

# SNCF Réseau

ISIN CODE: XS0096412548

## Overall score 66/100

### Sector: Transport & Logistics

Companies in sector panel: 38

Information rate: 93% (Sector average: 61%)  
Company cooperation level: Proactive \*

## General information

SNCF Réseau is the operator of the French railway system and is responsible for the management and maintenance of the railway network. Following August 4, 2014 law in France that is related to the reform of the French railway system, SNCF Réseau was created on January 2015 by the merger of the former Réseau Ferré de France (RFF), SNCF's infrastructure division (SNCF Infra) and the Traffic Control Direction (DCF).

Main Economic Segment**	Turnover 2016
French National Rail Network	100 %

## Overall CSR performance & trends

Overall score : 66/100	
60-100/100	Advanced
50-59/100	Robust
30-49/100	Limited
0-29/100	Weak

Overall score Trend	
Compared to 2016 ↗	+17 points
Compared to 2015 ↗	+30 points
Compared to 2013 ↗	+35 points

Overall Rank in sector : 2/33

	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour	Corporate Governance
100						
75						
50						
25						
0						
Scores/Trends	73 ↗	69 →	71 ↗	67 ↗	61 ↗	59 ↗
Ratings	++	++	++	++	++	+
Controversies	Yes	No	No	No	Yes	No
Risk management	Advanced	Advanced	Advanced	Advanced	Advanced	Robust

■ Sector performance ■ Company performance Rating: min -- / max ++

- SNCF Réseau's overall CSR performance is considered to be advanced (66/100), which is an increase compared to Vigeo Eiris' previous review
- SNCF Réseau's approach to the three CSR pillars is heterogeneous. The Company registers advanced performances in the Environmental and Social pillars, while a robust performance is recorded in the Governance pillar.
- SNCF Réseau was involved in two controversies. The first one is related to charges on involuntary homicide and injuries after a SNCF train derailed, the second controversy is about a train derail near Lyon, spilling 20 tons of bio-ethanol. The Company is remediative regarding both cases.

Company inclusion in Vigeo Indices\*\*\* : NO

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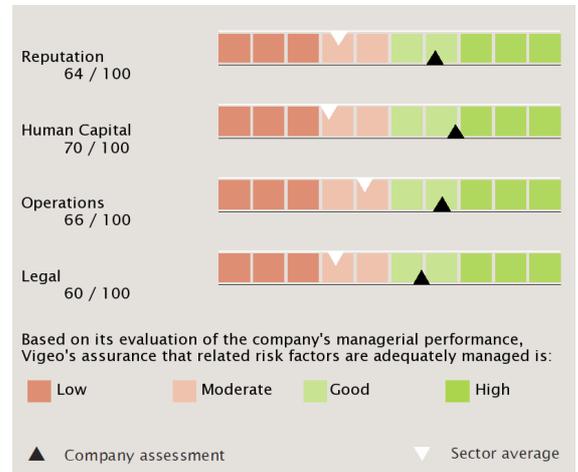
\* On a 4-level scale: proactive, responsive, partially responsive, not responsive  
\*\* See detailed economic indicators in Selected financial data section  
\*\*\* Based on the most recent Index at the date of publication

## Management of Risks and Opportunities

		Weaknesses		Strengths	
Weight of the Sustainability drivers	3			<ul style="list-style-type: none"> <li>Health and safety</li> <li>Board of Directors</li> <li>Energy</li> </ul>	<ul style="list-style-type: none"> <li>Reorganisation</li> <li>Social standards in the supply chain</li> <li>Fundamental labour rights</li> <li>Corruption</li> </ul>
	2			<ul style="list-style-type: none"> <li>Executive Remuneration</li> <li>Logistics safety / Passengers safety</li> <li>Responsible Lobbying</li> </ul>	<ul style="list-style-type: none"> <li>Environmental strategy</li> <li>Social Dialogue</li> <li>Non-discrimination and diversity</li> <li>Social and economic development</li> <li>Local pollution</li> <li>Remuneration</li> <li>Customer relations</li> <li>Audit &amp; Internal Controls in the supply chain</li> <li>Anti-competitive practices</li> <li>Career management</li> <li>Working hours</li> </ul>
	1		<ul style="list-style-type: none"> <li>General interest causes</li> </ul>		<ul style="list-style-type: none"> <li>Accidental Pollution</li> </ul>
		<b>Weak</b> 0 to 29 points	<b>Limited</b> 30 to 49 points	<b>Robust</b> 50 to 59 points	<b>Advanced</b> 60 to 100 points

- Based on our latest review of the Company, Vigeo Eiris continues to identify the following risks and opportunities for SNCF Réseau.

- Following the **Reorganisation** of the railway sector by law in 2014, RFF, along with other structures previously managed by SNCF, were merged to create SNCF Réseau, several question marks were raised regarding how the new structure will manage to maintain efficiency of operations without drastically impacting the security of employment for many of its new staff members. The evolution of positions and structure at SNCF Réseau appears to have been accompanied by the signature of an agreement that includes the Company's commitments towards the employment of the workforce, securing employees' career paths and skills development, and consulting employee representatives during the transition period due to the restructuring. In addition, the Company has seemingly implemented measures to reduce the impact of reorganisations including significant financial compensation, internal mobility programmes across all the railway sector components and re-training in order to adapt some of the employees to any potential new duties they are not used to perform. Given this approach, Vigeo's assurance in the Company's ability to ensure a smooth transition to a more efficient organisation as expected by the reform, with no major protest movements or discontent from social partners is high.



- The French railway network is one of the oldest (created in 1827), and the longest (more than 30,000 km) in the world. This particular display generates additional challenges and increases the exposure of SNCF Réseau to the risk of ageing infrastructure and its impact on the **energy efficiency** of its operations. With targets to reduce GHG emissions and energy consumption by 20% by 2025, significant investments aimed at optimising both facilities and fleet, and partnerships to switch to alternative energy sources, SNCF Réseau appears to be in capacity to mitigate the climate change operational risks associated with its operation of a relatively ageing and long network.

\* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

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## Company performance in all the Sustainability Drivers

		Overall score 66/100		Trend	Score
	Weight of the Sustainability driver				
		<b>Environment</b>		↗	<b>73</b>
ENV1.1	2	Environmental strategy		↗	100
ENV1.2	1	Accidental Pollution		↘	60 
ENV2.2	3	Energy		↘	56
ENV2.6	2	Local pollution		↗	76
		<b>Human resources</b>		→	<b>69</b>
HRS1.1	2	Social Dialogue		→	88
HRS2.3	3	Reorganisation		→	75
HRS2.4	2	Career management		↘	60
HRS3.1	2	Remuneration		↗	76
HRS3.2	3	Health and safety		↗	58
HRS3.3	2	Working hours		→	60
		<b>Human rights</b>		↗	<b>71</b>
HRT1.1	2	Fundamental human rights			N/R
HRT2.1	3	Fundamental labour rights		↗	65
HRT2.4	2	Non-discrimination and diversity		→	79
		<b>Community involvement</b>		↗	<b>67</b>
CIN1.1	2	Social and economic development		↗	77
CIN2.1	1	Promotion of access to postal services			N/R
CIN2.2	1	General interest causes		↘	46
		<b>Business behaviour (c&amp;s)</b>		↗	<b>61</b>
C&S1.1	2	Logistics safety / Passengers safety		↗	53 
C&S1.3	2	Customer relations		↗	67
C&S2.3	2	Environmental standards in the supply chain		↗	62
C&S2.4	3	Social standards in the supply chain		↗	69
C&S3.1	3	Corruption		↗	63
C&S3.2	2	Anti-competitive practices		↗	60
C&S3.3	2	Responsible Lobbying		↗	51
		<b>Corporate governance</b>		↗	<b>59</b>
CGV1.1	3	Board of Directors		↗	58
CGV2.1	2	Audit & Internal Controls		↗	64
CGV3.1	2	Shareholders			N/R
CGV4.1	2	Executive Remuneration		↗	54

 **Weak** (0-29/100)    **Limited** (30-49/100)    **Robust** (50-59/100)    **Advanced** (60-100/100)

 **Involvement in allegations**    **Involvement in allegations with evidence of corrective measures**

N/R means that this Sustainability Driver is not analysed for this Company

## Selected financial data

Key data	Revenue	EBIT	Employees
2016	EUR 6,441m	EUR (157)m	54,478
2015	EUR 6,526m	EUR (9,997)m	54,118
2014	EUR 5,917m	EUR (193)m	1,678
2013	EUR 5,690m	EUR 1,081m	1,600
2012	EUR 5,555m	EUR 1,421m	1,495
Main shareholders			2017
French State			100 %
Geographical breakdown		Turnover 2016	Employees 2016
France		100 %	100 %
All Economic Segments			Turnover 2016
French National Rail Network			100 %

## Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	No	No
Executive remuneration linked to CSR performance	Yes	No Info
3-year energy consumption trend (normalized to turnover)	N/A	N/A
Ratio of payments to employees vs. shareholders (3-year trend)	N/A	N/A
Percentage of independent Board members	0	0
Percentage of women on Board	50	50
Percentage of women in Executive team	0	N/A
Percentage of women in workforce	12	12
Transparency on lobbying budget	Yes	No
Percentage of employees covered by collective agreements on working conditions	0	100
3 year trend for safety at work	N/A	N/A
Involvement in armament	No	No
Transparency on payment of tax	Full	Full
Management of social risks in supply chain	Advanced	Weak

## Involvement in disputable activities: summary

This section is dedicated to disputable activities in which the company is involved.  
9 disputable activities are analyzed (see list below) following 30 parameters  
Additional analysis and full database access are available as an option

For more information please contact us at [customer.service@vigeo.com](mailto:customer.service@vigeo.com)

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company

## CSR performance per domain

■ Sector performance  
■ Company performance  
Rating: min -- / max ++



### Key issues

Companies in the Transport and Logistics sector are expected to define a solid and comprehensive **Environmental strategy** given the major impacts their operations and processes have on the environment. Indeed, this sector is responsible for approximately 25% of the total CO2 emissions increasing pressure on such companies to offer low environmental impact services. Thus, **Minimising the environmental impacts from energy use** is identified as a key issue.

### Company performance

- SNCF Réseau's absolute performance in the Environment domain is advanced, which is an increase compared to the previous review.
- This improvement is mainly due to the Company's highly relevant commitment to environmental issues, supported by comprehensive resources to environmental management that covers all of SNCF Réseau's production sites. Concerning its energy use the company has set quantified target and comprehensive measures, such as fleet and building optimisation. In addition, the Company appears to have developed measures to preventing local pollution.
- The Company is involved in one controversy concerning a train derail near Lyon, spilling 20 tons of bio-ethanol, on which it is remediative.
- Overall, the Company ranks well above sector average.



### Key issues

The Transport and Logistics sector is driven by restructuring changes which can have critical impacts on human resources aspects and thus placing **Reorganisations** as a major issue for such companies. **Labour relations** are of particular importance as well, as the processes of technological change, deregulation, and privatisation have reduced the unionized workforce. Also, workers' **Health and Safety** represents another key issue given the nature of the activities of the sector that exposes workers to health and safety problems such as accidents, exposure to toxic substances, and repetitive movements.

### Company performance

- SNCF Réseau's absolute performance in the Human Resources domain is advanced, which is in line with the previous review.
- The Company has issued a largely publicised, formalised commitment to career management, quality of remuneration systems and respect and management of working hours. These commitments are supported by comprehensive measures. Concerning the promotion of labour relations the Company commits to promoting collective bargaining and eight employee representatives sit on the Board. Moreover, SNCF Réseau signed a framework agreement with employee representatives on reorganisations, and has allocated significant measures to limit its impact.
- Overall, the Company ranks well above sector average.



