



**COMMUNICATION
ON PROGRESS 2016**
PERSPECTIVES 2017

Transdev, for more inclusive,
sustainable and connected mobility

SUMMARY

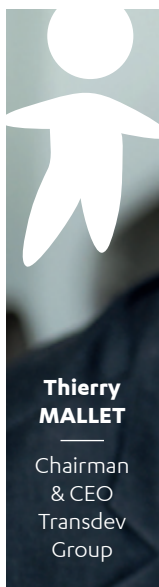
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EDITO



As a leader in our sector, tackling climate change is at the heart of our preoccupations. Today, more than ever, our clients face the same challenges while striving to boost their local economies.

Expectations from our stakeholders – passengers included – indicate that Transdev has to lead the environmental and social transformation of our industry, especially since mobility is a core element of public policies and an ever-growing concern for citizens.

In this context, Transdev is positively engaged.

We embrace our environmental responsibility

We have placed customer centricity and sustainable innovation at the very center of our strategy and vision. We approach new digital technologies as a means to reinvent and enhance customer experience and develop an attractive transit offer, which reduces congestion. Beyond that environmental responsibility, we forced us resolutely to be a player in the ecological transition, contribute to the action against climate change, reduce our emissions and our consumption of fossil fuels. We are committed to transforming our industry holistically for the benefit of all. We have put on paper our vision of the future for mobility. This future has a name: P.A.C.E. Tomorrow's mobility will be Personalized, Autonomous, Connected and Electric.

We embrace our social responsibility

At Transdev, our mission is to deliver the best public transport experience and services to our passengers, wherever they live, work or socialize. Making our passengers' lives easier is the starting point of all our initiatives. We want to contribute to the right to move for everyone. Transdev acts as a trusted partner with its clients to deliver relevant and innovative solutions adapted to each environment and to meet specific mobility needs: social cohesion, revitalization of peripheral areas, professional commuting, etc.

CSR is our capacity to imagine and design tomorrow's public transportation means while staying highly connected to our clients and their realities.

We believe in our people to drive positive change

Transdev empowers, trains and supports its 83,000 employees – located in 19 countries - to reach greater agility, to create local and global partnerships with the objective of increasing local attractiveness, a key driver for sustainable and trusted relationships with our customers. With our people, I am confident we will win in these disruptive times: with our partners, with our customers. We will reinvent mobility and contribute to a new – more respectful and inclusive – society.

This CSR report highlights what we stand for and what we do to drive positive change, for now and tomorrow.

Transformation and growth will be sustainable if built for and with our stakeholders. Partner of the Global Compact since 2003, Transdev commits to the Global Compact principles. Therefore, we are proud to have reached the GC Advanced level.

2016 HIGHLIGHTS

**Snapshots
of inspiring events
and initiatives
Made in Transdev**



EMPOWERING WOMEN IN THE TRANSPORT SECTOR

In 2016, Transdev has signed a partnership with "Femmes & Pouvoir" (Women & Power) an innovative organization founded on a strong community of 2,000 female elected representatives and 50,000 followers. Transdev's objective is to increase awareness on its missions and evolution in order to strengthen gender equality and create new opportunities for the future.

INNOV'CLUSTER: FOSTERING INNOVATION THROUGH OUR INCUBATOR

Season 1 of Innov'Cluster is over. It is our in-house incubator managed by the HR, Performance, Strategy and Innovation Department. Launched in 2015, it gathered around 30 employees from 14 urban and interurban networks, 2 subsidiaries and 6 departments. 5 cutting-edge projects on various issues such as connected drivers, increasing performance to enhancing user experience highlight our commitment for enhancing our solutions portfolio.



INNOV'DAY 2016, CELEBRATING OUR POWER TO CREATE

The event took place on the 23rd of March. Specifically developed to promote our in-house game changers, it gathered more than 230 contributors, from 19 different nationalities. Innov'Day is a reminder of how crucial and valuable our culture of innovation is: an event which makes us feel proud.

CELEBRATING THE GREAT CITY OF HONG KONG

Hong Kong Tramways launches the TramOramic Tour offering visitors and locals a fascinating encounter with the city aboard a unique 1920s' style heritage tram. The ceremony, attended by more than 100 guests, marked a major new Hong Kong tourism initiative and a significant milestone for the city's iconic tramways.



 **WE HAVE “BIG-HEARTED RAIL EMPLOYEES”!**

Of course, this comes as no surprise. But 11 colleagues from Transdev Germany have been nominated as “Big-Hearted Rail Employees” by the locally influential organization Allianz pro Schiene. On what basis? 150 passengers shared their positive experiences showing how talented our teams are. 11 wonderful stories which truly ignite our admiration.



 **GREEN DAYS AT TRANSDEV**

Limiting our environmental impact is more than just a program: it is also a sum of small initiatives and reflexes. To challenge ourselves and raise awareness, we organize Green Days during which we switch off all air-conditioning. Of course, we avoid doing it in the bleak midwinter! Our energy partner Dalkia notifies us when this operation at our headquarters is possible. We hope to save 11,000kWh every year!



 **TALKING ABOUT AUTONOMY AT CITYMOBIL2**

Last spring, Transdev shared its expertise on autonomous vehicles in San Sebastian (Spain). More than 120 international experts were among the speakers and public during 3 days of conferences and workshops. This was a great opportunity to focus on the future of this significant market and to contribute to the development of a legal perimeter for the commercialization of these innovative means of transportation.

2016 HIGHLIGHTS

Snapshots
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CELEBRATING THE FIRST FEMALE AFRO-AMERICAN BUS DRIVER!

Our Greensboro network, based in North-Carolina, paid tribute to Liz McKinnon, first female Afro-America bus driver in the country. This phenomenal lady has been working with us for the last 36 years of her career. Bernie Simmons, her first manager, now 91 years old, could not miss such an event. He participated in the ceremony with pride. After all these years, one thing is certain: Ms McKinnon is not ready to give back her bus keys.



MAJOR ARTISTIC OVERHAUL OF OUR CONNEXION TAXI SERVICES IN UTRECHT

Kelsey is only 11 years old and can barely believe his eyes. After winning the Connexion Taxi Services drawing contest, all the vehicles have been decorated with the youngster's design. More than simply celebrating art, the contest's objective was to celebrate nature and the manner we can embrace it...not a bad way to get noticed in the streets either!



