



**GEFCO
Corporate Social
Responsibility
Report**

2018



Partners, unlimited



As an organisation, GEFCO's choices and actions have a profound effect on our partners, our employees, and on the environment. We can help shape territories, strengthen local economies, and make a positive difference throughout the world."

Luc Nadal
CEO



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Summary
section

GEFCO

Partners, unlimited



I am delighted and very proud to welcome you to our 2018 Report at the conclusion of a year that saw GEFCO deepen its CSR sophistication and policies, and at the same time accelerate its actions.”

1. Introductory Message Luc Nadal, CEO



As a global supply chain expert responsible for the transport of 30 million tonnes of cargo and over 5 million cars every year, we take CSR and sustainability very seriously.

Our position as a supply chain partner gives GEFCO significant reach across industrial sectors, across continents, and across our customers’ value chains. The consequence of this is that as an organisation, our choices and actions have a profound effect on our partners, our employees, and on the environment. We can help shape territories, strengthen local economies, and make a positive difference throughout the world.

I am delighted and very proud to welcome you to our 2018 Report at the conclusion of a year that saw GEFCO deepen its CSR sophistication and policies, and at the same time accelerate its actions.

To broadly summarise our achievements, the company succeeded in improving on the majority of its sustainable reporting metrics compared to last year. I hope you enjoy exploring these in greater depth. A few highlights were of particular note, and worth drawing out here.

Firstly, GEFCO achieved a 2% avoidance of carbon emissions relating to transport thanks to specific actions undertaken in 2018. This is the second consecutive year that we have set this challenging target and we are delighted to have reached it again.

To broadly summarise our achievements, the company succeeded in improving on the majority of its sustainable reporting metrics compared to last year.

I was very pleased with our second global employee survey which saw a 10-point uplift in engagement against 2016, receiving an impressive 82% participation rate and providing insights that will help us continually improve our workplace. On the theme of employee engagement, we also saw the launch of *GEFCO University*, our ambitious internal learning and development platform.

Our independent external adjudicators were also consistent with their ever more demanding appraisals, with the company attaining Gold level from EcoVadis, and a grade of B from CDP climate change. As we continue to develop our plans in the coming years we expect to see these scores soon rise further.

Some of the more significant changes we undertook this year will take time to reach fruition as we put in place robust structures for long-term improvement, particularly in the field of innovation for which 2018 was a truly transformative period, and included the launch of GEFCO’s *Innovation Factory* – a new project specifically created for the cultivation of new ideas and initiatives.

Manufacturing supply chains have undergone enormous change over the past decade in response to newly available technologies, and indeed all of the world’s technology megatrends have implications in our industry: from big data, blockchain and the sharing economy, to climate change and the shifting energy mix. Innovation has become an explicit goal of the company, with machinery now in place to foster its growth at every level of the organisation. I am very excited to watch the growth of new, efficient and environmentally friendly ways for us to meet our customers’ needs.

Some of the more significant changes we undertook this year will take time to reach fruition... particularly in the field of innovation for which 2018 was a truly transformative period.

Finally I would like to reaffirm GEFCO’s commitment to the United Nations Global Compact principles, to which we were first a signatory ten years ago, and which we continue to uphold today.

To all of our employees, customers and partners, I say thank you for your continued commitment to our values, and for all the hard work that has made these changes possible.

Luc Nadal
CEO

Founded in
1949

#1

in European Finished
Vehicle Logistics



5m+

vehicles delivered
per year



Global leader in
industrial logistics

€4.6bn

turnover for 2018



13,000

employees



93

nationalities

Direct presence in

47

countries, and

5

continents

Covering

106

countries, and

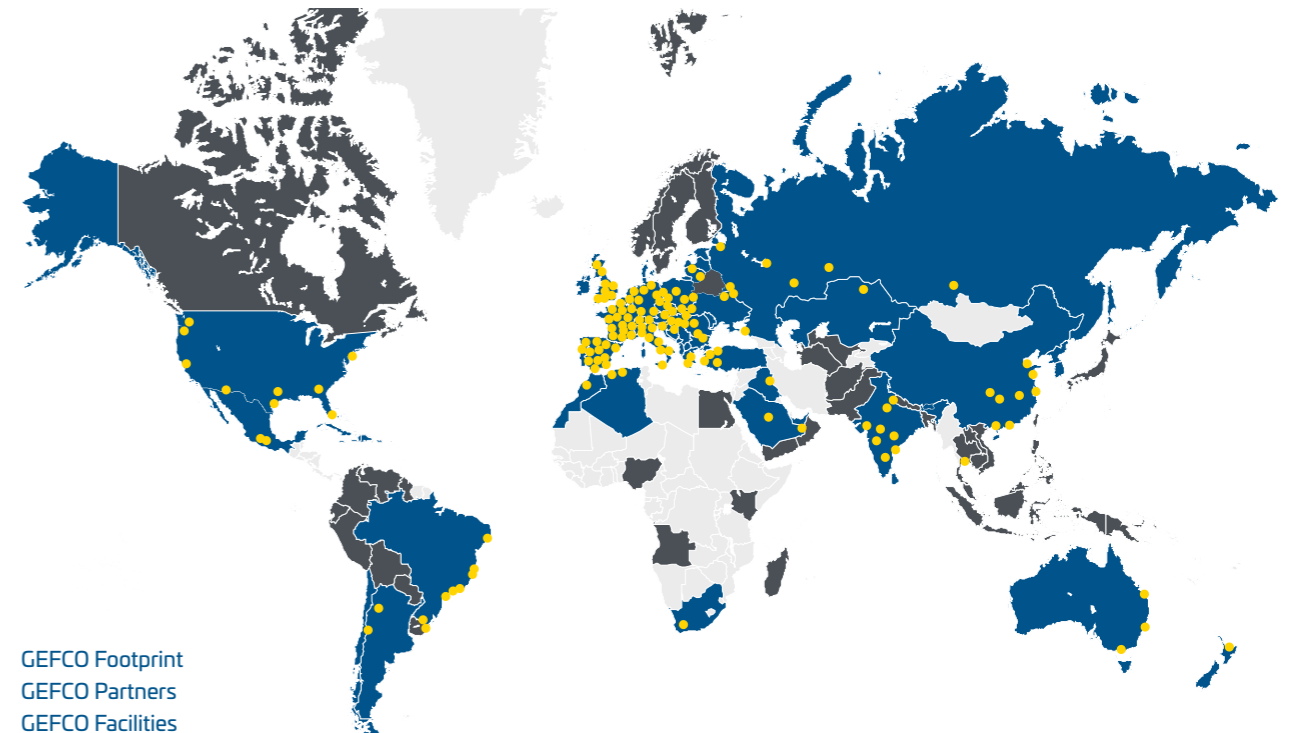
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locations

2. About GEFCO

GEFCO is the European leader in automotive logistics and one of the top 10 global players in multimodal supply chain solutions. Building on 70 years of expertise and our 13,000 employees, GEFCO designs innovative and flexible solutions to meet the most complex supply chain challenges in all industry sectors.

GEFCO's goal is not solely to reduce its customers' supply chain costs through network effects and flow optimisation - our primary objective is to help them become more efficient and more resilient. The company's ultimate role is to ensure its customers' production and supply chains run smoothly under any and all circumstances. GEFCO is able to deliver on unexpected client requirements globally, through time-critical solutions leveraging the Group's global, multimodal and integrated network.



Automotive Leader

With 70 years of experience, GEFCO is the world expert in all aspects of automotive logistics. GEFCO Group is Europe's leading mover of finished vehicles, with over 5 million vehicles delivered around the world each year, serving all major car manufacturing brands. This leading position has been cemented by our dedicated global network, ownership of Europe's largest specialised railcar fleet, and our full range of integrated services. In addition to the above manufacturers GEFCO works with a wide range of associated customers within the automotive sector including: tier one suppliers, motorcycle

companies, dealers and importers, fleet managers and auctioneers.

Applying expertise to other business sectors

Logistics within the automotive sector is amongst the most complex in the world with huge numbers of parts moving long distances, and tight assembly schedules with no room for error. Levering this expertise in managing such complex supply chains, the company has successfully expanded its competencies into other complex sectors such as heavy industry, pharmaceuticals, engineering and technology.

Deep relationships

GEFCO's history as a PSA subsidiary positions us closer to our customers than any other logistics provider. This deep understanding and cooperation allows us to find solutions and processes that create both savings and efficiencies, turning a supply chain into a value chain. The benefit of these deep partnerships is evidenced by the lengths of our relationships with the average age of our global accounts being over ten years.

Global, multimodal transport

GEFCO's transportation offering is centred around four core freight solutions: Road, Rail, Air and Sea. Being multimodal, and adept at integration, GEFCO can find solutions to suit whatever time, cost, payload, or emissions requirements our customers desire.

GEFCO's network spans 300 destinations worldwide supported by 113 automotive compounds, 185 air and sea offices and 57 rail terminals, operated either directly (47 countries) or through relationships with local partners (59 additional countries).

Asset-light

The company is deliberately asset-light, choosing to own and invest in strategically important assets (such as car compounds, railcars and IT) only when they convey a competitive advantage and/or increase our flexibility. With this asset-light model, GEFCO has a small fixed-cost and a large variable-cost component making it more resilient over business cycles. Instead of owning all of its transportation assets, the company relies on flexible third-party carriers. On a daily basis, we have access to between up to 14,000 trucks despite only currently owning 850, and 314 facilities of which only 14% are owned.

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, and 1 employee representative.

Below the Supervisory Board, GEFCO is governed by a Management Board (5 members) and an Executive Committee (14 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.

The company's operations are split into four operating segments:

- GEFCO Finished Vehicles Logistics (FVL)
- GEFCO Overland & Contract Logistics (OVL)
- GEFCO Air & Sea
- GEFCO Industrial Services

Value Creation

FINANCIAL CAPITAL

- €291.7m Equity

OPERATIONS CAPITAL

- €79m Capital Investment

HUMAN CAPITAL

- 13,000 Employees
- 3,000 Temps
- €533m Payroll
- 14% engineers and managers
- 15% of employees trained to Health & Safety

ENVIRONMENT CAPITAL

- 180m litres water consumption
- 47m kwh electricity consumption

SOCIETAL CAPITAL

- InLand: 2550 regular carriers with €1200m spent

Direct operations in 47 countries



Partners, unlimited™ to build trust and design long lasting cooperations, managing end to end logistics and supply chain.

FINANCIAL CAPITAL

- Recurring EBIT: €160m +15%
- GLT acquisition

OPERATIONS CAPITAL

- 2018: €4.6bn Sales
- Top 10 Global customers: €500m sales
- PSA Provider of the year
- Launch of the *Innovation Factory*

HUMAN CAPITAL

- 2458 new hires, all permanent
- Happy trainees WorldWide label awarded
- 82% of accidents and near-misses analyzed
- PULSE 82% participation; +10% in engagement rate vs.2016
- Launch of *GEFCO University*

ENVIRONMENT CAPITAL

- T 2 M CO₂ (all scopes): 2% avoided every year
- CDP climate change ranking B
- CDP Water ranking C (1st assessment)
- Photovoltaic manufacture in Switzerland: 5m kwh produced
- 69% waste recovery

SOCIETAL CAPITAL

- 100% Managers trained in compliance and anti trust
- EcoVadis Gold level achieved
- 1478 carriers have signed the charter (76% of regular flow spend)
- 55 Employees volunteering in Institut de l'Engagement, in France

GEFCO's strategy to capture growth

The Group's growth strategy is focused on five pillars, which reflect a continuation of the approach that has proven successful for driving the Group's above market growth over recent years.

Become the global leader in FVL

The Group is Europe's largest provider of finished vehicle logistics services and aims to expand this leadership position by capitalising on the strength and breadth of its capabilities, as well as through effective utilisation of highly specialised assets such as compounds and railcars.

The Group is unique in its ability to offer 3PL and 4PL capabilities, integrating both inbound and outbound supply chains globally, while also offering value added services. Through leveraging its assets, expertise and deep customer relationships with some of the world's largest OEMs, as well as expanding its service offering and geographic presence, the Group endeavours to become the global leader in FVL while outperforming the European market.

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, spare parts, reusable packaging, etc.

The Group will continue to utilise existing relationships to drive cross-selling of outbound, inbound and value-added services, thereby becoming more deeply embedded in the customer value chain.

Further develop second-hand vehicle logistics and services

Today, the Group's business is focused primarily on logistics flows for new vehicles, ranging from finished vehicle delivery to dealerships, to inbound logistics for components. In this market, revenue is generated predominantly from transportation services, with the remainder coming from value-added services.

In order to capture a larger share of the overall FVL market, the Group is taking steps to broaden its services and capabilities beyond the new vehicle market. Specifically, the Group is seeking to position itself as the key provider of services for the "Car as a Customer" market, which includes (i) all secondary (used car) market transactions as well as (ii) all services provided to a car during its life from the first owner to scrap.

Grow non-auto verticals by leveraging existing expertise

Since 2012 the Group has leveraged the know-how developed while serving the demanding and complex automotive industry, to expand into industries with similarly complex supply chain and logistics requirements.

The Group utilises expertise built in automotive supply chains as well as the strong backbone provided by its network to develop its non-automotive offerings

Continue developing new geographies and trade lanes

The Group has historically expanded mostly through organic means by following its customers in the expansion of their supply chains. New countries and lanes have been opened when specific client demands were expressed. The group will continue expanding internationally through both, existing and prospect customers, especially in fast-growing countries

Consolidation platform for selective M&A

The Group sees a clear opportunity to develop inorganically thanks to its strong balance sheet, providing the financial capacity for such acquisitions. The Group has a two-pronged, selected approach to inorganic growth, the first being a specific focus on FVL, where the Group will look at companies which make strategic sense and create value, the second being, on a more opportunistic basis, for other segments where the target brings either a new geography or a new technology or capability to the Group.

Harness innovation as an accelerator

The Group understands that innovation will play a key role in the success of logistics companies given the increasingly rapid changes in customers' supply chains and increasing demand for adaptability for logistics providers. To seize new opportunities, GEFCO is partnering with Techstars, an international accelerator to leverage new technologies with bright start-ups. In addition, the Group has set up a dedicated internal organisation focused on innovation with, an in-house incubator called GEFCO Innovation Factory.



