements.

d. Sulphur and Nitrogen Oxide emissions

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2017</th>
<th>2018</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sulphur oxide emissions (SOx)</td>
<td>378</td>
<td>400</td>
<td>6%</td>
</tr>
<tr>
<td>Nitrogen oxide emissions (NOx)</td>
<td>667</td>
<td>700</td>
<td>5%</td>
</tr>
</tbody>
</table>

In 2018, the fleet’s SOx and NOx emissions were respectively 400,000 tons and 699,811 tons.

D. Alternative energy
The IMO’s decisions to limit the sulphur content of the fuel used by vessels as of 1 January 2020 to 0.5% and the ambitious strategy recently adopted to reduce greenhouse gas emissions by 50% in 2050 have directed the sector towards the search for alternative solutions to conventional fuel. In fact, there is clear global phenomenon towards the reduction of CO₂, NOx, SOx and particulate emissions. In light of these challenges, energy transition is a major issue for the shipping industry as a whole and the CMA CGM Group in particular. The main challenges associated with the use of these alternative fuel solutions lie in the compatibility of their various environmental benefits with regard to pollution, the availability of the required quantities for the sector and the cost of the fuel. The most promising solutions are LNG, biofuels and hydrogen. Fuel cells, batteries and wind power are interesting options which must be considered as secondary or back-up sources.

The CMA CGM Group decided on LNG by ordering 9 LNG-powered 22,000 TEU vessels. LNG has many environmental advantages in comparison to heavy fuel oil, such as the significant lowering of CO₂ emissions, the absence of sulphur oxide (SOx) as well as the substantial reduction of nitrogen oxide (NOx) emissions and fine particulates. As a true technological breakthrough in support of environmental protection, compared with the current fuel-powered vessels, LNG offers:

- Up to 25% reduction in CO₂ emissions;
- The reduction of 99% of sulphur emissions;
- The reduction of 99% of fine particulate emissions;
- The reduction of 85% of nitrogen oxide emissions.

The vessels powered by LNG will comply with IMO regulation aimed at reducing sulphur emissions as from 2020. These new vessels are the culmination of over 7 years of work by our expert teams, and ship building engineers, our seagoing personnel as well as close cooperation with many technical and port partners.

Alongside the building of new vessels, CMA CGM carried out risk assessments in coordination with the shipyard, the classification society and stakeholders in the project to ensure proper conduct of the project particularly in terms of the environment. To guarantee the smooth progress of the project, risk mitigation measures were listed and should be
The prevention of these types of pollution is achieved through the equipment present on board, human management, all the operational and inspection procedures which have been put in place.

Firstly, the vessels are equipped with “GOPEP” (Ship Oil Pollution Emergency Plan) equipment comprising dispersants, rags, saw dust, protection goggies, shovels, buckets, portable pump, absorbent pads, gloves, bags, etc.

Liquid releases are controlled with instruments that comply with regulations, such as the oily water separator. It is used to control the maximum concentration of oil in the water released at sea when the vessel is en route, i.e. 15 ppm. Moreover, certain vessels feature a separator that is only 5 ppm.

Human management and procedures are fundamental in the prevention of pollution.

The teams have entered into partnerships with:
- The Bataillon des Marins Pompiers (Naval Fire Brigade): firefighting and pollution exercises are organised on board as part of a commitment to continued improvement;
- The Cedre (Centre de documentation, de recherche et d’expérimentations sur les pollutions accidentelles des eaux - Centre for documentation, research and experimentation on accidental water pollution). This centre is based in Brest (France) and CMA CGM personnel receives training there on an annual basis;
- Specific organisations, such as ECM, acting as the point of contact between the Group and the American Coast Guards.

A. Accidental release to the sea and containers lost at sea

Accidental releases to the sea and in particular oil pollution from vessels or terminals operated by the Group are the biggest threat to the environment. A set of measures is in place to prevent this risk, such as fleet maintenance, routine drills and simulations between land and the vessels, and a strong crisis management policy.

There are several types of marine pollution:
- Fuel;
- Oil;
- Chemicals;
- Sludge.

The containers lost by the CMA CGM owned vessels are taken into account, the containers lost by chartered or partner vessels are excluded. It should be noted that the containers which fell into the waters of a port and then were recovered are not counted.

According to the World Shipping Council\(^{36}\), 2,000 containers were lost at sea worldwide every year from 2006 to 2013 primarily due to difficult navigation conditions or a rare accident. In 2018, the CMA CGM Group recorded the loss of 139 containers at sea, of which 138 in a single event during a storm.

The loss of containers at sea is generally associated with the shipper’s declaring a lower weight of the container. The risk is also increased by bad weather. Every effort is made to prevent losing containers: weather watch, navigation centre, weather routing, onboard container security system. The CMA CGM Group began talks with Armateurs de France (French shipping association) and the relevant authorities to further reduce the risk of losing containers at sea. – cf page 73 – Cargo Security.

Classification society: DNV-GL

B. Biodiversity: protection of cetaceans

\(^{36}\) Events identified irrespective of CMA CGM’s level of liability.

\(^{37}\) Excluding containers lost at sea (reported further on).

\(^{38}\) The containers lost by the CMA CGM owned vessels are taken into account, the containers lost by chartered or partner vessels are excluded. It should be noted that the containers which fell into the waters of a port and then were recovered are not counted.

\(^{39}\) Survey Results for Containers Lost At Sea – 2014 Update- World Shipping Council.
b. Endangered species
To limit the carriage of endangered species, the Group has set up procedures during the order intake process by which staff can give an alert to this type of cargo. – cf page 73 – Cargo Security

CMA CGM preempted the entry into force of this convention by installing ballast water treatment systems on most new vessels, thereby ensuring that the water released to the sea is fully free of any living organism which may affect the marine biodiversity.

The United States have also implemented local regulations on the treatment of ballast water. It approved 6 ballast water treatment systems that comply with American regulations, which are more stringent than international regulations. The CMA CGM vessels are equipped with approved systems and must treat their ballast water via one of these systems before releasing them into American waters.

The Group has put in place a schedule for installing the systems on its owned fleet, in accordance with the requirements of the international convention and American regulations. 81 vessels of the Group have already been equipped.

b. Other eco-technologies: FORS system, dual hull, additional tank for bilge water

In addition to the ballast water treatment system, the owned fleet features many technologies serving to limit its impact on biodiversity. The “FORS: Fast Oil Recovery System”, a pollution management technology, is a simple, reliable and safe system that can be used at any time, via a system of standardised connections, to quickly recover the oil located in the vessel bunkers in the event of grounding. This technology has been installed on 57 vessels. Up until 2010, the fuel oil of container ships was generally stored in tanks with a single hull. Since the MARPOL 12A rule (circa. 2010) took effect, they are now equipped with a double hull. As a matter of fact, the installation of a second wall, around the fuel tanks, prevents the risks of maritime pollution in the event of collision or piercing of the ship’s hull. Additional tanks, installed during the building of our new vessels, make it possible to better process bilge water and grey water.

C. Eco-technologies

a. Ballast water treatment system
Ballasts are tanks filled with sea water located on both sides of a vessel which are used to ensure stability and structural integrity. The ballast water contains living species which, when released, may disrupt the balance of the local fauna and flora. The IMO ballast water management convention adopted in February 2004 was ratified in 2016 and took effect on 8 September 2017.

b. Other eco-technologies: FORS system, dual hull, additional tank for bilge water

In addition to the ballast water treatment system, the owned fleet features many technologies serving to limit its impact on biodiversity. The “FORS: Fast Oil Recovery System”, a pollution management technology, is a simple, reliable and safe system that can be used at any time, via a system of standardised connections, to quickly recover the oil located in the vessel bunkers in the event of grounding. This technology has been installed on 57 vessels. Up until 2010, the fuel oil of container ships was generally stored in tanks with a single hull. Since the MARPOL 12A rule (circa. 2010) took effect, they are now equipped with a double hull. As a matter of fact, the installation of a second wall, around the fuel tanks, prevents the risks of maritime pollution in the event of collision or piercing of the ship’s hull. Additional tanks, installed during the building of our new vessels, make it possible to better process bilge water and grey water.