### Key issues

Ensuring the respect of **Fundamental labour rights** is crucial for the Transport and Logistics sector, and companies are expected to set policies and install solid social dialogue platforms in place especially when their operations are beyond the country of origin. **Non-discrimination** is another key challenge as such jobs have, historically, been male-dominated and face shortages related to ageing workforce as well as difficulty of the integration of persons with disabilities.

### Company performance

- SNCF Réseau's absolute performance in the Human Rights domain is advanced, which is an increase compared to the previous review.
- Improvements were mainly made in the Company's ownership and coverage of its commitments regarding the respect for freedom of association and the right to collective bargaining. Different measures aimed at informing employees on trade union activities appear to have been deployed, while the Company seems to have set up significant measures to prevent discrimination such as affirmative action programmes. An increase in the share of women in the management has also been witnessed over the period under review.
- Overall, the Company ranks well above sector average.

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**Key issues**

Given the growing importance of infrastructure as a backbone of the global economy, railway infrastructure operators can actively contribute to the development of the regions hosting their operations through **Social and economic development** endeavours. In this sense, these companies are expected to increase and ease mobility through development

**Company performance**

- SNCF Réseau's absolute performance in the Community Involvement domain is advanced, which is an increase compared to the previous review.
- This improvement is mainly due to SNCF Réseau performance trend on the quantitative outcomes of local social and economic development projects. The Company along with 5 other actors in the railway sector, launched an initiative called "Railsponsible", aimed at developing sustainability practices and promoting them along the whole value chain of the sector. In addition, actions to improve social integration, actions to promote the creation and development of local businesses appear to be in place throughout SNCF Réseau's operations.
- Overall, the Company ranks well above sector average.



**Key issues**

**The prevention of corruption** and **Social factors in the supply chain** are considered among the main issues for the Transport and Logistics sector in terms of business behaviour. Indeed, such companies often interact with other large companies or public authorities, highlighting the business integrity challenge while outsourcing might result in cost efficiency at the expense of violating basic human and labour rights at the supply chain level.

**Company performance**

- SNCF Réseau's absolute performance in the Business Behaviour domain is advanced, which is an increase compared to the previous review.
- Improvements were mainly made in the Company's integration of environmental and social factors in the supply chain, as SNCF Réseau appears to have issued a formalised commitment which address all the relevant issues supported by comprehensive measures, the Company also has a proactive behaviour concerning passengers safety. SNCF Réseau has also issued a formalised commitment to prevent anti-competitive practices. However, the Company lacks overall transparency on measures put in place to prevent anti-competitive practices and ensure transparency on lobbying practices.
- The Company is involved in one controversy concerning the derailing of a train, on which it is remediative.
- Overall, the Company ranks well above sector average.



**Key issues**

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

**Company performance**

- SNCF Réseau's absolute performance in the Corporate Governance domain is robust, which is an increase compared to the previous review.
- This increase is mainly due to the Company's formalised corporate governance framework, covering most of the relevant features, and the state ownership policy and procedures which clearly define the role of the state in the governance of SNCF Réseau. The increase is also due to the comprehensive role of the Audit committee, and the relevant processes dedicated to management of CSR risks. Finally, executive remuneration is disclosed but on a collective rather than on an individual basis and not by category or hierarchical level.
- Overall, the Company's performance is above the sector average.

## Detailed analysis

<b>Environment</b>	<b>10</b>
<b>ENV1.1</b> Environmental strategy	10
<b>ENV1.2</b> Pollution prevention and control (soil, accident)	11
<b>ENV2.2</b> Minimising environmental impacts from energy use	12
<b>ENV2.6</b> Management of local pollution	13
<b>Human Resources</b>	<b>15</b>
<b>HRS1.1</b> Promotion of labour relations	15
<b>HRS2.3</b> Responsible management of reorganizations	16
<b>HRS2.4</b> Career management and promotion of employability	17
<b>HRS3.1</b> Quality of remuneration systems	19
<b>HRS3.2</b> Improvement of health and safety conditions	20
<b>HRS3.3</b> Respect and management of working hours	22
<b>Human Rights</b>	<b>23</b>
<b>HRT1.1</b> Respect for human rights standards and prevention of violations	23
<b>HRT2.1</b> Respect for freedom of association and the right to collective bargaining	23
<b>HRT2.4</b> Non-discrimination	25
<b>Community Involvement</b>	<b>27</b>
<b>CIN1.1</b> Promotion of the social and economic development	27
<b>CIN2.1</b> Promotion of access to postal services	29
<b>CIN2.2</b> Contribution to general interest causes	29
<b>Business Behaviour (C&amp;S)</b>	<b>31</b>
<b>C&amp;S1.1</b> Logistics safety / Passengers safety	31
<b>C&amp;S1.3</b> Responsible customer relations	32
<b>C&amp;S2.3</b> Integration of environmental factors in the supply chain	33
<b>C&amp;S2.4</b> Integration of social factors in the supply chain	35
<b>C&amp;S3.1</b> Prevention of corruption	36
<b>C&amp;S3.2</b> Prevention of anti-competitive practices	38
<b>C&amp;S3.3</b> Transparency and integrity of influence strategies and practices	39
<b>Corporate Governance</b>	<b>41</b>
<b>CGV1.1</b> Board of Directors	41

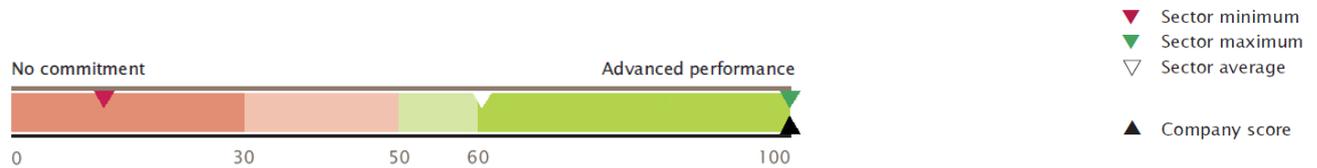
<b>CGV2.1</b>	<b>Audit &amp; Internal Controls</b>	<b>43</b>
<b>CGV3.1</b>	<b>Shareholders</b>	<b>44</b>
<b>CGV4.1</b>	<b>Executive Remuneration</b>	<b>45</b>

## Environment

Score : 73

### ENV1.1 Environmental strategy

(score: 100, weight: 2)



#### Visibility of commitment to environmental issues

*The company has issued a formalised commitment to environmental protection, in its Ethical Charter, and sets specific targets to reduce its GHG emissions and its energy consumption as well as noise issues. The company is a signatory of the Global Compact and communicates on this principle.*

#### Relevance of environmental strategy

The company commits to all its responsibilities in terms of environmental protection:

- Pollution prevention and control
- Minimising environmental impacts from energy use
- Management of local pollution

#### Ownership of commitment

*The commitment applies throughout the company and is supported by senior management. In addition, the Environment and Sustainability Department in charge of defining the strategic orientations of the company in terms of sustainability (including environment), moreover the company joined the Science Based Targets and is being accompanied by WWF France. Of note: The company has renewed its partnership with "France nature environnement" and "Ligue de protection des oiseaux".*

#### Means allocated to environmental management

The company has allocated comprehensive resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

*1 and 2: The company adopted the ISO 14001 environmental management system and International Energy Efficiency Certificate (IEEC) which are based on conducting Internal audits to assess the effectiveness of the EMS and Environmental manual specifying procedures and responsibilities.*

*3. The "Comex" ( Strategic Energy Committee) is composed of six senior executives that reviews the EMS that are in place in the company, and the environmental KPIs.*

*4. Each month the "Comex Committee" evaluates environmental performance and measures them against the company's targets.*

*5. PwC verified the reporting on environmental performance.*

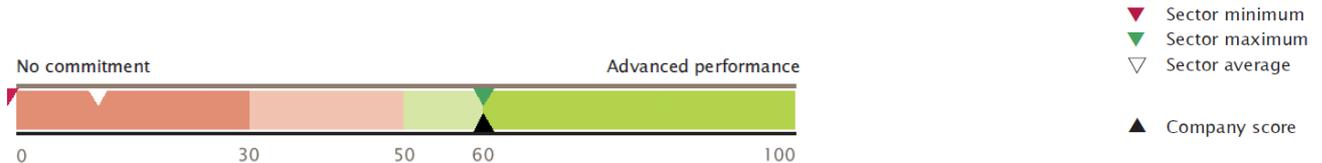
#### Coverage of certified environmental management systems

*In the company's answers to Vigeo Eiris, it state that 100% of its production sites are certified ISO 14001.*

<b>Leadership</b>	<b>100</b>	<b>Implementation</b>	<b>100</b>	<b>Results</b>	<b>N/A</b>
Visibility	<b>100</b>	Means & resources	<b>100</b>	Performance	<b>N/A</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>100</b>	Coverage	<b>100</b>		

## ENV1.2 Pollution prevention and control (soil, accident)

(score: 60, weight: 1)



### Relevance of commitments on pollution prevention and control

The company's commitments take into account accidental pollution prevention throughout the life-cycle of its products/services.

### Means allocated to pollution prevention and control

Basic resources are reported to be allocated to pollution prevention and control:

- Pollution control audits
- Training
- Risk assessment/identification studies
- Implementation of risk prevention procedures (emergency plans, simulation exercises)

*3 and 4. During the conception phase, SNCF Réseau conducts environmental assessment studies in order to integrate environmental aspects within the principles of avoidance, reduction and compensation and takes the necessary measures to prevent pollution risks. The estimated costs of these measures ranges approximately from 4% to 7% of the total cost of the project.*

### Coverage

The company has allocated resources to pollution prevention and control throughout the company.



### Existence of accidental pollution

Significant accidental pollution has occurred in the last three years.

*As of 09/2017, SNCF Réseau was involved in 1 controversy*

*- Case 1 (13/03/2017): SNCF train derails near Lyon, spilling 20 tons of bioethanol*

*A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.*

### Corrective measures after significant accidental pollution.

The company has implemented corrective measures and compensated of affected persons and communities to this environmental pollution. In addition, the company's efforts are externally verified and validated.

*For each of the above mentioned cases, SNCF Réseau's response is considered:*

*- case 1: The company is remediative: the company has voluntarily taken specific corrective actions*

*The analysis of SNCF Réseau management of each case is available in Vigeo's controversy profile.*

**Rehabilitation of polluted soil**

In addition to a historical review of its polluted soil and remediation and control measures, the company has already carried-out clean-up processes.  
*SNCF Réseau has informed Vigeo Eiris that the management of polluted soils is under the responsibility of SNCF Immobilier (part of SNCF Group). SNCF Immobilier acts on behalf of SNCF Réseau when conducting soil pollution review and clean-up processes.*

<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>58</b>	<b>Results</b>	<b>58</b>
Visibility	N/A	Means & resources	30	Performance	100
Relevance	65	Scope	N/A	Trends	43
Ownership	N/A	Coverage	100		

**ENV2.2 Minimising environmental impacts from energy use**

(score: 56, weight: 3)



**Relevance of the company's commitment in terms of reducing its energy consumption.**

The company has set quantified targets with regard to its energy consumption, and these cover the entire group.  
*The company aims to reduce its energy consumption by 25% by 2025 compared to 2015 levels.*

**Relevance of the company's commitment in terms of reducing its energy-related emissions.**

The company has set quantified targets with regard to its energy-related emissions, and these cover the entire group.  
*The company aims to reduce its GHG emissions by 25% by 2025 compared to 2015 levels.*

**Means allocated.**

The company has comprehensive measures in place to reduce its energy consumption and/or its related emissions:

- ☒ Monitoring systems/Audits:
- ☒ Building/ facilities optimization:
- ☒ Fleet optimisation:
- ☒ Alternative energy sources (renewable energy, biofuel, ...):
- ☒ Others:
  1. The company monitors its energy consumption and related emissions.
  2. SNCF Réseau converted its catenary system. This electrification system is reported to be up to 3 times more efficient in terms of energy consumption. Energy saving programmes on lighting and air-conditioning functions throughout the sites of operation have also been launched.
  3. SNCF Réseau launched a programme on eco-driving of work engines and awareness raising for drivers aiming at reducing 5% to 10% in energy consumption on the mid-term. In addition, the company has implemented a "Start and Stop" system for thermal locomotives to rationalise the use of fuel on them. SNCF Réseau has also a programme over the period from 2014 to 2025 to progressively replace its vehicles with thermal engines with vehicles with engines with lower environmental impact including electric vehicles. As of 2015, 76.9% of the trains were using electric traction.
  4. SNCF Réseau partnered with Eolfi to create a company Airefsol Energies. The goal is to conceive and develop the supply of green electricity. In this regard, SNCF Réseau makes available unused lands to be transformed in photo-voltaic installations.
  5. The company works towards the rationalisation of transportation of employees. In this regard, the company encourages the use of eco-friendly modes of transport such as bikes, and increase the use of video/audio-conference.

