



Partners, unlimited

Corporate Social Responsibility Report 2019





OUR VISION

At GEFCO, our aim is to become one of the most innovative and influential players in supply chain transformation to meet technological, social and environmental challenges.

We believe we create value through cooperation.

Our open mindset and the humility to listen and learn from our partners take us the extra mile.

This is GEFCO's **Infinite Proximity™**.

GEFCO Declaration of Extra-Financial Performance

Contents

CSR OVERVIEW

	Chairman's Letter	6
	About GEFCO What We Do	8
	About GEFCO Strategy, Governance and Value Creation	10
	Innovation	12

CSR IN DETAIL

CSR Overview	
Chairman's Letter	2
About GEFCO	
What We do	4
Our Business Segments	5
Governance and Value Creation	6
Strategy	7
Innovation	8
GEFCO's CSR Approach	10
CSR in detail	
Innovation	
Flow Optimisation and Multimodal Offers	13
Clean and Connected Transport	14
Digitalisation	16
People	
Attractiveness, Loyalty, and Employee Engagement	18
Health and Safety	20
Environment	
Responsible Management of the Environment	22
Addressing Climate Change	23
Governance and Society	
Sustainable Procurement and Duty of Care	24
Business Ethics and Transparency	26
Appendix and Data	
Reporting Methodology	
Concordance Table	31
KPIs and Data	33
Report of Independent Third Party	39



I am pleased to welcome you to GEFCO's Sustainability Report for 2019, a year in which we continued to strengthen our CSR approach and sophistication."



Chairman's Letter Luc Nadal, CEO

Across the company our efforts are accelerating and we saw many successes. Firstly I am proud to announce that we again achieved our headline ambition of a 2% avoidance of carbon emissions relating to transport activities. This is the third successive year we have achieved this compounding target showing that real progress can be made now, as well as in the future.

Elsewhere in the company there have been many other highlights including a reduction in site energy usage, a reduction in incidence of accidents and environmental hazards, and a maintenance of our water and carbon grades from independent external adjudicator, CDP. I am also pleased to reaffirm our commitment to the UN Global Compact principles for an eleventh year.

For our colleagues, the expansion of GEFCO university has been a great success, with 15 Academies now available for employees to accelerate their development through a combination of e-learning and classroom programmes.

As a core strategic pillar, our approach to Innovation has continued to transform, with capabilities and solutions arriving from inside and out. Still in its first 18 months, GEFCO's Innovation Factory is already producing proofs of concepts, and acquisitions such as Chronotruck are producing real-world results, allowing customers and carriers to increase efficiency and avoid half-loads. Home-grown products have also been launched, including Moveecar, a single-point offering for services to the second-hand car market.



I am immensely proud of the culture of innovation that we are developing, and the energy with which the entire company has responded.

Solving environmental challenges also requires partnerships outside of our company, and here we made progress too. In 2019 GEFCO became one of the first signatories to EVcom, committing to stringent measurement and emissions standards for our own vehicles, and for our subcontracted fleet. In addition, we expanded GEFCO's Sustainable Procurement Charter which now covers all transport modes and has been signed by more than 1800 carriers representing €1.2bn of spending.

The direction of travel is clear. Across the market we have seen record interest in our low-carbon transport capabilities, and a related increase in our ability to deliver them thanks to technology and innovation. For our company, the challenges of sustainability represent a significant commercial opportunity.

I would like to thank all of our employees and partners for their efforts over the past year, and for the effort that lies ahead as we tackle these fundamental issues.

Luc Nadal
CEO

Improved performance across majority of our reporting KPIs

Achieved yearly ambition of 2% avoidance of carbon emissions from transport

Very proud of 2019 performance, but most excited at what lies ahead

About GEFCO

What We Do

GEFCO is a world expert in complex supply chain solutions and the European Leader in automotive logistics

From its beginnings in the 1950s as the transport and logistics arm of Groupe PSA, GEFCO has grown into a global specialist in complex supply chains. We are now trusted by over 30,000 customers around the world to deliver integrated supply chain solutions.

Since 2012, when GEFCO ceased being a wholly-owned subsidiary of Groupe PSA, the company has been transforming, culturally and operationally, into a confident, innovative, outward facing powerhouse brand.

We are a world leader in all aspects of automotive logistics, and over the past decade have successfully expanded into other sectors including consumer goods, fashion, healthcare, electronics, pharmaceuticals and aeronautics. No other logistics provider combines this unified, multimodal global presence with the flexibility and expertise to design specific, integrated solutions for each and every customer.

15,000
employees

**Multimodal: Road,
Rail, Air & Sea**

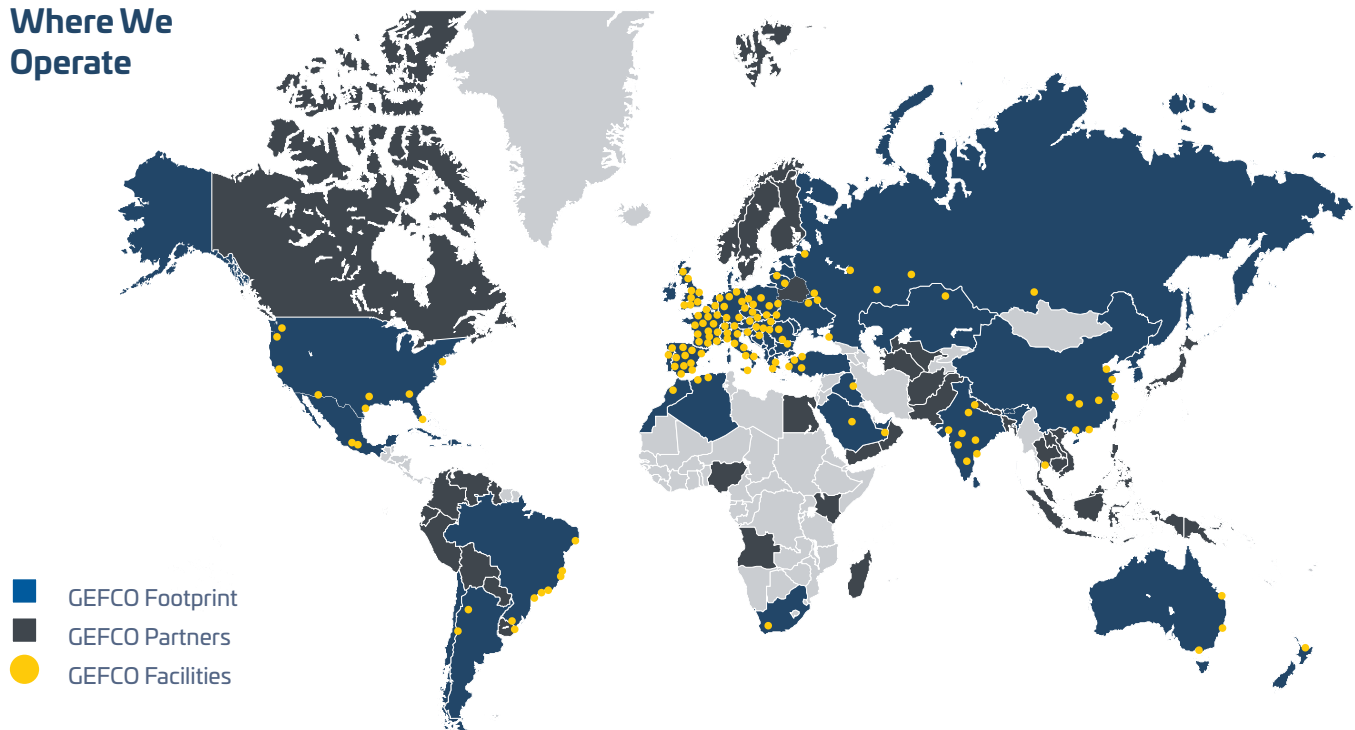
100+
nationalities

300+
locations worldwide

5m+
vehicles delivered annually

€4.7bn
turnover for 2019

Where We Operate



Our Business Segments

Finished Vehicle Logistics (FVL)



GEFCO's Finished Vehicle Logistics (FVL) segment is Europe's biggest transporter of new vehicles underpinned by multimodal solutions and a dedicated railcar fleet. Across the globe the group delivers more than 5 million vehicles each year from factories to distribution centres, and from car dealers to end customers.

In addition to the delivery of new vehicles, GEFCO is increasingly involved in a number of added-value services within our customers' supply chains including compound operations such as post production operations, pre-delivery inspection, and light assembly. The Group is also developing and deploying its market leading services in the very large second-hand car market, including a range of innovative digital solutions.

Air & Sea



GEFCO's Air & Sea segment arranges local and cross-border transport via air, sea, and rail, whilst also handling all aspects of customs, tax, and relevant regulations relating to import and export. We have a network of 185 offices worldwide and connect 106 countries.

The segment is also responsible for arranging time critical solutions, where our customers unforeseen internal disruptions require fast and reliable responses to keep their supply chains moving.

Lastly, the Air & Sea team arranges specialist transportation for unusually large or unwieldy cargos that are unable to be moved by conventional means, such as for heavy industrial projects.

Overland & Contract logistics (OVL)



GEFCO's Overland segment designs and operates supply chain and delivery flows for a wide range of industries, predominantly via road. The offering is a combination of transportation, customised worldwide warehousing, engineering, design, and project management.

Through our contracted network of 133 agencies and more than 300 partners worldwide we provide a full spectrum of transport services, including full and part load transport and customised time-critical solutions. Our asset-light approach, where we own less than 900 trucks directly but have access to over 11,000, allows us to build solutions around our customers' needs rather bend them to our process.