A. Recycling solution and waste treatment process
A variety of waste is produced by the fleet:
• Solid waste made up of food waste, domestic waste, maintenance waste;
• Liquid waste from sewage, oily water and sludge.

a. Solid waste
The Group has committed to an innovative, environmentally-friendly and exemplary approach to exceed the requirements of the MARPOL regulation: the “Green Ship” Programme. All the Group’s owned vessels now take part in this programme, i.e. 179 vessels.

3. Circular economy

Circular economy refers to an economic concept which forms part of sustainable development and which is aimed at producing goods and services while limiting consumption and the waste of raw materials, water and energy sources. As a shipping and logistics operator, CMA CGM is an active player of the circular economy by providing services at all phases involved in the transport of raw materials, intermediate and finished consumer goods as well as end-of-life products, depending on the needs of its customers. The Group pays special attention to the responsible use of resources, raw materials and consumables.

\[
\begin{array}{l}
\text{Indicators} \quad \text{2017} \quad \text{2018} \\
\text{Production of solid waste by the owned fleet} \quad 18^{(a)} \quad 19^{(b)} \\
\text{Thousands of tons} \\
\end{array}
\]

\[(a)\ \text{18,448} = \text{production of solid waste reported for 2017.}\]
\[(b)\ \text{19,289} = \text{production of solid waste reported for 2018. CMA Ships scope (excluding: AML, BS, NSB, MERCOSUL, CPO Fund).}\]
In 2018, a ship produced an average of 10 m³ of solid waste per month.

The programme also enables vessels to share “good practices” or “issues encountered”. As such, the ports collecting the waste for recovery are listed by the type of waste they collect (ink cartridges, plastics, etc.), while other ports are not recommended. The goal is to draw up a central map of ports that provide the best selective sorting process.

In addition, the programme also makes it possible to set up waste treatment systems. This year, a mapping of the companies able to treat asbestos waste, as well as electrical and electronic waste, based on the best available techniques, had to be drawn up. This documentary system for the management of waste on board has been amended to take into account these 2 new types of special waste. In particular, it includes a module to train and inform seagoing personnel of these new risks for their health and the environment.

b. Liquid waste

Liquid waste is primarily due to the use of fuel oil. Vessels run on “residual” fuel that contains water and heavy metals. To be combustible, it has to be centrifuged on board. The centrifugation process requires water to be added to the water and heavy metals extracted from the fuel. All this waste creates “sludge” which is considered as hazardous waste. It is discharged on land and managed by land-based waste streams. CMA CGM takes care of the sludge generated by the owned fleet but it depends on the charterer party for chartered vessels. It may be managed by the ship owner or the charterer.

A special team was put together in June 2015 to monitor the discharging of sludge which served to refine the method for assessing the quantity of sludge produced. For 2018, a ratio of 2.3% of the fuel oil consumed was defined to assess the total quantity produced.

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issue for the industry. Pending the ratification of the Hong Kong international convention, in 2008, the Group began establishing inventories of hazardous materials (IHМ) on board, which will eventually be compulsory. The Group has proactively undertaken a vast plan to install or update the IHМ for the entire owned fleet. The Group is continuing its regulatory and technical watch, as well as research with dismantling sites in Europe and Asia. The sites can be audited in accordance with the guidelines as stipulated in the Hong Kong Convention. It should be noted that the Group’s fleet is one of the youngest in the industry and the vessels are usually sold before their end of life.

Nevertheless, whenever a vessel must be sent for dismantling, the Group takes measures to send it to a dismantling site that complies with international and local health, safety and environmental regulatory standards. In 2018, one Group vessel was sent to a certified site for dismantling in accordance with international standards; this vessel was the APL PHILIPPINES (aged 21 years).

C. Water consumption at the terminals

Water consumption is not a significant issue for the CMA CGM Group’s maritime transport activity. Indeed, water consumption on ships is neutral as sea water is pumped in, desalinated and treated for everyday uses on board.

For the Terminals, water consumption is mainly associated to the washing of handling vehicles, the quays and containers. Most of the sites are located close to other port industries which produce a lot of dust, thereby requiring frequent washing of the working environments. In 2018, within the Group’s scope of consolidation, total water consumption amounted to 214,896 m³.

D. Eco-containers

The CMA CGM Group maintains a fleet of young and reliable containers by investing in innovative containers, thereby limiting its impact on the environment.

These eco-containers include three main technologies:

• Bambou flooring: standard containers have wood flooring to receive goods. The wood used traditionally comes from an exotic tree that takes 50 years to mature and which is becoming increasingly rare nowadays. New wood species have been sought and bamboo was selected for its exceptional properties: bamboo grows back once it has been cut and only requires 4 to 5 years to reach maturity. At present, 14% of the container fleet used by the Group (owned and leased) is comprised of containers with bamboo flooring.

• Low-consumption reefers: reefers are refrigerated containers that are specially designed for the transport of food and perishable goods requiring energy and refrigerating gases. Low-consumption reefers feature a more efficient motor serving to reduce its electricity costs and fuel consumption by a factor up to 3. At present, 65% of the reefer fleet used by the Group (owned and leased) is comprised of low-consumption reefers.

• Light-steel containers: light-steel containers are as resistant as standard containers but are lighter and therefore help to optimise fuel consumption and limit greenhouse gases as well as air pollution. At present, 3% of the container fleet used by the Group (owned and leased) is comprised of light-steel containers.
4. Customer solutions

A. Carbon optimisation studies

Transporting goods on container ships creates a lower ton-kilometre carbon footprint than other methods of transport. To capitalise on this advantage, the environment department offers the Group’s lines technical support in order to add value to their offers of new maritime services. The goal is to quantify the excellence of the environmental performance with respect to other rival maritime or land solutions. For example, a study was conducted in order to promote the modal shift from road to “short sea” for a shipment of tomatoes in refrigerated containers between London and Morocco.

In addition to maritime transport and port operations, the CMA CGM Group designs and implements multi-modal logistics solutions and these pre- and post-shipsments solutions enable the Group to offer customers comprehensive transport solutions that are also environmentally-friendly.

B. CO2 services for customers

Maritime transport customers are increasingly asking for environmental information on the services they buy. Customer requests concerning the environment and the CSR relate to approximately 20% of the total volume carried. The growing significance of the carbon footprint criterion when selecting their transport provider explains the Group’s efforts to offer a broadening range of premium customers tailored services that are focused on their various impacts.

This trend is manifested by the growing number of shippers joining the Clean Cargo Working Group. At the Autumn 2018 session, we noted the presence of major operators such as DECATHLON, LEVIS and PROCTER & GAMBLE as observers and who may integrate the working group in 2019.

As in previous years, the most frequent customer requests pertain to the carbon footprint of their shipments with CMA CGM. Historically, with a view to meeting this requirement, in 2011, the Group developed an eco-calculator that can estimate the carbon footprint for maritime transport between two ports. The eco-calculator is available on our website.

Since 2013, in compliance with French legislation, for every booking, the customers connected to the e-commerce platform have been given a calculation and automatic display of the carbon footprint of their shipment both at sea and inland.

For the third consecutive year, the Group also provides a service of customised CO2 reports indicating the carbon footprint for all the bookings of an individual customer. In 2018, 85 customers of the Group selected based on the volume achieved as well as environmental involvement received an analysis of the breakdown of their total carbon emissions, by trade and by mode of transport.

The goal in the upcoming years is to develop these reports in a more dynamic format.

To ensure that we deliver highly reliable environmental data to customers, the methodology of all the CO2 information provided has been checked and certified by KPMG, acting as an independent third party.

C. Sustainability pacts

For the customers that are more advanced in their CSR approach, the Group offers the signature of a sustainability pact. This non-legally binding document is the concrete expression of a principle agreement on the implementation between two signatories of all methods likely to minimise their common impact on the environment, such as the identification of “green corridors”. Moreover, the partners undertake to actively pursue synergies and opportunities for practical positive action in the community, wherever they are established.

In September 2018, a new pact was signed with PANALPINA. This is the 3rd agreement of this type signed between the Group and one of its customers, after Borouge and Schenker. 4 others are being prepared for 2019-2020.