**Coverage** The company has taken such measures throughout the company.

**Energy consumption** *The company's energy consumption, normalised to sales, has decreased over the past two years by 2% from 0.1180 (GWh / M Euros) in 2015 to 0.1160 (GWh / M Euros) in 2016. Following the reorganisation of 2015, the energy consumption, normalised to sales cannot be assessed for the previous years.*

**CO2 emissions linked to energy consumption (direct AND indirect\*, when applicable)** *The company's CO2 emissions (direct and indirect) linked to energy consumption, normalised to sales, have been stable over the past two years from 0.0236 (Kt/ M Eur) in 2015 0.0239 (Kt/ M Eur) in 2016. Following the reorganisation of 2015, the CO2 emissions (direct and indirect) linked to energy consumption, normalised to sales cannot be assessed for the previous years.*

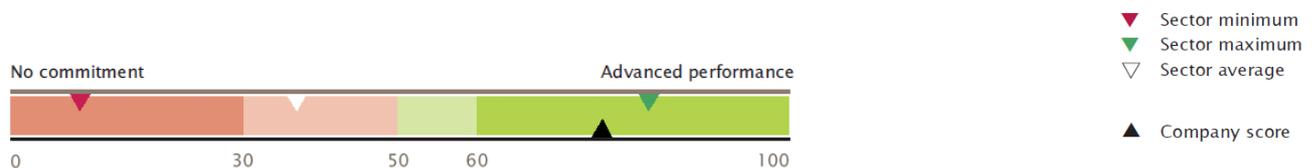
**SO2 emissions linked to energy consumption** The company does not disclose quantitative data on SO2 emissions (direct and indirect) linked to energy consumption.

**NOx emissions linked to energy consumption** The company does not disclose quantitative data on NOx emissions (direct and indirect) linked to energy consumption.

<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>79</b>	<b>Results</b>	<b>24</b>
Visibility	N/A	Means & resources	65	Performance	N/A
Relevance	65	Scope	N/A	Trends	24
Ownership	N/A	Coverage	100		

## ENV2.6 Management of local pollution

(score: 76, weight: 2)



**Relevance of the company's commitment to reducing its local pollution**

*The company's commitment relative to controlling its local pollution focuses on all relevant nuisance sources of local pollution for the sector:*

- Noise
- Landscape aesthetics
- Vibrations

*In addition the company states in its answers that it wishes to resolve 5000 noise issues in the period 2015-2020.*

**Means allocated**

The company engages with external bodies and has developed comprehensive measures to preventing local pollution:

- Monitoring of nuisance parameters
- Low nuisance equipment
- Programmes to reduce local pollution
- Dialogue with relevant stakeholders

1. *New projects and new buildings near an existing railway track have to comply with stringent noise protection standards and the railway infrastructure has to include noise abatement systems compliant with the regulations. To add, the company reports to assess noise risks of its projects to include remediation measures. SNCF Réseau also takes part in a scheme at the national level to identify the most critical situations for noise and see what operational measures could be introduced.*

2. *The company engages in innovation programmes and research at both the national and European level on on-rail absorbers, metallic bridges treatment, sorting noise reduction, experiments on anti-noise walls or measures to mitigate vibrations effects. In addition, SNCF Réseau tends to use vehicles and engines which respect the noise limitations.*

3. *The company has in place a map of railway black spots, identifying noise disturbance areas. In this regard, SNCF Réseau applies thermal and noise insulation to the facade of buildings and anti-noise screens. Between 2008 and 2013, SNCF Réseau partnered with ADEME to treat certain zones judged as the most critical (principally in Ile de France, Rhone Alpes, Aquitaine and Languedoc Roussillon), for an amount of EUR 140 million. Around 1200 buildings have been restored or were being restored to be more efficient in terms of acoustics between 2008 and 2014.*

4. *A regional committee for railway noise has been put in place to promote exchanges and decision making with relevant stakeholders. To add, a technical committee is also in place and gathers, local authorities, SNCF Réseau and SNCF and which monitors the implementation of the measures taken. In addition, SNCF Réseau appears to have a system to inform communities on the nature of works, their duration and potential noise nuisances as well as measures in place to mitigate them.*

**Coverage**

The company has taken such measures throughout the company.

**Complaints from residents about local pollution**

The company does not disclose quantitative figures about complaints from residents.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. *As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

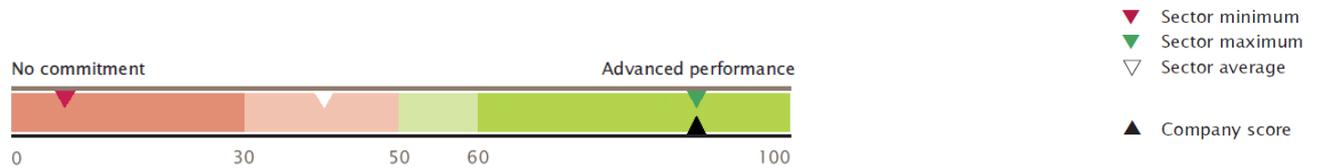
Leadership	100	Implementation	100	Results	28
Visibility	N/A	Means & resources	100	Performance	28
Relevance	100	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	100		

## Human Resources

Score : 69

### HRS1.1 Promotion of labour relations

(score: 88, weight: 2)



#### Visibility of commitment

The company has made references to labour relations in its: *CSR Report*.

#### Relevance of commitment

The company commits to promoting collective bargaining.

#### Ownership of commitment

Employee representatives sit on the Board.  
*The Board of Directors of SNCF Réseau comprises of 24 members including 8 members who are elected by the company's employees.*

#### Coverage of employee representative bodies

*Local employee representative bodies have been set up in the majority of company sites. Moreover there is a company-wide representative body with which the company negotiates. The SNCF's EWC, in which all SNCF Réseau employees are represented, is composed of 27 employee representatives representing all countries of operation: 2 German, 2 Belgian, 2 Danish, 1 Spanish, 10 French, 1 Magyar, 2 Italian, 2 Dutch, 1 Romanian and 2 Swedish.*

#### Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to the quality of the work environment, including:

- health & safety
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities
- CSR issues

#### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

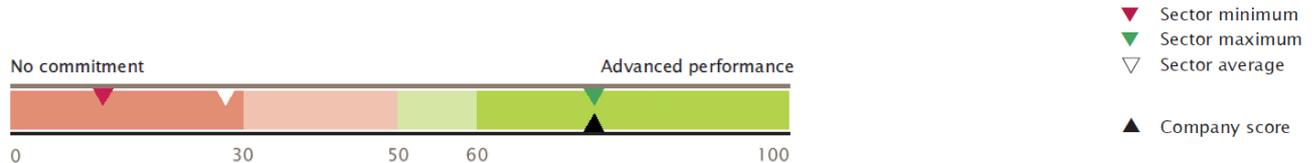
#### Coverage of collective agreements on working conditions

*Collective agreements on working conditions cover 100% of the company's employees.*

<b>Leadership</b>	<b>76</b>	<b>Implementation</b>	<b>100</b>	<b>Results</b>	<b>88</b>
Visibility	30	Means & resources	N/R	Performance	88
Relevance	100	Scope	100	Trends	N/A
Ownership	65	Coverage	100		

### HRS2.3 Responsible management of reorganizations

(score: 75, weight: 3)



Following the law of August 4, 2014 in France related to the reform on the French railway system, SNCF Réseau was created on January 1, 2015, by the merger of the former RFF (Réseau Ferré de France), SNCF's infrastructure division (SNCF Infra) and the Traffic Control Directorate (DCF).

#### Relevance of commitment to manage reorganisations responsibly

The company commits to minimising the number of lay-offs and redundancies by anticipating and planning reorganisations.

#### Involvement with employee representatives

The company has signed a framework agreement with employee representatives on reorganisations.  
*SNCF Réseau is in an agreement with three unions, CFTD, UNSA RFF and CFE-CGC, aimed at guiding the restructuring resulting from the railway reform adopted in France. The agreement includes the company's commitments towards the employment of the workforce, securing employees' career paths and skills development, and consulting employee representatives during the transition period due to the restructuring.*  
*In its response to Vigeo Eiris, SNCF declared that in case of reorganisation, SNCF consults the Health and Safety and Working conditions Committee, as well as the company's committees, this process concerns SNCF Réseau as well.*

#### Means allocated to prevent and manage reorganisations

The company has allocated significant measures to limit the impacts of reorganisations:

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

1. The company provides financial supports to its employees that have been laid offs.

4. SNCF entities, including SNCF Réseau, have signed a "Mobility Charter" easing the transfer of employees between them and rendering the reorganisation of the railway sector smoother in terms of social impact and transferability of knowledge.

6. The company provides counselings to its employees affected by the layoffs through a structure: "Espaces Initiative Mobilités". The structure is in charge of providing individual back-up to each employee concerned by voluntary or mandatory professional transition.

7. Programmes to retrain employees on positions to be occupied at other SNCF Group entities are available at the Group level in order to reconvert employees in this regard.

**Coverage** These means are allocated for all the company's employees affected by the reorganisations.

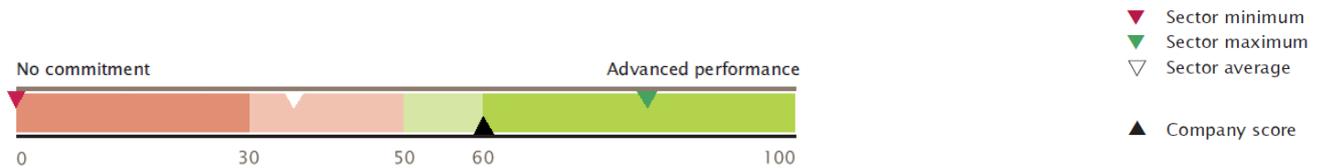
**Stakeholders' feedback** A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. *As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

**Result of the company's commitment to manage reorganisations responsibly** *The company has implemented measures to limit the impacts of reorganisations conducted recently. Moreover, its workforce has increased since 2014*

Leadership	79	Implementation	65	Results	81
Visibility	N/A	Means & resources	65	Performance	81
Relevance	65	Scope	N/A	Trends	N/A
Ownership	100	Coverage	65		

## HRS2.4 Career management and promotion of employability

(score: 60, weight: 2)



**Visibility of commitment** The company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its: *Panorama Social.*

**Relevance of commitment** The company's commitment to promoting career management and training addresses all of its responsibilities:

- Ensure training, life-long learning and employability
- Promote career development
- Anticipate long-term employment needs and skill requirements (ageing workforce)
- Put in place a concerted career management framework, which is transparent and individualized.