Industrial Services



GEFCO's Industrial Services segment provides various industrial logistics and support services, of which our Reusable Packaging Solutions (RPS) is the most significant, providing proprietary reusable crates and containers for a range of logistics needs.

The offering includes 6.5 million crates and small boxes in circulation with our customers, allowing standardisation, and state-of-the-art container management and storage with minimal capital outlay.

Asset Light

The company is deliberately asset-light, choosing to own and invest in strategically important assets (such as car compounds and railcars). This asset-light model ensures we are resilient over business cycles, and gives us a number of advantages from a CSR perspective.

Firstly we can be extremely agile in responding to changes in our markets or our customers' needs, innovating to turn challenges into opportunities.

Secondly we can have an effect far-beyond our own boundaries, influencing both customers and carriers to operate in a more responsible way.

About GEFCO

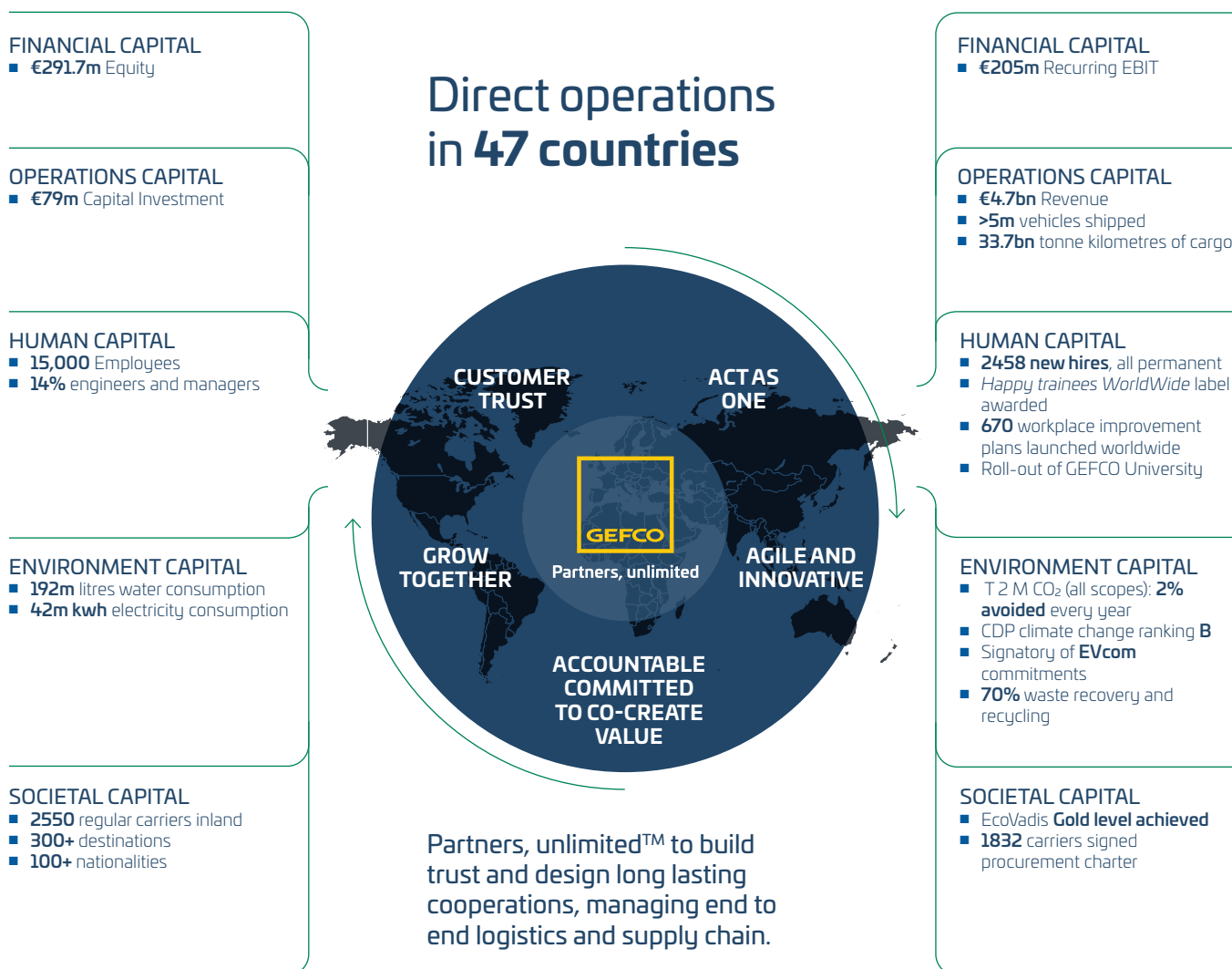
Governance and Value Creation

Governance and Structure

GEFCO has two main shareholders: Russian Railways (75%) and the PSA Group (25%). The company has a Supervisory Board composed of 13 members representing these two shareholders, including 1 employee representative.

Below the Supervisory Board, GEFECO is governed by a Management Board (5 members) and a wider Executive Committee (11 members) responsible for implementing Group strategy and overseeing the quality and added value of our projects for customers, shareholders and employees.

Support functions such as finance, HR, IT, real estate, and compliance are managed at group level whilst the respective international subsidiaries are responsible for operational functions and commercial interface including project development, supplies, and site management.



Strategy

The Group's strategy is focused on five pillars, building on the approach that has proven successful in driving the Group's above market growth over recent years.

STRATEGY PILLARS

Become the global leader in FVL

The Group is well established as Europe's largest provider of finished vehicle logistics and aims to expand this leadership position by capitalising on its expertise, specialised assets, global network, and existing deep customer relationships.

Expand auto inbound and adjacent logistics segments

The Group will continue to leverage its leadership position in FVL to expand market share in adjacent automotive logistics segments including inbound supply chain, spare parts, reusable packaging, and light assembly.

Further develop second-hand vehicle logistics and services

With changing approaches to car ownership, and GEFCO's existing positioning and expertise, the company has an immense opportunity to become key provider of services for vehicles throughout their lifetime. This includes all used car transactions as well as a range of services from first owner to scrap.

Grow non-auto verticals by leveraging existing expertise

The Group has an existing global integrated network and unrivalled expertise in the demanding and complex automotive industry. We are successfully expanding into adjacent industries with similarly complex supply chain requirements.

Continue developing new geographies and trade lanes

With its asset-light and agile business model the Group can expand internationally on a selective basis. We can do so in partnership with existing customers who are themselves expanding, and prospect customers, especially in fast-growing geographies.

STRATEGY ACCELERATORS

Consolidation platform for selective M&A

The Group has a two-pronged approach to M&A: firstly within FVL where the Group will look at strategic and value-enhancing companies; and secondly on an opportunistic basis in other segments where we can add additional geographies, technologies or capabilities to the Group.

Harness innovation as an accelerator

Given the increasingly rapid changes in our customers' supply chains, innovation is and must be central to our company and culture. We have partnered with Techstars, and launched a dedicated internal organisation for innovation – GEFCO Innovation Factory – which is already producing results.

Innovation

GEFCO operates in a rapidly changing environment, with new technologies transforming both production processes and consumer trends. Turning these challenges into opportunities demands an innovative approach, and we have worked hard to place innovation at the core of our company, fostering it at every level of the organisation.

As a global supply chain partner with particular expertise in automotive logistics, GEFCO is at the confluence of a number of megatrends. Our focus on innovation allows us to design the services that our customers will want and need in the future.

Electric vehicles

New powertrain technologies bring new manufacturers and new supply chains. GEFCO was quick to adapt, and is uniquely placed to handle new requirements such as the transport of electric vehicle batteries.

Connectivity

Connectivity is already allowing goods and cars to be located and managed more effectively and further opportunities are quickly arising. For example, IoT sensors in vehicles can inform fleet managers as to the car's condition – when it requires fuelling, cleaning, servicing, and range of other needs.

Mobility

Especially in major urban centres, people are changing their relationships with cars – lower rates of vehicle ownership combined with higher rates of individual car usage will require significant adjustments to the related servicing and upkeep of vehicles. Peer-to-peer lending schemes and car-sharing companies are on the rise, creating an opportunity for GEFCO.

Digitalisation

Digitalisation has had a huge impact on the logistics industry, with routing, loading, and tracking systems combining with artificial intelligence to produce huge efficiencies. More gains are approaching such as platooning and Supply Chain 4.0 – some requiring further R&D or regulatory approval, and some entering the market already.

Since its launch in June 2018, the Innovation Factory has enabled employees in GEFCO's network to become a real powerhouse of new ideas. To date, 16 countries have submitted 49 ideas and 10 projects have been incubated. There is much more to come.

Innovation Factory

Innovation is key to our growth strategy and our ambition is to increase the number of projects that scale up and have a concrete impact on GEFCO's business. In its second phase, the Innovation Factory will focus on: boosting the employee-driven idea pipeline; developing strategic projects defined by the Executive Committee; Creating stronger ties with the other innovation pillars: Watch & BI and Techstars.

Watch & BI

The Watch and Business Intelligence unit monitors trend signals from both our customers' industries and markets. GEFCO's area-specific expert teams identify innovative ideas looking for potential overlap with our operational requirements.

Techstars

Since 2018, GEFCO has partnered with Techstars, a global accelerator program with an excellent track record of supporting innovative and ambitious start-ups. Our Innovation Factory connects with Techstars' Innovation Bootcamp and broader start-up ecosystem to help accelerate projects.



Moveecar

Access car logistics services in a click

MOVEECAR is a unique digital platform providing connected services throughout the vehicle life cycle.

The platform guarantees high-level customisation combined with affordability and visibility for all operations.