The Panalpina pact is centred on 4 main thrusts: the environment (both partners have official carbon reduction goals for 2025 and will systematically strive to pursue any joint opportunity for timely achievement of these goals), the social policy within both groups, observance of an officially documented Code of Ethics and serious examination of the company’s role within the broader community.
5. Employee commitment

A. Dedicated training

CMA CGM invests in training courses designed to make environmental protection an integral part of all business activities. Upon hiring, all the Group’s new employees receive safety and environment training for their particular job so that they can do their work in full compliance with these rules. Depending on their job, every employee then has to attend specific training modules for their field (for example: ISO 14001 for internal auditors, chemical risks for workers who handle chemicals, etc.).

Moreover, for all seagoing employees of the Group, a training schedule is determined based on the rank and employee’s potential impact on the environment. This training course is conducted through e-learning and each employee may connect to the programme on board as well as on land. Special seminars for officers are also routinely organised at the Group’s head office to inform, raise their awareness and train officers on issues relating to health, safety, security and the environment. The seminars are held twice per year at the head office.

An e-learning module that is accessible to all employees and which lists the key points of the Group’s environmental policy to be presented to customers, has been created on the Academy portal. This training module lasts 30 minutes and was taken by over 4,500 employees worldwide in 2018.

B. Conferences and workshops

CSR Days: Environmental conferences

On 5 June 2018, during the sustainable development week held at the head office, a conference open to all employees laid down the Group’s CSR policy. This conference, which was followed by a question and answer session, was supplemented by two workshops intended more specifically for the Key Accounts sales teams. The aim was to inform these teams, who are in contact with the Group’s largest customers, of the environmental projects as well as the latest technological developments to be put forward – cf page 21 CSR days: raising the awareness of employees to the Group CSR approach.

Sulphur CAP 2020 conference

On 25/10 and 9/11 2018, two conferences were organised for the pricers of the lines, and the key accounts sales teams in charge of calls for tenders, in order to review the regulatory obligations concerning sulphur emissions for 2020 and the direct consequences on their jobs, especially as regards the inclusion of BAF (Bunker Adjustment Factor) clauses in sales contracts.

6. Awards and certifications

The Group helps to further a large number of voluntary initiatives that contribute to preserving the environment and as such is recognised for its commitment each year by both customers and local authorities.

A. Voluntary environmental initiatives

The CMA CGM Group is an active member of diverse environmental programmes focused on ocean preservation, the protection of fauna and air quality.

Below are some of the highlights of 2018:

• The CMA CGM Group was honoured by ISO 14001 in Spain, Green Flag in California, Clean Vessels Incentive in New York and Blue Circle in Vancouver;
• Environmental Ship Index - ESI. The Group has been taking part in this initiative for several years in 14 ports in Europe, the United States and in Asia. In 2018, two new agreements were signed with the Port of Marseilles/Fos and the Port of Pointe des gales in Réunion Island.
• WPCI – World Ports Climate Initiative is an initiative that was launched by the main ports worldwide, which have committed to reducing their greenhouse gas emissions via the ESI – Environmental Ship Index. The ESI is a platform that collects and rates the environmental information of ships regarding greenhouse gas emissions and air pollutants. Based on the data that is updated quarterly, the ports “reward” the vessels with the highest performance. It should be noted that the ports of Longbeach (Green Flag Incentive Programme), New York (Clean Vessels Incentive Programme) and Vancouver (Blue Circle) rely on the ESI rating to reward the ships with the highest performance based on their own local programmes.

Between 1 May and 15 November 2018, CMA CGM took part in a voluntary campaign to reduce the speed of ships which was organised by the NOAA’s Office of National Marine Sanctuaries (ONMS). The goal was to reduce the speed of vessels to maximum 10 knots in the breeding sanctuaries of sea mammals on the West coast of the United States in order to avoid collisions.

ESI Focus – Environmental Shipping Index
Other proactive environmental initiatives

Charte Bleue – Armateurs de France is a Charter that seeks to ensure safety at sea and promote respect for the environment: prevention and management of pollution risks, reduction of in-house gas emissions and efficient waste management.

CDP - Carbon Disclosure Project a not-for-profit international organisation that manages the largest environmental reporting platform for companies and cities.

The CMA CGM Group has been IWAY-certified since 2009. In July 2018, the certification was successfully renewed with zero deficiency noted by the auditor, who expressed his “great satisfaction as to the quality, transparency and expertise of the various persons involved in the process”. In the upcoming years, IKEA’s expectations will relate to the development of business projects in the intermodal sector, bioenergies for the maritime industry, as well as compliance with Sulphur Cap 2020.

ISO 14001 – the last monitoring audit prior to renewal of the Group’s triple certification took place at the head office in December 2018. The absence of major deficiency confirmed the maturity of our management, environmental, quality and safety system.

In September 2018, CMA CGM was named Company of the Year and APL, Containership Operator of the Year: the Group received in Singapore two of the most distinguished awards at Lloyds List Asia Pacific Awards, a true benchmark in the shipping industry.

In October 2018, at its second Sustainable Development seminar, Nike’s operations, logistics, packaging and transport managers presented CMA CGM with the Silver Sustainability Award.

In November 2018, the CMA CGM Group received the “MOST ACCOMPLISHED ASIA PACIFIC SHIP OWNER OF THE YEAR” prize which was awarded during the Maritime 2020 conference, in Singapore. The prize is bestowed upon the ship owner which has demonstrated the most efforts in making its fleet more sustainable, efficient and environmentally-friendly.

In December 2018, CMA CGM received the Environment Prize at the Lloyd’s List Global Award. This prize illustrates the pioneering role played by the Group in the energy transition of the shipping industry.

In December 2018, the Group also obtained a DHL GO GREEN 2018 rating of 3/A.
The Group operates in over 140 countries. The Group respects human rights and is committed to advancing the social and economic growth of the countries where it does business. It helps these regions to develop economically and socially by making investments to create jobs and additional business opportunities. Alongside its business activity, the Group has embarked upon a civic approach through the provision of financial and in-kind support to NGOs and local associations via the Foundation as well as employee initiatives. Moreover, the Group also takes part in solidarity initiatives during natural disasters through the implementation of emergency action projects.

1. The CMA CGM Foundation

Mrs Naïla Saadé started the CMA CGM Foundation in 2005 to sponsor advocacy projects for children. Since its inception, it has helped over 200 associations. Its mission is to foster personal development for disabled children, improve the daily life of children with illnesses and trauma victims and promote equal opportunity for disadvantaged youths; through the “Containers of Hope” campaign, it is helping humanitarian transport operations for the most vulnerable children all over the world.

A. Containers of Hope

In 2018, the Foundation resumed its humanitarian transport campaign, Containers of Hope, which provides NGOs with maritime transport for around one hundred containers per year on the CMA CGM Group’s ships to deliver aid to populations in conflict zones or areas exposed to health and humanitarian threats. The first campaign was launched in October 2012 with Action against Hunger and Doctors Without Borders and then expanded in 2014 to include the French Red Cross and other NGOs which so request. Since the start of the campaign and the end of 2018, 700 containers carrying 5,000 tons of humanitarian supplies have been transported to partner NGO programmes in some thirty-five different countries, primarily in Africa. The supplies have helped to fight against infant malnutrition, improve access to water and satisfy the healthcare needs of the most vulnerable populations and mostly children.
For the Provence Alpes Côte d’Azur region:

- **IMAJE Santé**: to improve the reception facilities and psychological care of homeless isolated minors or minors who have been entrusted by Child Welfare Services.
- **APIS**: acquisition of musical instruments as part of a social assistance programme called “Harmonie Cités” based on the shared learning of music as part of an orchestra.
- **Les Apprentis d’Auteuil**: installation of a green terraced roof at the Maison des familles, a place where children and parents can make connections, spend time together and have fun.
- **Fraternité Belle de Mai**: the development and outfitting of a multi-activity field initiated by high-school students from the Belle de Mai district who are also supporting the project.
- **L’Ecole des Pointes**: acquisition of sporting equipment for the coordination of athletics activities aimed at fostering access to the sport in priority districts and the detection of young talents.
- **ANEF**: renovation and outfitting of the kitchen and laundry room of a home for teenagers with extremely difficult circumstances.
- **Association Sportive et Culturelle La Castellane**: purchase of a minibus allowing the children from disadvantaged areas to have access to a broader variety of leisure activities.
- **Coupe de Pouce**: acquisition of “coups de pouce pour jouer à la maison” (a helping hand to play at home) sets comprising fun educational materials to develop reading skills as part of the early prevention of school drop-out.
- **Centre Social de Culture Ouvrière**: purchase and outfitting of a minibus to be used as a mobile annex to the Centre Social de Sainte Marthe.
- **L’institut Télémaque**: financing of scholarships for 5 deserving secondary school pupils from priority districts, a project including mentorship within a company and guidance from an educational supervisor.