**Ownership of commitment** *The Head of HR is part of the company's Board Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.*

**Career management systems**

*The company has set up an internal job opportunity marketplace and has formalised the skill requirements for the various job positions. As part of the 'Employment and Expertise Plan' put in place by SNCF Réseau, an approach combining competencies and jobs is conducted to define approximately 30 types of jobs in order to better identify the job descriptions and the gateways and therefore promoting the internal mobility within the company. To add, the company's HR information system 'Cassiopée' helps manage the annual evaluation and development interviews as well as career appraisals (facilitated by career path managers). Moreover employees have regular performance assessment and career counselling interviews. SNCF has developed its own referential and process for annual assessment. In addition, the career committee participates in the process and crosses its results with the strategic needs of SNCF in terms of employment. Moreover, a project is currently in place at SNCF to enable the possibility of having cross-EPIC annual assessment in order to allow employees who wish it to work at other EPICs than SNCF Réseau.*

**Coverage of career management systems**

These career management systems cover all of the company's employees.

**Types of training provided to non-managers**

*The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills. These include programmes leading to certifications. SNCF Réseau offers a range of courses in various fields including legal, administrative, finance, railways, language, computer skills and personal development. In addition, SNCF Réseau has in place a training programme in partnership with an engineering school (Ecole Nationale des Ponts et Chaussées) which leads to a certification. SNCF has deployed training for the first levels of qualification as well as for those in reconversion training and career development with pre-qualifying training and certification programmes as part of the "New Dynamic Jobs" programme. Also, employees can benefit from individual training leave up to 36 months (which is beyond the French legal requirements) to allow them to attend training on their own initiative to secondary levels of education, colleges and universities or national directory of professional certifications. In its answers to Vigeo Eiris, SNCF Réseau reported that part of the training cycles of its SNCF University might lead to the award of degrees in management.*

**Means allocated to training for all employees**

*The number of training hours per employee have increased, but not continuously over the past five years by 81% from 27.52 hours in 2012 to 45.38 hours in 2016.*

**Mobility / turnover**

Information disclosed on indicators such as employee turnover or mobility rates is insufficient.  
*Of note : the company disclosed the internal mobility for 2016 only, it was standing a 23%.*

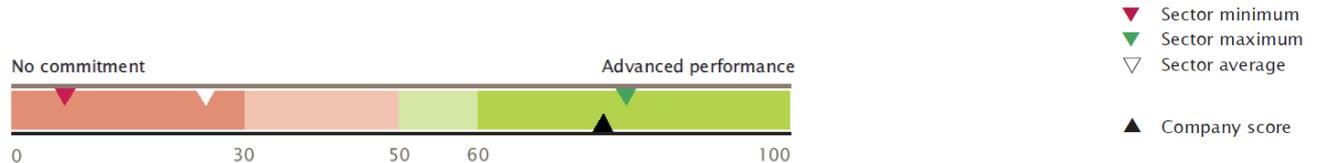
**Training delivered during the year under review**

There is no evidence that all the company's employees and subcontractors received training during the year under review.

<b>Leadership</b>	<b>79</b>	<b>Implementation</b>	<b>83</b>	<b>Results</b>	<b>18</b>
Visibility	100	Means & resources	65	Performance	18
Relevance	100	Scope	100	Trends	N/A
Ownership	30	Coverage	100		

### HRS3.1 Quality of remuneration systems

(score: 76, weight: 2)



#### Visibility of commitment

The company has issued a largely publicised, formalised commitment to the quality of its remuneration systems in its: *Collective agreement.*

#### Relevance of commitment

The company's commitment addresses its main responsibilities:

- Guarantee decent remuneration
- Promote access to social security
- Ensure transparency and communication when setting and reviewing remuneration*
- Take into account individual achievements in setting and reviewing remuneration

#### Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

#### Means to ensure transparency of remuneration

The principles and framework for setting variable remuneration are disclosed to its employees and verifiable by employees representatives. *Starting from January 2015, SNCF Réseau concluded an incentive agreement, with unions, covering all employees at the company.*

#### Coverage of transparent and verifiable remuneration systems

The measures implemented cover all of the company's employees.

#### Trend of quality of remuneration systems

The quality of the company's remuneration systems has improved. *All of SNCF Réseau employees have annual performance assessment interviews linked to their remuneration. Moreover all employees are benefiting for a profit-sharing plan.*

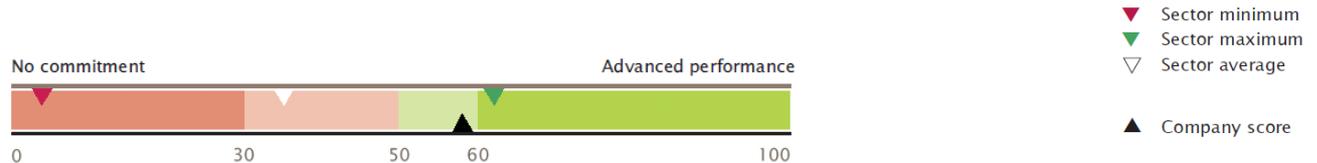
#### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. *As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>62</b>	<b>Implementation</b>	<b>100</b>	<b>Results</b>	<b>65</b>
Visibility	100	Means & resources	100	Performance	65
Relevance	65	Scope	N/A	Trends	65
Ownership	30	Coverage	100		

### HRS3.2 Improvement of health and safety conditions

(score: 58, weight: 3)



#### Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues, which covers both its employees and sub-contracted workforce, in its: *Ethical Charter*.  
Also SNCF Réseau aims to reduce by 10% the accident frequency rate in 2017 and reach an accident frequency rate below 10% in 2020. It is unclear whether this target includes the sub-contracted workforce.

#### Relevance of commitment

- The company's commitment addresses its main responsibilities:
- ensure awareness about health and safety issues
  - reduce the number of work accidents and their severity (road safety)
  - prevent occupational disease
  - reduce stress/promote well-being

#### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, 13 Health and Safety Committees are directly involved in the oversight and the implementation of the company's actions on health and safety.

#### Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system and employee incentives

- training/awareness raising programmes
  - internal monitoring
  - risk assessments
  - internal H&S audits
  - H&S competitions
  - remuneration based on H&S performance
  - OHSAS 18001 certifications
1. Employees benefit from training on first aid. In addition, employees that are on the rails by their functions must get a specific training on the safety requirements applicable to railway construction sites.
  2. SNCF Réseau monitors health and safety indicators such as accident frequency and severity rates.
  3. SNCF Réseau has put in place a traced method based on the identification of additional risks to the 'usual' ones identified by the French National Institute of Research and Safety form such as the risks related to rail and the psycho-social risks. This inventory is used as a guide for conducting assessments risks and hazards in the sites, in collaboration with the staff.
  4. Internal audits are conducted to verify safety processes.
  6. Managers of the maintenance and circulation departments have performance based remuneration on safety indicators.
  7. All of the company's industrial sites are certified OHSAS 18001.

**Coverage of health and safety system**

The health and safety measures cover all of the company's employees and sub-contracted workforce.

**Means allocated to reduce stress at work**

The company has allocated basic means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees
- training on stress for managers
- measures to improve ergonomics/ ergonomic design of workplaces
- job redesign (work organisation)

1. SNCF Réseau conducts a follow up on absenteeism  
3. SNCF Réseau has conducted an internal barometer to give the employees the opportunity to express themselves and to measure the internal climate of the company.  
5. SNCF Réseau has put in place a specific program introducing a matrix to evaluate annually, the psycho-social risks and the quality of life at the workplace in order to enable putting in place adapted action plans.

**Coverage of means allocated to address mental health**

The measures allocated to address mental health cover all of the company's employees.  
The measures are implemented in France, the only country where the company operates.

**Accident frequency rate of the company's employees**

The company's lost-time injury frequency rate (LTIFR) (/200,000 hwkd ) has decreased over the past two years by 5% from 2.33(LTIFR) (/200,000 hwkd ) in 2015 to 2.21(LTIFR) (/200,000 hwkd ) in 2016.

**Accident severity rate of the company's employees**

In its answers to Vigeo Eiris, SNCF Réseau reported that the number of days lost for temporary incapacity per 1,000 hwkd increased by 1% from 0.485 in 2015 to 0.492 in 2016. Figures before 2015 are not comparable given the reorganisation that SNCF Réseau went through.

**Other health and safety indicators of the company's employees**

The company's rate of absenteeism has remained stable over the past two years, from 3.79% in 2015 to 3.81% in 2016.  
Figures before 2015 are not comparable given the reorganisation that SNCF Réseau went through.

**Accident frequency rate of the company's subcontractors**

Information disclosed on the company's accident frequency rate of subcontractors is insufficient.  
In its answers to Vigeo Eiris, SNCF Réseau reported that the number of accident involving the company's subcontractors increased by 38% in the last two years, from 124 accidents in 2015, to 172 accidents in 2016.

**Accident severity rate of subcontracted labour**

The company does not disclose quantitative data on accident severity rates of subcontractors .

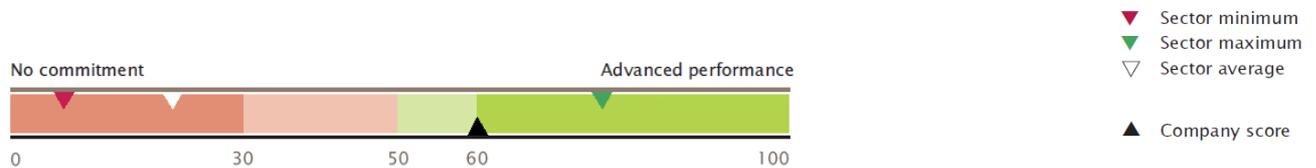
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>77</b>	<b>Implementation</b>	<b>79</b>	<b>Results</b>	<b>17</b>
Visibility	65	Means & resources	65	Performance	24
Relevance	65	Scope	N/A	Trends	10
Ownership	100	Coverage	100		

**HRS3.3 Respect and management of working hours**

(score: 60, weight: 2)



**Visibility of commitment**

The company has issued a largely publicised, formalised commitment to the respect and management of working hours in its agreement on social union of the railway sector with social partners on the extension of SNCF working conditions benefiting SNCF Réseau employees.

**Relevance of commitment**

- The company's commitment addresses all of its responsibilities:
- Respect the rights of employees to vacation and leisure time
  - Provide compensation measures for those employees working atypical hours or overtime
  - Take into account the desires of employees in establishing working hours (flexibility, part-time)

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management. In addition, trade unions are signatory of the Agreement on Social Union of the Railway Sector.

**Means to compensate for atypical working hours**

The company has set up measures to compensate for atypical working hours. The agreement on the reorganisation and the reduction of working time introduced a 'compensatory rest' for non usual trips from work to home in addition to a work organisation of scheduling meetings and additional leaves for family events. However, no further details were disclosed. SNCF Réseau has put in place specific procedures to ensure that the number of mandatory rest days of the year is respected and to limit the number of hours worked per days and nights as well as due compensation for work at night. In addition, SNCF Réseau has set up the 'time savings account' which allows employees to save days off a personal account in order to benefit from them later. Also, employees have the possibility to set up individualised schedules and choosing their working hours.

**Coverage of measures to compensate for atypical working hours**

The measures to compensate for atypical working hours measures cover all of the employees affected.