MOVEECAR offers a range of services, from domestic/cross-border transport, collection and last-mile delivery to digital inspections, storage, refurbishment and administrative formalities.

Available to both consumers and professionals, MOVEECAR services operate across Europe through a network of established professionals.

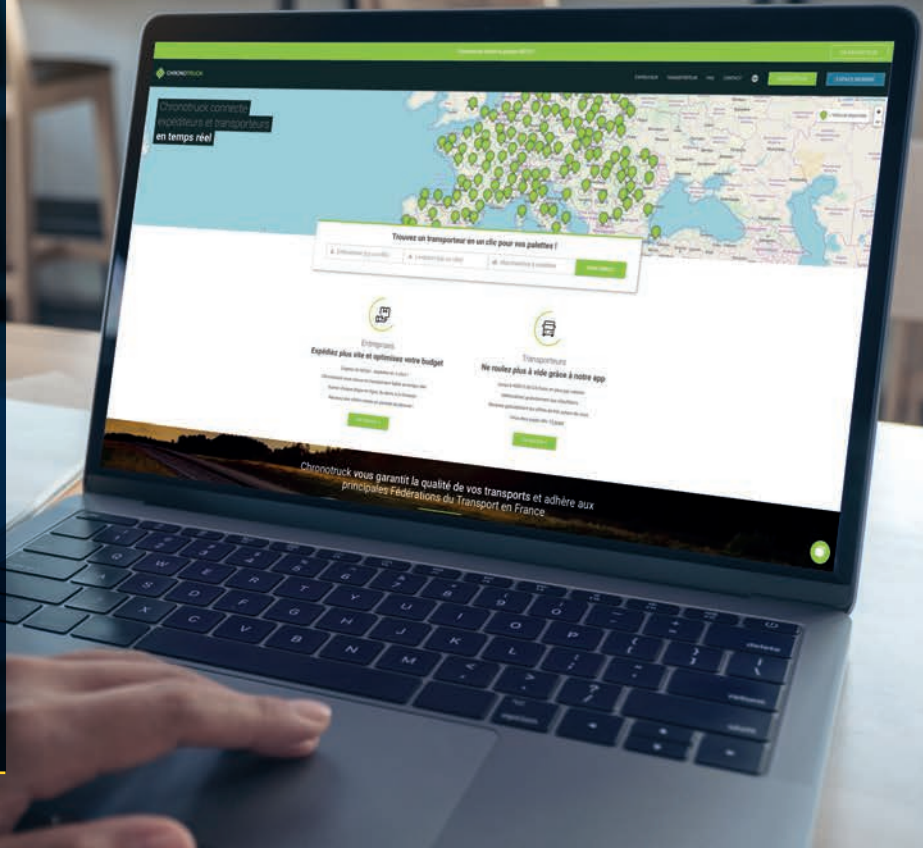
Chronotruck

Manage shipments easily with fully digital services

GEFCO has acquired Chronotruck to take digitisation to the next level for both shippers and carriers.

This innovative digital platform connects supply and demand instantly, offering a full range of services.

For businesses, Chronotruck provides access to nearby carriers and an innovative portfolio of digital services, including an instant quotation system, geotracking, proof of delivery and e-invoicing. Meanwhile carriers can optimise flows by filling trucks to capacity with nearby loads.



GEFCO's CSR Approach

GEFCO's new corporate message "*Partners, Unlimited*" was unveiled in 2018, and represents our core cultures. We asked our customers what sets us apart as a company, and they identified our determination to build long-lasting relationships, earn trust and create value across the supply chain - acting responsibly and sustainably is central to what we do.

GEFCO conducted a large-scale risk analysis of its environmental, societal and employee issues in 2018. It was designed to be comprehensive, long-term in its outlook, and encompassing the views and requirements of all of its stakeholders both inside and outside of the company.

Within GEFCO, managers of both operational and support functions investigated the risks associated with a wide range of CSR subjects. A stakeholder mapping exercise then identified and interviewed 13 key external stakeholders, including customer and suppliers, as well as professional organisations in the transport sector. This approach enabled GEFCO to bring its stakeholders' societal, environmental and labour expectations into line with GEFCO's performance drivers.

The resulting insight provided a basis for approaching and prioritising risks, and for better structuring the company's approach to CSR challenges. The below risks, under four top-level categories were identified as the most important for GEFCO to address – for both our long-term sustainability, and for that of our stakeholders.

GEFCO is also a long-term signatory of the United Nations Global Compact, and we are pleased to reaffirm our commitment to those essential principles again today.

Environment	Why has it been identified as a risk?	Performance Highlight	Page Number
Innovation: Flow Optimisation and Multimodal Offers	Flow offerings must respond to changing costs and customer expectations if they are to remain competitive in both price and carbon terms.	Acquisition of Chronotruck, a real-time digital platform already helping over 9,000 customers improve efficiency and emissions. China-Europe transit reduced to 3 weeks.	6
Innovation: Clean and Connected Transport	Customers are increasingly asking for help to reduce emissions associated with their supply chain. These trends are likely to continue or accelerate.	Achieved 2% avoidance of transport related emissions vs 2018 Achieved a CDP climate change rating of B for 2019	6
Innovation: Digitising	Digitalisation can hugely increase efficiency and reduce costs and is central to GEFCO's future, but increased data sharing and computer analysis also carries disruption risk.	GEFCO did not experience any breaches to its IT systems in 2019	6
People: Attractiveness, Loyalty, and Employee Engagement	As an asset-light business, GEFCO's human capital is the principle source of our value and expertise. It must be nurtured and guarded.	Happy Trainees label, and 85.1% of young employees recommend GEFCO 6.6% voluntary turnover rate	18
People: Health and Safety	Our operations necessitate a firm awareness of the risks associated with operating heavy machinery, shift working, heavy lifting and road incidents, as well as wider workplace risks.	Incident severity rate decreased to 0.2 vs 0.3 in 2018 Incident frequency rate decreased to 5.4 vs 6.6 in 2018	20
Environment: Responsible Management of the Environment	We balance our operations with environmental sensitivity across all our sites because mismanagement can lead to reputational, regulatory, and even operational risks for the company.	Number of environmental incidents decreased to 270 vs 285 in 2018 GEFCO was awarded EcoVadis Gold for 2019	22
Environment: Addressing Climate Change	We are seeing growing regulatory incentives and market opportunities associated with improving our carbon performance across our operations.	Achieved 2% avoidance of transport related emissions vs 2018 Total energy usage at sites reduced by 4% Early signatory of EVcom commitments	23
Governance and Society: Sustainable Procurement and Duty of Care	GEFCO is an asset-light business. As such our subsidiaries, suppliers and contractors play an integral role in our operations.	108 carrier audits conducted in 2019, leading to 145 action plans	24
Governance and Society: Business Ethics and Transparency	GEFCO has a direct presence in 47 countries and operates indirectly in a further 59. We take responsibility for our own compliance, and that of our suppliers and customers.	1,268 completions of ethics e-training courses	26



Letter from Anne-Brigitte Spitzbarth

As the new VP Operations Excellence & Sustainability, I would like to express my enthusiasm for the opportunities ahead of us, and how proud I am to be working with GEFCO's many stakeholders in the spirit of our Partners, Unlimited commitment.

I am excited to be joining a group that has achieved a good year of CSR performance and begun laying the foundations for significant future change.

Our people, combining with new technologies and a culture of innovation, will accelerate this positive trajectory for change in our business. This means listening to our employees and customers to find ways to build on what we are doing today to shape our vision of a robust and sustainable future.

At GEFCO, optimising logistics goes hand in hand with reducing our environmental footprint. To take one example, savings on kilometers and empty loads mean cost reductions for GEFCO and our customers. Another example is exploring and testing new fuel sources such as electric power, LNG, and hydrogen to help reduce our emissions. Our asset-light business model means we can be agile in our adaptation, and as an integrator we can help accelerate change with our carriers and customers.

Together we are looking with at 2020's opportunities with excitement, while recognizing that there is much work to do. I look forward to revealing more about our sustainability plans and offerings over the coming months and would like to thank my colleagues and customers for their partnership on this important journey.

Anne-Brigitte Spitzbarth
VP Operations Excellence & Sustainability

CSR in detail



Innovation

Flow Optimisation and Multimodal Offers

Risk

Flow offerings must respond to changing costs and customer expectations if they are to remain competitive. In both price and carbon terms, flow optimisation and multimodal capability can achieve this goal. In addition to the demands of the market, regulatory oversight is increasing as governments respond to climate obligations. To continue to grow its market share in the medium term GEFCO must stay ahead of these two trends.

Strategy

As an asset-light logistics specialist, flow optimisation is a core competence. Seeking out new routes and utilising them effectively is central to how we add value for our customers.

Dedicated organisation: Understanding and improving our flows is a company-wide effort. For example, local development managers across the company build dynamic data-maps of train lines and marine and river routes for our engineering department, who can respond to customer requests.

Integrating innovation: GEFCO maintains a dynamic, proactive culture towards innovation, and flow management is an area where technological advances are creating considerable opportunities for optimisation. We consider both external innovation from the wider market, and where we see opportunities that others have not we encourage entrepreneurialism through our Innovation Factory and Techstar programmes.

Action

Investments in the New Silk Road: GEFCO has long invested in the connectivity and speed of international rail solutions, where one of our proudest efforts is the New Silk Road. Currently, 95% of trade between China and Europe is delivered by sea, yet this mode of freight is slow and has a high air pollution impact. GEFCO's investment in the region allows us to offer customers a rail solution that is twice as fast as the shipping alternative and emits 5x less CO₂.