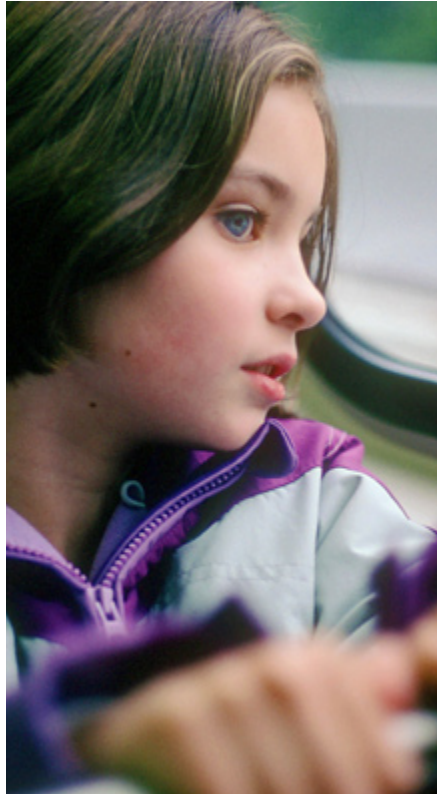
ISILINES TESTS THE BLOCK- CHAIN WITH ITS NEW OFFER OF BITCOIN PAYMENT

Isilines, Transdev Group's subsidiary, is pursuing its innovation drive to improve its service for passengers. Having been the first long-distance bus operator to offer real-time tracking of its coaches in France, the red bus company is now enabling its customers to buy their tickets with Bitcoin.



ENABLING LIVE CLIENT FEEDBACK IN SWEDEN

We have been experiencing live client feedback on our buses in Kristianstad (Sweden). Simply by asking our users if they are "Happy or Not" has provided us valuable insight to increase client satisfaction. The experiment has even been rolled out to other various local areas.



THE LUAS #HELPHILLATRAM PROJECT

Our teams are made up of citizens. In Ireland, an initiative - co-organized with the Inner City Helping Homeless organization - to help the homeless has led to the collection of over 9,000 gifts, 350 meals and 60 haircuts. The Luas #helpfillatram was just an extraordinary movement which generated unlimited generosity over the Christmas period.

JOINING FORCES WITH THE PORTUGUESE LEAGUE AGAINST CANCER

It is with great pride that Transdev has supported the campaign against breast cancer in Portugal. More than 350 employees became ambassadors of the cause, raising awareness in the Coimbra, S. João da Madeira and Porto areas.



TRANSDEV, CUSTOMER RELATIONSHIP CHAMPION

In 2016, Transdev received the User/Citizen Experience gold medal from the French Client Relationship organization for its T.ex program. Thanks to T.ex, a strong and comprehensive methodology, our teams benefit from an innovative platform which allows them to deliver excellent levels of service, enhancing client satisfaction. It takes into account rational and emotional variables which influence the user experience.

RESPONSIBLE LEADERSHIP IMPLIES A STRONG CSR POLICY

FOSTERING POSITIVE CHANGE

At Transdev, we strive to inspire and develop responsible mobility for today and for tomorrow. How? By caring about people's dreams and expectations. Being capable of listening to all our stakeholders and understanding public interest are key to identifying ways to create, innovate and progress. We are convinced that Corporate Social Responsibility is the perfect platform on which to build the future of our organization. It provides the means to connect our strategy and our governance to what society really needs. That is why CSR is at the very core of our business. But positive change implies time, strength and commitment. At Transdev, a dedicated CSR department ensures that orientations are designed at the very top of our organization and are based on the immensely valuable input of all our communities. We also find strength in the fact that our CSR ambitions are in total harmony with those of our shareholders. This generates trust, inspires our 83,000 employees around the world and encourages us to move forward, together.