**Means to promote work/life balance**

The company has taken some measures to take into account employee preferences in setting working hours, such as

- voluntary flex-time schemes
- employee satisfaction survey on working hours
- long-term visibility on working schedules
- respect of leisure time (at least two consecutive days off a week)
- system to allow employees to switch from part-time to full-time work
- monitoring of atypical working hours (badge system or declarative system)

1. Through the Collective agreement on part time working hours of the staff in a permanent scheme, SNCF Réseau sets the conditions to benefit from voluntary part time working hours.

5. The company has signed a collective agreement which reinforces access to voluntary part-time work and develops new possibilities with this regard. Of note the company has additional paternity leave, child care services, telecommuting and Sabbatical years.

**Monitoring of atypical working hours**

Information obtained from the company and public sources regarding monitoring system of atypical working hours is insufficient.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

Leadership	90	Implementation	69	Results	22
Visibility	100	Means & resources	55	Performance	22
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	100		

## Human Rights

Score : 71

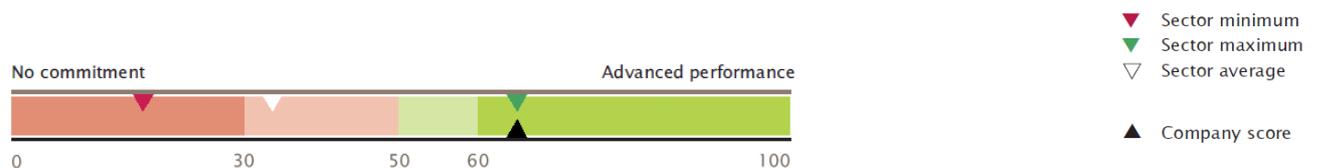
### HRT1.1 Respect for human rights standards and prevention of violations

(deactivated)

SNCF Réseau is present mainly in France and does not seem to operate in countries where stakeholders considered highly vulnerable to human rights violations. Therefore, this sustainability driver is deactivated for the company.

### HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 65, weight: 3)



**Visibility of commitment** *SNCF has issued a formalised commitment to freedom of association and the right to collective bargaining in its Internal Regulations, now applying to SNCF Réseau. In addition, the company is a signatory of the Global Compact and communicates on this principle.*

**Relevance of commitment** The company's commitment is detailed and addresses most of its responsibilities:

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union right*
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace
- prevent violations of the freedom of association and the right to organize

**Ownership of commitment** *The commitment applies throughout the company and is supported by senior management. In addition, the human resource department is in charge of applying these commitments.*

**Monitoring** It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- occasional risk mapping*
- occasional internal audits*
- on-going monitoring of labour rights risks*
- regular internal audits*
- external audits/verification*
- external investigation of allegations*
- cooperation with unions: joint audits, joint grievance procedures etc.*

*Of note, the company reports to have occasional risk mapping and occasional internal audits, but no further details are provided.*

**Promotion of collective bargaining** The company has provided resources to ensure that employees receive information on trade union rights (e.g.: dedicated intranet) and are able to exercise these (e.g.: infrastructure, time).

*Besides distributing a booklet to new hired which presents the different employees' representative instances and details their role, SNCF communicates through intranet and internal newsletters about the election of employees' representative and employees have access to trade unions site via the company's intranet. SNCF conducts training about the functioning of employees' representatives instances to employees working in the HR Department.*

*In addition, an application on smartphone has been provided to SNCF Réseau employees in order to keep informed on the on-going negotiations processes.*

**Coverage** *The company has set up such systems throughout the company.*

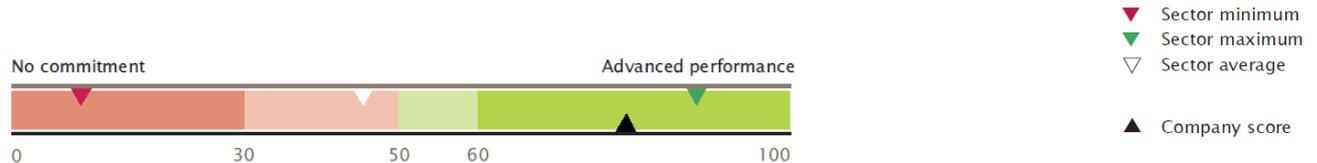
**Stakeholders' feedback** A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>79</b>	<b>Implementation</b>	<b>50</b>	<b>Results</b>	<b>65</b>
Visibility	65	Means & resources	28	Performance	65
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	100		

## HRT2.4 Non-discrimination

(score: 79, weight: 2)



### Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its 2015 7th Agreement on promotion of accessibility of employment to disabled, diversity and promotion of gender equality (2015-2017). In addition, the company is a signatory of the Global Compact and communicates on this principle.

SNCF Réseau has set the following targets for 2017:

- Recruiting 300 employees with disabilities.
- Hosting 75 alternants in the scheme HANTRAIN.
- Hosting 100 alternants with disabilities.
- Hosting 300 interns with disabilities.

### Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age
- sensitive medical conditions
- trade union membership or activities
- Discrimination in employment decisions (hiring / promoting / redundancies)
- Discrimination in working conditions (working hours / training / remuneration / social security)

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, according to the company's answer, the policy of diversity and non-discrimination is guided by the Cohesion and Human Resources Department of the GPF (Groupe Public Ferroviaire). Also, a 7th agreement for professional equality and integration and for the employment of workers with a disability was signed with unions in 2015 and covers the period 2015-2017.

Lastly, the policy of diversity and non-discrimination is relayed to SNCF Réseau's "Mission Handicap & Emploi", which ensures the company's commitments, to involve and sensitise all the entities, agents and managers.

**Means allocated**

The company has set up significant measures to prevent discrimination and promote diversity:

- awareness raising
- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities

1: the company raises awareness of employees on disabilities and organises the week for employment of people with disabilities in which videos are shown on everyday life of these employees within the company. SNCF, including in the SNCF Réseau perimeter, conducts awareness raising sessions for its personnel in charge of the recruitment as part of steps to insert people located in remote and marginalised areas, to attract talents with a disadvantageous social background. In 2015, these "Egalité & Compétences" sessions took place before recruitment in Bobigny, Bondy, La Courneuve and Roissy. Interactive videos are also available for employees on topics such as gender diversity, as well as guides towards this principle.

2: SNCF, including in the SNCF Réseau perimeter, trains mentors to be capable of accompanying youth ordinary from difficult social background in their professional project.

3: SNCF Réseau monitors the salary gap between men and women and provides a detailed explanation to any request with this aspect. Of note, as part of the 3 years-term agreement signed in 2012 with trade unions on equal opportunity, SNCF Réseau monitors indicators including the share of women hired in senior management positions and the share of women who benefited from training.

4: SNCF has put a confidential reporting system via two emails to raise any issues with the Code of ethics including non-discrimination.

5: In case of discrimination, a request of written explanations is sent to the employee who had such behaviour and appropriate disciplinary measures are undertaken in line with the HR procedures.

6: For each available position, SNCF Réseau HR Department strives to submit at least one female application. The company has put in place a "Senior Plan", in line with regulations (Social Security Fund Act). SNCF Réseau also offers accommodation of the workplace to employees with disabilities and works to maintain the job of employees when they become disable or in case the handicap situation worsens. To add, the company added in 2014 clauses to its agreement on disabilities, which includes adjustments of working hours and telecommuting. Finally, the company signed in 2014 a partnership with, GESAT, an organisation which promotes the insertion of people with disabilities in the workforce.

Of note, the company reports to have: Flexitime initiatives, child care facilities, career break opportunities, maternity pay (greater than the statutory requirement), paternity pay (greater than the statutory requirement), job sharing initiatives, and monitoring of salary disparities, but no further details are provided.

**Coverage**

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) throughout the company.

**Results in terms of women in management positions**

The company only publishes indicators over the past two years, but the share of women in management positions has increased by 0.4 percentage points over that time, from 18.6% in 2015 to 19% in 2016.

**Results in terms of employment of persons with disabilities**

The share of employees with disabilities in the total workforce has remained stable in 2016 compared to 2015 at 3.8%.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review and stakeholders gave positive feedback on the engagement of the company on the issues under review.  
*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

*In 2014, SNCF Réseau obtained the Afnor Label "Egalité Professionnelle" (2014-2017), certifying the company's positive approach towards non-discrimination.*

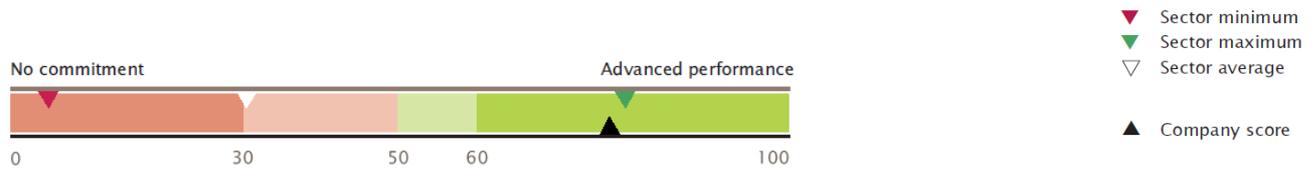
<b>Leadership</b>	<b>100</b>	<b>Implementation</b>	<b>83</b>	<b>Results</b>	<b>55</b>
Visibility	<b>100</b>	Means & resources	<b>65</b>	Performance	<b>100</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>20</b>
Ownership	<b>100</b>	Coverage	<b>100</b>		

**Community Involvement**

Score : 67

**CIN1.1 Promotion of the social and economic development**

(score: 77, weight: 2)



**Visibility of the policy**

The company has issued a formalized and accessible commitment to promote local social and economic development in its:  
*Ethical Charter.*

**Relevance of commitment**

- The company's commitment to promote local social and economic development addresses its main responsibilities:
- Optimise the impact of operations on the local community
  - Promote the creation and development of local businesses
  - Promote the employment and training of local personnel
  - Reduce the social impacts related to site closures, openings, and restructuring
  - Implementing a responsible tax strategy*

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management. In addition, other stakeholders are involved.  
*SNCF Réseau, along with 6 other actors in the railway sector, launched an initiative called "Railponsible", aimed at developing sustainability practices and promoting them along the whole value chain of the sector.*

**Relevance of the company's commitment to the promotion of transport infrastructures**

- The company's commitment addresses its main responsibilities towards the promotion of transport infrastructures.
- Collaborative projects
  - Transfer of technology*
  - Support of sustainable mode of transportation

**Means allocated to address social and economic development**

The company has allocated extensive means to address social and economic development, including:

- Actions to improve social integration
- Actions to promote the creation and development of local businesses
- Actions to promote the employment and training of local personnel
- Stakeholders dialogue procedure

1: *Social clauses are sought in works contracts to develop equal opportunities through assisted employment in sensitive areas.*  
 2: *SNCF Réseau has a local procurement policy, particularly with regard to SMEs.*  
 3: *SNCF Réseau encourages small and local suppliers in the activities related to communication, business support services and catering.*  
 4: *The company has a stakeholders dialogue procedure aimed at conducting consultation with the end users and listening to their needs and has put in place a training programme about this procedure to 150 employees.*

**Geographical coverage**

These means are allocated throughout the company.