B. Call for projects

18 associations were supported in France and Lebanon in 2018 via a call for projects and the awarding of the Foundation Prize. In 2018, the Foundation continued to back projects helping at-risk children in France and Lebanon. As part of this effort, it launched its sixth themed call for projects focused on promoting the equal opportunity of children from disadvantaged backgrounds. The various projects of these associations will provide assistance to 8,000 children. Of the 180 applications received, the Board of Directors ultimately selected 16 associations (10 French and 6 Lebanese), awarding a total of € 220,300.

Lebanon:

- **Société Saint-Vincent-de-Paul**: renovation and modernisation of the library to transform it into a documentation centre.
- **ASSABIL**: purchase of tablets, e-books and educational software to learn about digital technology in the public libraries and the bibliobus (Kotobus) of the association.
- **Association Dar Al Amal**: purchase of laptops and tablets to help vulnerable out-of-school children and young people to achieve digital literacy.
- **Centre Mar Semaan**: outfitting of a library in the boarding school housing 90 young people with difficult social and family situations.

- **Center for Development Democracy and Governance**: renovation of several study rooms in Tripoli orphanage housing 120 children.
- **Annas Linnas**: acquisition of a bus for school pick-up to allow Syrian refugee children across the region to have access to schooling and take part in leisure and sporting activities. This bus will also be used for the distribution of food aid.
C. Awarding of the Foundation Prize

The Foundation awarded its 2018 Prize to two associations working for disadvantaged children.

To mark the 10th anniversary of its Prize, the CMA CGM Foundation decided to call on a prestigious patron: Martine Vassal, President of the Bouches-du-Rhône Local Council and President of the Aix-Marseille-Provence Metropolitan Area. On 29 November 2018 at the CMA CGM Tower in Marseilles (France), Martine Vassal and Naïla Saadé, President of the CMA CGM Foundation, presented the 2018 Foundation Award to the heads of the Ecole des XV association. This Award recognises the work carried out by this association to fight against school dropout and school failure amongst secondary school pupils from disadvantaged backgrounds, by offering them an after-school programme associating homework assistance, tutoring and rugby sessions.

In Lebanon, the 2018 Foundation Award was presented to Arcenciel, on 26 December, during a ceremony held at CMA CGM head office in Beirut. Since 1985, Arcenciel has been contributing to the sustainable development of the Lebanese society by providing support to fragile populations and working towards the integration of marginalised people. 50,000 people have received assistance from this organisation and pioneer of social and solidarity-based economy in Lebanon. All their projects include the consideration of people with difficulties, the preservation of natural resources, business profitability and financial independence.

D. Other local actions:

Support of 3 elementary schools in Marseilles

The Foundation is committed to supporting local actions carried out in the areas surrounding the CMA CGM Tower. Indeed, one of the poorest neighbourhoods in Europe, the 3rd arrondissement in Marseilles, is located near to the head office. Three public elementary schools in this district applied to the Foundation for the organisation of nature trips (classes vertes) and ski trips for the various classes. Many pupils live below the poverty line and have never been outside of their disadvantaged neighbourhoods. These schools, through the OCCE13 association, will receive subsidies which will allow over 200 children to be able to experience a complete change of scenery and discover other horizons.

Setup of the skills-based sponsorship program.

In 2018, the CMA CGM Group also launched the skills-based sponsorship programme through its Foundation. Within this context, a test phase was initiated for a group of 10 CMA CGM employees, based in Marseilles. These employees got the opportunity, during their working time (paid for by the Group), to spend two half-days working alongside a partner association, from the month of September to late December 2018. – cf page 50 – Skills-based sponsorship program

Many associations are in need of administrative, technical, organisational and support expertise. The volunteers provide their skills in these areas.

In 2018, the skills sponsorship programme allowed employees from the Group to lend their expertise to four associations based in Marseilles:

• Relais Enfants-Parents helps to foster relationships between incarcerated parents and their children;
• Ecole des XV fights against school dropout through rugby;
• SOS Méditerranée organises rescue operations in the Mediterranean sea;
• Secours Populaire has been fighting against poverty since 1945.
Partnership with the Télémaque Institute

As part of the same effort to foster the engagement of employees, the CMA CGM Foundation set up a partnership with the Télémaque Institute in connection with its 2018 call for projects. This association works to promote equal opportunity in education from the secondary school level by assisting deserving and motivated youth from disadvantaged backgrounds via a dual “company-school” sponsorship (for each young person: a mentor at the company + a supervisor in his or her school).

The goal of this support is to enable these young people to broaden their social and cultural horizons and learn about the working world and to encourage them to stay in school and develop self-confidence.

Through this partnership, the Foundation offered 5 Group employees the chance to mentor one young person during their free time for a renewable period of one year. Mentors help their mentees to develop their potential and to open up to the cultural and business world so that they can have all the opportunities that they deserve. This takes place along three lines:

- By offering them cultural and sporting outings (museums, theatre, sports game, etc.) once per month;
- By teaching mentees about their job, encouraging the mentees to think about their own career path and meet other professionals;
- By encouraging mentees to believe in themselves and to aim for studies that are in line with their potential.

Tragic incident at Rue d’Aubagne in Marseilles

The Foundation also responds to emergency situations. The CMA CGM Group was very affected by the tragedy that occurred on 5 November at rue d’Aubagne in Marseilles and, via its Foundation, was keen to express its full-fledged solidarity to the victims and those most affected. This support was provided through:

- a donation of EUR 1,500 to Destination Familles, an association located in rue d’Aubagne which works for social cohesion in the Noailles district. This donation will be paid over in full to the family of a child who lost a parent in the incident;
- a donation of EUR 10,000 to Croix-Rouge française, intended to assist the families who have been relocated;
- a donation of EUR 30,000 over three years to the Fondation Abbé Pierre Provence Alpes Côte d’Azur to work towards a sustained action against poor housing conditions.

International Day of Persons with Disabilities

In 2018, the Foundation organised events for supported associations and CMA CGM employees. On October 9, 2018, on the International Day for Persons with Disabilities, the Foundation organised a Round-Table Discussion at the Head Office in Marseilles centered on disabilities. 20 Marseilles employees took part in this discussion and shared their views on improving the daily life of persons with disabilities, and their families, as well as the difficulties encountered for their inclusion into the workforce and how hard it is to assert yourself when you are disabled.

2. Actions carried out within local communities

For CMA CGM, local action involves a voluntary, one-off or recurrent initiative, carried out by a CMA CGM entity, involving CMA CGM employees, that has an environmental, social or societal theme and which directly impacts the local communities in which the Group or its subsidiaries carry out their operations.

This year, the Group was involved in over 38 local community actions across 20 countries, i.e. 90% more local actions reported compared with 2017. The following map shows a few of the 2018 initiatives, with the countries where the Group carried out the action shown in blue:

E. Cultural sponsorship

The Foundation remains loyal to sponsoring cultural events. In 2018, it once again supported educational activities at the Aix-en-Provence Festival. It sponsored Bach’s Mass in B minor by the “collegium musicale choir corelli baroque orchestra” and Gianluca Marciano, at the Festival Al Bustan; the concert given by Mathieu Chedid at the Baalbek Festival and, as part of the Festival International de Piano de La Roque d’Anthéron, it sponsored the piano recital given by Nelson Freire and Sinfonia Varsovia (Mozart) in the Parc du Château de Flورans. 50 tickets for this recital were offered to CMA CGM employees.
Below are a few examples of initiatives carried out in 2018:

- In August 2018, the Kerala region in India was severely affected by flooding. The CMA CGM Group carried a container filled with basic necessities such as food and medication to assist the victims.
- In October 2018, after a tsunami hit Indonesia, CMA CGM Indonesia rallied to help the victims: the employees on site raised 15 million Indonesian Rupiahs to buy products such as food, water and hygiene products. These goods were transported by CMA CGM to be distributed to the affected areas.
- In Saipan, devastated by the super typhoon Yutu in October 2018, the Group transported a cargo of emergency aid which was received by the Red Cross and the Federal Emergency Management Agency.