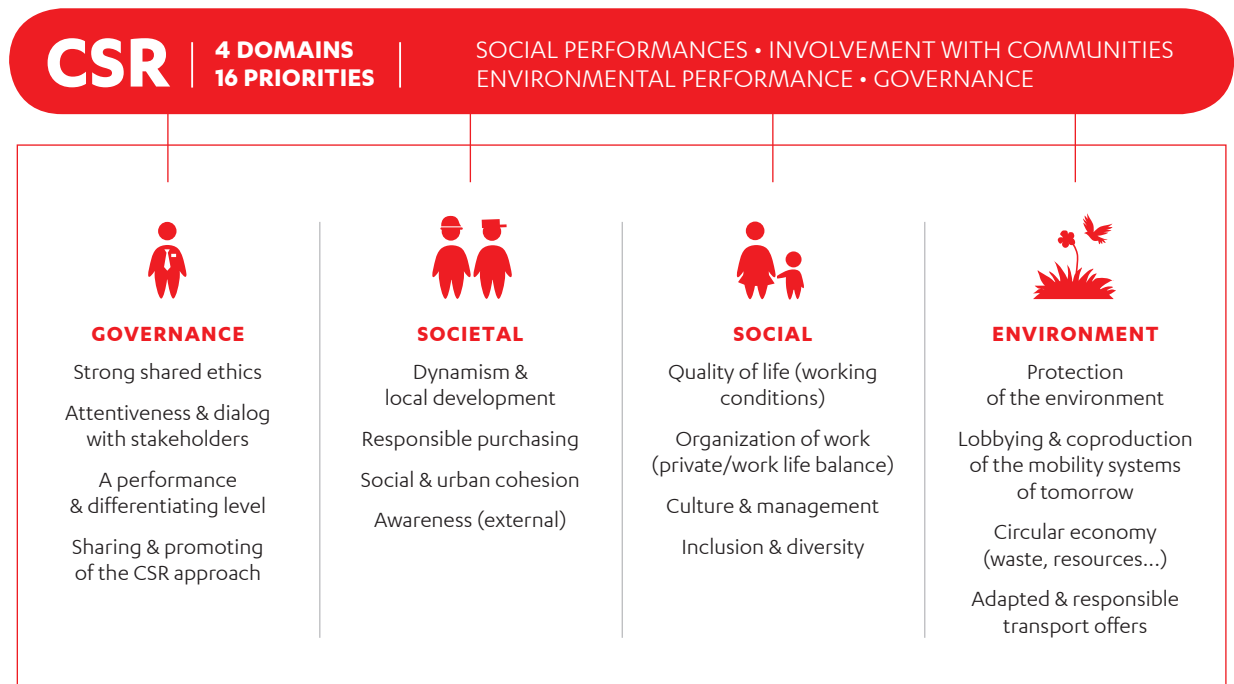
A HISTORY OF RESPONSIBILITY

Our CSR ambition was defined in 2014. Its objectives still stand today, more than ever: generating value for our internal and external stakeholders while embodying the Group's values. Our CSR ambition is built on an in-depth analysis of the CSR stakes of the global transport sector and a comprehensive study of our stakeholders' expectations. Transdev's commitments are aligned with the principles of the United Nations Global Compact of which we are signatories. We also pledge to fully comply with recognized standards including the Intercompany Charter and the UITP Sustainability Charter (International Association of Public Transport). To help us meet these strong commitments, we base our actions and initiatives on international CSR criteria such as the ISO 26000 Standard. As a result, our CSR policy is founded on 4 themes and 16 commitments, encapsulated by our CSR matrix. Designed as a tool for everyone involved in operations to assess their local CSR, design local strategic roadmaps and support sustainable development, this matrix also functions as a consistent framework enabling the sharing of best practices within the Group.



WHAT IS A MATERIALITY MATRIX?

A materiality matrix is an analytic method based on the input of identified stakeholders which enables a company to decide which CSR initiatives to invest in. This exercise adds considerable relevance to our CSR efforts.



Transdev's CSR Matrix

INCLUSIVE CSR: AN OPEN INVITATION TO OUR STAKEHOLDERS

Identifying our stakeholders and their expectations is crucial to developing a relevant and useful CSR approach. The Group has therefore initiated continuous and formalized dialog. Changes in habits and needs are monitored by surveys including the 'Transdev Mobility Observatory' (conducted by BVA), "Sales channels and mobility" (conducted by IFOP) and "Digital Passengers" conducted in 2016 to analyze new digital behaviors with respect to and while traveling.

We value dialog with all our stakeholders and consider it as a key factor to fulfill our mission. We cooperate respectively with clients (Trans.Cité), customers (CRM programs to manage complaints, suggestions and questions) and our teams & employee representatives. As the creator of the Living Labs open workshops, Transdev expresses its desire to build bridges within our industry and share experiences on issues regarding the future of mobility.

A STABLE AND TRUST-GENERATING SHAREHOLDING STRUCTURE

THE GROUP CAISSE DES DÉPÔTS has been our major shareholder since 2016 with 70% of the capital. The leading French public sector financial institution created in 1816 strives to support territorial development in the public interest.

VEOLIA GROUP holds 30% of our capital. It supports industrial companies, cities and their communities in the optimized management of resources through its 3 main activities: water, waste and energy management.



WHAT IS THE GC ADVANCED COP LEVEL?

The GC Advanced COP level is the highest level of differentiation within the COP. It aims to encourage excellence in reporting and corporate sustainability performance. Participants are encouraged to aim towards high-quality reporting and to submit their COPs to the GC Advanced level by disclosing on the implementation of the 21 requirements into their strategies and operations, actions taken in support of broader UN goals and issues, and on corporate sustainability governance and leadership.

More info on cop-advanced.org



OUR VALUES

PASSION

Passion is at the heart of our teams' engagement, every day

PERFORMANCE

Individual and collective performance is what drives us as a Group

PARTNERSHIP

We share the same culture with our clients and we value open collaboration

COMMITMENT

by tackling global issues of mobility via innovation as part of our daily mission

POSITIVE CHANGE ON A LARGER SCALE: OUR GLOBAL COMMITMENT

● TRANSDEV, AN HISTORIC MEMBER OF THE GLOBAL COMPACT COMMUNITY

Transdev signed the Global Compact back in 2003. This United Nations initiative aims to encourage companies all over the world to adopt socially responsible behaviors by adopting and promoting 10 fundamental guidelines regarding human rights, international work standards, environmental protection and anti-corruption. Its community of members increases each year. Today, more than 9,700 companies from 162 countries have aligned their commitments for global positive change. Each year, we publish our Communication on Progress (COP) which highlights the initiatives we have implemented in accordance with the 10 Global Compact principles. Since 2016, our COP has been assessed at the 'GC Advanced' level, the highest awarded by the organization. This is both a proof and an accelerator of greater commitment. Today, only 12,5% of French companies that have submitted a COP have reached the GC advanced level. We are proud to be among this elite group. As an international organization, we strive to improve our CSR performance and inspire other companies by sharing best practices. This is what the Global Compact is all about!

● TRANSDEV, SIGNATORY OF A CHARTER FOR THE SUSTAINABLE DEVELOPMENT OF PUBLIC TRANSPORT

Transdev participates in the promotion of sustainable development issues within the International Association of Public Transport (UITP). Contributing to the global progress of our sector is essential. Transdev has long understood that adopting openness and cooperation principles are key to generating positive change on a greater scale. We believe that the public transportation sector can become a real force in the development of a more responsible and inclusive economy.



OUR STRONG SAFETY CULTURE

Transdev Group Credo: UNCOMPROMISING SAFETY translated into 5 key principles:

Achieving the highest practicable Safety standards throughout the Group.

Believing that Safety is a priority and very important to its success.

Believing that the Safety of its customers and its employees is a shared responsibility.

Ensuring prompt and accurate investigations of accidents and injuries to prevent.

Developing a culture which empowers all employees to act and behave in accordance with the policy.

CERTIFICATIONS

ISO 14001

This standard allows to identify, manage and monitor the environmental impacts of our company. Transdev Group is committed to:

- Fully complying with its contractual obligations
- Controlling our impacts and implementing initiatives to limit our negative externalities
- Communicating on the environmental performance of our activities in each country.

In 2016, 100% of our Swedish networks are certified ISO 14001 (26 locations).

AFAQ 26000

By taking the ISO 26000 standard as a reference, the AFNOR group has developed an AFAQ 26000 label, which determines how far an organization has integrated the recommendations defined by the ISO 26000 standard into its strategy, organization and activities.