3. Major Trends in our Industry

As a global supply chain partner with particular expertise in automotive logistics, GEFCO is at the confluence of two industries undergoing very significant changes. These changes are being driven from all sides, with push from regulators and governments alongside pull from customers and consumers. GEFCO is taking a proactive stance to anticipating these changes, turning potential risks into opportunities.

Happily, the direction of change in both the logistics and automotive sectors is towards a more environmentally sustainable future. GEFCO sees its future at the heart of this new paradigm, and is adopting a strategic stance, alongside its partners and customers, to forge a successful new path.

Logistics – Digitalisation, AI, Multimodal

Digitalisation has already made huge strides in the logistics industry, with routing, loading, and tracking systems making enormous savings in cost and carbon compared to a decade ago. More gains are approaching, some requiring further R&D or regulatory approval, and some entering the market already.

New technologies such as autonomous trucks and platooning systems (multiple trucks driven in close convoy) are in rapid development and should yield significant emissions savings. Other trends are closer to implementation such as the advent of "Supply Chain 4.0" where products are shipped before an order is placed according to predictive algorithms, then rerouted in transit to the correct customer reducing delivery time to a few hours.

GEFCO integrates these tools into its offering as they mature. Our customers want and expect them: big data applied to optimise flows, Internet of Things technology to trace their shipments, 3D printing for specific parts, and drones for automatic warehouse stock checks.

Automotive technology – Hybrid vehicles, Electric vehicles, Connected vehicles

One of the biggest macro trends within the automotive sector is towards new powertrains, as a result of consumer desires as well as regulatory demands. Every major manufacturer now offers electric vehicles, and many have announced plans to phase out purely internal combustion engines.

Both hybrids and electric vehicles alter supply chains, with hybrid engines needing many additional components, and electric engines requiring new components such as batteries which are often sourced from further away. The ever-increasing connectivity of vehicles is also increasing the complexity and diversity of suppliers. The sum effect is a logistical upheaval for the traditional major OEMs, who are looking for efficient means to match their manufacturing schedules.

Happily, the direction of change in both the logistics and automotive sectors is towards a more environmentally sustainable future.

Consumer trends – Shared mobility, Autonomous vehicles

Shared Mobility is already emerging as an offering and is a trend that we expect to continue. Lower rates of vehicle ownership combined with higher rates of individual car usage will have beneficial effects on the decarbonisation of the transport sector.

Looking further into the future, autonomous vehicles could change the way that customers take delivery of cars, with as yet unknown logistical challenges and solutions.

This new era of personal vehicle usage will require significant adjustments to the related servicing and upkeep of vehicles. GEFCO is extremely well placed to support these major shifts in the industry, and is already piloting schemes to ensure it plays a major role in this new paradigm.

Climate change and air quality regulation

With more than 20% of global CO₂ emissions coming from transport, strong regulation has helped to drive the industry towards better standards. On European roads, manufacturers are expected to ensure that zero and low-emission vehicles make up 20% of sales by 2030, with the first electrified trucks already entering the market. In the air, the CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) initiative for aviation will require industry growth to be carbon neutral between 2027 and 2050. And at sea, the IMO (International Maritime Organisation) has put in place regulation to achieve significant reductions in Sulphur emission from the beginning of 2020.

Customers and climate

Like GEFCO, our customers are themselves responding to the challenges of operating responsibility and the desires of their consumers. Alongside increases in the number of requests for GEFCO's CSR credentials (EcoVadis, CDP (Carbon Disclosure Project)), we have also seen increased requests for GEFCO to assist in the lowering of our customers emissions by the streamlining of their supply chains. The Science Based Targets initiative (a partnership between CDP, UN Global Compact, WRI (World Resources Institute) and WWF to advise companies on their emissions) has also gained significant traction in recent years with 84 of our customers (representing 37% of GEFCO's transport emissions) engaged with the project.



Building on the foundations laid last year, we are continuing to accelerate our company's competence and maturity in the area, we are bringing CSR matters into the central functions of the business, and we are pursuing our goal of a leadership position in sustainability and responsibility.



Stephane Milhet
Executive Vice-President,
People & Change



Susan Marro
Executive Vice-President,
Communications



Emmanuel Cheremetinski
Executive Vice-President,
FVL, Overland & Contract Logistics,
Industrial Services

4. GEFCO Approach to CSR

GEFCO has been working hard on developing its approach to sustainability for the past seven years. The last two years have seen a significant acceleration in that regard with concomitant engagement of the Executive Committee.

In addition to our internal enthusiasm, we have seen increased interest from customers to better understand and improve their emissions and responsible operations.

The company's journey began in 2009 with the first signing of the United Nations Global Compact. CSR reporting began in earnest in 2012, with our first stand-alone CSR report published in 2015. A CSR core team was established in 2017 with the direct oversight of three Executive Committee members: Stephane Milhet (Executive Vice-President, People & Change), Susan Marro (Executive Vice-President, Communications), and Emmanuel Cheremetinski (Executive Vice-President, FVL, Overland & Contract Logistics, Industrial Services).

The CSR core team brought together these board members, under-board managers, and project managers from both operational and support functions, with the goal of studying CSR opportunities and creating and presenting potential actions to the Executive Committee. This group is also directly responsible for putting forward the company's carbon strategy in order to achieve the company's transportation targets and criteria for site emissions.

Once CSR policy is decided at the Executive Committee, the GEFCO Management System department is responsible for creating policy and guidelines for the business lines and monitoring their implementation.

This year saw the company's first materiality and risk analysis performed to analyse and prioritise the many risks facing GEFCO as well as its wider group of stakeholders - social, societal, environmental, governance and innovation related.

This comprehensive approach has been the foundation for a more structured approach to CSR.

External examination and recognition of GEFCO's efforts continued with CDP assessing GEFCO's maturity on carbon emissions management as level B, the second-highest of four grades. In the separate EcoVadis maturity assessment, focusing on labour and human rights, ethics, environment, and sustainable procurement, GEFCO achieved a Gold level, driven by the improving scores in Environment and Sustainable Procurement.

Finally 2018 saw GEFCO undertake a feasibility study into the possibility of a completely carbon neutral strategy, which despite being some distance in the future, is a potentially momentous commitment for a logistics company.

In summary this has been a transformative year for CSR at GEFCO. Building on the foundations laid last year, we are continuing to accelerate our company's competence and maturity in the area, we are bringing CSR matters into the central functions of the business, and we are pursuing our goal of a leadership position in sustainability and responsibility.

5. Infinite Proximity™

Infinite Proximity™ is the core of GEFCO's DNA as an organisation – the shared values and unique mindset that make up our company culture. The concept was the outcome of an 18-month review of our company, which highlighted the importance GEFCO employees, partners and customers place on our close, caring and cooperative working relations.

Infinite Proximity™ is intrinsically linked with CSR – acting responsibly and sustainably is fundamentally aligned with who we are and how we operate.

Infinite Proximity™ in practice...

To promote and reinforce this mindset, GEFCO's 10 principles of Infinite Proximity™ guide our everyday decisions and actions – these range from innovating and exploring to increasing trust and committing to our global network. Every employee

is encouraged to use the principles, and our managers are trained to empower teams towards ever higher standards of service, as well as quality of life through Infinite Proximity™.



Infinite Proximity™

We pursue Infinite Proximity™ for growth and long-term profitability.

We achieve it by being a strong partner, with a flexible and knowledgeable pool of people, a global network, with the ability to innovate and integrate on demand.

This allows us to increase trust, and design long lasting cooperations.

The ten principles



INNOVATE

We believe that any idea must be given a chance

We are equipped with innovative technologies enabling instantaneous global spreading

We implement creative frameworks to stimulate innovation

BECOME INNOVATION ENABLERS



INTEGRATE ON DEMAND

We have a deep knowledge of GEFCO's capabilities

We assemble our resources to find the solution for each client

PROVIDE THE GEFCO SMART SOLUTION



INCREASE TRUST

We care for our ecosystem

We constantly measure and improve
We nurture a true dialogue

EARN TRUST EVERYDAY



DESIGN LASTING COOPERATIONS

We are always one step ahead

The quickest way is not the only way
We maximize GEFCO's presence

CHALLENGE THE EASY WAY



EXPLORE

We go out
We invest time
We experience

OPEN OUR SPACE



INFINITE PROXIMITY™

We multiply touchpoints (people & digital channels)

We create situations & experiences to progress together

BUILD CLOSE CONNECTIONS



GROWTH & LONG-TERM PROFITABILITY

We prioritize partners sharing a win-win and long term approach

We create long term value for us and our partners

CO-CREATE VALUE



STRONG PARTNER

We develop our partners

We rely on them to grow

NURTURE OUR ECOSYSTEM



FLEXIBLE & KNOWLEDGEABLE POOL OF PEOPLE

We share knowledge to nurture excellence

We enable professional development along with personal fulfillment

We promote joint-agility and co-building

GROW TOGETHER



COMMITMENT TO A GLOBAL NETWORK

With our diversity, we perform as a network

We act as one GEFCO team for each of our clients

We respect our common culture

ACT AS ONE NETWORK

“Our open-mindedness, combined with our ability to listen and learn from our partners, means we always go the extra mile. Our updated branding reflects this, with a new logo and signature. The new yellow box with our brand name represents a window onto the world, while our new signature, *Partners, unlimited™*, expresses our ambition and reaffirms our commitment to our customers and partners.”

Luc Nadal
CEO

6. Partners, unlimited™ and CSR

Partners conveys the cooperative mindset in which GEFCO builds these relationships with all of its ecosystem based on proximity and shared growth. *unlimited* expresses the company's aim of continually pushing back the boundaries in terms of expertise, geographical scope, sustainable growth, creativity, and innovation.

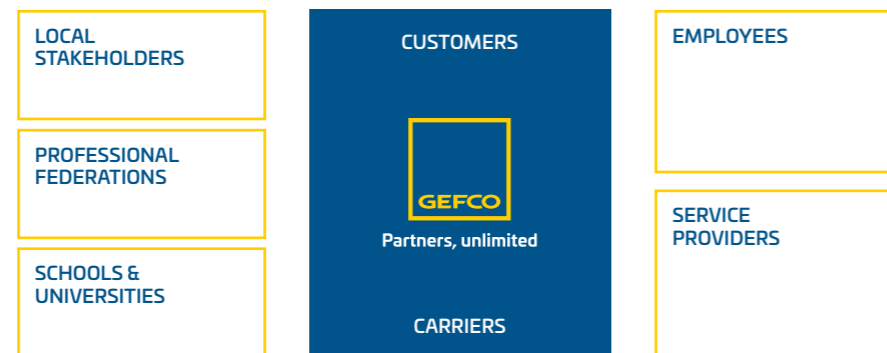
From a CSR context, the *Partners, unlimited™* brand message illustrates the role that GEFCO can play for all of our external partners whether suppliers or customers. Not only are we a designer and provider of 3PL and 4PL logistics solutions, but also a major global contractor of transport capacity allowing the company to have a considerable beneficial effect both up and down the supply chain.

Customers

Our customers expect flow optimisation and efficiencies as a core competence from their logistics provider, and the more that GEFCO can streamline their supply chain, the further their emissions will fall.

GEFCO's position as an integrating provider of complex solutions, rather than an owner of transportation assets, means that our customer's desire for efficiency and emissions reductions is aligned with our own – GEFCO's commercial imperative is always to find the best solution for our customer.

GEFCO's position in the community enables it to have a CSR impact far beyond its own boundaries.



Carriers

As an asset-light logistics provider, GEFCO is responsible for the contracting of 600,000 of tonnes of cargo capacity each week, capable of mobilising up to 14,000 trucks on any one day. We record and analyse the age, fuel consumption, loading rates, mileage for these subcontracted fleets and build these considerations into our contract decision-making. Subcontracted carriers with the most positive evaluations are

given access to customised support. The aim is to encourage all service providers to adopt a continuous improvement approach, to learn from each other, copy successes from each other, and to raise the overall sector's handling of sustainable development issues.



Partners, unlimited™.

In 2018, GEFCO unveiled its new corporate message – **Partners, unlimited™**. The updated branding was the result of a company-wide project to research its core culture, and to better understand what makes the company unique to its customers and partners. In terms of what sets us apart as a company, our customers identified our determination to build long-lasting relationships, earn trust and create value across the supply chain.



07

Materiality & Risk Analysis



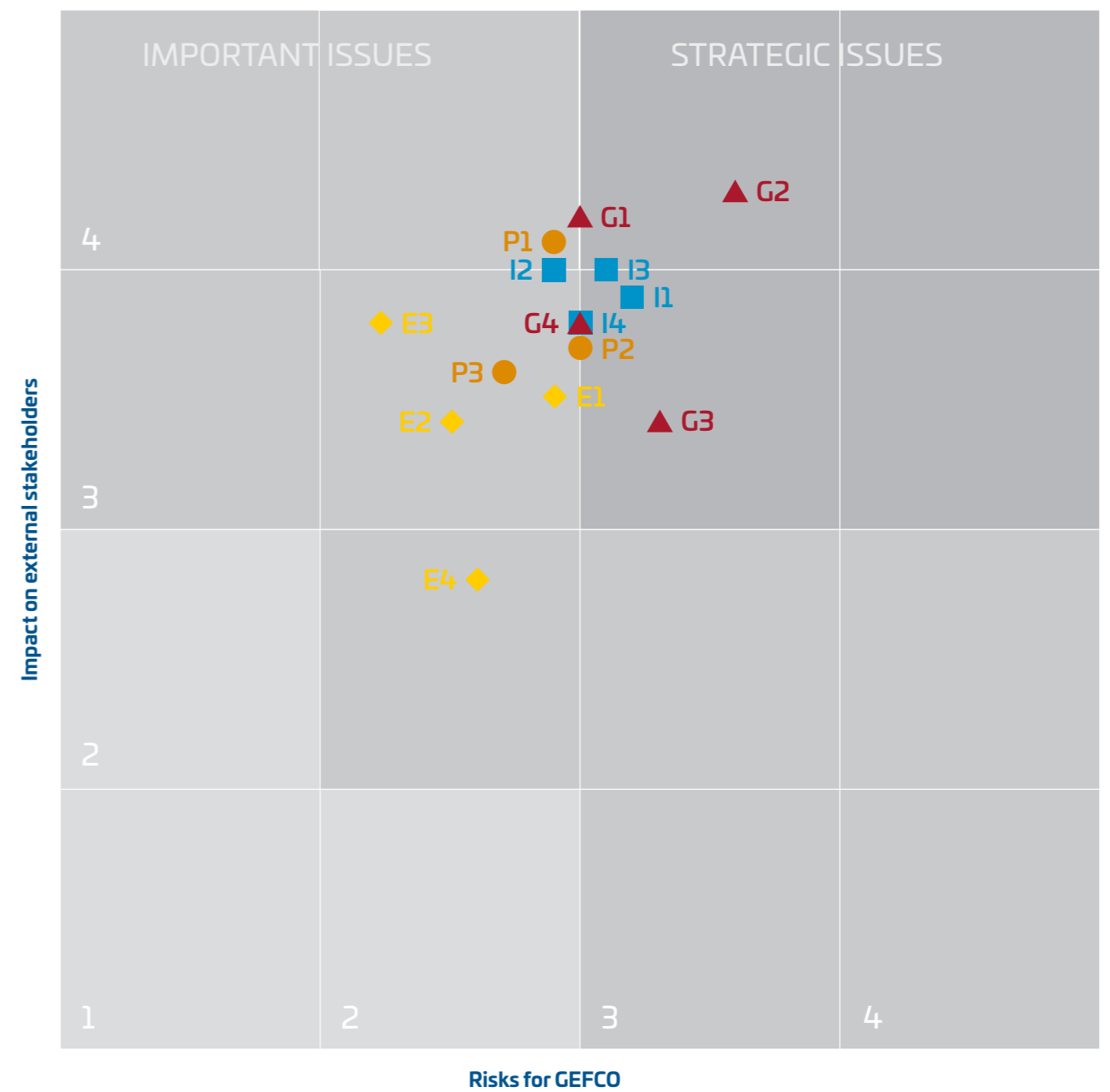
GEFCO risks and materiality matrix

In continuing to accelerate its sophistication and understanding, GEFCO this year undertook a major piece of long-term risk analysis looking at CSR issues not only from our own perspective, but from the perspective of our external stakeholders. The resulting insight forms a basis for approaching and prioritising risks, and for better structuring the company's approach to CSR challenges.