Employing Artificial intelligence: The application of artificial-intelligence to route planning is being trialled in the Netherlands, with a view to extend into Belgium and Luxembourg. So far, the trials have demonstrated impressive reductions in time, distance and cost and we are exploring how this technology could be better integrated into GEFCO operations.

Results

Acquisition of innovative technologies: In 2019 GEFCO acquired Chronotruck; a real-time digital platform that connects shippers and carriers to reduce wasted, empty journeys and therefore optimise cost and capacity. The technology has already helped over 9,000 customers improve their efficiency; with GEFCO's added expertise and experience we plan to expand its application even further.

China-Europe multimodal: Following considerable investment across the region, China-Europe rail transit can now be served in only 3 weeks, aligning emissions and commercial goals.



Innovation

Clean and Connected Transport

Risk

More and more customers are requesting help in reducing the emissions associated with their supply chain, and we are also seeing interest in fully green offerings in the medium and long term. Aside from our obligation to the environment, a failure to respond to these shifting customer demands would have negative consequences for our relationships and eventually our profits.

Strategy

Optimise GEFCO assets: GEFCO's ability to deliver clean transportation is reliant on the vehicles it has access to. For our own fleet this means a high-quality maintenance programme, and placing the consideration of emissions at the core of our procurement process.

Understand subcontracted assets: For our subcontracted fleet we aim to increase the quality, depth and currency of our knowledge, so that we can calculate and select clean solutions.

KPIs

B
2019 CDP Climate
Change grade

2.04%
avoidance of
transport related
CO₂ vs 2018

Action

EVcom Commitment: In 2019, GEFCO France became one of the first signatories to the French Environment and Energy Management Agency's EVcom mechanism. This commits GEFCO to ambitious targets for ourselves and our partners, including:

For our own vehicles (by 2021):

- 100% fleet compliance with Euro 6 standards
- Telematics to measure and manage fuel consumption on all vehicles
- All drivers trained in eco-driving

For our subcontracted fleet (largest 130 carriers, or c. 40% of spend):

- Measure carrier fleet composition vs Euro 4/5/6
- Measure percentage of eco-driving trained drivers
- Ensure adhesion to Objectifs CO₂
- Improve all of the above statistics by 2021

Fleet Renewal: During 2019, GEFCO bought or leased 68 trucks to update its fleet with the majority of these vehicles meeting Euro 6 standards.

Disruptive technologies: Innovation is playing a growing role in the reduction of emissions, and GEFCO is investigating and trialling a wide range of concepts including: the use of rigid sails in ocean freight, the deployment of gigaliners in Spain, live fuel monitoring, and LNG and CNG powertrains.





Innovation

Digitalisation

Risk

Digitising supply chains reduces customer lead times, reduces costs, and allows functions to work together in a more connected, efficient way. Done well, digitalisation allows the business to operate more intelligently. However, reliance on data sharing and computer analysis also carries risks of malfunction, data security breaches, and unintended interruptions. As connectivity increases, these disruptions have the potential to affect greater portions of the business than before.

Strategy

Integration: Through our Innovation Factory and other collaborations, we maintain a proactive role in digital technology development. This means we can co-design digital solutions that integrate better with existing GEFCO technologies, therefore reducing incompatibility risks or design errors.

Data security: Interventions such as the General Data Protection Regulation (GDPR) in the EU provide valuable guidance when managing vulnerable data. GEFCO launched its GDPR policy in 2018, and adheres to ISO 27002 (Information Technology Security Techniques) which closely informs the company's IT Policy. We test our data systems annually against different penetration scenarios and disaster plans. Our IT risk map is updated annually to stay representative of the latest threats.

KPI

GEFCO did not experience any breaches to its IT system in 2019

Action

Moveecar: Moveecar's digital platform enables manufacturers, dealers, rental companies, and other mobility players to offer value-adding services throughout the vehicle life cycle. This includes maintenance, repairs, transportation, storage and other necessities. As the market shifts towards Cars-as-a-Service (CaaS), Moveecar will improve user experience, and allows GEFCO to focus its growth in an expanding industry.

Chronotruck: GEFCO acquired Chronotruck in July 2019 to augment its digital offering to both shippers and carriers. The innovative platform provides a full suite of services with live information and tracking. For our customers, the system gives access to nearby carriers and digital services including an instant quotation system, geotracking, proof of delivery and e-invoicing. Meanwhile carriers are able to optimise flows by and avoid half-loads. There is considerable symbiosis with GEFCO's large network of third-party carriers, and the overall effect is to reduce both costs and carbon by shipping loads more efficiently.

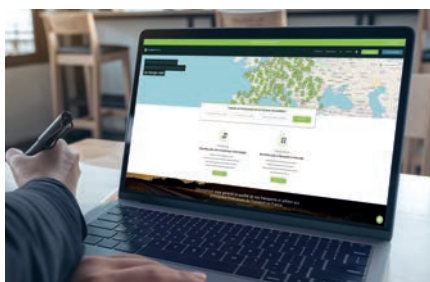
Innovation Factory: A wide suite of digital offerings are being developed in the Innovation Factory. One example is a track-and-trace solution for motorcycle transport. GEFCO has partnered with Actility and Wakeo to trial digitalisation in motorcycle distribution chains. Motorcycles are transported on 'cradles' for security and GEFCO has digitised these cradles with in-built trackers, allowing real-time analysis of their location. This traceability allows us to correct anticipated delays or cradle shortages. With automatic alerts and estimated delivery times, the tool allows maximum transparency and information for customers.

Innovation Case Studies

Rolling out



Movecar
One click access to whole-life vehicle logistics

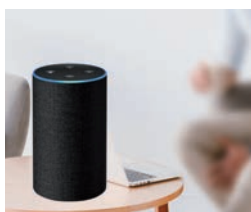


Chronotruck
Fully digitalised portal to match customers and carriers



Route Optimisation
Proprietary AI solution for milk run logistics

Testing



Tracy
Voice activated track-and-trace reporting



Workshop on Wheels
Mobile customisation service for dealerships



Cargofill
Real-time data on truck volumes for carrier optimisation



Augmented Reality
Heads Up Display for cold-chain package handling



Intra-site GPS
Efficient movement for trucks and ground teams

Exploring



Rigid shipping sails
Reducing fuel consumption with wind power



Smart cradles
Track-and-trace solution for motorcycle transport



Natural gas
Alternative fuels for truck powertrains



Connected Wagons
Live tracking for fleet optimisation



On-demand warehousing
Digital access to instant warehousing

People

Attractiveness, Loyalty, and Employee Engagement

Risk

As an asset-light business, GEFCO's human capital is the principal source of our value and expertise. In 2017 we identified talent retention and attraction as an area where we wanted to be best-in-class. Within logistics, two types of employee have been difficult to recruit and retain as a result of macroeconomic dynamics. Both are essential to GEFCO's business model and ongoing profitability.

Managers & Engineers: Historically the logistics industry has not been particularly attractive to recent graduates. But over the past decade, the sector's rapid uptake of technology has begun to change this. GEFCO needs to retain the expertise of its experienced staff, whilst appealing to a new younger demographic of engineers in order to maintain its expertise and develop its offering.

Drivers: Alongside the rest of the industry, GEFCO is facing a worldwide scarcity of drivers caused by rising demand for road transport and just-in-time solutions, as well as the relative uninterest of younger people in the working conditions and anti-social hours.

Strategy

Talent acquisition: Our Talent Acquisition philosophy incorporates 4 pillars:

- **Transparency:** to enhance employee ambition and develop internal mobility we give internal colleagues access to all open positions
- **Visibility:** to attract better talents, we have to be visible in the job market on a regular basis
- **Efficiency:** the candidate experience requires a very professional candidate relationship
- **Assertiveness:** our employer branding is the combination of all the above, and our ability to convince the market that GEFCO is a great place to work

Pulse Survey: The company-wide Pulse survey is launched every two years with the next edition taking place in September 2020. Its role is not principally measurement, but is instead focused on developing and implementing action plans to make GEFCO a great place to work. The September 2018 survey resulted in 670 such action plans launched worldwide, and we expect to have all of them completed by June of 2020.

Example Action Plans from Pulse Survey

<p>GEFCO Romania - Live my Life</p>	<p>To aid the better understanding of colleagues, both personally and in terms of the work they do, GEFCO Romania implemented the Live my Life program. This allowed and encouraged employees to spend a day working with alongside a colleague in a different role ending with a structure debrief and sharing of outcomes</p>
<p>GEFCO Brazil - Personalised development plans</p>	<p>To accelerate personal development, GEFCO Brazil has begun providing tailored development plans to each employee. These are assessed in meetings every six months to track progress, and are designed to define clear targets for professional growth. Regular meetings with managers are also scheduled to ensure employees can reach their goals.</p>
<p>GEFCO Thailand - Infinite Proximity Sharing Sessions</p>	<p>In order to broaden the understanding of Infinite Proximity principles and how they can be applied, GEFCO Thailand arranged bi-monthly sharing sessions for its employees. Colleagues present their application of IP tools and demonstrate how they have helped with decision making and relationships in their respective roles.</p>

Understanding attrition and turnover: We were disappointed to see the number of resignations rise last year. In response, we are widening our efforts to understand the dynamics affecting employee turnover, so we can better improve our hiring and retention practices. Our HR department designs and implements systematic exit interviews with departing employees and the Pulse survey will also inform and improve our employee package.

Comprehensive remuneration: GEFCO's Reward and Recognition Framework is the centrepiece of our efforts to provide attractive working conditions. It is represented by three Cs.