Our French network TVO holds this certification.



2 QUESTIONS TO BEATRICE JUNG

CSR Director Transdev Group

HOW DO YOU TRANSFORM A CSR APPROACH INTO A CORPORATE CULTURE OF RESPONSIBILITY?

Developing a common culture of responsibility is possible by creating and empowering in-house collaborative CSR communities. I believe that we are all very aware of the challenges ahead of us. To tackle them with confidence and enthusiasm, we need to improve the sharing of best practices and the promotion of our many success stories to increase visibility and inspire stronger commitment. This will reinforce the importance of each positive initiative and create synergies. Also, we need to provide tools and knowledge to enable a consistent and measurable effort which will give immense credit to everything we do for our people and our planet.

HOW DO TRANSDEV'S STAKEHOLDERS WELCOME DIALOG?

Beyond dialog, I believe that our stakeholders value our capacity to transform cooperation into operational and responsible partnerships. Our strong capacity to deliver and to enhance our offer intensifies our role as a key partner. The level of expectations is high and the demand strong. Thankfully, Transdev's deeply-rooted local commitment allows us to push forward innovative solutions that are truly beneficial to all our public. Without this openness, our solutions would not be as relevant as they are today and will be tomorrow.

ASSESSING OUR CSR PERFORMANCE TO PROGRESS

Our CSR performance is evaluated by EcoVadis as a supplier. This international organization provides a specific solution for the implementation and monitoring of sustainable development practices. Its mission is to produce reliable assessments of CSR performances through a thorough and comprehensive diagnosis and data comparison. EcoVadis has assessed Transdev France's CSR commitment at the « Compliant » level on a scale ranging from Exceptional to None and including Advanced, Compliant and Partial. Transdev's overall score is 56, compared to an average score of 41.7 for all assessed businesses. EcoVadis evaluations are conducted every two years and are based on international sustainable development standards including ISO 26000. Our next assessment will take place in 2017.



ECOVADIS RATINGS & SCORECARDS

Ecovadis methodology is built on international CSR standards including Global Reporting Initiative, the UN Global Compact and the ISO 26000.

IN 2016 :

- Anticorruption, money laundering & terrorism financing Policy & Code of Conduct.
- 1^{er} Self assessment Ethics & Compliance per country.



MOBILITY SOLUTIONS DESIGNED TO INSPIRE LOCAL DEVELOPMENT

In the context of a profound urban and interurban mobility revolution, Transdev creates and operates sustainable mobility solutions to support local policies in line with the expectations of its stakeholders. But we go much further than that. Our publics expect us to act as a real partner, deeply involved in local development, whether economic, social or cultural. This implies getting closer to our passengers; identifying their needs for today and tomorrow. Therefore, open collaboration, transparency and empathy strongly influence the way we operate. For the better.

GREATER MOBILITY, EVERYWHERE

Our mission is to enable our users to travel safely, responsibly and comfortably every day, from dusk to dawn, wherever we operate. Transdev represents more than 3.5 billion passengers across the globe every year.

More importantly, we consider each user as a valued client. Part of this is to adapt our solutions to the environments in which we thrive. Today, Transdev represents 13 modes of transportation, ranging from district trains in Auckland, to bicycles in Nice or ferries in La Rochelle.

INTERMODALITY

**13 modes of transportation:
from collective transit to personalized mobility**



Train 13 networks in 6 countries



Subway 3 metro lines in Mumbai (India),
Seoul (South Korea) and Roissy CDG (France)



Light rail World leader with 22 networks in 9 countries



Premium bus service Creator of the TEOR concept in Rouen (France)



Bus 24,600 vehicles in 13 countries



Coach French leader in intercity transit



Maritime 90 ferries, 13 networks in 5 countries



Taxi/Chauffeur car services
Connexion, 30% market share in the Netherlands



Car sharing 2 services in Nice and La Rochelle (France)



Paratransit and ambulances
Witte Kruis, leading ambulance service in the Netherlands - 130,000 patients



Shared shuttle bus Leader in the US with 9,000,000 passengers



Bike sharing 16 cities in France



Car parking service 130,000 spaces in France

PROVIDING ACCESS TO MOBILITY TO ALL

It is a powerful and meaningful pledge. But what about those with inherently limited mobility? Through its paratransit services, Transdev ensures the public transportation systems in 51 North American cities are truly serving their communities. Transdev not only provides paratransit solutions across the U.S., it drives technological innovation to improve services for the physically or mentally impaired. Through new on-demand platforms, Transdev enables a faster connection between passengers and vehicles, updating passengers and their caregivers in real time, and managing difficult schedule changes.

Another innovation in America has been Transdev's initiation of its LINK project. For customers without a car, public transportation is much less convenient in bad weather conditions. Link solves this problem by bringing transit to its customers' front door with on-demand trips to and from nearby bus and train stations. The geolocation app allows users to order a sedan or van, track the ride, and be driven to their station of choice. The app offers added convenience with a variety of booking and payment options. By providing a seamless link between the client and their transportation system of choice, Transdev enables people to move, no matter where they may be.

SUPPORTING THE SOCIAL AND ECONOMIC DEVELOPMENT OF URBAN AREAS

Transdev's objectives extend beyond financial performance to embrace a wider social and economic ambition. Firmly implanted within the urban economic landscape, through listening to our stakeholders and capitalizing on our capacity to innovate, our business succeeds in creating value largely thanks to its positive environmental and social impacts.

By providing safe and reliable urban transit solutions that take on board emerging needs and anticipate those of the future, Transdev makes an important contribution to local economies and to the future of mobility. This role is enhanced not only by our numerous transactions with local suppliers, but also through a range of activities and sponsorship programs with local sporting and cultural organizations.

It should also be noted that in many local areas Transdev is the second largest employer after the hospital, and we ensure that the employment we generate is based on principles of solidarity, inclusiveness and diversity.