A comprehensive list of risks was assembled and assessed in combination with significant internal and external dialogue. The matrix to the right shows those risks indicated as most relevant to GEFCO and its partners. A fuller description of the methodology as well as a full list of the stakeholders consulted can be found at the end of this report.

With a holistic and quantified view of risk and materiality, GEFCO is able to ensure sufficiently robust policies are in place to address each challenge and keep track of progress in a meaningful way.

Materiality Matrix



INNOVATION

- I1 Digitalisation
- I2 Clean and connected transport
- I3 Flow optimisation
- I4 Multimodal offer

PEOPLE

- P1 Health, safety and working conditions
- P2 Attractiveness, loyalty and employee engagement
- P3 Respect for human rights and duty of care

ENVIRONMENT

- E1 Responsible management of the environment
- E2 Fight against climate change at transport level
- E3 Environmental performance and pollution control at transport level
- E4 Environmental performance and pollution control at the level of the subcontracted fleet

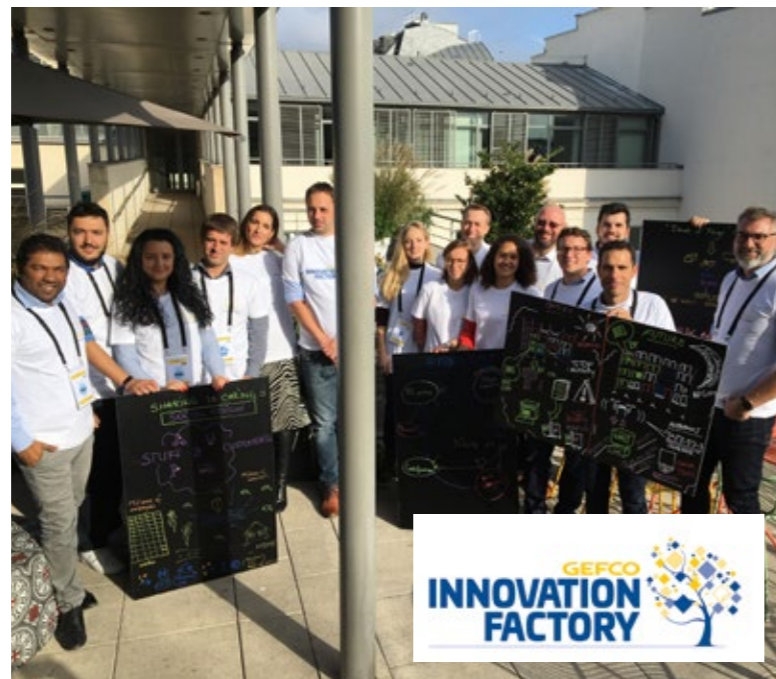
GOVERNANCE

- G1 Stakeholder dialogue
- G2 Business ethics and transparency
- G3 Security of computer data
- G4 Prevention of social, societal and environmental risks



08

Innovation



Innovation at our core

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 extremely hard to place innovation at the core of our company, fostering it at every level of the organisation.

GEFCO's Innovation stance has both internal and external components and is overseen by the Innovation Committee which includes members of the Executive Committee and other GEFCO experts.

Innovation Watch & BI

The Innovation 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. They then develop and test business cases and make recommendations for GEFCO's future strategy.

The Innovation Factory

The Innovation Factory is responsible for nurturing innovation throughout the company, exploring and supporting ideas. Employees can submit their projects and pitch their innovative ideas at any time.

These can apply to any area of GEFCO's business and should follow three principles:

- be aligned with GEFCO's innovation axes
- meet a customer need
- be scalable across the company

The Innovation Committee evaluates the best concepts based on these criteria. The selected teams are then invited to the Innovation Factory, where they benefit from internal expertise, as well as the resources to successfully develop their project.

After carrying out a proof of concept, participants are offered paid leave from their regular job to fully focus on developing their ideas, and where applicable can join the Techstars programme to accelerate their work.

Techstars

In March 2018, GEFCO launched its partnership with Techstars, a global accelerator program with an excellent track record of supporting innovative and ambitious start-ups. Through this partnership GEFCO will be able to:

- collaborate with the most promising start-ups, driving major industry transformations, and working on concrete user cases and disruptive business models
- amplify our own innovation program and Group culture, by incorporating startup methodologies to our workflows
- access a network of talented entrepreneurs, industry and innovation experts

GEFCO is aiming to incorporate at least two projects per year from the Techstars program. We will be integrating the best teams, giving them access to and support from our global network, and supplying real-world use cases and challenges from our customers. We are particularly focusing on: analytics for route optimisation; blockchain applications for paperless electronic services; and the Internet of Things and connected sensors for tracking and operational efficiencies – all long-term growth areas for GEFCO.

Ideas and invention inspire new journeys. Working with our partners, we are inventing solutions to create long-term value for customers. Innovation is driving the future of our business.

Innovation fields & Growth opportunities for GEFCO

IMMEDIATE CHALLENGES

<p>1</p> <p>GEFCO digitalisation</p>	<p>2</p> <p>Asset and flow optimisation</p>	<p>3</p> <p>Production centres</p>
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LONG-TERM BETS

<p>4</p> <p>Car as a customer</p>	<p>5</p> <p>New data services</p>	<p>6</p> <p>Goods and people mobility in mega-cities</p>	<p>7</p> <p>Logistic network inter-connecting in mega-cities</p>
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11 Digitalisation

Offering the most efficient and therefore competitive current services to our customers is impossible without the latest software and tracking solutions. As such, digitalisation is a core competence for the company.

There are also considerable indirect risks to GEFCO in the medium and long term if the business were not taking such a proactive approach to digitalisation. By remaining at the forefront of digital innovation and readiness we greatly increase our attractiveness to potential and current employees, and our competence in the eyes of customers.

Policy

GEFCO's approach to innovation is holistic, indeed it is the first of our Infinite Proximity™ principles, and a culture of innovation is spread throughout the organisation with the *Innovation Factory* at its core.

As regards the challenges of digitalisation, the company is adopting the latest and best off-the-shelf technologies where they cannot be improved, whilst designing its own solutions where more appropriate. In recognition of the need to remain at the cutting edge of digital capability, GEFCO is also partnering

with external innovation hubs such as Techstars to ensure it remains ahead of the competition.

Actions & 2018 Highlights

As with other aspects of GEFCO's Innovation strategy, the company's deliberate approach to digital innovation means that reporting on actions and results is not straightforward. Successful projects might relate to future technologies not yet ready for deployment. Consequently we have given some examples of current initiatives in various stages.

Vehicle compound automation

Car compounds face a binary choice regarding the storage of vehicles in a parking lot – either spaced parking or boxed parking. The former allows for easier access to vehicles, the latter allows for better use of space with the cars packed tightly together.

GEFCO is developing a hybrid concept, by using robots to rearrange the box-parked cars overnight according to the requirements of the next day's shipments. The partnership with Stanley Robotics is currently in development, with testing ongoing at the company's Le Havre site.

3D printing

3D printing is likely to have a huge effect on supply chains, and this has already begun. For tools that can be 3D printed, implementation time and cost are generally reduced by around 90%.

The technology is also extremely beneficial for the environment, reducing waste by limiting production to the exact quantities necessary, and cutting carbon emissions because transport is only usually required for the final kilometre.

Award Winners



My Car Is There
My Car Is There is a new consumer service launched by GEFCO in 2018 which won the Innovation Leader award at Automotive Logistics Europe in June. To meet the needs of consumers increasingly used to ultra-personalised services, My Car Is There allows end-customers to manage and track the door-to-door delivery of their vehicles through a mobile app. The technology has both B2C and B2B applications, and could play a significant role in the used car market as well as within FVL.



Internet of Things Warehouse Tracking
GEFCO received a 2018 World Innovation award for its work on real time global tracking of boxes and pallets. The pilot study using Internet of Things technology allowed boxes to be tracked globally whilst also indicating their precise position at a specific warehouse site. The technology is in the process of commercialisation for roll-out in 2019.



12 Clean and Connected Transport

Incremental efficiency and emission gains have been a function of engineering successes throughout the history of logistics. The industry is currently on the cusp of some defining advances with major disruptive ideas such as electrification and platooning reaching fruition.

Customers are increasingly conscious of their emissions and whilst they are not yet demanding carbon-neutral solutions, they have already asked GEFCO to be ready to provide them in the future. Failure to work pro-actively on these challenges would be an enormous risk to the future competitiveness of the company.

Policy

As mentioned above, GEFCO's policy regarding Innovation is holistic, imbued throughout the company, and centred around the *Innovation Factory*.

Actions & Results

As stated before, the nature of GEFCO's Innovation process means that presenting an exhaustive list of actions is impractical, with a stream of ideas at various stages of development at any one time. Similarly the results achieved by the *Innovation Factory* will not always be easy to quantify, as the process of exploring and developing innovative products necessarily involves trial and error. To the right are some examples from GEFCO's *Innovation Factory* this year, at different stages of development:

Dual trailers

In Spain and the Czech Republic, GEFCO has begun services using double-trailer trucks with lengths of between 25 and 30 metres. These configurations increase loading capacity, and productivity, and reduce CO₂ emissions.

Connected Trucks

In combination with Techstars, GEFCO has been developing its Connected Truck programme throughout 2018 with trials beginning in the Netherlands in November. The live routing software optimises complicated runsheets depending on conditions and communicates in real time with the driver. The project increases visibility of assets and accuracy of arrival times, paving the way for responsive planning. The live adjustments also reduce kilometres driven and CO₂ emissions.

Platooning study

Whilst platooning (2-3 semi-automated trucks travelling in convoy) should offer significant emissions savings, it faces a number of technological and regulatory hurdles before it can be adopted. Nonetheless the GEFCO *Innovation Factory* is working in partnership with truck manufacturers to begin trials in 2019.

In total, the *Innovation Factory* has nine proof of concepts already underway.

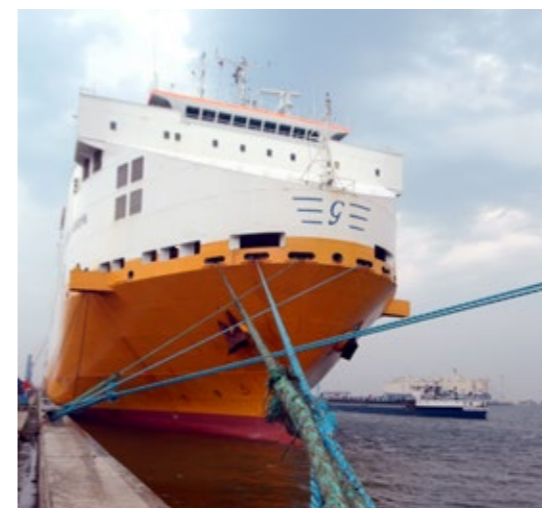
13 Flow optimisation & 14 Multimodal Offer

Flow Optimisation and Multimodal offerings are core business competences for GEFCO with direct commercial implications for competitiveness. Our customers increasingly expect optimisation and multimodal thinking as a matter of course to cut shipping times and delays, and reduce CO₂ emissions. In addition to the optimisation of existing routes, the process includes the examination and creation of possible new lines and geographies.

The consequence of not constantly improving these services would be obvious and immediate – GEFCO would quickly lose competitiveness. Given the close proximity of the two identified risks, they are addressed together in this section.



The development of new transport routes is an important component of optimisation as centres of global production and consumption evolve.



Policy

Flow optimisation and multimodal offerings are central to GEFCO's business and all aspects of the company's operations are fundamentally involved. The potential inputs vary from technical improvements at the *Innovation Factory* to corporate acquisitions in order to open up new routes and capabilities.

Actions

Flow optimisation and multimodal are ongoing processes at GEFCO and are the focus of work within multiple divisions. As such, the efforts undertaken in the year were substantial and varied.

Big Data and AI are also heavily utilised by GEFCO's engineers working in tandem with Microsoft to analyse 525 million groupage lines over a period of 18 months. The process identifies growing trade lanes in Europe and revealed the need for a direct corridor between Spain and Poland without transit through France.

Outside of software, GEFCO's network of depots has been reviewed in order to designate hubs. Our aim is to create corridors between the hubs making it possible to more efficiently group goods thus maximise fill rates.