- **Caring** – Looking after our employees through retirement plans, health insurance, flexible working schedules and home office options. For senior drivers, we actively promote daytime working schedules
- **Contribution** – recognition and reward for effort and achievement, both through individual and collective schemes
- **Competitiveness** – Ensuring that our offering is a compelling one in terms of responsibilities and remuneration

Action

GEFCO University: In 2019, we expanded the GEFCO University scheme to all employees. Launched in 2018, there are now 15 academies available, each offering a blended learning programme through online, classroom and community activities. The academies allow our employees to accelerate their development and build their own career plans through supported mentorship. Established academies include:

- The GEFCO Fundamentals Academy: Builds capacity in business compliance such as anti-trust, anti-corruption and bribery, export risks, data protection, health and safety
- The Infinite Proximity Newcomers Academy: Introduces Infinite Proximity to new employees and welcomes them into the GEFCO culture
- Talent Acquisition Academy: Designed for HR professionals, to ensure hiring practices are of the highest standard and aligned to corporate strategy
- The Innovation Academy: Promotes an innovative mindset across GEFCO and reinforces the support available for entrepreneurial development

KPIs

64% completion of 670 employee action plans from Pulse 2018 by December 2019

6.6%
voluntary turnover rate

Strength in diversity: We strongly promote gender diversity and equal opportunities, and we fight against discriminatory practices in recruitment, training and career development. We believe diversity provides both a rewarding working environment and a competitive edge. Last year the company signed a binding commitment to gender equality, bringing these principles into force. GEFCO France SAS and GEFCO SA signed generation contracts ensuring the adaptation of roles for seniors, favouring daytime schedules and training for operators in the use of office tools. We proactively recruit and promote people with disabilities, and in France GEFCO has had a specific disabilities strategy since 2008 that has recently been extended to 2020 and beyond, and as a result more than 7% of our French employees have disabilities.

Social dialogue: Social dialogue is the foundation for a strong relationship with employees, and its importance at GEFCO is demonstrated by 66% of our employees being covered by a collective agreement. Overall, 113 agreements signed by employee representatives are in force in GEFCO.

Results

In 2019, GEFCO was again awarded the HappyIndex®/Trainees World and Europe labels, as well as labels for subsidiaries in Brazil, Czech Republic, France, Germany, Romania, Russia, Spain and Turkey. 85.1% of young employees recommended GEFCO for an internship, work-study placement or international volunteer program.



People

Health and Safety

Risk

Our operations necessitate a firm awareness of the risks associated with operating machinery, shift working, heavy lifting and road accidents, as well as wider work-place risks such as stress, harassment and other psychological issues. Safeguarding the safety and wellbeing of our employees is of primary importance.

Strategy

Strong policy commitment: Over the last ten years, GEFCO has worked hard on its safety culture. The Health & Safety policy was re-signed in April 2019 by all of the members of the Executive Committee, with the aim of achieving a zero occupational accident or illness rate.

Understanding risks: All current and future activities assessed for risks from accidents, occupational illnesses or psychological conditions. These assessments include on-site accidents, road accidents, repetitive movements, physically strenuous tasks, computer screen exposure, chemical exposure, noise and pollution, and psychological stresses. This builds our operational risk map, which allows us to manage high-risk activities.

Integration: Traditionally, Health and Safety was driven by the Group Management System (GMS) department across our operations. Today, culture and capacity around Health and Safety have increased to the extent that it is now routinely integrated into operational teams. This grants GMS a supporting role, allowing more attention to oversight and improvement.

Subcontractors: This year for the first time, our accident analysis expanded to include sub-contractors. We have always requested this information, but gathering the data ourselves reinforces our understanding and quality control. Subcontracted health and safety risks occur mostly from traffic accidents and machinery operations, and this is where we focus our efforts, although our procurement team is also working with chemical suppliers to reduce chemical risks.

Action

Advancing standards: We are becoming ISO 45001 certified for Occupational Health and Safety in two countries, Portugal and Switzerland. Our ambition for these sites is to have a fully integrated and certified management system, spanning quality (ISO 9001), health and safety (ISO 45001), and environment (ISO 14001). We renewed our company-wide Health and Safety Policy again in 2019, ensuring it remains relevant and effective. We also carried out a major new mapping exercise for safety risks across all divisions in 2019. This included estimations of probability and severity, and gives GEFCO a better view of risk according to activity.

Innovation: GEFCO invests in technologies to reduce Health and Safety risks. Robotic Process Automation (RPA) relieves workers of repetitive tasks and towards more creative problem solving or interaction. We are testing RPA for invoicing and may expand to reporting and purchasing if successful. In warehouses too, our 4.0 Facilities Management system combines machine learning and artificial intelligence to automate strenuous tasks such as pallet loading and packaging, therefore reducing health and safety risks for employees.

KPIs

Severity rate: 2019 = 0.2 vs 2018 = 0.3

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
0.5	0.4	0.3	0.3	0.5	0.4	0.3	0.4	0.3	0.4	0.3	0.3	0.2

Frequency rate: 2019 = 5.4 vs 2018 = 6.6

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
9.9	7.4	6.9	7.0	8.1	5.4	6.3	5.3	5.3	5.4	5.0	6.6	5.4



Environment

Responsible Management of the Environment

Risk

As an international industrial operator, GEFCO has a responsibility to the regions and ecosystems in which it operates. We balance our operations with local environmental sensitivities across all of our 300 sites because mismanaged environmental impact can lead to a reputational, regulatory, and even operational risks for the company.

Strategy

Understanding environmental risk: Environmental management at our sites uses risk analyses carried out by the GEFCO Group Management System department. Depending on the typology of a particular site, a list of risks is assembled against tailored prioritisation criteria. These risks include accidental pollution, industrial effluents and hazardous waste, unintentional releases and damage to biodiversity. A global building and equipment maintenance program checks all installations that could generate accidental releases into the water, air or soil. This programme assigns responsibilities and sets out the control and monitoring procedures for each piece of equipment or installation. The sites then implement mitigating procedures for each risk identified, which are then shared to disseminate best practices.

Commitments: 2019 marks a decade of GEFCO's involvement in the United Nations Global Compact (UNGC). The UNGC is an international, principles-based framework that supports businesses to operate responsibly. Through this framework, GEFCO has committed to:

- Support a precautionary approach to environmental challenges, i.e. volunteering action before negative impact occurs.
- Undertake initiatives for greater environmental responsibility
- Encourage the development and diffusion of environmentally friendly technologies where possible

GEFCO is also rolling out voluntary ISO 14001 certification for Environmental Management Systems across its sites with 59 currently certified.

Action

Capacity building: Our response to environmental impact must be company-wide. We have produced a range of educational materials for dissemination; including practical guides, poster reminders, and on-site training courses. For drivers, we offer training in eco-driving to minimise unnecessary air pollution on the roads.

KPIs

GOLD
2019 EcoVadis

2422
Number of
employees trained on
environmental topics

B
2019 CDP
Climate change

270
Number of
environmental incidents
(285 in 2018)

Environment

Addressing Climate Change

Risk

There are growing regulatory incentives to improve our carbon performance as more financial mechanisms and emission limits are introduced.

But there are also significant operational and market opportunities with customers requiring help to meet targets, and wanting accuracy and visibility as regards their emissions. Carbon reductions can also result in greater efficiency and cost savings for the business through better design and less-consumptive technologies.

For GEFCO, climate change mitigation is not just about compliance, it is a pillar of business growth and opportunity.

Strategy

Annual improvement: 2019 is the ninth consecutive year that GEFCO has calculated its CO₂ footprint using the EcoTransIT World methodology. We use our internal Castor software to track emissions as requested by our customers. Since 2017 has committed to avoiding a cumulative 2% of its carbon emissions relating to transport each year. We are delighted that for the 3rd year running, we have met this target.¹

Road: Of all modes, road provides the largest opportunities for near-term CO₂ reduction and we have robust action plans in place to limit emissions in operations. These include limiting empty back haul, optimising flows, and maximising use of full loads. All of these measures are controlled and monitored through transportation plans which are reviewed monthly to ensure progress.

Innovation also plays a significant, giving us access to alternative fuels and greener vehicles; GEFCO is positioned to trial these opportunities as they become feasible, and is already testing dual trailers, LNG, and various engineering upgrades such as the Eco-cars - a fuel optimising device in Spain.

Carriers: GEFCO's Sustainable Procurement Charter commits our subcontracted carriers to a range of environmental standards including: minimum Euro 5 compliant vehicles, tracking systems, eco-drive training, and questionnaires. 1,832 carriers have signed the charter representing €1.2bn of spend.

We take our Scope 3 emissions very seriously and many of the approaches that reduce emissions for our own fleet are built into our procurement charter and required of our subcontracted vehicles.

Action

Multimodal: Air freight is the most carbon intense mode of transporting goods. Shipping has the lowest intensity but contributes other impacts such as sulphur dioxide emissions. Road transport has roughly 10% the carbon intensity of air freight, and rail is better again. As a proportion of GEFCO tonnes/km, airfreight has fallen in recent years while rail has increased. This is made possible by our being the largest private owner of rail wagons in Europe with over 3,500 in total, and due to our continued investment in Eurasian rail networks.

Site-level reductions: The innovation section discusses Scope 1 (direct combustion) reductions through flow optimisation, multi-modal solutions and clean alternatives. After Scope 1, the next portion of emissions within direct control of the company is the purchased electricity that we consume (Scope 2). To achieve reductions here, we invest in site-level energy efficiency. In 2019, 46 sites implemented energy saving. Our Courneigay site already produces its own electricity through solar panels and will be replicated across other suitable sites.