BEST PRACTICE



CONTRIBUTING TO THE POSITIVE ECONOMY

For the second year in a row, Transdev has measured its positivity index, carried out at 3 levels: the Group, France and the Le Havre Transdev CTPO/Lia network. We have also pursued our collaboration with the non-profit organization Positive Planet and remain active partners of the P+itive Economy Forum in Le Havre. Our objective is to promote sustainable initiatives that will support future generations. And for the first time, we have organized a meeting with representatives from all our stakeholders to identify opportunities to fine-tune our commitments.



COLLABORATION SPARKS POSITIVE ACTION

We believe that useful innovation is generated from in-depth knowledge about the travel habits of the people we care about. Our program, Transdev Explorer, pursues its mission to study behaviors, identify new needs and expectations enabling us to “aim” in the right direction. After focusing on “digital passengers”, Transdev Explorer investigates the impacts of collaborative behaviors on the dynamism of declining average-sized cities. Led by the research group Lab Ouishare - Chronos, the Sharitories study highlights several keys to rekindle mobility and dynamism in these 8 European areas. Interviews and field investigation have helped us define a roadmap divided into 12 actions including car-sharing, shared collective vehicles and the development of apps. This highly valuable knowledge encourages us to intensify our investment in collaborative practices to enhance our know-how and remain strongly relevant.

OUR CODE OF ETHICS

Every initiative we trigger or pursue must respect strong ethical principles in line with our values. These principles are explicitly listed in our code of ethics. Each principle embodies our commitment to all our stakeholders. Placed under the scrutiny of an Ethics and Compliance Committee, this code provides each employee and manager with clear guidelines to guarantee that actions are consistent with the Group’s principles. Everybody within our Group can therefore “know how to act right”. Awareness-raising campaigns are regularly conducted to get everyone on board and generate adhesion.



2 QUESTIONS TO ANTOINE COLAS

General Secretary of Transdev Group

WHAT IS TRANSDEV'S VISION OF THE FUTURE?

I believe that what drives us as a Group is the idea of being useful to people, of providing them with useful services that help them in their day to day lives. We see public transit as a way to facilitate everyday life: to go to university, to see relatives, to go home from work and to meet people. This shapes our vision of the future. Tomorrow's cities will be more connected, smarter and more responsible. Public transportation are an opportunity to create new spaces, new possibilities. But for that to happen, we need to provide people with incentives to change their travel habits: sharing cars to go to work, taking an autonomous shuttle bus to go to the cinema. To me, our mission goes beyond the effective management of transit networks. We are fully involved in the transformation of our landscape. This provides true meaning to what we do, every day.

IS REKINDLING DECLINING AREAS PART OF THIS?

Of course. We support mid-sized and rural cities in developing clever solutions that boost local economies. One success factor is our capacity of proposing highly efficient on-demand services which enable people to move from one place to another. Our approach is holistic. By managing effective networks, creating new transportation solutions and filling the gaps with on-demand services, we can cover large territories and maintain our role as a trusted partner for positive change. All of this nourishes our corporate culture and inspires us to go forwards.

● RESPONSIBLE PURCHASING: GROWING TOGETHER WITH OUR PARTNERS

Our commitment to responsible and positive practices goes beyond our relationship with customers and users. Our vision includes applying fair business practices with our partners and suppliers. Fully implemented in our CSR policy, the Purchasing function contributes to improving the Group's overall performance, enhancing our brand image and maintaining quality and sustainable relationships. Transdev's responsible purchasing program includes a Supplier CSR Charter based on our Code of conduct. It systematically defines the perimeter of our collaboration, regardless of the country or sphere of expertise. It also underlines the high standards under which we operate. Our purchasing system - MyProcurement - also helps us fight against illegal labor. The Group also assesses the CSR performance of its partners in order to make sure common values are shared within our working ecosystem. The idea is simple: risk limitation - of course - but also a genuine ambition for collective progress.



● TRANSDEV FOUNDATION: FOR AN INCLUSIVE SOCIETY

Since 2002, the Transdev Foundation has been providing the means for the Group and its employees to fulfill their ambition too really make a difference to people's lives. Around the following key axes : Employment, Culture, Health, Sports and social mediation, Transdev Foundation gives Transdev employees to get involved in their communities beyond their regular jobs and contributes to have transdev involved in the territories beyond the mobility solutions we provide. It is 40 projects every year that the Foundation supports in local french areas.

IN 2016

TRANS.CITÉ is a unique association that brings together elected officials and technicians of public transport to exchange and reflect together on the mobility of tomorrow

TRANS.CITÉ is an association of the Transdev group.

The TRANS.CITÉ convention took place this year between Malmö and Copenhagen, two cities connected by the famous Øresund bridge, of which Transdev operates the railway line

The theme was: 'financing transport or rethinking financing?'



A SUCCESSFUL ECOLOGICAL TRANSITION IS AN INCLUSIVE ONE

In line with providing inclusive solutions for our clients and passengers - wherever they are located - we are committed to developing responsible transit solutions. It is a fact: public action plays a key role in climate change and in the global energy mix on both local and global scales. Winning the sustainable mobility battle depends on our capacity to create attractive and affordable solutions while guaranteeing high levels of safety and customer satisfaction.

Our responsible leadership ambition is founded on three complementary challenges:

- limiting our environmental impact by developing an ever more environmentally-friendly fleet of vehicles,
- offering attractive alternatives to private vehicles by embracing multimodal solutions and providing user-friendly information to all customers,
- designing the future of mobility through innovation and collaboration with our stakeholders.



REASONS TO BELIEVE

Greenhouse gas emissions and energy consumption for a single trip can be divided by twenty when public transit is used rather than a private vehicle.



ENHANCING CUSTOMER EXPERIENCE THROUGH SMART TECHNOLOGY

The digital transformation of our economy has accelerated the way we operate. It impacts technology - of course - but also behaviors and business models. It also generates great opportunities to develop collaborative practices, bringing us ever closer to our passengers. Ahead of these (r)evolutions, Transdev is committed to providing a seamless and enjoyable traveling experience through its entire value chain. This implies building an integrated transportation offer which not only requires quality from the first to the last mile but also from the booking platform to the payment system.

REDUCING OUR ENVIRONMENTAL IMPACT...

It is with ambition and optimism than we have tackled the progressive transformation of our fleet thanks to our PTA. Our vehicles represent by far our strongest impact on the environment, but also our greatest opportunity to drive our environmental transformation. Our ambition is double: to reduce our carbon footprint and switch to technologies which are diesel and gasoline-free.