The development of new transport routes is an important component of optimisation as centres of global production and consumption evolve. GEFCO's newly established Rail Corporate Team has been tasked with creating two new rail routes between Europe and Asia mirroring the development of China's One Belt, One Road initiative. Rail is an important component in multimodal offerings, being ten times cheaper than air transport. Rail also generates only 20% of the emissions of equivalent sea transport and its planning lead times are half as long.

2018 Highlights

Two projects were finalists in the 2018 Automotive Logistics awards: GEFCO's aforementioned Big Data and AI programme for Overland route analysis; and a new generation of optimised rail-wagons with flexible configurations to better cater to the expanding SUV market.

Multimodal switches saved significant carbon emissions such as the transition of an automotive route from Italy to the UK which moved from an overland model, to a combination of rail, road, and sea. The new route reduced carbon emissions by almost 75%.

In Slovakia and Slovenia, rail routes replacing road routes have reduced carbon emissions by between 2.5 and 3 times.

People

009

P1 Health, Safety and Working Conditions

The logistics industry has many inherent risks in the workplace due to the nature of our operations. GEFCO's employees are the backbone of our offering, and their safety and wellbeing are of primary importance to us. In addition to the specific risks of our industry such as road accidents, night shifts and musculo-skeletal disorders, GEFCO is attentive to a full range of other risks that it shares with all organisations including stress and harassment.



Policy

Over the last ten years, GEFCO has worked hard on its safety culture. The Health & Safety policy was re-signed in 2017 by all of the members of the Executive Committee, with the aim of achieving a zero occupational accident or illness rate.

Actions

To achieve our ambitious safety targets, GEFCO focuses on employee training, risk assessment and management involvement. Safety measures and messages are involved in daily, weekly and monthly meetings, and more than 60% of sites undertook new safety measures in 2018 with 80% of these being successfully delivered.

In addition, GEFCO's SMST (Occupational Safety Management System) is deployed in 32 major subsidiaries and focuses management on three key principles: setting an example, constant vigilance, and responsiveness. The company is currently working on an upgrade of Health & Safety Management System following ISO 45001 requirements.

As expanded upon in the Governance section of this report, GEFCO has made risk assessment mandatory within the company. Occupational risk assessments must be conducted annually at each work site and for all activities, whether functional or operational. These risk assessments are based on a process and risk reference document established at Group level. In GEFCO France, occupational risk assessments are carried out with a dedicated IT tool (*Winlassie*) to meet French legal requirements. This tool is also deployed in Belgium, Portugal and Switzerland.

In addition to ensuring the safety of its employees, the company also aims to safeguard the health of its employees. Awareness-raising campaigns are run regularly to encourage healthy lifestyles and provide information on the prevention of certain illnesses and to fight against addiction.

Severity rate: 2018 = 0.27 vs 2017 = 0.3

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
0.47	0.38	0.25	0.34	0.49	0.37	0.31	0.36	0.30	0.43	0.30	0.27

Frequency rate: 2018 = 6.55 vs 2017 = 5.02

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
9.88	7.38	6.94	7.04	8.1	5.38	6.34	5.32	5.28	5.43	5.02	6.55

% of entities having implemented actions to preserve employees' health

Mandatory health checks for all required employees	82%
Vaccination campaigns	23%
Awareness campaigns to improve employees' health	51%
Other actions to improve employees' health	40%

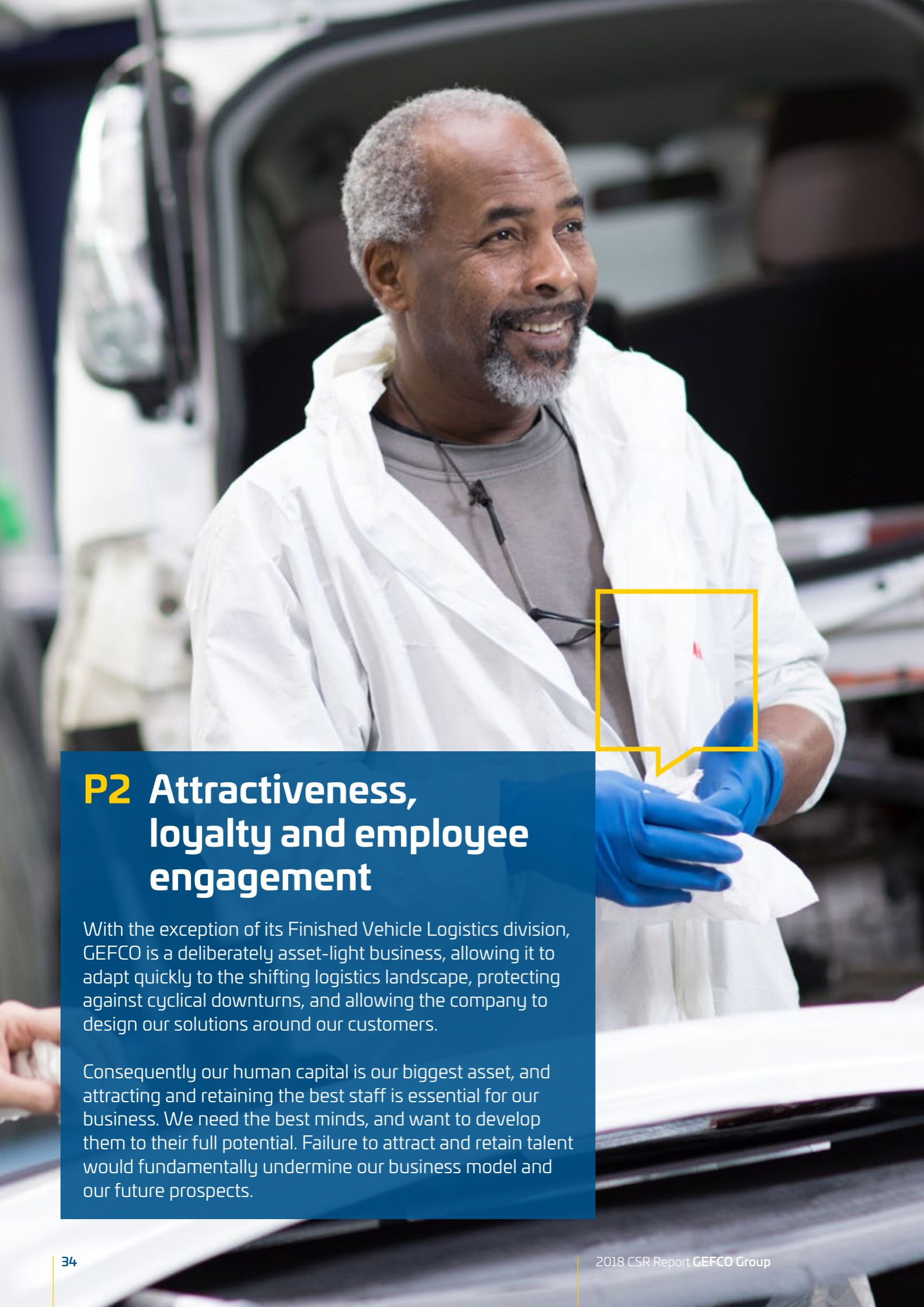
2018 Highlights

In the year to December 2018, GEFCO achieved a frequency rate of 6.55 vs target of 5.0, a Severity Rate of 0.27 vs target of 0.3, and an accident analysis rate of 82 % vs target of 80%. The main source of the rise in frequency rates in 2018 came from Argentina and was a result of local and economic conditions. Dedicated action plans were set up during the year to actively manage the situation.

Through SMST, 127 H&S actions (safety commitments) were decided within the Group: 82% were completed or in progress (compare to 90% of 120 actions in 2017).

Absenteeism average of 2% for 2018 (vs 2.5% end of 2017)

Zone	2017	2018
FRANCE	4.3%	2.9%
CORPORATE	2.8%	2.1%
AMLAT	1.2%	2.1%
CEBAME	2.1%	2.1%
EUROMED	1.8%	1.5%
1520	1%	1.4%
ASOR	0.6%	0.8%



P2 Attractiveness, loyalty and employee engagement

With the exception of its Finished Vehicle Logistics division, GEFCO is a deliberately asset-light business, allowing it to adapt quickly to the shifting logistics landscape, protecting against cyclical downturns, and allowing the company to design our solutions around our customers.

Consequently our human capital is our biggest asset, and attracting and retaining the best staff is essential for our business. We need the best minds, and want to develop them to their full potential. Failure to attract and retain talent would fundamentally undermine our business model and our future prospects.

Policy & Actions

Employee engagement

Listening to the feedback and needs of our employees is a key part of our Infinite Proximity™ culture and we have developed a range of tools for this purpose.

Participation in our most recent “Pulse” employee engagement survey reached 82% of our workforce, with 8,417 of our employees taking the time to answer. The analysis of the results showed a 10% increase in employees who are engaged vs. the previous survey conducted in 2016. In addition, the feedback included considerable appreciation for the existence of such a periodic survey to collect ideas and opinions on how to make GEFCO an even better place to work. Based on these results, a number of action plans will be identified and carried out, at global, local and team level, with the aim of continuously improving our workplace and reinforcing our Infinite Proximity™ culture.

Besides the Pulse survey, other formal engagement tools include the active company intranet, regularly updated displays, and waterfall meetings extending to all geographies. We are also aiming to conduct appraisals for each employee at least once per year: 2% more appraisals were conducted in 2018 than in 2017.

GEFCO is building a culture of innovation which explicitly involves all employees. We are seeking to nurture and explore ideas however big or small, and wherever they originate through the newly launched *Innovation Factory* – proper engagement is a key foundation of this strategy.

Talent acquisition

Our philosophy about Talent Acquisition relies on 4 pillars:

- transparency: to enhance our employee experience and develop internal mobility, we have to give our colleagues access to all our 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 from us 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.

Throughout GEFCO, measures to promote our brand and attract talents have been implemented, especially through participation at job fairs, implementation of more attractive working conditions (retirement plan, health insurance, flexible schedule, home office), the *Happy Trainees* programme, the promotion of GEFCO at universities, and via social networks.

A new intelligence tool for monitoring our recruitment process was initiated in September this year – VISION collates KPI data to ensure that we are fulfilling our recruitment strategy, including:

- time to short-list
- time to hire
- candidate acceptance rate
- source of hires
- % aged positions

2,458

recruitments with permanent contracts in 2018, and

546

fixed terms contracts

Development & Training

Twenty years ago logistics could not be described as a fashionable industry. The situation has changed completely in the last decade as ambitious talents are drawn to the new high-paced world of logistics, enabled by a wave of digitalisation.

GEFCO’s ambition is to develop and enable our employees’ lives by offering a personalised training path, and a career that promotes their competences, creativity and entrepreneurship.

GEFCO University was launched in 2018 and is the centrepiece of our new approach to development. The platform will be available to all employees worldwide by the end of 2019, and offers a programme of blended learning with online, classroom, and community activities. As a company we have also continued our commitment to spend a minimum of 3% of annual budget on training and development, with more than 86,000 hours of training dispensed to 38% of our employees.

In addition to formalised training, GEFCO is also developing a comprehensive mentoring programme at all levels of the company and encourages internal promotion, and international mobility in all of our divisions.

Reward and Recognition

GEFCO has an attractive reward and recognition framework that reflects our performance-based culture underpinned by individual excellence and teamwork.

We aim to offer every employee a fair package based around three Cs:

- **CARING**
Caring for our employees through a fair remuneration and benefits package in line with their competencies and performance
- **CONTRIBUTION**
Rewarding individuals and collective performance
- **COMPETITIVENESS**
Attracting and retaining talents through remuneration based on responsibilities and competitive with local market rates

Performance Management Program

The Performance Management Program is a review process in which GEFCO employees can reflect on their current and future career position during a 1 on 1 meeting with their manager. It addresses our employees’ wishes for career development: satisfaction with work, adequate compensation, work-life balance, training wishes, career plan, mobility requests.

Evaluation is based on IP principles (courage, engagement, trust, customer focused, innovative, driving vision, safe workplace...) and evaluates employee strengths and areas for improvement.

Inclusion and Diversity

Diversity is a basic for GEFCO: we promote gender diversity, 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 Société par Actions Simplifiée (GEFCO France SAS) and GEFCO Société Anonyme (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.

2018 Highlights

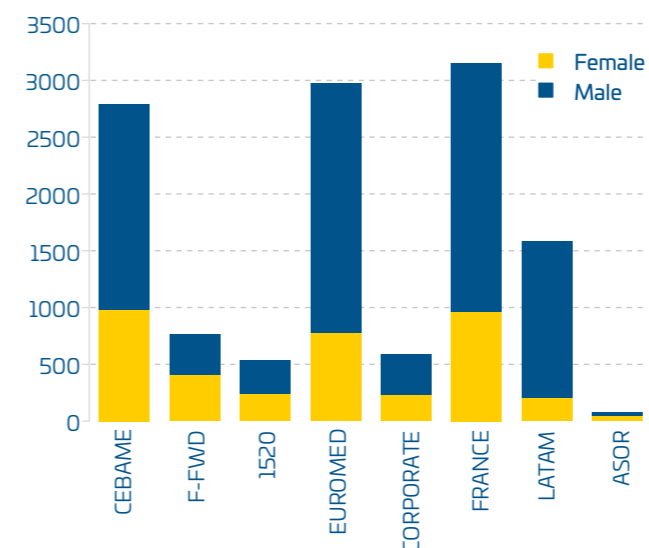
Job turnover: 7.1%

The percentage of our employees with disabilities was 7.6% in 2018 within GEFCO France SAS, compared to 7.1% in 2017. Within GEFCO SA, this percentage raised from 4.2% in 2017 to 5.1% in 2018.

GEFCO University was successfully launched with 43% of the initial cohort connected to the platform at the end of 2018.

Appraisal reviews performed increased by 2% compared to 2017.