**Performance trend**

*The company monitors indicators on social and economic development, and these have been mixed over time.*  
*In 2015, SNCF Réseau conducted 26 stakeholder consultation, 14 of which were voluntary, while conducting respectively 35 and 17 in 2016.*  
*38 FTE (Full Time Equivalent) resources were included as protected and adapted sector positions in 2015 and 40.3 in 2016.*  
*111 partnerships were signed with local associations on issues related to sustainability in 2015, while 104 were signed in 2016, due to the company's will to concentrate its efforts on a national and not a local scale.*  
*288 contracts signed as part of insertion programmes in 2015, and 118 were signed in 2016, due to reorganisation.*

**Means allocated to address the promotion of transport infrastructures**

The company has allocated significant means to address the promotion of transport infrastructures, including:

- Social impact assessments studies
- Actions for the transfer of technology
- Support of sustainable mode of transportation
- Development partnerships with relevant stakeholders

1: *SNCF has teamed up with the Caisses d'Épargne and la Française des Jeux to develop a new qualitative method for assessing the usefulness of societal actions.*  
 3: *SNCF Réseau works to develop the stations accessible to people with reduced mobility.*  
 4: *SNCF Réseau works with local authorities supporting urban and housing development operations in conjunction with the local authorities by selling off land at the disposal phase and thus contributing to the process of constructing homes. In 2011, SNCF Réseau has signed a charter on works consultations with the Association of French Regions to develop the network and mobility and plans to planning to renew approximately 5,000 km of track. Also, as part of the European regulations specifying the development of international freight corridors, SNCF Réseau is working on the requirements for three of these corridors in cooperation between the company and the infrastructure managers of the other countries crossed.*

**Geographical coverage**

These measures are allocated throughout the countries where the company is present or has commercial interests.

**Transparency of tax reporting**

The Company reports significantly on taxes paid. Reporting covers:

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

The Company reports significantly on taxes paid. Reporting covers:  
- Taxes paid in key countries of operations: The company reports on taxes paid in France (which represents its sole country of activity).

**Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules**

The Company does not operate in any location considered by the IMF as 'offshore financial centres' or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>76</b>	<b>Implementation</b>	<b>83</b>	<b>Results</b>	<b>72</b>
Visibility	65	Means & resources	82	Performance	76
Relevance	65	Scope	N/A	Trends	65
Ownership	100	Coverage	82		

**CIN2.1 Promotion of access to postal services**

(deactivated)

Services' accessibility is not of a major concern for Railways Operators, this sustainability driver is, therefore, deactivated for SNCF Réseau.

**CIN2.2 Contribution to general interest causes**

(score: 46, weight: 1)



**Relevance of commitment**

The company's commitment to supporting general interest causes is general.

**Ownership of commitment** *The commitment applies throughout the company, supported by senior management. In addition, the company's policy in this regard is supported by SNCF Foundation, in which the CEO of SNCF Réseau acts as the president. The SNCF Foundation has a team of 6 people. Since 2016, the SNCF Réseau has integrated the 3 Patronage Decisions Committees (Solidarity Committee, Education Committee, Culture Committee).*

**Means allocated** The company has allocated significant means to general interest causes, including:

- Financial support / Fund raising
- In-kind donations (including service delivery)*
- Pro bono work
- Complementing or matching employees' charitable contributions*
- Sponsoring employee volunteering

*1: SNCF Réseau supported financially 800 projects on education, culture and solidarity through its Foundation SNCF.  
3: SNCF Réseau set up a system allowing each employee, on his working time, to bring his skills to an association, from 1 to 10 days a year.  
5: Through the Coups de Coeur solidaires programme, the SNCF Foundation has been financially supporting the associations where SNCF employees are volunteering (their free time) for 20 years.  
Of note: the company reports to provide in-kind donations, but no further details are provided.*

**Geographical coverage** These means are allocated throughout the company.

**Scope of the means allocated** The resources allocated by the company contribution to general interest causes programmes address the main issues:

- Education
- Health
- Sustainability
- Culture
- Social

**Performance benchmark for contributions to general interest causes** Information obtained from the company and public sources regarding the company's contributions to support general interest causes is insufficient. *In 2016, EUR 500,000 were given by SNCF Réseau to the SNCF Foundation. Of note: 23% of those funds were versed to cultural association, 32% to educational, 20% to associations working on solidarity and 24% to diverse associations in which the company's employees participate in missions within the framework of the sponsorship of skills.*

**Trend in contributions to general interest causes** *In 2015, EUR 500,000 were given by SNCF Réseau to the SNCF Foundation. A similar amount was given to the foundation in 2016.*

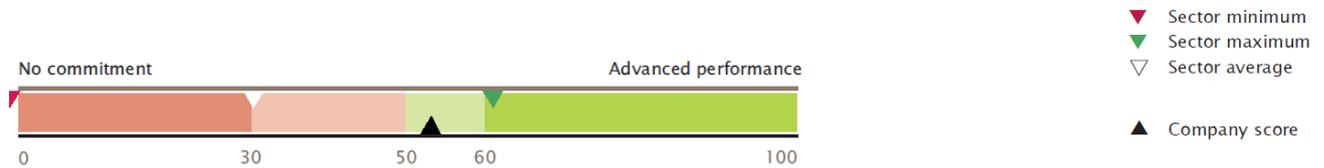
<b>Leadership</b>	<b>41</b>	<b>Implementation</b>	<b>76</b>	<b>Results</b>	<b>20</b>
Visibility	<b>N/A</b>	Means & resources	<b>65</b>	Performance	<b>0</b>
Relevance	<b>30</b>	Scope	<b>65</b>	Trends	<b>65</b>
Ownership	<b>65</b>	Coverage	<b>100</b>		

## Business Behaviour (C&S)

Score : 61

### C&S1.1 Logistics safety / Passengers safety

(score: 53, weight: 2)



#### Visibility of commitment

*The company has issued a formalised commitment to passenger and logistics safety in its Corporate Strategy and its CSR Policy. In addition, the company targets to cut by half the number of fatal accidents on the network for their clients, employees and sub-contractors by 2020 with 2015 as base year.*

#### Relevance of commitment

*The company develop's a proactive behaviour which aims at the fact that every agent contributes effectively to the system of continuous improvement by indicating to his supervisor all the incidents and elements that may lead to an incident.*

#### Ownership of commitment

*The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved. The Direction of Safety, Security and Risks (DSSR) is in charge of ensuring the respect of the company's policy on safety.*

#### Prevention systems

*The company has set up a comprehensive system to ensure passenger safety that include:*

- *Internal audits: Every three years the company audits its operational entities.*
- *External audits in terms of passenger safety: The French State conducts a strategic audit of the safety of the French railway system.*
- *Sector-specific certification schemes: The French Railway Safety Authority renewed the company's safety agreement for five years.*
- *Team in charge of gathering intelligence on passenger safety : The Direction of Safety, Security and Risks (DSSR) is in charge of gathering intelligence on passenger safety.*
- *Training: The company provides training to employees on railway safety, especially on security at railway construction sites. The company also conducts awareness raising campaigns on safety for the public. This includes topics such as safety when crossing railways.*
- *R&D to develop safer products: The company has an investment programme to renew its infrastructure and to address dangerous level crossings. To add, in late 2013, SNCF and SNCF Réseau announced a joint investment to enhance the security of the railways in the 2014-2017 period.*
- *Monitoring / Reporting of incidents: The company monitors and reports the number of incidents on its rail network and related deaths and injured.*

#### Crisis management system

*The company has allocated human and material resources to its crisis management system. SNCF Réseau elaborated of the "Plan de Continuité d'Activité" aimed at treating the major risks of floods, and ensuring the operations are dispatched in a way avoiding the impacts of the floods on operational safety. Each client has a key account manager who keeps them informed in case of incident that may affect they activities.*

**Coverage of the prevention systems**

The company has set up such systems throughout the company.  
*The measures are implemented in France from where the company generates 100% of its revenues.*



**Stakeholders' feedback**

*A review of stakeholder sources revealed that the Company is involved in isolated controversies of high severity.  
As of 09/2017, SNCF Réseau was involved in 1 controversy*

*- Case 1 (16/09/2015): RFF charged with involuntary homicide and injuries after a SNCF train derailed*

*A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.*

**Company's responsiveness**

Overall, the company is remediative

*For each of the above mentioned cases, SNCF Réseau's response is considered:  
- case 1: The Company announced remedial actions for impacted stakeholders in response to the controversy.*

*In its response to Vigeo in July 2015, the Company reported that following the accident, RFF and SNCF directly assumed their responsibility in the accident. Moreover, as per the request of the French Minister of Transport, the recommendations of the BEA TT (Office of Transportation Land Accident Investigation) to enhance the railway system. In July 2013, RFF and SNCF launched an exceptional expertise on the entire railway network. In October 2013, RFF and SNCF launched a Vigirail programme to reinforce security at crosses switching points and to modernize maintenance.*

*The analysis of SNCF Réseau management of each case is available in Vigeo's controversy profile.*

**Transparency and trends of indicators relative to Logistics safety / Passengers safety**

*The company only publishes indicators on the outcomes of its passengers safety policy over the past two years, but those have deteriorated over that time. Number of deaths (not counting suicides) has increased by 20%, from 45 in 2015 to 54 in 2016, the number of major injuries has also increased by 13.8%, from 29 in 2015, to 33 in 2016.*

<b>Leadership</b>	<b>72</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>23</b>
Visibility	<b>100</b>	Means & resources	<b>65</b>	Performance	<b>32</b>
Relevance	<b>65</b>	Scope	<b>N/A</b>	Trends	<b>0</b>
Ownership	<b>65</b>	Coverage	<b>65</b>		

**C&S1.3 Responsible customer relations**

(score: 67, weight: 2)



**Visibility of commitment**

*The company has issued a formalised commitment on the quality of the services delivered in its satisfaction survey.*

**Relevance of commitment** The company comprehensively commits to informing clients on their rights, before signing a contract and to keep clients fully informed during the execution of the contract. It will also compensate any problem that occurs.  
*The company's commitment addresses the quality of the services delivered. Beyond legal obligations, SNCF Réseau is committed to develop customer relationships through updated and timely information. SNCF Réseau also develops a commercial offer in which penalties and compensation means are expected in case of service delivery issues.*

**Ownership of commitment** *The commitment applies throughout the company and is supported by senior management. In addition, the "Plateau National Technico-Commercial" is fully responsible of this issue.*

**Means allocated** The company has set up comprehensive measures to ensure that customers are treated appropriately and that contracts are respected:

- Training of sales staff/ project leaders
- Sales evaluation based on client satisfaction indicators
- Information on customer rights
- Information on company duties towards customers
- Specific contractual condition
- Quality management system

*3 and 4. In the company's reference document of national railroad network, are stated customers rights and the company's duties towards them.  
5. The company has a general and specific contractual conditions, depending on the usage made by its clients of the railway network.  
6. The company's quality management system is in place since 2014 and his purpose is to continually improve the quality of service provided to the clients of the railway network.*

**Complaints management system** There is a formalised and accessible system to handle complaints, with detailed disclosure on procedures and fair treatment coordinated by a third party.  
*Indeed, the company has disclosed complaints' procedure related to invoices and fees. SNCF Réseau targets 1 month for answering the complaints. The company has established a detailed procedure for complaints. SNCF Réseau has changed its schedules and to prevent complaints, the company has communicated upstream of these changes and appointed a third party mediator Nicole Notat. Indeed, customers, consumer associations or local officials can directly communicate with the Ombudsman who will be responsible for making proposals and recommendations to SNCF Réseau and SNCF on the measures to be undertaken regarding the improvements of services. In this regard, 2,273 complaints were made resulting in 34 recommendations and 72% of the requests made have obtained a favourable result.  
Of note, the company has a tool to monitor the processing time of customers' complaints.*

**Coverage of means** The company has set up such systems throughout the company.

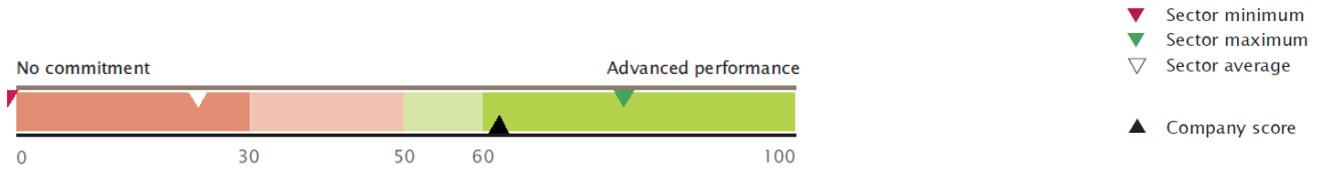
**Results** Information disclosed on performance indicators such as client satisfaction or client retention is insufficient.  
*The company only discloses the rate of customer satisfaction for the year 2016.*