3. Emergency assistance – natural disasters

In times of crisis, the CMA CGM Group works in conjunction with governments and humanitarian organisations worldwide to provide aid to affected populations and meet their immediate basic needs. The CMA CGM teams strive to make a difference in the lives of extremely vulnerable populations and demonstrate their willingness to assist those most in need by providing logistics expertise for the transport of aid and by collecting donations in kind such as water, food and clothing.
The aim of the Group in 2018 was to enhance the CSR approach. Therefore, the following table outlines for each of the Group’s CSR axes, the 2018 achievements, the directions, and the main goals, the results for 2018 and the directions.

### CMA CGM CSR Axes

**CSR Approach**
- Deliver sustainable and value-creating transportation and logistics solutions
- Consolidation of the CSR approach of the Group with the creation of the 6 CSR axes and the structuring of a network of CSR correspondents (more than 100 people)
- Not Applicable

**Value Chain**
- Adding value over the entire value chain
- Innovation & digital transformation
- Sustainable procurement
- Procurement: Launch of a pilot responsible procurement program in collaboration with EcoVadis - 100 suppliers evaluated in 2018
- Not Applicable for 2018

**Ethics & compliance**
- Exemplary approach to ethics and compliance
- Code of Ethics update
- Implementation of new rules within the Group: gift policy and anti-corruption code of conduct
- Not Applicable for 2018
- Trans, support and supervise all Group employees in their daily work to reinforce the integrity and responsibility
- - Development and support a network of international compliance correspondents
- - Training for all Group employees
- - Continue the deployment of the Sapin II and Devoir de Vigilance programs

**Social**
- The commitment of our employees
- Employee skills development with more than 212,000 training hours delivered in 2018
- Breakdown by gender: 55% M/ 45% F
- % of women in management position: 15%
- Launch of pilot to improve the quality of life at work via a plan for inter-company mobility and the experimentation of teleworking
- Number of nationalities: 149
- Total training hours: 212,342

### 2018 Goals

**Health, Safety & Security**
- Safety excellence
  - Prevent and reduce accidents, security risks and ensure the safety of our assets and Group assets
  - Significant improvement regarding accident frequency rate of the Group’s operational activities: fleet and terminals over the last 5 years
  - Average number of deficiencies per inspection: 1.06
  - Number of major maritime events: 8
  - Reduction of accidents (maritime, people, goods)

**Environment**
- Environmental protection
  - Improve the energy efficiency of the ships and develop eco-friendly intermodal technologies and solutions
  - 2.5% improvement of the Group’s energy performance in line with the -30% goal between 2015 and 2025
  - CO₂ emissions: millions of tons: 25, 6
  - Reduction of pollutants: NOx, SOx, CO₂ and air emissions
  - Containers lost at sea: 139

**Societal**
- The societal commitment of the Group at global and local level
  - Continue our commitment to societal engagement via the Foundation and the Group local actions
  - Containers of Hope: more than 700 containers and 5,500 tons of humanitarian materials delivered through partner organisations’ programs since the beginning of the operation
  - Number of Containers of Hope transported since the beginning: 700 containers representing nearly 5,000 tons of materials
  - Number of associations supported by the CMA CGM Foundation as part of the Call for Projects: 18
  - Number of employees engaged in the local sponsorship program: 10
  - Number of local actions: 36

### 2018 Results

**CMA CGM CSR Axes**
- Goals
  - 2018 results
  - 2018 KPIs
  - Directions
## Table of indicators

<table>
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<th>Correspondence</th>
<th>Indicators</th>
<th>2017</th>
<th>2018</th>
<th>Scope</th>
</tr>
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<tbody>
<tr>
<td>G4-9</td>
<td>Employees</td>
<td>34,647</td>
<td>37,092</td>
<td>All of the Group's consolidated workforce</td>
</tr>
<tr>
<td>G4-10</td>
<td>Breakdown by gender - %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>57%</td>
<td>55%</td>
<td>All of the C&amp;Me office-based workforce – i.e. 81% of the consolidated Group workforce</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>43%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>G4-9</td>
<td>Women in management positions - %</td>
<td>13</td>
<td>13</td>
<td>100% of the C&amp;Me sedentary workforce – either 81% of the Group consolidated workforce</td>
</tr>
<tr>
<td>G4-10</td>
<td>Breakdown by gender - %</td>
<td>Male</td>
<td>55%</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-10</td>
<td>Women in management positions - %</td>
<td>57%</td>
<td>-</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>43%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Number of nationalities</td>
<td>145</td>
<td>149</td>
<td>100% of the C&amp;Me sedentary workforce – either 81% of the Group consolidated workforce</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Number of nationalities</td>
<td>140</td>
<td>140</td>
<td>100% of the C&amp;Me sedentary workforce – either 81% of the Group consolidated workforce</td>
</tr>
<tr>
<td>G4-EC1</td>
<td>Payroll M USD</td>
<td>1,699</td>
<td>1,886</td>
<td>Financial consolidation scope</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Maritime - Lost Time Injury Frequency Rate</td>
<td>0.9</td>
<td>1.25</td>
<td>Owned vessels scope</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Maritime - Gravity rate</td>
<td>0.2</td>
<td></td>
<td>Owned fleet</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Terminals - Lost Time Injury Frequency Rate</td>
<td>19.1</td>
<td>13.2</td>
<td>Terminals subject to the CMA CGM HO Terminals SSE policy</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Maritime fleet Fuel consumption - k tons</td>
<td>7,783</td>
<td>8,259</td>
<td>Owned and chartered vessels scope</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>MarineFUels carried - kg/TEU</td>
<td>413</td>
<td>399</td>
<td>Owned and chartered vessels scope</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>CO2 emissions - million of tons</td>
<td>24.3</td>
<td>25.0</td>
<td>Owned and chartered vessels scope</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>NOx emissions - kilotons</td>
<td>467</td>
<td>780</td>
<td>Owned and chartered vessels scope</td>
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<tr>
<td>G4-EN15</td>
<td>SOx emissions - kilotons</td>
<td>378</td>
<td>490</td>
<td>Owned and chartered vessels scope</td>
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<tr>
<td>G4-EN8</td>
<td>Water consumption - m³</td>
<td>97,441</td>
<td>214,896</td>
<td>Terminals subject to the CMA CGM HO Terminals SSE policy</td>
</tr>
<tr>
<td>G4-EN15</td>
<td>Number of local actions</td>
<td>20</td>
<td>38</td>
<td>Group consolidation</td>
</tr>
<tr>
<td>G4-EN12</td>
<td>Containers lost at sea</td>
<td>0</td>
<td>0</td>
<td>Owned vessels scope</td>
</tr>
<tr>
<td>G4-EN12</td>
<td>Major pollution - C &amp; D impact</td>
<td>0</td>
<td>0</td>
<td>Owned vessels scope</td>
</tr>
<tr>
<td>G4-EN12</td>
<td>Containers lost at sea</td>
<td>0</td>
<td>0</td>
<td>Owned vessels scope</td>
</tr>
<tr>
<td>G4-EN12</td>
<td>Number of local actions</td>
<td>20</td>
<td>38</td>
<td>Group consolidation</td>
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<td>G4-EN12</td>
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### Table of correspondence with the European Directive of non-financial Statement

#### CMA CGM CSR Approach

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<td>CMA CGM Foundation, local actions and emergency relief</td>
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Note that the following information has been considered as not applicable to the Group’s business activity:

- Fight against food insecurity
- Protection of animal welfare
- Responsible, fair and sustainable food
Methodological note

Social:
Social indicators were defined in 2013 and updated in 2018. Established based on Global Reporting Initiative (GRI) criteria and designed to meet French legal requirements (NRE Act of 15 May 2001 and Article 225 of the enforcing decree dated 24 April 2012), while including current international maximum standards.