Gender equality (excluding internships)



Male/Female headcount by socio-professional category

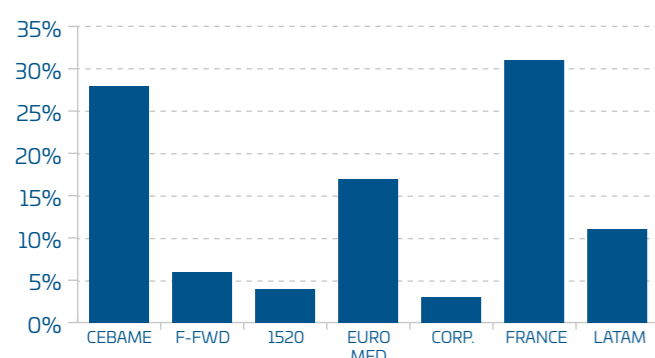
Zone	Female	Male
ETAM	2,807	3,416
Workers	471	4,031
Managers	520	1,209
Total	3,798	8,656

Male/Female recruitments by socio-professional category

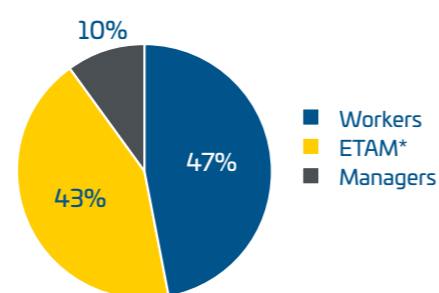
Zone	Female	Male
ETAM	469	576
Workers	137	1,022
Managers	89	165
Total	695	1,763

Only permanent contracts

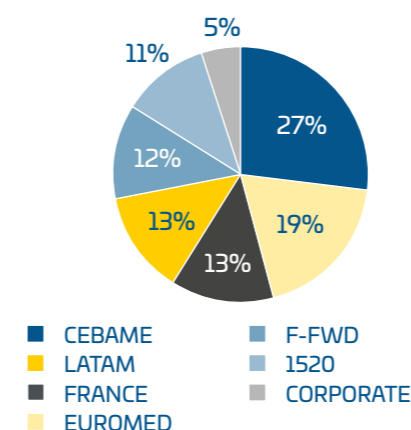
Breakdown of recruitment by geographical zone (%)



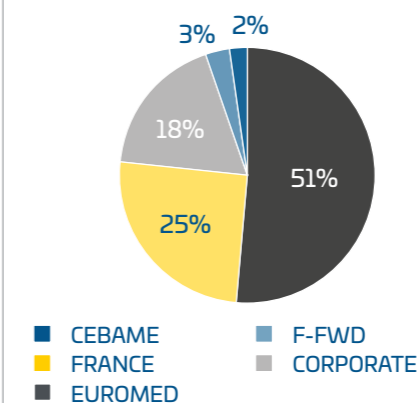
Recruitment by socio-professional category in 2018 (%)



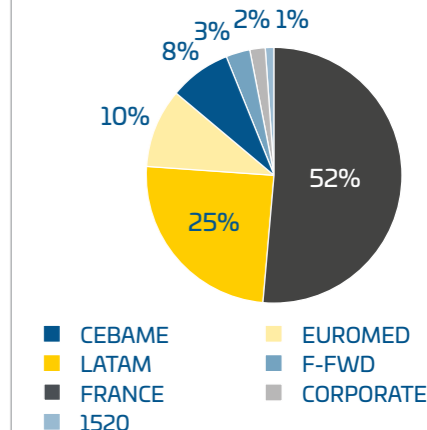
Resignations* Breakdown of resignations by geographical scope (%)



Retirements* Breakdown of retirements by geographical scope (%)



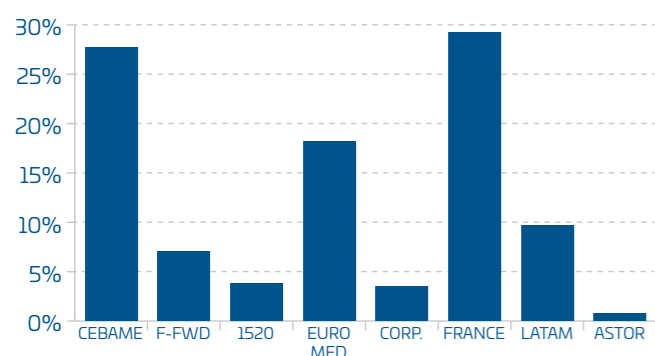
Redundancies* Breakdown of redundancies by geographical scope (%)



* (excluding internships)

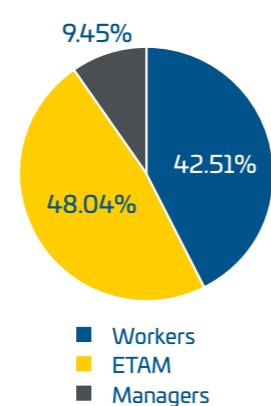
Permanent & fixed-term contracts

Breakdown of recruitments by geographical zone (%)

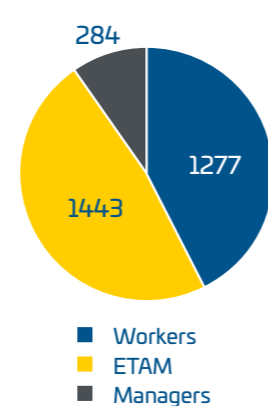


Recruitment by socio-professional category in 2018

By percentage



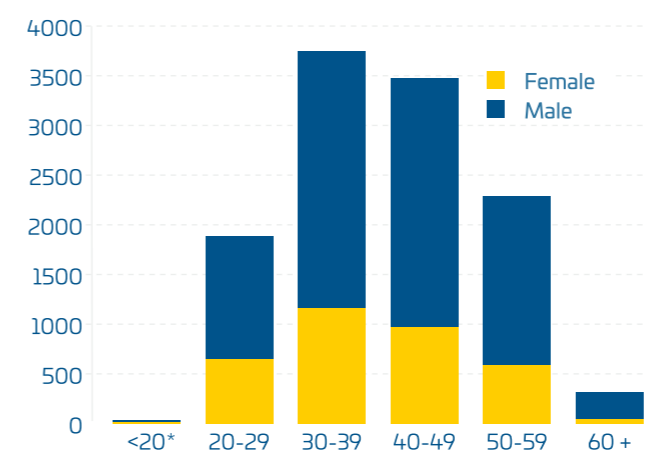
By number of people



*ETAM: Employés, techniciens, agents de maîtrise – clerical, technical and supervisory staff

Distribution age

Male/Female (excluding internships)



* (Male: 15, Female: 3)

Training hours results

86,250 No. of training hours
38% % of trained employees
5.6 Average hours/trainees

Distribution of trainees per domain

Generic for Activities and Support Functions	41%
Communication, Leadership and Management	10%
Internationalisation and Languages	2%
Health and Safety	15%
Expertise for Activities and Support Functions	31%
GEFCO IT systems	1%
Sales and Customer relations	1%



P3 Respect for Human Rights and Duty of Care

With 13,000 employees spread across the world in a range of different socio-political systems and legal jurisdictions, GEFCO must play close attention to Human Rights and its Duty of Care obligations, not only for itself and its subsidiaries, but also for its subcontracted carriers and other suppliers.

Happily, our customers are increasingly diligent with Duty of Care requirements, so our own longstanding efforts are being rewarded. Nonetheless the associated risk of breaching these obligations carries an increasing reputation toll to the business.

Policy

In line with French Law No. 2017-399 of 27 March 2017 on the 'Duty of Care of Parent Companies and Ordering Companies' GEFCO put in place plans to identify risks and prevent serious abuses of human rights and fundamental freedoms, and promote the health and safety of persons and the environment. This was communicated with and applied to subsidiaries, suppliers, service providers and subcontractors and included:

- a cartography of the risks designed to their identification, their analysis and their hierarchisation
- procedures of regular assessment of the situation of the subsidiaries, subcontractors and suppliers with respect to the risks' cartography
- appropriate actions of risk mitigation and prevention of serious breaches

- a mechanism of whistleblowing and collection of information related to the existence or the realisation of risks, implemented with representative trade union organisations within the company
- a follow-up mechanism for the measures taken and assessment of their efficiency.

Risk Mapping

Internal

GEFCO's risk mapping for subsidiaries follows the same process as at Group level with global risk mapping reviewed this year. Local level risk mapping takes place for environment, health and safety, and follows QSE policy. For social dialogue the Pulse survey is used to identify risks and the relevant follow up is in line with local regulations.

For suppliers and sub-contractors

Our supplier classification takes into account both financial and CSR data and scores the companies according to four categories of actions – expand, maintain, improve, reduce. At the end of 2018, around 2500 FVL and OVL carriers had been classified, representing almost 100% of suppliers on the panel. Of this group, currently 55% are on target, that is in expand or maintain categories.

Assessment procedures

Internal

Our subsidiaries are regularly evaluated according to the identified risks associated with them. As such, health and safety is monitored by SMST audits and safety audits which verify the deployment of the Group Management System within entities. In addition, some customers perform their own safety audits. The positive results of these audits reaffirm the effectiveness of the SMST system.

Regarding the environment, audits are performed by the subsidiary GMS managers and the GMS department in addition to the visits and operational audits conducted within the subsidiaries.

As a general rule, the Internal Audit Office conducts audits of the entities to ensure compliance with the standards and regulations in force, covering the issues of remuneration, work organisation, forced labour and child labour, among others, where appropriate.

When preparing the audits, the Audit Office initiates discussions with the main local contact persons so as to adapt the areas audited to the local situation. Where risks have been mapped, the Internal Audit Office incorporates the risk dimension into the choice of areas audited. Questions

concerning human rights and fundamental freedoms may be included in the audit, according to the risk level identified within the subsidiary.

Suppliers and subcontractors

GEFCO's policy towards suppliers is threefold: the Sustainable Procurement Charter, the sustainable development questionnaire, and regular audits. Our suppliers are defined as either Spot Streams (non-recurring one-off solutions) or Regular Flow (reaching a minimum transport flow per month). Currently, only our Regular Flow carriers for road transport are the target of these actions.

The Sustainable Procurement Charter is the cornerstone of our policy. It is a commitment from GEFCO to its carriers (including fair supplier selection; business ethics; corruption; and conflict of interest), and a commitment from suppliers to GEFCO (including compliance with GEFCO's code of ethics; social rules such as basic human rights; health and safety; and preservation of environment). The charter also entails agreement to regular audits to ensure compliance. At the end of 2018, 1,478 service providers in Finished Vehicle Logistics and Overland had signed the charter, representing 76% of regular route flows spending and an increase of 378 signatories compared to 2017.

Referenced suppliers meet GEFCO's criteria in terms of price, quality, performance and needs alignment while also complying with legislation and regulations (countries under embargo, for example). Since 2012, they have been recorded in a CMS tool which lists all services. Carriers have access to this tool and must contractually update their information regarding both the services they provide and proof of their compliance with legislation.



The list of mandatory documents depends upon the service provider's country of origin. Example documents include the carrier's turnover in order to determine its level of dependence on GEFCO, and the breakdown of its fleet in terms of environmental standards and the training levels of its drivers. If a document is not up to date, a notification is sent to both GEFCO and the carrier.

The CMS tool currently ranks service providers according to a range of criteria including financial. For road transport, operational criteria such as the size of the owned fleet and the capacity to computerize processes are included along with two sustainable development criteria: one regarding Euro emission standards, and the other regarding the participation or lack thereof in the sustainable development questionnaire.

The sustainable development questionnaire is the next step after the signature of the charter and is an important pillar of our responsible purchasing policy. It supplements the information taken from the CMS tool and can be used to categorise service providers. It includes questions on possible certification or labels (ISO 14001 and 50001, CO₂ label), on fleet composition, on fuel consumption and fuel alternative, on euro norms distribution, green tyres and deflectors, and also on the supplier's own responsible purchasing.

This year, the questionnaire was sent to 907 carriers representing €793m of transport spending. These suppliers were identified through a combination of turnover and by scoring below target in our supplier classification matrix. The questionnaire received a return rate of 26% or 234 suppliers representing a turnover of 255M € (compared to 155 suppliers in 2017 representing a turnover of 297M €).

In parallel to the signing of the Charter and the sending of the

questionnaire, audits are carried out on service providers. The auditing system includes the verification of data imported into the CMS tool by the service provider, particularly data regarding the age of its owned fleet, eco-driving training courses taken, ISO 14000 or ISO 50001 certifications, consumption tracking and regular awareness-raising among drivers, road safety rules, accident rate monitoring and the implementation of an anti-addiction policy. In 2018, 102 audits were performed with an objective of 72.

Actions to prevent risks and mitigate serious abuses Internal

GEFCO's Code of Ethics makes clear our commitment to enforcing international conventions on human rights, particularly those concerning the fight against child labour, forced labour, freedom of association and the right to collective bargaining, as well as respect for the environment. These commitments are also reflected in GEFCO's membership of the United Nations Global Compact whose 10 principles concern human rights, international labour standards, the environment and the fight against corruption.

GEFCO's governance entails processes across all of our subsidiaries that allow necessary actions to be implemented to avoid breaches of guidelines. Employees are also invited to question the compliance of their actions with the GEFCO Operating Guidelines, the laws and regulations in force, the impacts on stakeholders and their reactions before taking action.

Suppliers and subcontractors

Suppliers and subcontractors are required to regularly update Duty of Care statuses in the CMS alongside audits and business reviews. Depending on their performance a range

Happily, our customers are increasingly diligent with Duty of Care requirements, so our own longstanding efforts are being rewarded.

of outcomes are possible ranging from prioritisation in tender selection and reward fidelity program access, to carriers being banned in some extreme circumstances (such as fraud or substantial quality issues).

Whistleblowing mechanism

At the end of 2016, the GEFCO Group introduced a professional whistleblowing system initially deployed in France and subsequently rolled out in other countries. The mechanism is managed by an external service provider and allows employees to anonymously (or otherwise) report any unethical behaviour that could impact the Group's activity and have far-reaching consequences on its accountability. The system encompasses a wide range of areas:

- finance, accounting, banking and the fight against corruption
- anti-competitive practices
- discrimination and harassment in the workplace
- occupational health and safety
- and environmental protection.

The Ethics Committee, appointed by the Chairman of the Management Board, handles the alerts received. This Committee is composed of two Executive Vice Presidents, the Legal & Compliance Officer and the Compliance Advisor.

Efficacy Assessment Internal

Corporate and local divisions, as well as prevention officers and GMS officers verify the effectiveness of procedures and actions in their day-to-day work. Pooling of best practices allows for improvement and changes to existing processes where necessary across the entire Company. In addition, efficacy is monitored through frequent indicator reports, and the overall success of the processes are evidenced by the good results from the EcoVadis and CDP external reviews.

Suppliers and subcontractors

For carriers, at least twice a year at purchase conventions, data is analysed, and action plans are set for the following year to increase duty of care. In 2018, two meetings were held: in April in Paris and in Warsaw in October.