**Stakeholders' feedback** A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>79</b>	<b>Implementation</b>	<b>86</b>	<b>Results</b>	<b>35</b>
Visibility	<b>65</b>	Means & resources	<b>100</b>	Performance	<b>35</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>65</b>	Coverage	<b>65</b>		

**C&S2.3 Integration of environmental factors in the supply chain**

(score: 62, weight: 2)



**Visibility of commitment**

The company has issued a formalised commitment to including environmental factors in supply chain management in its:  
*Ethical charter and Responsible Supplier Relations Label.*

**Relevance of commitment**

*The company's environmental requirements for suppliers address the main relevant issues in the sector:*  
- ISO 14001 certification of all suppliers  
- Certification of products purchased

**Ownership of commitment**

*The commitment applies throughout the company and is supported by senior management. In addition the Network Purchasing Department, "Direction des Achats Réseau", supervises its responsible supply policy.*

**Means allocated**

The company has set up comprehensive measures to include environmental factors in supply chain management:

- integration of environmental issues into contractual clauses
- supplier questionnaires*
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

*1. The company includes environmental factors in supply chain management through the integration of environmental issues into contractual clauses.  
3. SNCF Réseau has a dedicated team to help suppliers integrate the environmental and social factors required of them to work with the company.  
4. The employees in charge of purchasing go through training modules on responsible and sustainable purchasing which covers environmental factors.  
5. When a supplier does not achieve his objectives in which there is an environmental clause, the company assesses the issue and accompany's the suppliers so that the CSR objectives can be achieved, however other measures such as audits and sanctions can be taken.  
6. The department of responsible purchasing has put in place an environmental evaluation of suppliers with the highest environmental risks.*

**Audits of suppliers/subcontractors**

*The company has assigned EcoVadis an independent third party to carry out environmental assessment to check the qualifications of the key suppliers.*

**Coverage of Audit**

*The measures implemented cover a minority of suppliers. The company has audited 341 suppliers who represents 45% of its purchases in 2016*

**Share of corrective measures vs problems uncovered**

The company does not disclose quantitative data on the share of environmental problems in the supply chain that were addressed by corrective measures.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>79</b>	<b>Results</b>	<b>43</b>
Visibility	<b>65</b>	Means & resources	<b>100</b>	Performance	<b>43</b>
Relevance	<b>65</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>65</b>	Coverage	<b>30</b>		

**C&S2.4 Integration of social factors in the supply chain**

(score: 69, weight: 3)



**Visibility of commitment**

The company has made references to including social factors in supply chain management in its Ethical charter.  
In addition, it set a target of EUR 9 million of solidarity purchase by 2020.  
Of note, SNCF Réseau is a signatory of the French Responsible Procurement Charter which includes social criteria while selecting suppliers.

**Relevance of commitment**

The company's social requirements for suppliers address all the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

8. prohibition of illegal work

**Ownership of commitment**

The commitment applies throughout the company and is supported by senior management. In addition the Network Purchasing Department, "Direction des Achats Réseau", supervises its responsible supply policy.

**Means allocated**

The company has set up comprehensive measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

1. The company includes social factors in supply chain management through the integration of social issues into contractual clauses.
  2. The company's main suppliers are submitted to the Ecovadis assessment.
  3. SNCF Réseau has a dedicated team to help suppliers integrate social factors required of them to work with the company.
  4. The employees in charge of purchasing go through training modules on responsible and sustainable purchasing which covers social factors.
  5. When a supplier does not achieve his objectives in which there is a social clause, the company assesses the issue and accompany's the suppliers so that the CSR objectives can be achieved, however other measures such as audits and sanctions can be taken.
  6. The department of responsible purchasing has put in place a evaluations of suppliers risks which covers social factors.
- Of note: the company has a suppliers newsletter, a website dedicated to the communication with suppliers and organises a yearly convention with the 100 most important suppliers.*

**Audits of suppliers/subcontractors**

The company has assigned EcoVadis an independent third party to carry out social assessments to check the qualifications of the key suppliers.

**Coverage of Audit**

The measures implemented cover a minority of suppliers.  
The company has audited 341 suppliers who represents 45% of its purchases in 2016

**Share of corrective measures / problems uncovered**

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>86</b>	<b>Implementation</b>	<b>79</b>	<b>Results</b>	<b>43</b>
Visibility	100	Means & resources	100	Performance	43
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	30		

**C&S3.1 Prevention of corruption**

(score: 63, weight: 3)



**Visibility of commitment** *The company has issued a formalised commitment to preventing corruption in its Ethical Charter. In addition, the company is a signatory of the Global Compact and communicates on this principle.*

**Relevance of commitment** The company's commitment to preventing corruption addresses only part of its responsibilities:

- giving / receiving bribes
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments
- restriction of facilitation payments

**Ownership of commitment** *The commitment applies throughout the company and is supported by senior management. In addition the Ethics department is in charge of the company's policy implementation in this regard.*

**Involvement of employees** The company has instituted formal training programmes for relevant employees on corruption prevention.  
*The Ethics department is an operational unit within SNCF Group, dedicated to emphasising the importance of ethics and carrying out all training to relevant employees that may be exposed to an corruption issue. All employees are required to sign an annual statement of compliance to the ethical charter which covers the issue of corruption.*

**Means allocated** The company has set up internal controls to prevent corruption that include:

- approval procedures for gifts, etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- risk assessment of company vulnerability
- due diligence in evaluating contracts/suppliers
- systems for appointment/remuneration of agents
- identify and black list known bribe payers
- external audits (by an independent, external specialised organisation)
- external investigations of allegations

2. The possibility to contact ethics department directly & confidentially.  
3. A whistle-blower scheme is in place that can be contacted for corruption issues.  
5. The company has a risk mapping that identifies, analyses and prioritises risks of exposures to corruption.  
6. SNCF Réseau has issued an ethical charter for its suppliers that covers due diligence in evaluating contracts for its suppliers.  
*Of note : the company reports to have "systems for appointment/remuneration of agents" but no further details are provided.*

**Coverage of Means allocated** The measures implemented cover all significant parts of the company as well as sales agents and business partners.

**Reporting** The company explicitly states that no corruption cases were reported internally during the period under review.

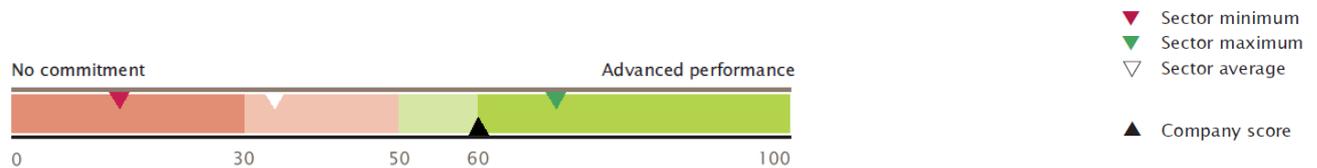
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>48</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>77</b>
Visibility	<b>65</b>	Means & resources	<b>50</b>	Performance	<b>77</b>
Relevance	<b>30</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>65</b>	Coverage	<b>100</b>		

**C&S3.2 Prevention of anti-competitive practices**

(score: 60, weight: 2)



**Visibility of commitment**

The company has issued a formalised commitment to prevent anti-competitive practices in its:  
*Ethical Charter.*

**Relevance of commitment**

The company's commitment to preventing anti-competitive practices addresses part of its responsibilities:

- market-sharing
- abuse of dominant position
- dumping*
- industrial espionage*
- price-fixing
- non respect of confidential agreements*

**Ownership of commitment**

*The commitment applies throughout the company and is supported by senior management. In addition the Ethics department is in charge of the company's policy implementation in this regard.*

**Involvement of employees**

The company has instituted formal training programmes for relevant employees on the prevention of anti-competitive practices.  
*The Ethics department is an operational unit within SNCF Group, dedicated to emphasising the importance of ethics and carrying out all training to relevant employees that may be exposed to an anti-competitive issue. All employees are required to sign an annual statement of compliance to the ethical charter which covers the issue of corruption.*

**Means allocated**

The company has set up reporting systems to prevent anti-competitive practices that include:

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)
- external investigations of allegations

2. The possibility to contact ethics department directly & confidentially.  
3. A whistle-blower scheme is in place that can be contacted for corruption issues.

**Coverage**

The measures implemented cover all significant parts of the company as well as sales agents and business partners.

**Reporting**

The company explicitly states that no antitrust cases were reported internally during the period under review.

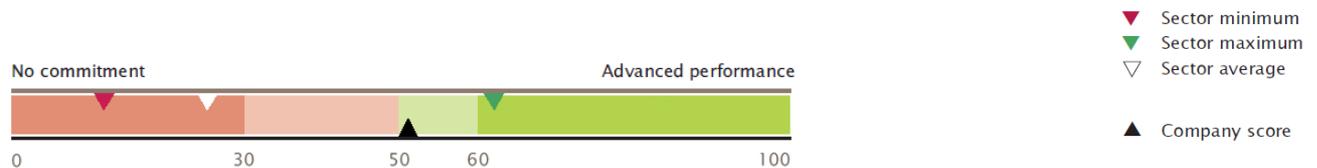
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral. As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>51</b>	<b>Implementation</b>	<b>51</b>	<b>Results</b>	<b>77</b>
Visibility	65	Means & resources	30	Performance	77
Relevance	30	Scope	N/A	Trends	N/A
Ownership	65	Coverage	100		

**C&S3.3 Transparency and integrity of influence strategies and practices**

(score: 51, weight: 2)



**Visibility towards stakeholders**

The company has issued a formalised and accessible commitment, in their Ethical Charter and Public Affairs Charter, ensuring transparency and integrity of lobbying practices. In addition, the company is signatory of the European Transparency Register.

**Comprehensiveness of the commitment**

The company's commitment addresses all its responsibilities towards ensuring transparency and integrity of lobbying practices:

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations
- if the company employs former staff of PA, to respect their obligation of confidentiality

**Ownership of commitment**

*The commitment applies throughout the company, supported by senior management. In addition SNCF Réseau (through SNCF) collaborates with l'Union Internationale des Chemins de Fer (UIC) and la Communauté des Chemins de Fer Européens (CER), EIMRail and RailNet Europe regarding its lobbying positioning and activities.*

**Involvement of employees**

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

**Measures allocated**

The company appears to allocate significant measures to ensure transparency and integrity of lobbying practices:

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- external investigations of allegations
- disclosure of the positions in the period of preparation of a debate and during the debate

**Coverage**

*SNCF Group is registered on the European Commission's Register of Interest Representatives.*

**Reporting**

The company reports the total budget dedicated to lobbying practices.  
*According to the European Transparency Register, SNCF Réseau budget ranges between EUR 500,000 and EUR 599,999.  
Of note: the company was granted EUR 233,5 m in funds from EU institutions.*

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

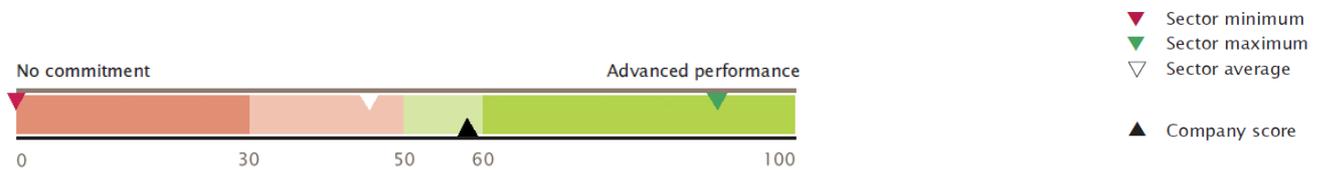
<b>Leadership</b>	<b>72</b>	<b>Implementation</b>	<b>32</b>	<b>Results</b>	<b>49</b>
Visibility	65	Means & resources	32	Performance	49
Relevance	65	Scope	N/A	Trends	N/A
Ownership	100	Coverage	30		

## Corporate Governance

Score : 59

### CGV1.1 Board of Directors

(score: 58, weight: 3)



#### [UNLISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

*Nine directors are appointed by the French Government and seven by SNCF, which is owned by the French State. The remaining eight Board members are employee representatives. Of note, the French Government follows the local law setting the terms of nomination of directors.*

#### Independence of the Board Chairman

The roles of Chairman and CEO are combined and there is no senior independent director.