Scope:
The reporting of the CMA CGM Group’s non-financial data pertains to a consolidated scope (excluding French and international seagoing personnel).

The Total Workforce and breakdown of workforce per region indicators apply to the consolidated entities in the global scope as of 31 December of the reference year.

Gender, Age, Hiring & Departure indicators are made available for a limited portion of the consolidated scope because some subsidiaries have not been reported:
- Gender and geographical area: Information available for 81% of the Group consolidated workforce
- Age: Information available for 77% of the Group consolidated workforce
- Hiring & Departures: Information available for 81% of the Group consolidated workforce

The number of training hours scope: the scope of the classroom-based training data corresponds to France office-based employees and seagoing personnel, i.e. 23.6% of the Group consolidated workforce for 2018. The scope of the e-learning data corresponds to office-based employees and Global Crewing in C&M, i.e. 94% of the Group consolidated 2018 workforce. It is worth noting that the reporting process of the “training” data is being rendered more reliable, and eventually the goal is to achieve a scope of the Group’s entire consolidated workforce.

Furthermore, all of the data associated with the training of employees from all of the Group’s entities will eventually be gathered via the C&M tool. Finally, as the reporting methodology has changed in relation to calculation of e-learning hours, the 2017 data was not reused; as it cannot be compared with the 2018 values.

Period: The reporting period is from 01/01/2017 to 31/12/2017 and from 01/01/2018 to 31/12/2018.

C&M reporting tools (excluding seagoing personnel and international employees scope):
The indicators are collected and consolidated by the HR C&M information system. C&M relates to 81% of the Group consolidated workforce. Excel spreadsheets supplement the reporting for the office-based employees – relates to 6% of the Group workforce.

Workforce:

Note 1: The workforce broken down per individual relates to the Group consolidated work scope as of 31 December of the reference year. They include employees with an employment contract at one of the CMA CGM Group’s companies as of 31 December of the reference year. The following are included: indefinite-term work contracts, fixed-term work contracts, expatriates (by site of secondment), employees on maternity or paternity leave, interns and VIE participants (excluding France).

Note 2: The workforce broken down by gender includes the percentage of male employees and the percentage of female employees. The distribution by age is broken down as follows: younger than 20 years old, 20 to 29 years old, 30 to 39 years old, 40 to 49 years old, 50 to 59 years old, 60 years and older. These categories were established based on available data. Some branches and subsidiaries do not report due to specific local regulatory constraints (or inclusion in scope).

Note 3: The breakdown of workforce by geographic area pertains to the following categories: France, Europe (excluding France), Africa – Middle-East, the Americas, Asia – Oceania.

Hirings and dismissals:

Note 1: Hiring pertains to the number of employees who joined the company between 01 January and 31 December of the reference year, depending on the contracts as defined in Note 1 / Workforce. Someone is also considered a new hire in their company when they are reassigned and signed a new employment contract with a different company within the Group or have an amendment to the original contract that results in a permanent assignment to a different Group company.
Based workforce.

is definitive (via a change of contract), the Group. If the shore-based assignment out one-off jobs at the other entities of the vessels of the CMA CGM Group fleet, contract or a contract with CMA CGM or seafarers with a permanent employment Crewing HR indicators correspond to the data of the French seafarers.

Regarding International Crewing:

The payroll contains an educational objective, is tracked training methods (classroom, e-learning) included (internal and external) and all Training courses between 2017 and 2018 presenting the business model:

Note: the change in the number of training courses between 2017 and 2018 is primarily associated with the change in the calculation method.

Safety

Workplace safety: Fatal accidents and accidents with leave longer than 1 day are tracked and consolidated at the Group level by CMA Ships, for the owned fleet maritime activity, and by CMA CGM HQ SSE Terminals, for terminals under management. Accidents that occurred on chartered vessels are not reported or consolidated, since they are under the responsibility of the respective ship owners.

With reference to the change % presenting the business model:

<table>
<thead>
<tr>
<th>LTIFR</th>
<th>Terminals</th>
<th>Maritime</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>36</td>
<td>1.55</td>
</tr>
<tr>
<td>2015</td>
<td>31</td>
<td>1.78</td>
</tr>
<tr>
<td>2016</td>
<td>29.5</td>
<td>1.63</td>
</tr>
<tr>
<td>2017</td>
<td>19.1</td>
<td>0.9</td>
</tr>
<tr>
<td>2018</td>
<td>13.2</td>
<td>1.25</td>
</tr>
</tbody>
</table>

Training of French and international Crewing:
The number of training hours for the French and international seagoing personnel corresponds to the sum of the number of e-learning training hours, added to the number of classroom-based training hours:

• The number of classroom-based training hours is obtained by applying an average duration of 7 hours of training per day of training administered
• The number of e-learning training hours is obtained via the online training software.

Frequency rate of maritime work accidents:
The frequency rate for work accidents is calculated for the maritime scope (fleet owned by CMA Ships) based on the number of accidents with sick leave and the total number of hours worked.

It includes accidents among the seagoing staff employed by the Group, as well as the seagoing staff employed by Manning agencies. An accident with leave is considered to be any accident that results in leave from work onboard ship. Accidents that result in work leave only after disembarkment are not taken into account.

The number of hours worked of the shipping activity: sum of the actual number of days on board x 24 hours

Frequency rate = number of work accidents / (number of hours worked) x 1,000,000

The number of hours worked corresponds to the number of hours spent on board including at night, hence a low frequency rate with respect to other industries.

Severity rate of maritime work accidents:

Number of days' sick leave further to a workplace accident per thousand of hours worked over a period of twelve sliding months. For seagoing staff which are no longer in the workforce as of 31/12/reference year, the days of leave which occurred during the reference year are not taken into account in the calculation of the severity rate.

The number of hours worked corresponds to the number of work accidents with sick leave of more than 1 day and the total number of hours worked. FR = (number of accidents / number of hours worked) x 1,000,000

Scope of the terminals subject to the CMA CGM HQ Terminals SSE policy:

Dutch Harboor APL Terminal Unalaska / Kingston Freeport Terminal / SAMR La Réunion / GMM Martinique / GMG Jary Terminal Guadeloupe / SOMARG Guyane / TGO Montoir / TDF Dunkerque / BKP Odessa / Medeurope Terminal Marseilles / Marseilles manutention / Malta Freeport Terminal / Terminal Sevilla / Thessaloniki / Lattaka / Umm Qasar Berth n°5 / Casablanca / Kribi / Mundra / Yokohama / Kaohsiung / VICT Vietnam / Natál

Maritime fuel oil consumption: The fuel oil consumption is monitored for the entire fleet in operation. Fuel oil consumption for land activities are considered insignificant in comparison. The fuel oil consumption of the maritime activity is expressed in tons of fuel oil and represents the total consumption of different types of fuel oil used by the fleet (HSCO / LFSO / MGO/DO).

Q consumed per voyage = ROB beginning voyage – ROB end of voyage + ∑ voyage bunkers purchase

Maritime CO2 emissions: The CO2 emissions relate to the entire operated fleet and are expressed in tons of CO2. They are directly calculated from fuel oil consumption. The following emission factors are applied to fuel oil consumption for the maritime activity:

• 1 ton HFO = 3.114 tons of CO2
• 1 ton LFO = 3.151 tons of CO2
• 1 ton MGO/ DO = 3.206 tons of CO2

Ref.: “RESOLUTION MEPC.245(66) 2014 GUIDELINES ON THE METHOD OF CALCULATION OF THE ATTAINED ENERGY EFFICIENCY DESIGN INDEX (EEDI) FOR NEW SHIPS”

Definition of Scope 3: Scope 3 emissions are emissions resulting from the building of vessels and containers, vessels solid and liquid waste production, employees business trips, fuel oil consumption specific to the pre- and post-shipping services and upstream emissions stemming from the actual production and transport of fuel burnt on our vessels.