KPIs

2.04%

avoidance of transport related CO₂ vs 2018

7%

increased in total waste recovery or recycling at sites

4%

reduction in total energy usage at sites

Governance and Society

Sustainable Procurement and Duty of Care

Risk

GEFCO operates an integrated yet asset-light business. Our subsidiaries, suppliers and sub-contractors play an integral role in our operations and it is in our interest to ensure all operate in safe and sustainable conditions.

Strategy

Duty of Care Plan: Under French Law No. 2017-399 of 27 March 2017 on the 'Duty of Care of Parent Companies and Ordering Companies' GEFCO implemented plans to identify risks and prevent serious abuses of human rights and fundamental freedoms, and to promote the health and safety of persons and the environment. This was communicated with subsidiaries, suppliers, service providers and subcontractors. It includes:

- Risk mapping by severity
- Assessment procedures for entities, aligned with the risk mapping
- Actions to prevent and mitigate risks and serious breaches
- Whistleblowing and data gathering on the existence or the realisation of risks, implemented with representative trade union organisations
- Follow-up mechanisms for the measures taken, and assessment of their efficiency

Risk mapping and Assessment – Subsidiaries: Risk mapping of subsidiaries was carried out in 2018 and will undergo a full review every two years, with a minor review carried out in interim years. Local environmental health and safety assessments are conducted by the sites themselves following guidelines prepared by GEFCO's GMS team.

Risk Mapping and Assessment – Suppliers and subcontractors:

Our Supplier Classification System ranks suppliers and subcontractors by four performance levels which then determine GEFCO's stance towards them: Expand, Maintain, Improve, or Reduce. It allows GEFCO to identify where the risks stand in its supply chain and to prioritise which suppliers to assess in detail and to audit. The classification consolidates both financial and sustainability information and is informed through the self-assessment questionnaire which requires information on:

- Certification, standards and policies (including ISO 14001 and ISO 50001)
- Environmental activities (including CO₂ labelling, sustainable procurement, and CO₂ reduction efforts)
- Health and safety (including policies, safety rules, and accident rate monitoring)

In 2019 we updated the score weightings in the Supplier Classification System to reflect customer demands and company strategy; sustainable development, safety and security have since been awarded heavier weightings. Questionnaire results are hosted and monitored on our Carrier Management System; if we see deviations in the responses, audit becomes a priority. Audits are prioritised for carriers with deviations, carriers who provide high-value services to GEFCO, or any carrier that hasn't be audited in the last two years.

Suppliers must commit to GEFCO's Sustainable Procurement Charter, which involves adhering to GEFCO's code of ethics, respect of human rights, health and safety activities and environment management. The Charter also requires suppliers to receive regular audits. In 2019, this Charter was expanded to include all rail and sea carriers, plus all equipment suppliers for the first time. Charter agreements are also integrated into the Carrier Management System.

Whistleblowing: We promote an internal whistleblowing system which is open to all concerns including corruption, anti-competitive practices, discrimination and harassment, occupational health and safety and environmental issues. This system is managed by an external provider in order to guarantee absolute anonymity for our employees. In 2019 we launched a revised communications campaign to raise employee awareness of the whistleblowing platform.

Action

Subsidiaries: A range of actions have been described in other dedicated chapters throughout this report. If specific deficiencies are discovered, GEFCO will request the implementation of an action-plan. Action plans are often local, but may be corporate level if deficiencies are recurrent. General managers and the subsidiary CFO must sign their acknowledgement of the assessment process, deviations found, and whether action plans are required.

Suppliers and sub-contractors: All suppliers and sub-contractors can access the GEFCO Carrier Management System Database and must contractually update their information on services provided, legislative compliance, and evidence of their performance. This year we updated our database management to flag discrepancies in a structured time-critical way; this includes how we record and monitor post-audit action plans.

Suppliers must also commit to GEFCO's Sustainable Procurement Charter, which involves adhering to GEFCO's code of ethics, respect of human rights, health and safety activities and environment management. The Charter also requires suppliers to receive regular audits. In 2019, this Charter was expanded to include all rail and sea carriers, plus all equipment suppliers for the first time. Charter agreements are also integrated into the Carrier Management System.

Whistleblowing: We promote an internal whistleblowing system which is open to all concerns including corruption, anti-competitive practices, discrimination and harassment, occupational health and safety and environmental issues. This system is managed by an external provider in order to guarantee absolute anonymity for our employees. In 2019 we launched a revised communications campaign to raise employee awareness of the whistleblowing platform.

Processes and approach: GEFCO hosts procurement conventions at least once a year to review the effectiveness of sustainable procurement processes. The last of these was held in October 2019 in Riga. In 2020, we will be conducting an additional review of all questionnaire content and the accountability process.

KPIs

108

audits conducted in 2019
(target: 100), leading to
145 action plans

Compliance rate:
79% (target: 80%),
an improvement on
2018's figure of 75%

	2018	2019
Charters signed	1478	1832
Total spend	€911m	€1203m
Mode	Road only	All modes

Governance and Society

Business Ethics and Transparency

Risk

GEFCO has a direct presence in 47 countries around the world and operates in a further 59 countries indirectly via our partners, managing the flows of goods from thousands of suppliers to manufacturers and retailers. We take responsibility for our own compliance, and that of our suppliers and customers. We integrate and educate these values and standards within and beyond our business.

Strategy

GEFCO's ethical values are consolidated in our Code of Ethics: a set of commitments to prevent and identify conflicts of interest; to treat suppliers fairly; to prevent insider trading; to share our ethics with contractors; to respect international trade control regulations; to exercise fair competition; and to fight corruption and money laundering.

GEFCO has developed an Anti-Corruption Policy, a Competition Law Policy, a formal framework for participation in professional associations, and an Export Control Policy which details verification procedures for flows according to country, region, transaction and risk.

In 2019, we updated GEFCO's Operating Guidelines. The Guidelines require all transactions to comply with local legislative and regulatory frameworks, particularly but not limited to European, American and UN regulations concerning money laundering and corruption. Over 300 GEFCO managers met to review, discuss and commit to the revised guidelines, which include more clarity on guarantee issuance, anti-corruption measures and relevance to freight-forwarding.

Action

Corruption and Influence Peddling Risks: In 2019 we finalised a risk mapping of all corruption and influence peddling risks that is compliant with French regulation Sapin 2. We are now working with all business departments to implement a 2020-2021 action plan to further reduce corruption risk.

Training: We continue to implement e-learning programmes on corruption awareness, GDPR and insurance issues. In 2020 we will introduce training on competition law and the Export Control Policy. This training is mandatory for employees with relevant responsibilities and voluntary for all others. In ten operating countries, employees receive face-to-face training with lawyers to understand local requirements on competition and anti-corruption.

Guides on Competition Law are made available on the internal intranet.

KPI

1,268
completions of ethics
e-training courses



Reporting Methodology

Scope of social data

In 2019, the GEFCO Group's consolidated accounts covered companies of different origins.

GEFCO SA and the GEFCO subsidiaries

The consolidated GEFCO subsidiaries are spread across six geographic zones, corresponding to eight structural zones for the processing of social data:

- CORPORATE: GEFCO SA, the parent company
- France: GEFCO France S.A.S., the French subsidiary including the GIS* and GAS* second-tier subsidiaries, GCL
- 1520: Baltic states, Kazakhstan, Russia
- LATAM (Latin America): Argentina, Brazil, Chile, Mexico
- ASOR (East Asia): China, South Korea, Hong Kong
- CEBAME (Central Europe, Balkans, Middle East): Austria, Bulgaria, Croatia, Czech Republic, Germany, Greece, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, United Arab Emirates, Ukraine
- EUROMED (Western Europe, Mediterranean): Algeria, Benelux, Italy, Morocco, Portugal, Spain (including GLT), Switzerland, Tunisia, the UK
- F-FWD: F-FWD Corporate, F-FWD Australia, F-FWD Hong Kong, F-FWD China, F-FWD Taiwan, F-FWD Thailand, F-FWD Singapore, F-FWD Netherlands, F-FWD Poland, F-FWD Czech Republic, F-FWD Germany, F-FWD Switzerland, F-FWD UK, F-FWD USA, GEFCO United states, GEFCO F-FWD Belgium, GEFCO South Africa, GEFCO South Korea, F-FWD France
- MERCURIO: Argentina, India, Italy, Slovakia

2019 social data

The Group's social data, with the exception of data relating to occupational accidents, is monitored in Vision, its HR information system - data regarding occupational accidents and incidents is tracked in the Acciline application, linked to Vision.

Subsidiaries which are not consolidated are not recorded in Vision and do not appear within the scope of the 2019 social data.

For HS data not linked to ACCILINE, scope excludes in 2019 the following FFWD subsidiaries with no operation activities (F-FWD BELGIUM; F-FWD SWITZERLAND; F-FWD HONG KONG; F-FWD CHINA; F-FWD TAIWAN; F-FWD THAILAND; F-FWD SINGAPORE; F-FWD POLAND).

Scope of environmental data and methodologies

Scope

GEFCO uses the 'CSR Reporting' questionnaire linked to the Tennaxia software to gather environmental data relating to all of its activities. The Group's sites are required to complete the questionnaire on an annual basis.

Scope of the group environmental reporting questionnaire

Exclusion criteria

The questionnaire automatically excludes sites that are considered not to be representative of the Group's environmental impact, in accordance with the criteria outlined and formalised in the reporting procedures.

- Operating life of the site: a site whose operating life is less than 6 months in the reference period is excluded
- Activity of the site: a site whose activity is only 'office' with a size of less than 5 persons is excluded
- Modalities for the accounting if the site is at a third-party's: some sites are located on, or juxtaposed to, a third-party site (customer, supplier, service provider, contractor or partner). If the utilities (water, electricity, gas, heating oil, urban heating, LPG, diesel, and waste management) provided by the third party are not counted physically (using a meter) or are partially, GEFCO does not take account of these figures usually consolidated by the third party.