#### Responsibility allocated over CSR issues

*The Head of CSR department reports to the Board.*

#### [UNLISTED COMPANIES] Corporate governance strategy

The company has formalized a corporate governance framework, covering most of the relevant features:

- Interaction between shareholders and board (conflict of interests)
- Organization of the Board and its functioning
- Definition of the company's risk profile (risks mapping and management)
- Executive remuneration policy
- Integration of the stakeholders perspectives/interests into governance framework*

#### [UNLISTED STATE-OWNED COMPANIES] State ownership policy and procedures

The government has developed and issued an ownership policy, clearly defining the objective of state ownership and its role in the governance of the State-owned enterprise. In addition, the government has publicly disclosed a detailed Board nomination process.

#### Share of independent shareholder-elected Board members

[UNLISTED COMPANIES] The majority of Board members are non-executive directors.

*Of note : The company does not disclose any information on the nomination of Elisabeth Lulin and Patricia Lacoste into the board.*

**Diversity of the skills and backgrounds of the Board**

The Board of Directors diversity appears to be advanced:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues
  - 2: Half of the Board is composed of women.
  - 3: Eight employee representatives sit on Board.
  - 4: All directors have demonstrated experience in railway, infrastructure or public policy fields, as presented by their current external positions (although no biographies are available).
  - 5: Some Board members seem to have CSR expertise in the field of sustainable development, environment and employees management.

**Training and expertise provided to board members**

Board members receive training on management and security. They have also access to CSR training delivered by IFA (Institut Français des Administrateurs).

**Regular election of Board members**

[UNLISTED COMPANIES] Board members are elected regularly, but less often than every 3 years.  
Board members are appointed for five years terms.

**Evaluation of Board's functioning and performance**

Performance is evaluated regularly, but with no disclosure on the results.  
The Board of Directors conduct a self-evaluation of its performances annually. To add, every three years, a formal evaluation of the Board is conducted by the Audit and Risks Department.

**Review of CSR issues at Board meeting**

Most of the relevant CSR issues for the company are discussed at Board level.

- Business ethics
- Human capital
- Responsible customers relations
- Climate change

**Regularity of and attendance at Board meetings**

Regular meetings are held, and attendance rates are disclosed, but these are below 90%.  
Nine Board meetings were held during 2016 and the attendance rate was 76%.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independence
Patrick Jeantet	Chairman	X												
Jean Marc Ambrosini	Chief Cohesion and Human Resources Officer	X												
Fanny Arav			X	X		X								
Stéphane Beaudet												X	Nominated by the State	
Didier Bousquie				X										
Joelle Bravais												X	Nominated by SNCF	

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independence
Denis Charissoux			X			X								
Muriel Dauvergne			X	X		X								
Jean René Delepine				X										
Carole Desnost												X	Nominated by SNCF	
Corinne Etaix												X	Nominated by the State	
Anne Florette												X	Nominated by the State	
Patricia Lacoste												X	Nominated by SNCF	
Anne Lassman Trappie												X	Nominated by the State	
Ann Billiau												X	Appointed on the 25 of July 2017 by the State chosen by SNCF Groupin replacement of Ms Lulin Elisabeth	
Dominique Maillard	Chair of the Audit Committee		X			X							Nominated by SNCF	
Christine Mequignon				X										
Michel Neugnot												X	Nominated by the State	
Celine Pierre				X										
Thierry Salmon				X										
Cédric Garcin			X			X						X	Appointed on the 31 of August 2017 by the State in replacement of M. Bruno Vincent.	
Stéphane Volant			X			X							Nominated by SNCF	
Guy Zima				X										
Pascal Vie												X	Nominated by the State	

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## CGV2.1 Audit & Internal Controls

(score: 64, weight: 2)



**[UNLISTED COMPANIES] Existence and independence of Audit Committee**

All members are non-executive directors, but none of them is independent.  
*None of the 7-member Audit Committee is considered independent.*

**Skills and backgrounds of Audit Committee members**

*Members appear to have financial or audit experience and relevant operational experience. In addition, at least a member has CSR skills and experience.*

**Operational and CSR risks covered by the company's internal controls system**

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Business Ethics
- Human Capital
- Responsible Customer Relations
- Climate Change

**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

**Management of the CSR risks**

Relevant processes dedicated to management of CSR risks are in place:

- Balanced scorecard
  - Risk-related training
  - Monitoring of key risk indicators
  - Reporting system to the Board
  - Risk mapping/materiality assessment
  - A Board Risk Committee with no executive part of it
- 1- The company uses a CSR balanced scorecard that is reviewed annually.  
2- In this answer to Vigeo, SNCF réseau reports to conduct training on management of CSR risks.  
4- Reporting on CSR indicators is made to the Board every three months.

**Independence of the firm's external auditors**

The audit firm receives non-audit fees, but these represent only 5% or less of total fees.

*Non-audit fees represented 0% of total fees paid to PwC and E&Y in the last fiscal year.*

**Inclusion of CSR issues in the company's reporting**

*The company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators. PwC Audit has certified the CSR reporting for SNCF Réseau. However, there is no mention of its level of assurance.*

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.*

**CGV3.1 Shareholders**

(deactivated)

**CGV4.1 Executive Remuneration**

(score: 54, weight: 2)



**Disclosure of senior executives' individual remuneration**

*Executive remuneration is disclosed but on a collective rather than on an individual basis and not by category or hierarchical level.*

**[UNLISTED COMPANIES] Link between variable remuneration and the economic and CSR performance of the company**

CSR performance indicators are considered in the performance review of senior executives but these are not explicit objectives integrated in the determination of their variable remuneration.

**Evolution of CEO-to-employee compensation ratio**

Information obtained from the company and public sources regarding the compensation of CEO and the average employee salary is insufficient.  
 - The CEO compensation has remained stable at EUR 450,000 in 2015 and 2016.  
 Following the reorganisation of July 2015, the average employee salary cannot be compared between 2015 and 2016.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
 As of 09/2017, SNCF Réseau did not appear to be involved in any controversy related to this sustainability driver.

## Allegations and controversies

Domain	Sustainability driver	Page
<b>ENV</b>	ENV1.2 - Pollution prevention and control (soil, accident)	10
<b>C&amp;S</b>	C&S1.1 - Logistics safety / Passengers safety	31

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## Detailed Scores And Ratings

### Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2018/01	++	++	++	++	++	+
2016/08	+	++	++	++	=	-
2015/09	=	+	=	=	=	--

### Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	73	83	87	23
Human Resources	69	77	81	49
Human Rights	71	87	63	61
Community Involvement	67	64	81	55
Business Behaviour (C&S)	61	68	66	51
Corporate Governance	59	55	62	59

### Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	100
	2	60
Environment 2	2	56
	6	76

Sub-domain	Criterion	Score
Human Resources 1	1	88
	3	75
Human Resources 2	4	60
	6	60
Human Resources 3	1	76
	2	58
	3	60

Sub-domain	Criterion	Score
Human Rights 1	1	D/A
Human Rights 2	1	65
	4	79

Sub-domain	Criterion	Score
Community Involvement 1	1	77
	2	D/A
Community Involvement 2	1	D/A
	2	46

Sub-domain	Criterion	Score
Business Behaviour (C&S) 1	1	53
	3	67
Business Behaviour (C&S) 2	3	62
	4	69
Business Behaviour (C&S) 3	1	63
	2	60
	3	51

Sub-domain	Criterion	Score
Corporate Governance 1	1	58
Corporate Governance 2	1	64
Corporate Governance 3	1	D/A
Corporate Governance 4	1	54

## General Overview

Position versus sector peers Europe	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
DK0010244425 A.P. Moller-Maersk	=	-	=	=	=	=	34
XS1072141861 Administr. de infraestructuras ferroviarias - ADIF	--	-	-	-	--	--	10
ES0105046009 AENA	+	=	=	=	=	-	35
FR0010340141 Aeroports de Paris	++	++	++	++	++	=	61
FR0011050764 APRR	+	=	+	=	=	=	40
XS0790003023 ASFINAG	-	=	=	-	-	--	23
IT0003506190 Atlantia	+	=	=	=	+	+	48
GB00B1FP8915 BBA Aviation	-	-	=	=	-	+	32
FR0000039299 Bollore	=	+	=	+	=	=	46
BE0974268972 bpost	+	++	+	+	+	=	52
DE000A1DAH0 Brenntag	-	=	=	-	+	+	39
PTBRIOAM0000 Brisa	=	=	=	=	=	=	36
BE6254681248 Brussels Airport Holding	+	-	-	-	-	--	20
XS0807706006 Ceske Drahy	=	-	-	-	-	-	19
US189909AC82 CMA CGM	-	-	-	-	=	-	23
XS0375220588 DAA	=	-	-	=	-	=	27
XS0554975325 Deutsche Bahn	=	=	+	=	=	=	42
DE0005552004 Deutsche Post DHL	+	+	=	=	+	+	48
DK0060079531 DSV, De Sammensluttede Vognmaend	-	=	=	-	=	=	32
BE0003816338 Euronav	-	-	-	-	=	=	28
XS0954248729 Ferrovie Dello Stato	=	=	=	=	=	=	36
CH0319416936 Flughafen Zurich	=	-	-	-	=	-	28
DE0005773303 Fraport	+	+	+	+	+	=	48
FR0010533075 Groupe Eurotunnel	=	=	+	=	=	+	41
DE000HLA475 Hapag-Lloyd	-	-	=	=	-	=	30
XS0383001996 Heathrow Airport Holdings	+	=	=	+	=	-	36
CH0025238863 Kuehne + Nagel International	=	=	-	=	=	=	31
FR0000476087 La Poste	++	++	++	++	++	+	72
XS0399674216 Luchthaven Schiphol	=	-	=	=	-	+	35
XS0969593549 Network Rail	+	=	=	=	-	+	38
AT0000APOST4 Oesterreichische Post	-	=	=	+	=	=	36

Position versus sector peers Europe	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
IT0003796171 Poste Italiane	-	-	-	-	=	-	23
NL0009739416 PostNL	+	=	=	=	=	+	43
GB00BDVZY77 Royal Mail	=	+	+	++	+	++	54
IT0003201198 SIAS	-	-	-	-	-	=	22
<b>XS0096412548 SNCF Réseau</b>	<b>++</b>	<b>++</b>	<b>++</b>	<b>++</b>	<b>++</b>	<b>+</b>	<b>66</b>
NL0009432491 Vopak	=	-	=	=	=	+	36
XS0520578096 ÖBB-Infrastruktur AG	-	=	=	-	=	-	29

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## Contacts

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