• Ship building: For each vessel built in the year, we consider the weight of the vessel (no ballast, fuel, oil, cargo) in tons and we apply an emission factor of 1.75 (1.75 tons of CO2 emitted to produce 1 ton of steel);
• Container building: For all the containers built during the year on behalf of CMA CGM, we consider the empty weight (bare weight of a twenty-foot container = 2.2 tons) and we apply an emission factor of 1.75 (1.75 tons of CO2 emitted to produce 1 ton of steel).
Solid waste: Owned vessels take part in our Green Ship programme. Within this context, they report the solid waste produced. We apply an emission factor of 182 kg of CO₂ for 1 m³ of waste to the total volume of solid waste reported.

Liquid waste: mainly sludge produced by the vessel. For 2018, the estimated sludge produced was 2.3% of the consumed fuel oil, therefore we consider 2.3% of CO₂ produced.

Employee business trips: the CMA CGM Group in-house travel agency supplies the CO₂ emissions stemming from trips (airplane / train / road) in the scope of the Group business travellers outbound from France. This corresponds to the Head Office scope.

Fuel oil consumption for pre- and post-shipment services: we extract this information from the Group’s booking management system with a transport mode criterion = Barge / Rail / Road / Third-Party Feeder which incorporates the transport carried out on behalf of the Group by external service providers. We then apply the standard emission factors for each transport mode in order to calculate the corresponding carbon footprint. Source: CO₂ emission of transport services, Methodological Guide / Ministry of Ecology, Sustainable Development and Energy 2017 (for rail, road and barge; CMA CGM Source for feeder).

Upstream phase fuel emissions: we use the emission factors of the EcotranII Base which applies the default factors of the EN16258 standard. For the MDO: 0.68 kg CO₂/e/kg, for the HFO: 0.26 kg CO₂/e/kg, via the ECOSTRAT website. http://www.ecotran.org/download/ETW_Methodology_Background_Report_2016.pdf (p. 96).

SOx emissions: SOx emissions cover the entire operated fleet. SOx emissions are expressed in tons of SOx. SOx emissions are calculated based on fuel oil consumption per type of fuel oil, average ratio of sulphur concentration per type of fuel oil, emission factors between sulphur and SOx: 2 t of SOx are emitted for every 1 t of sulphur (S) in the fuel oil. (Source: EEMS Atmospheric Emissions Calculation).

The sulphur ratios are taken from data from the fuel purchasing and management control department and from 2018 Bunker Delivery Notes (BDN). An average sulphur ratio weighted by the quantity is calculated for each type of fuel oil.

NOx emissions: NOx emissions cover the entire operated fleet. NOx emissions for land activities are considered insignificant in comparison and are not consolidated at this time. NOx emissions are expressed in tons of NOx.

NOx = total fuel consumption by type × NOx emission factor by type of fuel

The following emission factors are applied to the fuel consumption for the maritime activity:

- HFO / USFO: 86 kg of NOx / tons of fuel oil
- DO: 56 kg of NOx / tons of fuel oil (Source: 3rd IMD GHG study 2014)

Accidental releases: Accidental releases relate to unintentional releases of hazardous or non-hazardous liquid discharges from the owned vessels, whether or not the CMA CGM Group is liable. The reporting scope pertains to the owned fleet of the Group and is based on the feedback from the Report of Notification (RON) sent in by the vessels.

Solid waste: The volume of solid waste (hazardous and non-hazardous) is reported by the ships based on waste reduction programme called “Green Ship”. Each vessel sends a summary by category of solid waste generated on board on the basis of the crew’s visual estimation. They are expressed in m³ or in pieces, depending on the category. These reports are then compiled and the figures are analysed to determine the total volume of waste generated by the owned fleet. Sludge is not taken into account in this indicator.

Sludge: The production of sludge covers the entire operated fleet. Sludge is expressed in tons. The quantity of sludge is calculated using a ratio that is calculated annually by the Sludge team based on the quantities discharged and inspected during the sludge unloading operations. This ratio is applied to the total quantity of fuel oil burned in order to calculate the quantity of sludge produced.

Terminal energy consumption: The energy consumption of the Terminals relates to the Terminal activity subject to the CMA CGM HO Terminals SSE policy.

Terminal water consumption: The Terminal water consumption pertains to the Terminal activity subject to the CMA CGM HO Terminals SSE policy.

Scope of Terminals subject to the CMA CGM HO Terminals SSE policy: Dundee, Durban, Hong Kong, Houston, Istanbul, Istanbul, Jakarta, Junio Terminal Guadaloupe / Somarig Guyane / Togo, Montoir / TDF Dunkerque / BPG Dusseldorf / Mediopac Terminal Marseilles / Marseille, Mediterranean / Malta Freeport Terminal / Terminal Sevilla / Tangier / Thessaloniki / Dakar / Umm Qasr Berth n°5 / Casablanca / Kribi / Munda / Yokohama / Kaohsiung / VICT Vietnam / Natl.

CSR challenges

The identification of the major CSR challenges for the Group was developed in partnership with various Group departments: Environment, Security, Safety, Human Resources, Ethics & Compliance, Purchasing Risk.

An initial list of material CSR challenges for the maritime transport sector was drawn up using a documentary and regulatory analysis.

The following challenges were identified:

- Business ethics: Economic sanctions and embargoes, free competition, corruption, conflict of interests, fraud, data confidentiality and protection
- Value chain: Customer Centricity, Innovation and sustainable added value, Long-term partnerships with our suppliers
- Social: Diversity – Mixity & inclusion, Employee working conditions, employee development
- Safety and security: maritime safety, occupational safety (H&S), goods safety, safety of assets, international security
- Environment: Energy, Resources, Materials & Waste, Pollution and releases, Oceans: biodiversity

Societal: Territorial development and integration, sponsorship, local actions, philanthropy, Emergency Relief

Assessment of importance for CMA CGM

Each of the challenges determined is assessed by the various departments based on 4 criteria: finance, legal/regulatory, Operation/ Business, Image/Reputation. The challenges were then ranked by priority depending on the following criteria:

+++ CMA CGM identified the importance of CSR challenges and has made them one of its priorities. The Group implements the necessary resources to address this challenge:
++ CMA CGM has identified that this CSR challenge is important and has put actions in place:
+ CMA CGM has identified that this CSR challenge is not a priority for the moment, and has implemented limited actions / or has not put any actions in place for the moment
- The challenge is not a priority for the moment, and the risk is controlled or non-existent
- The challenge is less than the position of the risk:
- The challenge is higher than the position of the risk:

Based on the activity and the scope, several risks have been grouped into a “risk category”, of which the current risk level is defined by the average of the frequencies and the average of the severity rates.

If a challenge is covered by 2 risk categories, the final risk level is the higher of the 2 categories.

Assessment of the assessments of the challenges against the risks. In this exercise, differences were identified and explained as follows:

The challenge is higher than the position of the risk: the challenge is strong and known. CMA CGM has undertaken actions to limit the risk inherent to the challenge > therefore, the risk is controlled and the challenge remains strong.

The challenge is less than the position of the risk: the challenge is emerging. CMA CGM is implementing actions to mitigate the risk.

+++ The stakeholder has determined that the CMA CGM CSR challenge is a fundamental challenge for its standpoint.
++ The stakeholder has determined that the CMA CGM CSR challenge is secondary to its standpoint.
+ The stakeholder has determined that the CMA CGM CSR challenge is not a priority for the moment from its standpoint.
- Note: In 2018, 80 Group and subsidiary employees and 4 customers were surveyed and gave their views on the CMA CGM CSR approach.

Therefore, the risk is more important than the challenge itself, given the procedures and work underway.

CSR risks

With support from the Risk Management Department, a CSR risk mapping in connection with the materiality matrix is being prepared. The 2018 work involved:

- Identifying the existing Group risks in connection with one of the 15 Group CSR challenges and determining the challenges with no associated risks.
- Compiling the “CSR” risk mapping for the risks and associated challenges. The rules applied are:
  - Based on the activity and the scope, several risks have been grouped into a “risk category”, of which the current risk level is defined by the average of the frequencies and the average of the severity rates.
  - If a challenge is covered by 2 risk categories, the final risk level is the higher of the 2 categories.
  - Comparing the assessments of the challenges vs the risks. In this exercise, differences were identified and explained as follows:
    - The challenge is higher than the position of the risk: the challenge is strong and known. CMA CGM has undertaken actions to limit the risk inherent to the challenge > therefore, the risk is controlled and the challenge remains strong.
    - The challenge is less than the position of the risk: the challenge is emerging. CMA CGM is implementing actions to mitigate the risk.