2019 coverage

The report covers the period from 1 November 2018 to 31 October 2019. 236 sites took part in the 2019 reporting campaign.

As at 31 December 2019, the GEFCO Group had not been required to establish any provision or guarantee concerning a risk to the environment. GEFCO does not consume raw materials in its activity and the majority of its operational sites are located in industrial areas. The impact on biodiversity is therefore reduced. Furthermore, the Group does not exploit land or process food waste. Likewise, the fight against food waste is not relevant to the GEFCO Group.

The Group's risk management framework incorporates environmental risks and enables such risks to be taken into account.

Indicators reported here may exclude answers of sites that have not or ill-answered to the associated questions. The response rate to an indicator will therefore be specified, being higher or lower regarding the number of missing answers or non-corrected data.

Carbon Inventory

GEFCO's carbon inventory outlines the greenhouse gas emissions generated by the Group, whether they are generated as a direct (Scope 1 and 2) or indirect consequence of its activities.

The inventory is produced using the GHG Protocol method.

Emissions are calculated based on activity data (litres of diesel used, MWh LHV used, etc.) multiplied by emissions factors (TEQ CO₂/litre of diesel, TEQ CO₂/MWh LHV of electricity, etc.).

This data can then be used to assess the impact of Scopes 1 and 2. The gases taken into account are those relating to the Kyoto Protocol divided by a tonne of CO₂ equivalent (TEQ CO₂) through their global warming potential (GWP).

Scope 3 emissions regarding sea, road, air and rail transport are calculated directly using the Group's internal tool (CASTOR) and the EcoTransIT World methodology.

Remaining Scope 3 emissions are calculated by exploiting data extracted from support operating systems.

Within the GEFCO carbon inventory, emission factors are taken from DEFRA (Department for Environment, Food and Rural Affairs - 2012), from the Carbon Footprint (V8) and from the implementing decree governing the CO₂ display of the means of transport in question.



Appendix and Data



Concordance Table

Business model description	Pages	Global Compact Principles
Activities and markets	4-6	
Business environment	4-6	
Organisation and structure	4-6	
Objectives and strategies for creating value	6-7	
Main trends and factors that could influence GEFCO evolution in the future	8-11	
Risks and opportunities (risk description, policies, actions and results)		
Methodology to identify risks and opportunities	10	
Flow Optimisation and Multimodal Offers	13	
Clean and Connected Transport	14	7. Support a precautionary approach to environmental challenges, 8. Undertake initiatives to promote greater environmental responsibility
Digitalisation	16-17	All principles
Attractiveness, Loyalty, and Employee Engagement	18-19	
Health and Safety	20	
Responsible Management of the Environment	22	7. Support a precautionary approach to environmental challenges, 8. Undertake initiatives to promote greater environmental responsibility, 9. Encourage the development and diffusion of environmentally friendly technologies
Addressing Climate Change	23	
Sustainable Procurement and Duty of Care	24-25	All principles
Business Ethics and Transparency	26	10. Work against corruption in all its forms, including extortion and bribery
Specific disclosures		
Climate change (contribution and adaptation)	14, 23, 32	
Circular economy	22, 33	
Fight against food waste	Exclusion*	
Fight against food insecurity and respect for animal welfare and responsible, fair and sustainable food	Exclusion*	
Collective agreements concluded in the company and their impact on the economic performance of the company	10, 19	
Actions to fight against discrimination and promote diversity	19, 34-37	
Measures taken for the benefit of disabled people	19	
Societal commitments for sustainable development	6, 10-11, 24-26	

Exclusion*: Given the nature of our activities (transport and warehousing services), we consider the these themes do not constitute major CSR risks and do not justify a development in this non-financial performance declaration.

KPIs & Data

Section

Environment	Unit	2017	2018	2019
-------------	------	------	------	------

CARBON EMISSIONS

CO₂ emission by transport mode

Road	%	74.7	77.7	81.5%
Sea	%	9.6	8.3	8.2%
Rail	%	0.4	0.9	0.8%
Air	%	15.3	13.1	9.5%

t.km by transport mode (in %)

Road	%	50.7	52.2	51.4%
Sea	%	45.3	43.5	44.9%
Rail	%	2.8	3.4	3.0%
Air	%	1.2	0.9	0.6%

CO₂ emission by scope (in %)

Scope 1 (excl. transport)	%	0.9	0.8	0.8%
Scope 1 Transport	%	1.8	2.1	2.4%
Scope 2	%	0.5	0.7	0.6%
Scope 3 Transport	%	86.6	86.1	84.9%
Scope 3 (excl. transport)	%	10.2	10.2	11.3%

ENERGY

Energy for buildings

Electricity	MWh	48,011	47,402	42,102
District heating	MWh	1,406	1,518	1,004
Heating Oil	MWh	1,746	1,931	1,681
LPG	MWh	10,601	13,530	11,403
Natural gas	MWh	28,274	26,457	31,04
Total	MWh	90,038	90,838	87,23

Forklift consumption

Natural gas	MWh	9,543	9,041	8,824
Diesel	MWh	1,653	1,615	1,521
LPG	MWh	1,341	1,488	1,653
Total	MWh	12,537	12,144	11,998

KPIs & Data

Environment Unit 2017 2018 2019

WATER

Consumption of water per vehicle washed

	Unit	2017	2018	2019
BLYES - LAGNIEU - ST VULBAS	l/veh	-	-	106.3
CASABLANCA - TIT MELLIL	l/veh	37.9	39.8	40.0
COURGENAY	l/veh	42.1	35.0	54.0
KOLIN	l/veh	189.8	193.1	32.7
MARCKOLSHEIM	l/veh		352.1	232.8
MERCURIO LIVOURNE	l/veh	429.2	416.3	389.3
OOSTERHOUT - LOGISTIEKWEIG	l/veh	-	-	82.8
PARIS - MARLY LA VILLE - JAURES	l/veh	183.3	201.0	143.5
PORTBURY	l/veh	-	-	45.6
SETUBAL - PONTES FVL	l/veh	24.1	23.5	24.5
Average	l/veh	162.0	180.1	115.2

Consumption of water per "equivalent 60l" container washed

	Unit	2017	2018	2019
MADRID - VILLAVERDE WRP/RPS	l/cont	9.0	9,62	10.96
PARIS - POISSY RD30	l/cont	-	-	0.34
SOCHAUX - ETUPES FESCHES	l/cont	0.6	0,56	0.55
TRNAVA - ZAVAR WRP	l/cont	5.3	2,33	6.72
VIGO - MOS - WRP/RPS	l/cont	0.5	0,59	0.48
Average	l/cont	0.9	0.8	0.7

Type of water

	Unit	2017	2018	2019
Volume of groundwater consumed	m ³			29,126
Volume of mains water consumed	m ³			162,828
Total water consumption	m³			191,953

	Unit	Recovered or recycled	Other treatments	Total
2019 WASTE MANAGEMENT				
Non-hazardous waste	tonnage	11,350.39	3,933.14	15,283.52
	%	74	26	
Hazardous waste	tonnage	541.5	1,229.71	1,771.21
	%	31%	69%	
Total		11,891.89	5,162.85	17,054.73
		70%	30%	

People	Absolute Value			Relative Value		
	2017	2018	2019	2017	2018	2019
EMPLOYEES						
Breakdown of employees by geographical zone						
1520	563	534	469	5%	4%	4%
ASOR	93	82	83	1%	1%	1%
CEBAME	2,425	2,784	2,885	21%	22%	23%
CORPORATE	576	585	661	5%	5%	5%
EUROMED	2,508	2,970	3,240	22%	24%	26%
F-FWD	623	762	721	5%	6%	6%
FRANCE	2,977	3,153	3,051	26%	25%	25%
LATAM	1,608	1,584	1,269	14%	13%	10%
Total	11,373	12,454	12,379			

Breakdown of employees by socio-professional category

(F-FWD and Mercurio excluded from 2016 data and Mercurio Argentina excluded from 2017 data)

ETAM*	5,871	6,223	6,211	52%	50%	50%
Managers	1,731	1,729	1,801	15%	14%	15%
Workers	3,678	4,502	4,367	33%	36%	35%

Breakdown of employees by socio-professional category per geographical zone

(F-FWD and Mercurio excluded from 2016 data and Mercurio Argentina excluded from 2017 data)

1520	ETAM	422	411	349	75%	77%	74%
	Managers	85	71	65	15%	13%	14%
	Workers	56	52	55	10%	10%	12%
ASOR	ETAM	40	35	37	43%	43%	45%
	Managers	26	22	22	28%	27%	27%
	Workers	27	25	24	29%	30%	29%
CEBAME	ETAM	1,358	1,504	1,523	56%	54%	53%
	Managers	291	285	280	12%	10%	10%
	Workers	776	995	1,082	32%	36%	38%
CORPORATE	ETAM	104	107	163	18%	18%	25%
	Managers	472	478	484	82%	82%	73%
	Workers	-	-	-	-	-	0%
EUROMED	ETAM	1,630	1,799	1,738	65%	61%	54%
	Managers	251	212	257	10%	7%	8%
	Workers	627	959	1,245	25%	32%	38%
F-FWD	ETAM	430	551	525	69%	72%	73%
	Managers	125	147	149	20%	19%	21%
	Workers	68	64	47	11%	8%	7%
FRANCE	ETAM	1,488	1,354	1,353	50%	43%	44%
	Managers	447	464	484	15%	15%	16%
	Workers	1,042	1,335	1,214	35%	42%	40%
LATAM	ETAM	483	462	523	30%	29%	41%
	Managers	64	50	46	4%	3%	4%
	Workers	1,061	1,072	700	66%	68%	55%