● CARBON FOOTPRINT: LEADING THE WAY WITHIN THE TRANSIT COMMUNITY

As a leading public transportation player, Transdev is expected to be at the forefront of energy transformation. This issue is widely considered as a top priority for local communities and public authorities. This is why we have initiated the Zero Emission Living Lab. It is a network of public transportation companies and experts which includes public transit authorities and research and development centers. The goal of this dynamic

community is the sharing of best practices and results of experiments regarding electric bus networks across the world.

● OUR AMBITION IS GLOBAL, OUR CHALLENGES ARE LOCAL

Enhanced intermodality and optimized management of transit systems are key to reducing our local carbon footprint. To achieve this, we devote our expertise to increasing ridership, through real-time information, innovative mobile apps, efficient systems and “soft” modes. Limiting our environmental impact is an opportunity to adapt and fine-tune customer experience. The objective is clear: to convince as many people as possible to opt for public transit. And it is working. For instance, in Dublin, Ireland, ridership increased by 55% between 2005 and 2016. At the same time, Transdev Dublin has won multiple awards for its involvement in environmental issues.



BEST PRACTICE

A virtuous circle in the Netherlands

The Netherlands are engaged in a concerted process of transition towards zero emission with the goal of rolling out fully electric fleets by 2025. Fully supportive of this initiative, Transdev has invested significantly to make this vision a reality. Transdev bought 43 electric articulated buses in 2016. The fleet will number no less than 203 vehicles by 2024. Thanks to in-depth collaboration with local partners and a strong local policy, developing zero-emission transit networks is possible. Transdev values its position as a trusted partner for positive change.

...BY MAKING ECO-FRIENDLY PUBLIC TRANSIT ATTRACTIVE!

Giving life to our vision of responsible traveling and commuting implies getting our users on board. This can only be done by offering a great experience and caring about users' needs and expectations. Beyond the strictly environmental dimension of our offer, the quality of the coverage and connections plays an essential role in our success story.



BEST PRACTICE

● ENHANCED INTERMODALITY FOR CLEANER TRANSIT SYSTEMS

Congestion in city centers is a widespread issue which negatively impacts air quality, business and the welfare of commuters and inhabitants. Tackling it implies developing an innovative and holistic approach. In La Rochelle, a dynamic city in Western France, Transdev - through its local subsidiary Proxiway - has developed an advanced transit system which supports the city's ambition to reduce greenhouse emissions by 20% by 2020. Since 2006, a Park and Ride electric shuttle provides inhabitants and visitors with easy access to the city. A car-sharing system has been deployed and a whole array of electromobility services for goods has been integrated into the transit system. And since September 2016, Transdev has operated ferry services equipped with the latest technology in the bay area. A single card is available to travel on the whole system. In only 11 years, Proxiway has completely transformed how the city of La Rochelle works, attracting new users and helping the city reach its ambitious environmental goals.

● EMPOWERING PASSENGERS TO MAKE INFORMED TRANSIT CHOICES

Transdev assists the city of Dublin in reducing the environmental impact of LUAS - the capital's Light Rail Tram System - via the implementation of sustainability initiatives in regard to energy consumption, resource usage and waste reduction. Educating commuters and the wider population is a significant element of Transdev's response. For this, we have developed an eco-calculator online tool to allow passengers to measure their CO² emission savings for each individual trip. A resource management program has also been created to provide in-depth visibility on water, electricity and gas consumption, plus waste generation. This allows for more precise targeting of energy and resource saving initiatives and campaigns. In addition, these efforts have contributed to the achievement of recognized certifications and awards.

Transdev Custom Experience - T.ex - provides a detailed analysis of passengers' journeys in order to identify potential areas for improvement in the customer experience. This innovative approach in our market enables us to see us through our passengers' eyes. Thoroughly comprehensive, this method includes both rational and emotional dimensions giving us the means to identify effective ways to boost passenger satisfaction. Highly successful, T.ex has been rewarded by the French Customer Relationship Organization (AFRC) as one of the most ground-breaking innovations of 2016.

More importantly, T.ex helps us keep our responsibility program connected to what are passengers expect from us.

BEST PRACTICE

THE WHIM PROJECT

Simplicity is luxury! With the Whim app, Transdev brings the best of transportation together to offer users in Helsinki, Finland an unprecedented level of convenience. This one-stop shop encompasses all transportation solutions (taxi, bus, train, car rental) and offers a full scope of services (planning, booking, payment).

Thanks to flat monthly fees that cover all modes of transportation, Whim lives up to its name and eliminates all friction and frustration. By bringing a wide range of existing transportation options together in one app, Whim brings users the freedom to move every day, however they choose – at whim.



2 QUESTIONS TO FRANÇOIS REGEMBA

Senior VP of Development - Transdev North America - Group Technical & operations VP in 2016

What is your highlight of 2017?

Transdev's global environmental ambition translates into many powerful local initiatives. We have developed a unique expertise in specifying and operating fleets of electric buses, in various environments. Transdev operates a total of 300 electric articulated and standard capacity buses in six countries. To fully benefit from these experiences, we have organized our 3rd edition of the electric bus Living Lab. This event continues to grow with last year's edition gathering more than 95 participants including research centers, government agencies and PTAs. What I would like to highlight is that by creating such strong and dynamic communities, we - as a Group - strive to transform our in-depth knowledge and experience into an inspiring corporate culture. We are getting there.

What is Transdev's main challenge for the future?

I believe that Transdev's unique force lies in its capacity to connect and include. Our Group's success has been founded on the diversity of its talents and its understanding of the environments in which it evolves. To me, our responsibility is to continuously inject social inclusion into our environmental initiatives. Limiting emissions and creating new ways to commute can only have a positive impact if our teams, users and customers get on board. That is why we strongly value dialog and encourage the development of dynamic networks throughout the world.