10

Environment

E1 Responsible Management of the Environment

With 300 sites worldwide, GEFCO has significant responsibilities of stewardship in the regions in which it operates. Careful strategies are employed to proactively manage these sites and ensure that their impact on the environment and on our neighbours is minimalised.

In addition to this operational optimisation, many of our sites and activities carry with them the risk of environmental accidents that would have damaging repercussions for the company in terms of customer relationships, and regulatory penalties.



In total, 16,424 tonnes of waste were generated by the company's activities, 69% of which was recovered or recycled.

Policy

Through its signing of the United Nations Global Compact in 2009, GEFCO has committed to applying a precautionary approach to environmental risks, to promoting environmental responsibility, and to developing and deploying environmentally-friendly technology where applicable. Accordingly, the company has developed a Quality and Environmental Policy that sets out environmental guidelines alongside objectives to monitor progress.

Actions

Within the framework set out by the Quality and Environmental Policy guidelines, and signed by Luc Nadal (CEO), the business divisions are responsible for determining the environmental requirements to be incorporated into their respective processes, overseeing their implementation, and measuring results. At our various subsidiaries around the world GEFCO's managers adopt the same policies and local liaison officers enforce the measures. These site level plans consider local environmental regulations and, where relevant, the requirements of ISO 14001 certification.

Education

A distributed understanding amongst all employees of the importance of environmental protection was specifically identified in GEFCO's guidelines. To fulfil this need, the company has developed easily communicable practices, posters and a hand-out guide for employees.

Individual sites run training courses adapted to their specific challenges and needs, with a particular focus this year on waste sorting.

Water Management

GEFCO's water consumption is largely for domestic purposes with the exception of certain operations within FVL and Reusable Packaging Solutions. Water consumption in the FVL division is primarily driven by vehicle washing processes: either high-pressure hand-held water jets operated by an employee, or automated washing decks which vehicles pass under to be cleaned. Washing decks are installed at 25 sites, 9 of which report on the volumes of water used in washing.

Within reusable packaging water is primarily used for container washing machines, with 4 of the company's 5 machines reporting on water usage. In 2018 more than 6.5m containers were washed using a total of just under 5.5m

litres of water equating to 0.83 litres per container. This was a reduction on the 0.93 litres per container in 2017.

GEFCO's other water usage is primarily due to domestic consumption with 180.3 million litres of water used in 2018. Overall there was an increase on last year due to the incorporation of new sites into our reporting (India and BSM Argentina). However use of water per employee fell from 19m³ to 17m³ in 2018. 87% of the company's total water usage is drawn from the main system with the remaining 13% taken from ground water.

Waste Management

Waste management procedures are drawn up by individual sites under the guidelines of GEFCO's environmental policy. Where local regulations on waste management differ from GEFCO's guidelines (themselves based on French regulations), the more stringent of the two is applied.

GEFCO's innovative reusable packaging solutions alleviate much of the waste burden that would otherwise be generated, but nonetheless the company's aim is to recover as much waste as possible, either through recycling or through other types of waste recovery such as incineration with energy recovery. Information is currently

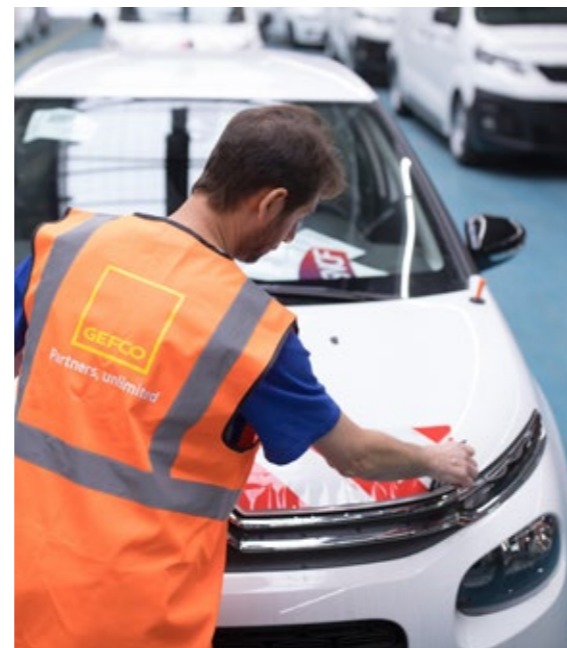
gathered for 185 sites out of the 230 under waste management procedures.

With regard to hazardous waste, the sites mainly produce wet sludge and other types of hazardous waste not specifically identified. The main non-hazardous waste products generated by the sites are paper and cardboard, wood and pallets, and unsorted non-hazardous waste.

In total, 73% of non-hazardous waste is recycled or recovered with almost 100% of bumpers and plastic waste, paper/cardboard and metal waste recycled or recovered. 86% of wood waste and pallets are recycled or recovered, while 63% of glass is recycled.

The resale of waste with a view to its recovery or recycling allows the GEFCO Group to reduce treatment costs by €188,000. As a result, eight of our sites have a positive financial balance for waste management.

In total, 16,424 tonnes of waste were generated by the company's activities, 69% of which was recovered or recycled.



Water Management Tables

Consumption of water per vehicle washed (in litres)

Site	2017	2018
CASABLANCA - TIT MELLIL	37.9	39.8
COURGENAY	42.1	35
KOLIN	189.8	193.1
MARCKOLSHEIM	-	352.1
MERCURIO LIVOURNE	429.2	416.3
PARIS - MARLY LA VILLE - JAURES	183.3	201
SETUBAL - PONTES FVL	24.1	23.5
Average	162.0	201.4

Consumption of water per 'equivalent 60L' container washed (in litres)

Site	2017	2018
MADRID - VILLAVERDE WRP/RPS	9.0	9.6
SOCHAUX - ETUPES FESCHES	0.6	0.6
TRNAVA - ZAVAR WRP	5.3	2.3
VIGO - MOS - WRP/RPS	0.5	0.6
Average	0.9	0.8

Waste Management Tables

Year	Disposal	Recycling	Recovery (excl. Recycling)	Unknown	Total
2018 (t)	3959	9597	1860	1006	16,424
2017 (t)	3453	8317	1849	968	14,588

Year	WEEE*	Batteries	Oils	Wet sludge	Other hazardous waste and toners	Total
2018 (t)	40	41	22	633	895	1631
2017 (t)	12	16	98	512	683	1320

Year	Metallic waste	Paper/cardboard	Bumpers and other plastic waste	Wood/pallets	Glass	Other non-hazardous waste	Unsorted non-hazardous waste	Total
2018 (t)	287	3818	476	3384	39	2406	4383	14,793
2017 (t)	255	3373	581	3290	20	2472	3276	13,268

*WEEE: Waste electrical and electronic equipment

Energy management

GEFCO collects data for energy usage on a site by site basis, enabling comparison and identification of areas for improvement. The real estate team conducts the primary studies, before engaging an external third party to identify energy savings.

47 sites implemented various energy saving initiatives as outlined below. In addition, GEFCO is conducting a progressive replacement of its diesel forklift fleet with electric or LPG vehicles. A number of sites are also assessing the viability of solar panel power generation, with Courgenay now producing its own electricity, with 5m kWh produced in 2018.

Energy reduction initiatives carried out in 2018

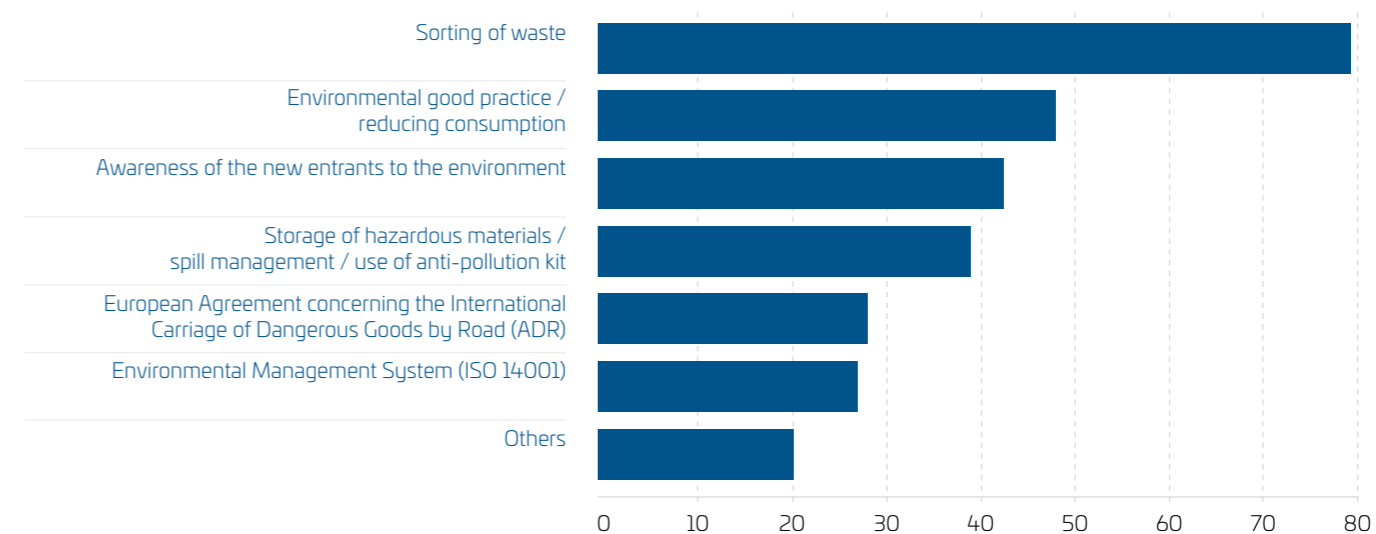
Low energy bulbs	23
Monthly monitoring of energy consumption	19
Improving quality of indoor heating equipment	7
Others	6
Automatic control systems of temperature or lighting	5
Presence sensor	3
Energy performance diagnostics	2

Noise

GEFCO is working hard to reduce the noise pollution at its sites with truck traffic and other activities (fork-lift trucks, compressors, etc.) creating noise nuisances that are disturbing to our neighbours. The company conducts noise reduction actions at sites, such as insulating noisy machinery and limiting delivery operations outside of normal working hours.

Action to reduce noise at sites in 2018	Number of sites
Ensuring machinery, trucks and vehicles meet noise standards	24
Restricting or halting delivery operations outside of normal hours	10
Installation of acoustic doors	9
Others	8
Insulation to reduce neighbourhood noise levels	6
Insulating compressors and other noisy equipment	3

Split of environmental training initiatives for 2018 (110 sites concerned)



2018 Highlights

Gold level EcoVadis score of 64 for 2018, and above sector average.

CDP Climate change B grade for 2018, above sector average.

CDP Water C grade for 2018, the first year in which the study was completed.

45% of GEFCO sites provided training for their teams on environmental issues, with an aggregate of 3,400 hours of training provided.

39 sites engaged in noise reduction activities.

Total 2018 energy consumption of 90,838 MWh PCI compared to 2017 consumption of 86,405 MWh PCI. Consumption of new sites in 2018 was 6,902 MWh PCI.

59 sites ISO 14001 certified.

E2 Fight Against Climate Change at Transport Level

E3 Environmental Performance and Pollution Control at Transport Level

As a global logistics provider, the emissions from our transport activities are a major focus for ourselves and our customers. Aside from the moral obligation to continue seeking to lower our carbon footprint, there is an increasing commercial imperative as our customers expand their own programmes of carbon reduction.

Many of the steps we take to increase efficiencies and reduce emissions also have the effect of reducing cost. Failing to take proactive steps to reduce carbon would create unacceptable medium and long-term risk for both the business and the environment.

Policy

GEFCO has calculated its CO₂ footprint since 2011 using the company's proprietary Castor software tool to track all of our emissions. The same tool is used to communicate CO₂ emissions data to our customers for their own sustainability calculations.

As described in the Innovation section elsewhere in this report, flow optimisation and the company's multimodal offerings play a major role in reduction of emissions relating to transported goods.

Since 2017 GEFCO has tracked the impact of actions in terms of CO₂ reduction, building a ratio of avoided emissions versus the previous year. Both parts of the ratio are expressed in CO₂ tons equivalent.

- Scope: CO₂ emissions relating only to transport activities (scopes 1 and 3)
- Numerator: Avoided emissions in current year. These are mainly gained by the re-engineering of logistics schemes (FVL and OVL engineering offices for transport activities, Sales engineering offices for specific customers, and Procurement requirements for subcontractors to optimise their own flows) and the management of our own fleet as well as subcontracted fleets. Fleet improvements include: fuel consumption reduction, fewer trucks on the road, reduction in mileage, improvement of loading ratio, modal transfer
- Denominator: CO₂ emissions of previous year relating only to transport (scopes 1 and 3)

In 2018 GEFCO achieved a 2% ratio based on our total transport emissions (including scope 3). If degradations occur during the reporting year, they will increase the global emissions and trigger additional efforts the following year to meet at least the same objective of avoided emissions.

Lastly and very significantly, in 2018 GEFCO began a study to validate the feasibility of setting carbon neutrality as a medium-term goal of the company.

Actions

Flow Optimisation / Multimodal
GEFCO's technical engineering department works on optimising our network and routes primarily with the aim of shortening driven kilometres. Translating some road transport into train transport at increased load rates is one priority of this work. The teams also focus on reducing empty return runs for our truck fleet. The introduction of our proprietary CADIS OPTIM software tools has facilitated this process.

CO₂ emission by scope (in %)

Scope	2016	2017	2018
Scope 1 (excl. transport)	0.8	0.9	0.8
Scope 1 Transport	2	1.8	2.1
Scope 2	0.5	0.5	0.7
Scope 3 (excl. transport)	9.9	10.2	10.2
Scope 3 Transport	86.7	86.6	86.1

tonne.kilometres by transport mode (in %)

Transport	2016	2017	2018
Road	50.6	50.7	52.2
Sea	45.1	45.3	43.5
Rail	2.9	2.8	3.4
Air	1.4	1.2	0.9

CO₂ emissions by transport mode (in %)

Transport	2016	2017	2018
Road	71.1%	74.7%	77.7%
Sea	10.4%	9.6%	8.3%
Rail	0.4%	0.4%	0.9%
Air	18.1%	15.3%	13.1%

Aside from planning and routing, GEFCO's strategy works through three avenues to reduce emissions per kilometre driven:

- Training in eco-driving techniques for its fleet drivers
- Replacement of less efficient trucks with newer models meeting Euro 5 or 6 standards
- Improving its truck maintenance programmes

Thanks in large part to these three initiatives, GEFCO's owned fleet within FVL achieved fuel consumption rates of 32.6 litres per 100km, against a figure of 36.6 litres per 100km in 2017 – an 11% saving equating to 570 tonnes of CO₂ for France alone.