People	Absolute Value			Relative Value		
	2017	2018	2019	2017	2018	2019

RECRUITMENTS (PERMANENT CONTRACTS)

Breakdown of recruitments by geographical zone

1520	154	97	85	8%	4%	3%
ASOR	-	-	15	-	0%	1%
CEBAME	461	678	729	24%	28%	29%
CORPORATE	38	66	129	2%	3%	5%
EUROMED	211	427	456	11%	17%	18%
F-FWD	96	136	144	5%	6%	6%
FRANCE	480	773	561	25%	31%	23%
LATAM	480	281	357	25%	11%	14%
Total	1,920	2,458	2,476			

Recruitments by socio-professional category

ETAM	806	1,045	1,329	42%	43%	54%
Managers	177	254	209	9%	10%	8%
Workers	937	1,159	938	49%	47%	38%
Total	1,920	2,458	2,476			

RESIGNATIONS

Breakdown of resignations by geographical zone

1520	64	87	64	9%	11%	9%
ASOR	4	-	-	1%	0%	-
CEBAME	203	208	185	29%	27%	25%
CORPORATE	35	40	37	5%	5%	5%
EUROMED	140	143	165	20%	19%	22%
F-FWD	91	92	74	13%	12%	10%
FRANCE	97	103	105	14%	13%	14%
LATAM	70	100	107	10%	13%	15%
Total	704	773	737			

REDUNDANCIES

Breakdown of redundancies by geographical zone

1520	63	3	19	10%	1%	2%
ASOR	2	-	-	0%	0%	-
CEBAME	100	46	94	16%	8%	10%
CORPORATE	19	10	16	3%	2%	2%
EUROMED	89	61	172	14%	10%	18%
F-FWD	13	16	29	2%	3%	3%
FRANCE	223	309	133	35%	52%	14%
LATAM	126	147	468	20%	25%	50%
Total	633	635	931			

People	Absolute Value			Relative Value		
	2017	2018	2019	2017	2018	2019
RETIREMENTS						
Breakdown of retirements by geographical zone						
1520	-	-	-	0%	0%	-
ASOR	3	-	1	2%	0%	2%
CEBAME	15	2	-	9%	3%	-
CORPORATE	17	12	10	10%	18%	19%
EUROMED	39	17	6	24%	25%	11%
F-FWD	5	2	2	3%	3%	4%
FRANCE	81	34	34	50%	51%	64%
LATAM	2	-	-	1%	0%	-
Total	162	67	53			

Gender		Absolute Value			Relative Value		
		2017	2018	2019	2017	2018	2019
Gender equality		(excluding internships + F-FWD and Mercurio excluded from 2016 data and Mercurio excluded from 2017 data)					
1520	Female	233	231	197	41%	43%	5%
	Male	330	303	272	59%	57%	3%
ASOR	Female	38	41	-	41%	50%	-
	Male	55	41	-	59%	50%	-
CEBAME	Female	882	978	1,003	37%	35%	26%
	Male	1,530	1,806	1,882	63%	65%	22%
CORPORATE	Female	228	223	277	40%	38%	7%
	Male	348	362	384	60%	62%	5%
EUROMED	Female	631	768	867	29%	26%	22%
	Male	1,576	2,202	2,373	71%	74%	28%
F-FWD	Female	304	400	384	49%	52%	10%
	Male	319	362	337	51%	48%	4%
FRANCE	Female	948	961	942	32%	30%	24%
	Male	2,029	2,192	2,109	68%	70%	25%
LATAM	Female	203	196	210	13%	12%	5%
	Male	1,312	1,388	1,059	87%	88%	13%
Total	Female	3,467	3,798	3,880	32%	30%	32%
	Male	7,499	8,656	8,416	68%	70%	68%

Male/Female headcount by socio-professional category (excluding internships + Mercurio Argentina excluded from 2017 data)

ETAM	Female	2,633	2,807	2,829	45%	45%	46%
	Male	3,238	3,416	3,382	55%	55%	54%
Managers	Female	501	520	575	29%	30%	32%
	Male	1,230	1,209	1,226	71%	70%	68%
Workers	Female	364	471	516	10%	10%	12%
	Male	3314	4031	3,851	90%	90%	88%

Gender		Absolute Value			Relative Value		
		2017	2018	2019	2017	2018	2019
Male/Female distribution age (F-FWD and Mercurio excluded from 2016 data and Mercurio excluded from 2017 data)							
60& +	Female	57	49	287	18%	16%	4.24%
	Male	252	266	924	82%	84%	5.93%
50-59	Female	608	584	976	28%	26%	14.43%
	Male	1,599	1,703	2,958	72%	74%	18.99%
40-49	Female	891	969	1,797	28%	28%	26.57%
	Male	2,313	2,508	4,406	72%	72%	28.28%
30-39	Female	1,241	1,160	2,538	34%	31%	37.53%
	Male	2,395	2,586	5,037	66%	69%	32.33%
20-29	Female	671	645	1,163	36%	34%	17.20%
	Male	1,180	1,247	2,241	64%	66%	14.38%
<20	Female	30	3	2	41%	17%	0.03%
	Male	43	15	14	59%	83%	0.09%

Male/Female recruitments by socio-professional category (excluding internships)

ETAM	Female	323	469	414	40%	45%	72%
	Male	483	576	539	60%	55%	41%
Managers	Female	56	89	77	32%	35%	13%
	Male	121	165	119	68%	65%	9%
Workers	Female	109	137	85	12%	12%	15%
	Male	828	1,022	665	88%	88%	50%
Total	Female	488	695	576	25%	28%	30%
	Male	1,432	1,763	1,323	75%	72%	70%

Training

WORKFORCE

Average annual temporary workforce	2153	3025	3,107
------------------------------------	------	------	-------

Breakdown of employees by contract

Permanent	11555	11,405
Fixed Term	899	974

Report of Independent Third Party

Independent third party's report on consolidated non-financial statement presented in the management report

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement conforming to legal and regulatory dispositions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of these policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement or available online.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation or on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000.

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;

- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and validate the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For the risk related to addressing climate change, our work was carried out on the consolidating entity. For the others risks, our work was carried out on the consolidating entity and on a selection of subsidiary entities: GEFCO France, GEFCO UK, GEFCO Slovakia;
- we obtained an understanding of the internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important as presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of the data trends;

- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covered between 30% and 45% of the consolidated data selected for these tests (33% workforce and 45% GHG emissions);

- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of four people and took place between September 2019 and February 2020 on a total duration of intervention of about eight weeks.

We conducted more than ten interviews with the persons responsible for the preparation of the Statement, including in particular the risk management, human resources, health and safety, environment, and procurement departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comment

Without modifying the conclusion expressed above and in compliance with the dispositions of Article A. 225-3 of the French Commercial Code, we have the following comment:

- The calculation of avoided CO₂ emissions covers only the actions implemented at the level of the consolidating entity, without taking into account the actions implemented directly by the subsidiaries.

Paris-La Défense, 9 March 2020

French original signed by:
Independent third party

ERNST & YOUNG et Associés

Partner

Jean-François Bélorgey

Executive Director, Sustainable Development

Philippe Aubain

Appendix 1: The most important information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Social information	
<ul style="list-style-type: none"> ■ Voluntary turnover rate (%) ■ Frequency Rate and Severity Rate of occupational accidents (nb/million worked hours) 	<ul style="list-style-type: none"> ■ Employee engagement ■ Remuneration ■ Health and safety (preventive actions)
Environmental information	
<ul style="list-style-type: none"> ■ Avoided CO₂ emission ratio (%) 	<ul style="list-style-type: none"> ■ Climate change (significant emission areas of the activities, measures taken and reduction objectives)
Societal information	
–	<ul style="list-style-type: none"> ■ Subcontracting and suppliers (social and environmental issues)

GEFCARES

2019 saw GEFCO launch of its first endowment fund, GEFCARES, designed to bring human, financial and material support to charitable organisations, and reflecting the Infinite Proximity culture that drives GEFCO Group's partnerships.

- Launched in February, GEFCARES supported four well-known French and international charities in 2019:
- **Restaurants from the Heart** – founded in France in 1985 to provide free meals to struggling individuals and families, while supporting their social and economic integration.
- **The Women's Palace** – founded by the French Salvation Army in 1926 to prevent the social exclusion of women by providing long-term housing and assistance, integrated with workplace.
- **The Togolese Children's Charity** – a Togolese NGO founded in 2008 to support underprivileged children, widows and families in Lomé, the capital city, through educational and work access programmes.
- **Institute of Engagement** – founded in 2012 to help 3,000 young volunteers pursue their plans for the future. The programme also provides comprehensive mentoring to help 700 other individuals achieve their professional goals.

GEFCARES will support these charities throughout the year, by providing project funding, mobilizing volunteers to help carry out their missions or managing logistics for their sites.

This assistance complements the humanitarian work already undertaken on a local basis in most of the countries where GEFCO operates.

The main purpose of the GEFCO endowment fund is to raise funds and redistribute them to partner associations. These funds are raised mainly by employees, although clients and suppliers are also involved, in line with the group's partnership approach.



Top left: Restaurants from the Heart; bottom left: The Togolese Children's Charity; Right: Vincent Gerbet for the Women's Palace, Adobe Stock.

For more information, contact:

GEFCO
20-22 rue Jean Jaurès
92815 Puteaux Cedex, France
+33 (0)1 49 05 21 21