DESIGNING THE FUTURE OF MOBILITY RIGHT NOW

Innovation is at the heart of our environmental ambition. As a Group, we strive for greater social inclusion by expanding the scope of public transit and improving accessibility to airports, universities, corporate campuses and planned communities. Our vision for the future of mobility is four-dimensional: mobility will be personalized, autonomous, connected and electric. It has become a program. Its name? #PACE

● OPERATING AUTONOMOUS SHUTTLES HANDS-ON

Self-driving shuttles are a powerful tool to fill existing gaps in coverage, and one that completely fulfills our objective of connecting communities. This type of transportation is ideally suited for shorter trips (two to four miles) and can be available on-demand 24/7. Autonomous Vehicle (AV) solutions open up new opportunities including First/Last mile to and from transit hubs, connections to historic districts, concert halls, sports venues, industrial sites, airport terminals, etc. Electric, autonomous shuttles can navigate narrow paths while keeping pedestrians safe. These solutions can profoundly enhance the dynamism of cities while significantly minimizing emissions. Of course, they bring new challenges that require new skill sets. We are committed to helping clients navigate the many technical aspects of operating. And to promote the assets of our operating networks, our clients can be provided with apps to deliver a seamless customer experience.

Our transit solutions are systematically backed up by strong technology to optimize vehicle supply to match real-time demand.

OUR PEOPLE, OUR STRENGTH

Strengthening our position as a leading provider of responsible transportation solutions largely depends on the input of our 83,000 employees. Like a winning sports team, each player has to interact efficiently and safely to reach the highest level of performance. Our role as an employer is to fuel innovation and performance by providing a favorable environment within which the diversity of our talents can flourish. At the same time, we aim to make our company a microcosm of our vision of society – creative, inclusive and secure. To achieve this, we have focused on four key areas: health and safety, talent management, social inclusion and participative innovation.

“Being an international player, Transdev encourages locally-driven leadership regarding human resources while developing the sharing of best practices on the international scale. I believe that this autonomy enables us to foster our vision for innovation, inclusiveness and safety within our communities.”



Our teams are in contact with the public which creates trust, enhances customer experience and empowers each employee. Our challenge is to share this experience and contribute to the development of a global HR culture. This will bring sustainable added value to the Group. We are on the right track.”

Anita Skotnicki
Executive Vice President, Human Resources
Transdev North America







NURTURING TODAY'S TALENTS TO BRING TOMORROW'S SOLUTIONS

Maintaining our competitive edge requires constant innovation, and the creativity and entrepreneurial initiative of our staff are valuable assets in this respect. We therefore looked at ways of boosting in-house innovation by introducing the right conditions for creative ideas to emerge and flourish. Two complementary schemes were introduced: Innov'Cluster and Innov'Boost.

Innov'Cluster is an intrapreneurship program which is open to all employees. The scheme is designed to kindle the spirit of enterprise within teams and encourage them to find innovative solutions to the ever-changing needs of the market. It consists

of setting up multidisciplinary teams who have a six-month time period in which to prototype a project, based on a design-thinking approach. Staff can also take the opportunity to open up to exciting new ideas by visiting inspiring young start-ups.

The most promising projects can then benefit from the Innov'boost program, which not only provides financial support, but more importantly, methodological assistance in the form of creativity workshops and joint operations with start-ups, as well as access to Transdev's network of partnering higher education establishments through internships and student cooperative programs.

	Total workforce as of 12/31/2016: 82,581
	Percentage of women managers: 32%
	Average overall age of employees: 47 years
	Percentage of - 30 years old: 10%
	Percentage of 30 to 49 years: 46%
	Percentage of 50 years and over: 44%
	Percentage of employees in positions of exploitation (= not executives): 96% (approximate because there are some non-functional frames - Human Resources assistants, programmers ...)
	Percentage of drivers: 68% , of whom 20% are women
	Share of employees who benefited from at least one training activity during the year: 82%
	Total number of training hours: 1.9 million - Of which 293,906 hours of training dedicated to safety, namely 15%
	Number of hours of training per employee: 23



2 QUESTIONS TO CLÉMENT DE VILLEPIN

Transdev Group Human Resources Director

How does Transdev's human resources policy support positive change?

As an international group, a comprehensive and inclusive HR policy is key to building a common corporate culture. In an ever-changing environment, it is crucial that our people know how important they are, what is expected from them, and what they can do to contribute to positive change. For this, we have created and developed a roadmap founded on three key issues: influence, engagement and diversity.

How important is this roadmap?

This roadmap encapsulates all of our priorities. 'Influence' underlines our capacity to develop relationships with our stakeholders based on trust. This reinforces our local ties and creates opportunities for job creations and new initiatives. 'Engagement' embodies our strong belief: engaged employees bring about collective performance. And to us, 'Diversity' is a powerful asset since it generates dynamism, inspires openness and totally complies with our vision of entrepreneurship. Of course, to be effective this roadmap requires appropriate tools, which we deploy and monitor seamlessly. More importantly, it provides overall visibility and meaning to all our people. Positive change comes from all of us.