GEFCO France has been working with the AFTRAL training organisation since 2016 to train its FVL drivers in eco-driving. Eco-driving creates a smoother driving experience, thereby reducing fuel consumption, and a safer driving style, reducing accident rates. Our goal is to train 100% of FVL drivers at the GEFCO France subsidiary.

In addition to savings from the transport of customer loads, GEFCO also investigated its employee transport emissions relating to commuting. This resulted in the creation of a company mobility plan to reduce the work-related emissions of our employees. This strategy will be implemented in 2019.

2018 Highlights

GEFCO achieved its goal with 2% of emissions avoided compared to 2017.

E4 Environmental Performance and Pollution Control at the Level of the Subcontracted Fleet

One of GEFCO's competitive advantages is its asset-light stance, allowing it to quickly adapt to the changing nature of the logistics landscape. The company is therefore a major subcontractor to third-party carriers, particularly for road transport where it has the capability to deploy up to 14,000 subcontracted trucks per day.

GEFCO must monitor the emissions status of our subcontractors carefully in order to properly calculate carbon costs for ourselves and our customers, and to ensure they are operating safely. This interaction also enables the company to have a positive effect beyond its organisational limits by encouraging third-party carriers to meet our own standards.

Policy

For the subcontracted fleet, environmental performance forms part of GEFCO's supplier assessment. In our CSR questionnaire, suppliers must disclose the average age of the fleet, the Euro standards which they meet, as well as current fuel consumption, loading rates, and kilometres travelled.

Actions & Highlights

In 2018, questionnaires were sent to 907 carriers representing €793m of transport spending. These suppliers were identified through a combination of turnover and by scoring below target in our supplier classification matrix. The questionnaire received a return rate of 26% or 234 suppliers representing a turnover of 255M € (compared to 155 suppliers in 2017).

Alongside the questionnaire, GEFCO's subcontracted carriers are audited including the verification of data imported into the CMS tool by the service provider. In 2018, 102 audits were performed against an objective of 72.



11

Governance





G1 Stakeholder Dialogue

All businesses must communicate with their stakeholders but this process is particularly important for a global logistics provider. Failure in the short term will lead to mistakes and misunderstanding and disappointed customers with dwindling trust; failure in the long-term would lead to missed opportunities for growth as the supply chain industry evolves. A focus on proper dialogue allows GEFCO to remain correctly positioned for the future of our rapidly evolving industry.

The development of new transport routes is an important component of optimisation as centres of global production and consumption evolve.

Policy

GEFCO's central mission statement of Infinite Proximity™ (outlined earlier in this report) aligns exactly with the goal of exceptional Stakeholder Dialogue. As a business, our commercial goal is to become constantly closer to our customers, integrating seamlessly to find and solve all of their supply chain challenges.

Actions

Within the framework of the new ISO 9001 and 14001 standards, GEFCO has mapped its stakeholders and analysed our modes of communication with each to ensure that proper dialogue exists with all of our partners. This gives the company better clarity as regards its level of understanding, and shows where we need to increase dialogue.

Following this, we were able to produce a weighted materiality and risk analysis extending beyond the Company itself and including all of its partners: from our employees and third-party carriers, to our customers and the neighbours of our sites. This process frames our approach to CSR and enables GEFCO to see where its efforts will produce the best results for all of its stakeholders.

2018 Highlights

2nd company-wide *Pulse* survey sent to all employees with a tenure of 3 months or greater. The survey achieved an 82% response rate, 6% higher than the previous survey in 2016.

2018 Satisfaction Survey sent to 3211 customers with 245 respondents or an 8% response rate and an 82% satisfaction rate.

Local stakeholder complaints limited to one incident of noise pollution in the Netherlands for which an internal investigation to find a long-term resolution is underway.

Stakeholders

EMPLOYEES

- Pulse survey
- Legal social dialogue and collective agreements
- Internal communication tools
- Innovation Factory listening
- Annual appraisal interviews
- Group European Works Council
- Labour union participation

CUSTOMERS

- Regular operational interaction
- Commercial reviews
- Innovation reviews
- CSR strategy reviews
- Customer satisfaction survey

CARRIERS

- Responsible purchasing policy
- Sustainable development questionnaire
- Carrier fleet analysis and categorisation
- Recognition fidelity program

LOCAL STAKEHOLDERS

- Local authority interactions
- Residents interaction and feedback/complaint loops
- Complaint reporting
- Local recruitment

OTHER SERVICE PROVIDERS AND SITE SUBCONTRACTORS

- Commercial reviews
- Contractual clauses
- Health & Safety prevention plans
- Maintenance programme

PROFESSIONAL FEDERATIONS

- Transport Unions

SCHOOLS AND UNIVERSITIES

- Outreach programmes





G2 Business Ethics and Transparency

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. Not only must the company itself comply with the many jurisdictions within which it operates, it must also ensure that its customers act in accordance with regulations, and take reasonable steps to check that they are doing so.

Without the reputation gained from a ceaseless commitment to these principles the company would not be able to operate, and would put its relationships with customers, regulators and governments at risk.

Policy

GEFCO's core ethical values are set out in the company's Code of Ethics: a set of commitments to prevent and identify conflicts of interest; to treat suppliers fairly; to prevent insider trading; to promote and ensure we share our ethics with contractors; to respect the international trade control regulations; to exercise fair competition; and to fight corruption and money laundering. In addition to the Code of Ethics, GEFCO has developed a specific anti-corruption policy, and a formal framework for participation in professional associations.

Actions

Anti-Corruption

GEFCO complies with anti-corruption laws and has conducted a corruption risk mapping analysis at group level to fine tune local risks in the many global regions in which it operates. Tier 1 suppliers are required to adhere to a sustainable procurement charter, and to the Group's anti-corruption policy.

GEFCO provides both e-learning and face-to-face training for its employees to identify potential risks, and operates a whistle-blowing programme in tandem with an overseeing internal Ethics Committee.

The company has adopted an anti-corruption policy that sets out and illustrates the different types of behaviour that should be prohibited as grounds for corruption or influence peddling. This policy forms the cornerstone of its anti-corruption compliance programme which also includes other tools provided for by French law such as the implementation of accounting controls and third-party evaluation procedures. The Internal Audit Office ensures compliance with these regulations during audits.

GEFCO's Operating Guidelines require that all transactions must comply with the local legislative and regulatory framework, particularly but not limited to European, American and UN regulations concerning the fight against money laundering and corruption. Every third party and transaction is analysed, with compliance audits regularly conducted. In addition, some undertakings, due to their nature or amount, are subject to prior approval by certain bodies and entities (Supervisory Board, Investment Committee).

Fair competition

Within the framework of the decision issued by the French Competition Authority (ADLC) in December 2015, GEFCO has undertaken a voluntary process to ensure compliance with competition regulations, and has reviewed its internal prevention mechanisms accordingly.

As such, GEFCO's competition law compliance program includes:

- the appointment of a 'Compliance Officer', assisted by a 'Group Compliance Advisor' and 'Compliance advisors' within the French subsidiary, tasked with the implementation of the compliance program
- strict supervision of GEFCO personnel's participation in professional associations
- mandatory training programs

- the dissemination to all employees of a guide to compliance with competition law.

Compliance with international embargoes

GEFCO purchases numerous goods and services as a transport agent with a worldwide presence. The services requested by its customers require the creation of complex logistics plans that may involve the collaboration of several depots or subsidiaries.

These plans often involve transport across different regions and countries with differing regulations. GEFCO has a duty to offer its customers reliable services and thus to comply with legislation as well as possible sanctions applicable to commercial activities in countries under embargo or liable to involve individuals under embargo.

The company has adopted an export control policy including verification procedures for flows according to country, region, transaction, risk concerned. Compliance with these procedures is controlled by the Legal & Compliance Division.

In addition, the *Grat Denied Parties* tool in which transactions are recorded is regularly updated with all information concerning embargoes, sanctions and countries black-listed by the UN, the United States and the European Union. Primarily used by Overland, the tool automatically controls services and blocks suspicious transactions. These alerts are reported to the Group Legal & Compliance Division which investigates the validity of the alert with the operational entities concerned. Depending on the results of the investigation, the information regarding the third parties concerned is updated and the latter assigned to the 'green list' or remain on the 'red list'. In the event that a service is blocked, it is modified or cancelled.

2018 Highlights

All GEFCO Board members were signatories of a new commitment to ensuring that all teams under their direct or indirect responsibility would strictly comply with the company's Operating Guidelines.

230 staff began e-learning courses in Fair Competition policy.

4 alerts have been reviewed by the Ethics Committee in 2018.

Implementation of anti-corruption policy, code of ethics and whistleblowing programme within the subsidiaries.

G3 Security of Computer Data

With a significant amount of data held regarding customers, third-party carriers, employees, and other stakeholders, GEFCO requires a comprehensive approach to its handling of Computer Data.

Corruption, cyberattack or other losses carry a number of significant risks for the company including: interruption of transport activities; fraud against GEFCO or its customers; industrial espionage; and tarnishing of the company's reputation. As all of the company's critical business processes are in some part digital, any significant disruption will affect the quality and cost of our operations with detrimental effects to profitability and customer relationships.

The advent of GDPR this year provided a framework for the protection of personal data, and heightened the risk and potential impact of regulatory non-compliance. Also this year, China made its regulations over the protection of personal data applicable.

Policy

With IT such an essential component of our offering, systems availability is a top priority for the company, without which delays and increased costs are highly likely. GEFCO's entire IT system is resilient by design with several datacenters and redundant network links to mitigate risk and reduce occurrence and duration of any unavailability.

Our customers, suppliers and partners often give us exclusive and confidential information. We act as a trusted partner in handling the confidential information of third parties in accordance with their disclosure requirements and in strict compliance with applicable laws and regulations. Existing IT policy, based on ISO 27002 which defines rules for asset management, access control, privileged accounts, network and interconnections is updated each year. In addition, a charter of use for IT and communication resources is signed by collaborators.

In addition, GEFCO released its new GDPR compliant data policy in 2018, with further details below.

Actions

GEFCO's IT risk mapping is reviewed annually with an associated risk matrix maintained and audited for ISO 9001 compliance. Disaster recovery plans are also reviewed each year with specific scenarios being tested, and penetration tests are performed to limit the possibility of data leaks and denial of service attacks.

The company carries out regular communications campaigns to promote the 10 IT security golden rules and warn about present threats.

GEFCO released its new Data Privacy Policy in April 2018 in advance of the implementation of GDPR on May 25th 2018. Respect for privacy and the importance of protecting personal data is essential for building trust and strong relationships, and a key goal for the company. GEFCO's new Data Privacy Policy adheres strictly to GDPR regulations and articulates our commitment to responsible use of data by ourselves, and our partners.

2018 Data Privacy Policy includes:

- the key principles of personal data processing by GEFCO
- the types of personal data collected and why it is collected
- the use that is made of your personal data
- the means of protection of your personal data
- the ways to secure the transfer of data outside of the European Union
- how you may exercise your rights in relation to your personal data.

The policy and its implementation are overseen by an IT security manager, a compliance advisor, together with a contact in each of the affected subsidiaries.

2018 Highlights

5 sites in Turkey were ISO 27001 certified.

The number and duration of any major IT incidents is monitored by the company, including the number of security incidents.

G4 Prevention of Social, Societal, and Environmental risks

With a workforce of over 13,000 people, and around 300 different sites as well as goods in transit, GEFCO must address risks to its employees and the regions in which it operates. These range from potential chemical spills during transportation to industrial action, and human rights. Beyond these, GEFCO must also consider risks such as occupational illnesses and psychosocial problems.

The effects of such accidents on the business could be widespread and long-lasting, damaging our reputation and the confidence that our customers have in us as an operator.

Policy & Actions

GEFCO has a well-developed policy based around ISO 9001 and ISO 14001 standards, as well as provisions within its Ethical Code to mitigate these risks. These policies were reviewed in 2018 by the Legal Division in collaboration with the Internal Audit Office.

Environmental risk management

Environmental risk management at site level relies upon risk analyses carried out according to a reference system developed at Group level by the GEFCO Management System department. Depending on the typology of a particular site, a list of risks is assembled in combination with assessment criteria to prioritise them. These risks include accidental pollution, industrial effluents and hazardous waste, unintentional releases and damage to biodiversity.

A global building and equipment maintenance program is used to check 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 between sites in order to disseminate best practices.

Social risk management

Risks of accidents, occupational illnesses and psychosocial risks, are identified and assessed for all operational activities, both for existing and upcoming projects. Beyond risks of on-site accidents and road accidents, the list of risks requiring an assessment notably includes risk related to repetitive movements or strenuous postures leading to musculo-skeletal problems, psychosocial risks, and risks related to the use of computer screens. Risks associated with the working environment such as noise, air quality or exposure to strong chemical products must also be assessed as part of our regular maintenance program.

Societal risks

Risks due to suppliers are assessed and managed through the sustainable procurement policy, increasing knowledge of carriers on environmental and social issues. These third parties must fulfil questionnaires assessing environmental factors such as fleet age, and number of road accidents, as well as societal factors such as labour policies and financial stability.

% of entities having implemented the following SMST actions at managerial level

Integrating safety measures in management processes (daily briefings, weekly meetings, monthly meetings, site tour...) and in annual appraisal with employees	45.5%
Training management about their role and responsibility on safety matters	40%
Other safety actions oriented towards managers	25.5%

2018 Highlights

Environmental incidents rose to 285 in 2018, vs 257 in 2017.

61% sites updated their occupational risk assessment.

55% subsidiaries say they conducted occupational risk assessment when they launch new operations (new customers, new sites).

39 sites were audited according to the SMST referential.



REGIONAL SALES DIVISION

MOSCOW SALES DIVISION

12

Methodology

Risk and materiality analysis methodology

In 2018, GEFCO decided to conduct a materiality and risks analysis in order to identify significant environmental, societal and labour issues, in collaboration with its internal and external stakeholders.