Note: In 2018, 80 Group and subsidiary employees and 4 customers were surveyed and gave their views on the CMA CGM CSR approach.
## Glossary

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<th>Acronym</th>
<th>Definition</th>
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<td>AMF</td>
<td>Armateurs de France – French shipowners association</td>
</tr>
<tr>
<td>BDN</td>
<td>Armateurs de France – French shipowners association</td>
</tr>
<tr>
<td>BSR</td>
<td>Business for Social Responsibility – NGO which supports the member companies towards a fair and sustainable world</td>
</tr>
<tr>
<td>CCE</td>
<td>Comité Central d’Entreprise – Central Works Council – Replaces the Works Council in companies with several facilities</td>
</tr>
<tr>
<td>CCI</td>
<td>Chambre de Commerce et d’Industrie – Chamber of Commerce and Industry</td>
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<tr>
<td>CDP</td>
<td>Carbon Disclosure Project – Environmental reporting platform</td>
</tr>
<tr>
<td>CDP</td>
<td>Comités d’Etablissements – Works Committee – Managed by the Central Works Council</td>
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<tr>
<td>CHSCT</td>
<td>Comité d’Hygiène, de Sécurité et des Conditions de Travail – Health, safety and working conditions committee</td>
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<td>CO₂</td>
<td>Carbon dioxide</td>
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<td>CRM</td>
<td>Customer Relationship Management</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>DIRECCTE</td>
<td>Directions Régionales des Entreprises, de la Concurrence, de la Consommation, du Travail et de l’Emploi – Regional directorate for companies, competition, consumption, work and employment</td>
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<td>ECA</td>
<td>Emissions Control Area</td>
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<td>ESI</td>
<td>Environmental Ship Index</td>
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<td>FORS</td>
<td>Fast Oil Recovery System</td>
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<tr>
<td>GDP</td>
<td>Good Distribution Practice</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMO</td>
<td>International Maritime Organisation</td>
</tr>
<tr>
<td>IMS</td>
<td>Integrated Management System</td>
</tr>
<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
</tr>
<tr>
<td>MLC</td>
<td>Maritime Labour Convention</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NAO</td>
<td>Négociation Annuelle Obligatoire – Mandatory annual negotiation</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>NOₓ</td>
<td>Nitrogen oxide</td>
</tr>
<tr>
<td>OTI</td>
<td>Organisme Tiers Indépendant – Independent third-party organisation</td>
</tr>
<tr>
<td>PSC</td>
<td>Port State Control</td>
</tr>
<tr>
<td>PSR</td>
<td>Psycho-Social Risks</td>
</tr>
<tr>
<td>QHSSS</td>
<td>Qualité, Hygiène, Santé, Sécurité, Environnement – Quality, Hygiene, Health, Safety and Environment</td>
</tr>
<tr>
<td>RIF</td>
<td>Registre International Français – French ship register</td>
</tr>
<tr>
<td>ROTI</td>
<td>Rapport Organisme Tiers Indépendant – Independent third-party organisation report</td>
</tr>
<tr>
<td>SIRH</td>
<td>Système d’Information des Ressources Humaines – Human resources information system</td>
</tr>
<tr>
<td>SOPEP</td>
<td>Ship Oil Pollution Emergency Plan</td>
</tr>
<tr>
<td>SOₓ</td>
<td>Sulphur oxide</td>
</tr>
<tr>
<td>TEU</td>
<td>Twenty Equivalent Units</td>
</tr>
<tr>
<td>UES</td>
<td>Unité Economique et Sociale – Economic and social unit</td>
</tr>
<tr>
<td>USCG</td>
<td>United States Coast Guards</td>
</tr>
<tr>
<td>VIE</td>
<td>Volontariat International en Entreprise – French international internship programme</td>
</tr>
<tr>
<td>WPCI</td>
<td>World Port Climate Initiative</td>
</tr>
</tbody>
</table>
To the Annual General Meeting

In our capacity as Statutory Auditor, appointed as an independent third party, of CMA CGM S.A., certified by the French Accreditation Committee (Comité Français d’Accréditation or COFRAC) under number 3-1049\(^1\), we hereby report to you on the consolidated non-financial performance statement for the year ended 2018 (hereinafter the “Statement”), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the Company

It is the Management Board’s responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators. The Statement has been prepared applying the procedures of the Company, (hereinafter the “Guidelines”), the most significant aspects of which are presented in the Statement and available upon request at the Company’s headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

1.1. Statutory Auditor’s responsibility

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code (Code de Commerce);
- the information provided (hereinafter the “Information”) is fairly presented in accordance with Article R.225-105-I and II of the French Commercial Code (Code de commerce) concerning policy outcomes, including key performance indicators and actions relating to the main risks;

It is our responsibility to express, at the request of the Company and outside of the scope of accreditation, reasonable assurance that information selected\(^4\) by the Company and identified with the symbol √ in the Management Report has been prepared, in all material respects, in accordance with the Guidelines. However, it is not our responsibility to express an opinion on:

- the Company’s compliance with any other applicable legal and regulatory provisions, relating, in particular, to the duty of care requirement;
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 et seq. of the French Commercial Code (Code de commerce), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCCI).

\(^1\) Scope available at www.cofrac.fr
\(^4\) CO2 emissions, SOx emissions and NOx emissions related to the fuel consumption of the maritime fleet.
comptes or CNCC) relating to this engagement and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information). We conducted work to form an opinion on the Statement’s compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- We gained an understanding of the activity of all companies in the consolidation scope of the exposure to the main social and environmental risks relating to the business activity and, if applicable, including any related policies and their outcomes;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector’s best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental;
- We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, in accordance with the disclosures required under Article R. 225-105-I, and policies, due diligence procedures and outcomes, including key performance indicators;
- We verified that the Statement presents the disclosures required under article R. 225-105-II if they are relevant given the main risks or policies presented;
- We obtained an understanding of the process for identifying, prioritizing and validating the main risks;
- We enquired about the existence of internal control and risk management procedures implemented by the Company;
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 (where applicable: within the limits specified in the Statement);
- We assessed the data collection process implemented by the Company to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;
- For key performance indicators and the other quantitative outcomes that we considered the most important, we set up:
  - analytical procedures to verify that data collected are correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing to the reported data and represents between 24% and 100% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the due diligence procedures that we deemed the most important (organization, policies, actions, qualitative outcomes);
- We assessed the overall consistency of the Statement based on our understanding of the Company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Statement cannot be totally eliminated.

Means and resources
Our work drew on the skills of six individuals
To assist us in conducting our work, we called on our firm’s sustainable development and corporate social responsibility specialists. We conducted around twenty interviews with the individuals responsible for preparing the Statement.

Opinion
Based on our work, and given the scope of our responsibilities, we have no material misstatements to report that would call into question the Statement’s compliance with the applicable regulatory provisions, or the fair presentation of the information, taken as a whole, in accordance with the Guidelines.

Comment
Without qualifying our opinion, in accordance with article A. 225-3 of the French Commercial Code (Code de commerce), we draw your attention to the following matters:
The reporting scope and comparability of training indicators present significant limits, as mentioned in the Statement.

2. Reasonable assurance on a selection of CSR information.

Nature and scope of our work
With regard to the information selected by the Company and identified with the symbol √, we conducted the same procedures as those described in the paragraph “Nature and scope of our work” (for the most important Information). However, these procedures were more in-depth, particularly regarding the number of tests.
Consequently, the selected sample represents 100% of environmental information.

We believe that these procedures enable us to express reasonable assurance regarding the information selected by the Company and identified with the symbol √.

Conclusion
In our opinion, the information selected by the Company and identified with the symbol √ has been prepared, in all material respects, in accordance with the Guidelines.

KPMG S.A.

Georges Maregiano
Partner
Sustainability Services

Paris-La Défense, 2019, March the 1st

Philippe Arnaud
Partner
Sustainability Services