ANTICIPATING TOMORROW, NOW

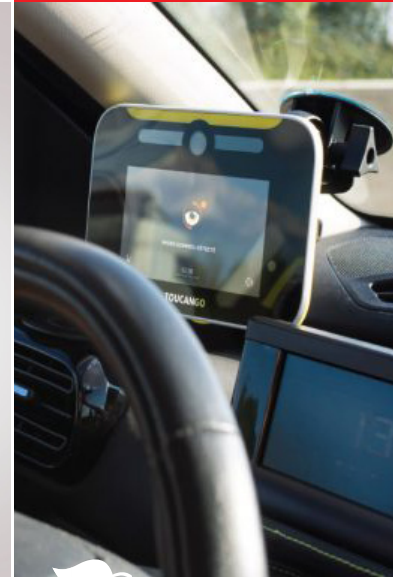
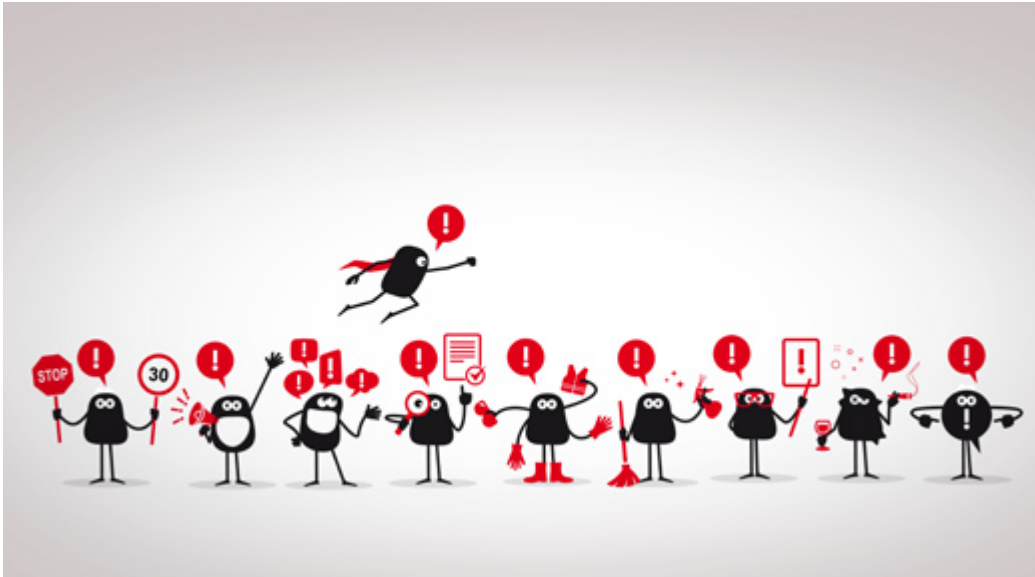
Seeking solutions to tackle the important issues that regularly challenge the mobility market, we created the Transdev Digital Factory in 2015. This business unit uniquely combines the qualities of start-up, innovation laboratory and business incubator. It notably coordinates the ambitious Maas (Mass mobility As A Service) project on behalf of the company.

BEST PRACTICE



WHAT IS INTRAPRENEURSHIP?

Intrapreneurship is the act of acting as an entrepreneur while working within an organization. Intrapreneurship is known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques.



NO COMPROMISE ON HEALTH AND SAFETY ISSUES

Transdev's relationship with its clients, passengers and teams is one based on trust. Naturally, an intrinsic part of this trust is their reliance on us to place the utmost importance on safety. That's why our credo can be summed up in just two words: "Uncompromising Safety". Achieving excellence in this field is an absolute priority for us.

A process of continuous improvement is centered on input from our teams. Apart from our 10 fundamental safety principles, the Safety Management System, or SMS, a comprehensive list of 86 yearly-audited requirements, has been set up. This system is applied throughout the company, irrespective of location, business unit or mode of transportation. Local safety regulations must also be complied with. To measure performance, a number of key performance indicators have been identified. These include the number of accident-related days of sick leave, injuries to passengers and third parties, and collisions. There are also a number of sector-specific indicators, such as SPADs (Signals passed at danger) for rail transportation.

Once objectives have been identified and risks measured, we rely on a network of Safety Managers throughout the company to apply these tools. Wherever necessary, appropriate training courses are available to bring teams up to date on safety issues. Additionally, all of the Group's 3,000 managers are to undergo training on the SMS from December, and will take a test leading to compulsory certification. In order to encourage the exchange and emulation of best practices throughout our global operations, the Transdev Safety Awards are given annually. Operations and employees are nominated in four categories; Safety Performance, Safety Innovation, Safety Commitment, and Safety Hero.

This, added to the many local initiatives (communication campaigns, surveys, programs, training sessions, etc.), contributes to developing a strong safety culture within our Group. This issue has been recognized as a vital element in the achievement of high standards of safety, alongside an effective safety management system and organizational structure.

BEST PRACTICES

Toucango

Jointly developed by Transdev and Innov+, Toucango is a software which uses face and motion tracking techniques to detect the first signs of drowsiness and decreased awareness in drivers.

AlerT

Transdev has created the AlerT smartphone application allowing authorized users, such as drivers, traffic managers and network staff, to send geolocalized, illustrated incident reports directly to Operations Management via a pre-recorded hotline.



BEST PRACTICE

TALENT MANAGEMENT THE 3RS*

“The Right person, at the Right time, in the Right place” effectively sums up our career management strategy. But within in a rapidly changing business landscape, this apparently simple objective represents a considerable challenge. So how do we ensure that our career management process enables us to meet the ongoing needs of our business?

Our solution is to provide training for employees throughout their whole career. Transdev teams can benefit from a range of tailored training courses, specially adapted to our technical requirements and company culture. In France, these courses take place at our in-house Training Center. Each year the Center produces a catalog presenting all the courses available. Courses cover initial training, as well as any mandatory training that is required. Levels range from apprenticeship right through to managerial training.

Transdev’s career management process seeks to combine agility and performance. Our HR department is a key element in this strategy and acts as a genuine “business player”, playing an active role in identifying the needs of the employees and their best abilities to support the growth of our group. This naturally implies a strong and proactive management culture. In this context, we offer introductory days - Trans’days - for new managers to stimulate their engagement, create a strong sense of belonging, and encourage them to share their experience and contribute to performance.

WE@TRANSDEV, OUR EMPOWERING MANAGEMENT MODEL

The need to constantly adapt to a changing business environment and ever-increasing competition as given rise to our management model that is based on 3 main principles :«performance, innovation and collaboration». The model defines the 9 management attitudes to simultaneously meet the expectations of the company, our clients and our stakeholders.

Wetransdev is a lever of change for the teams to transform their ways of working, and for Transdev to change as a company to face the major issues in our business.

* The Ten principles of Global Compact

CORRELATION TABLE

Global Compact Transdev

CORRELATION TABLE GLOBAL COMPACT - TRANSDEV	THEMES DESCRIBED IN THE REPORT
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HUMAN RIGHTS

Support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> ● Responsible purchasing ● CSR Supplier Charter ● Code of Conduct ● Health and safety ● Staff training
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Make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ● Responsible purchasing ● CSR supplier charter ● Code of Conduct
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LABOR

Uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> ● Code of Conduct ● CSR Supplier Charter ● Collaborative Innovation
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The elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> ● EcoVadis (assessment/grade) ● Code of Conduct ● CSR Supplier Charter
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The effective abolition of child labor.	<ul style="list-style-type: none"> ● EcoVadis (assessment/grade) ● Code of Conduct ● CSR Supplier Charter
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