To this effect, GEFCO's managers of operational and support functions first carried out an internal analysis of the issues at stake. Based on this analysis, internal stakeholders representing the various departments identified the financial risks, business continuity risks, reputational/image risks and regulatory risks linked to these issues.

A stakeholder mapping exercise identified 13 key external stakeholders for the Company, including representatives of the transportation sector (customers, carriers and professional organisation), other customers and suppliers. These stakeholders were interviewed to assess the impact of the issues on their organisations.

This approach enabled GEFCO to bring its stakeholders' societal, environmental and labour expectations into line with GEFCO's performance drivers. GEFCO's grasp of the issues was also assessed by internal stakeholders. GEFCO thus identified its main risks and opportunities on which policies, actions and monitoring should be implemented.

Reporting Methodology

Scope of social data

In 2018, 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
- 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, 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

2018 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.

The Chinese JVs GEFCO CHONGQING CO, LTD, DONGFENG GEFCO WUHAN LOGISTICS CO, LTD and SHENZHEN MINSHENG GEFCO LOGISTICS (SMGL) CO, LTD not controlled by the Group are not recorded in Vision and do not appear within the scope of the 2018 social data. In sum, and unless otherwise indicated, the 2018 social data solely concerns GEFCO SA and the Group's GEFCO companies.

For HS data not linked to ACCILINE, scope excludes in 2018 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).

*GAS: GEFCO Automotive Services
*GIS: GEFCO Industrial Services



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.

2018 coverage

The report covers the period from 1 November 2017 to 31 October 2018. For the purposes of this campaign, and in addition to the exclusion criteria outlined above, the questionnaire excluded the sites of the Iraq, GEFCO Automotive Services and GEFCO Industrial Services subsidiaries.

All of the excluded sites therefore account for a turnover of €543,658 equating to 10.8% of the Group's consolidated turnover for the period referred to above. 245 sites took part in the 2018 reporting campaign.

As at 31 December 2018, 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).

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.



13

Concordance Table

13. Concordance Table

Non-financial performance declaration

Business model description	Pages	Global Compact Principles
Activities and markets	6-8	
Business environment	6-8; 16	
Organisation and structure	8	
Objectives and strategies for creating value	8-9	
Main trends and factors that could influence GEFCO evolution in the future	10-11	
Risks and opportunities (risk description, policies, actions and results)		
Methodology to identify risks and opportunities	20-21	
Digitalisation	26	All principles
Clean and connected transport	27	
Flow optimisation	28-29	10. Work against corruption in all its forms, including extortion and bribery
Multimodal offer	28-29	
Health, safety and working conditions	32-33	
Attractiveness, loyalty and employee engagement	34-37	
Respect for human rights and duty of care	38-41	All principles
Responsible management of the environment	44-47; 66-68	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
Fight against climate change at transport level	48-49; 66	
Environmental performance and pollution control at transport level	48-49; 66	
Environmental performance and pollution control at the level of the subcontracted fleet	49	
Stakeholder dialogue	52-53; 73	All principles
Business ethics and transparency	54-55	10. Work against corruption in all its forms, including extortion and bribery

Security of computer data	56	
Prevention of social, societal and environmental risks	57; 68	All principles

Specific disclosures

Climate change (contribution and adaptation)	48-49; 66	
Circular economy	45-46; 67-68	
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	53; 73	
Actions to fight against discrimination and promote diversity	36	
Measures taken for the benefit of disabled people	36	
Societal commitments for sustainable development	8; 13-17; 38-41; 76-77	

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

14. Social, Societal and Environmental indicators

Section

Environment	Unit	2016	2017	2018
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CARBON EMISSIONS

CO₂ emission by transport mode

	Unit	2016	2017	2018
Road	%	71.1	74.7	77.7
Sea	%	10.4	9.6	8.3
Rail	%	0.4	0.4	0.9
Air	%	18.1	15.3	13.1

t.km by transport mode (in %)

	Unit	2016	2017	2018
Road	%	50.6	50.7	52.2
Sea	%	45.1	45.3	43.5
Rail	%	2.9	2.8	3.4
Air	%	1.4	1.2	0.9

CO₂ emission by scope (in %)

	Unit	2016	2017	2018
Scope 1 (excl. transport)	%	0.8	0.9	0.8
Scope 1 Transport	%	2.0	1.8	2.1
Scope 2	%	0.5	0.5	0.7
Scope 3 Transport	%	86.7	86.6	86.1
Scope 1 (excl. transport)	%	9.9	10.2	10.2

ENERGY

Energy for buildings

	Unit	2016	2017	2018
Electricity	MWh	47,565	48,011	47,402
District heating	MWh	771	1,406	1,518
Heating Oil	MWh	1,568	1,746	1,931
LPG	MWh	13,078	10,601	13,530
Natural gas	MWh	28,293	28,274	26,457
Total	MWh	91,275	90,038	90,838

Forklift consumption

	Unit	2016	2017	2018
Natural gas	MWh	11,208	9,543	9,041
Diesel	MWh	2,206	1,653	1,615
LPG	MWh	-	1,341	1,488
Total	MWh	13,415	12,537	12,145

Environment	Unit	2016	2017	2018
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WATER

Consumption of water per vehicle washed

	Unit	2016	2017	2018
CASABLANCA - TIT MELLIL	l/veh	39.8	37.9	39.8
COURGENAY	l/veh	26.6	42.1	35
KOLIN	l/veh		189.8	193.1
MARCKOLSHEIM	l/veh	85.4		352.1
MERCURIO LIVOURNE	l/veh	1346.2	429.2	416.3
PARIS - MARLY LA VILLE - JAURES	l/veh		183.3	201
SETUBAL - PONTES FVL	l/veh	25.7	24.1	23.5
Average	l/veh	105.2	162.0	201.4

Consumption of water per "equivalent 60l" container washed

	Unit	2016	2017	2018
MADRID - VILLAVERDE WRP/RPS	l/cont	-	9.0	9.6
SOCHAUX - ETUPES FESCHES	l/cont	0.9	0.6	0.6
TRNAVA - ZAVAR WRP	l/cont	5.7	5.3	2.3
VIGO - MOS - WRP/RPS	l/cont	0.5	0.5	0.6
Average	l/cont	1.1	0.9	0.8

Type of water

	Unit	2016	2017	2018
Mains water	m ³	147,542	153,703	157,710
Underground water	m ³	19,203	15,935	22,628
Total	m³	166,745	169,638	180,337

WASTE

Waste per type of treatment

	Unit	2016	2017	2018
Disposal	t	1,651	3,453	3,959
Recycling	t	7,710	8,317	9,597
Recovery (excl. Recycling)	t	950	1,849	1,860
Unknown	t	3,128	968	1,006
Total	t	13,439	14,588	16,424

Non-hazardous waste distribution per activity

	Unit	2016	2017	2018
4PL	t	-	-	0.2
C&T	t	-	2	3
F-FWD	t	74	250	436
FVL	t	2,350	2,555	2,484
HQ	t	187	467	275
OVL	t	3,710	3,661	3,637
RPS	t	1,761	1,896	1,136
WHS	t	3,891	4,437	6,821

Hazardous waste distribution per activity

	Unit	2016	2017	2018
4PL	t	-	-	-
C&T	t	-	-	-
F-FWD	t	-	0.1	-
FVL	t	414	1,012	1,110
HQ	t	6	6	3
OVL	t	906	66	92
RPS	t	111	197	399
WHS	t	29	40	27

Environment	Unit	2016	2017	2018
WASTE				
Waste per type				
Metallic Waste	t	251	255	287
Paper / Cardboard Waste	t	2,817	3,373	3,818
Bumpers And Other Plastic Waste	t	604	581	476
Wood / Pallets Waste	t	2,890	3,290	3,384
Glass Waste	t	24	20	39
Other Non-Hazardous Waste	t	2,498	2,472	2,406
Unsorted Non-Hazardous Waste	t	2,889	3,276	4,383
Total non-hazardous waste	t	11,973	13,268	14,793
WEEE*	t	21	12	40
Batteries	t	7	16	41
Oils	t	119	98	22
Wet Sludge	t	350	512	633
Other Hazardous Waste And Toners	t	969	683	895
Total hazardous waste	t	1,466	1,320	1,631
Recovered waste (recycling & other type of recovery)				
Waste recovered	%	64	70	69

Health and Safety	Unit	2016	2017	2018	Objective
ACCIDENTS					
Frequency rate*	%	5.4	5.0	6.6	5
Severity rate*	%	0.4	0.3	0.3	0.3
Analysis rate*	%	86	86	82	80

ABSENTEEISM	Unit	2016	2017	2018
Geographic area				
1520	%	1.0	1.0	1.4
ASOR	%	1.8	0.6	0.8
CEBAME	%	2.3	2.1	2.1
CORPORATE	%	2.8	2.8	2.1
EUROMED	%	1.9	1.8	1.5
FRANCE	%	4.9	4.3	2.9
LATAM	%	1.9	1.2	2.1
Average	%	2.9	2.5	2.0

*WEEE: Waste electrical and electronic equipment

*ETAM: Employés, techniciens, agents de maîtrise – clerical, technical and supervisory staff

*Frequency rate: number of occupational accidents resulting in at least one day lost per million hours worked

*Severity rate: number of days lost due to an occupational accident per thousand hours worked

People	Absolute Value			Relative Value		
	2016	2017	2018	2016	2017	2018
EMPLOYEES						
Breakdown of employees by geographical zone						
1520	571	563	534	5%	5%	4%
ASOR	175	93	82	2%	1%	1%
CEBAME	2,205	2,425	2,784	21%	21%	22%
CORPORATE	586	576	585	5%	5%	5%
EUROMED	2,462	2,508	2,970	23%	22%	24%
F-FWD	479	623	762	4%	5%	6%
FRANCE	2,910	2,977	3,153	27%	26%	25%
LATAM	1,287	1,608	1,584	12%	14%	13%
Total	10,699	11,373	12,454			

Breakdown of employees by socio-professional category

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

ETAM*	5,274	5,871	6,223	54%	52%	50%
Managers	1,627	1,731	1,729	17%	15%	14%
Workers	2,908	3,678	4,502	30%	33%	36%

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	400	422	411	70%	75%	77%
	Managers	120	85	71	21%	15%	13%
	Workers	51	56	52	9%	10%	10%
ASOR	ETAM	100	40	35	57%	43%	43%
	Managers	55	26	22	31%	28%	27%
	Workers	20	27	25	11%	29%	30%
CEBAME	ETAM	1,291	1,358	1,504	59%	56%	54%
	Managers	241	291	285	11%	12%	10%
	Workers	657	776	995	30%	32%	36%
CORPORATE	ETAM	105	104	107	18%	18%	18%
	Managers	481	472	478	82%	82%	82%
	Workers	-	-	-	-	-	-
EUROMED	ETAM	1,276	1,630	1,799	65%	65%	61%
	Managers	255	251	212	10%	10%	7%
	Workers	649	627	959	25%	25%	32%
F-FWD	ETAM	na	430	551	na	69%	72%
	Managers	na	125	147	na	20%	19%
	Workers	na	68	64	na	11%	8%
FRANCE	ETAM	1,539	1,488	1,354	53%	50%	43%
	Managers	436	447	464	15%	15%	15%
	Workers	929	1,042	1,335	32%	35%	42%
LATAM	ETAM	434	483	462	36%	30%	29%
	Managers	60	64	50	5%	4%	3%
	Workers	710	1,061	1,072	59%	66%	68%

People	Absolute Value			Relative Value		
	2016	2017	2018	2016	2017	2018
RECRUITMENTS (PERMANENT CONTRACTS)						
Breakdown of recruitments by geographical zone						
1520	121	154	97	8%	8%	4%
ASOR	45	-	-	3%	-	0%
CEBAME	560	461	678	37%	24%	28%
CORPORATE	61	38	66	4%	2%	3%
EUROMED	257	211	427	17%	11%	17%
F-FWD	-	96	136		5%	6%
FRANCE	212	480	773	14%	25%	31%
LATAM	257	480	281	17%	25%	11%
Total	1,513	1,920	2,458			

Recruitments by socio-professional category

ETAM	876	806	1,045	58%	42%	43%
Managers	184	177	254	12%	9%	10%
Workers	453	937	1,159	30%	49%	47%
Turnover	6		71			

RESIGNATIONS

Breakdown of resignations by geographical zone

1520	67	64	87	10%	9%	11%
ASOR	62	4	-	9%	1%	0%
CEBAME	189	203	208	29%	29%	27%
CORPORATE	29	35	40	4%	5%	5%
EUROMED	150	140	143	23%	20%	19%
F-FWD	-	91	92		13%	12%
FRANCE	90	97	103	14%	14%	13%
LATAM	72	70	100	11%	10%	13%
Total	659	704	773			

REDUNDANCIES

Breakdown of redundancies by geographical zone

1520	15	63	3	2%	10%	1%
ASOR	21	2	-	3%	0%	0%
CEBAME	47	100	46	7%	16%	8%
CORPORATE	15	19	10	2%	3%	2%
EUROMED	79	89	61	12%	14%	10%
F-FWD	-	13	16	0%	2%	3%
FRANCE	319	223	309	50%	35%	52%
LATAM	137	126	147	22%	20%	25%
Total	633	635	592			

People	Absolute Value			Relative Value		
	2016	2017	2018	2016	2017	2018
RETIREMENTS						
Breakdown of retirements by geographical zone						
1520	-	-	-	0%	0%	0%
ASOR	2	3	-	2%	2%	0%
CEBAME	4	15	2	5%	9%	3%
CORPORATE	10	17	12	12%	10%	18%
EUROMED	19	39	17	23%	24%	25%
F-FWD	-	5	2	0%	3%	3%
FRANCE	48	81	34	57%	50%	51%
LATAM	1	2	-	1%	1%	0%
Total	84	162	67			

Gender	Absolute Value			Relative Value		
	2016	2017	2018	2016	2017	2018

Gender equality

(excluding internships + F-FWD and Mercurio excluded from 2016 data and Mercurio excluded from 2017 data)

1520	Female	254	233	231	44%	41%	43%
	Male	317	330	303	56%	59%	57%
ASOR	Female	99	38	41	57%	41%	50%
	Male	76	55	41	43%	59%	50%
CEBAME	Female	829	882	978	38%	37%	35%
	Male	1,360	1,530	1,806	62%	63%	65%
CORPORATE	Female	217	228	223	37%	40%	38%
	Male	369	348	362	63%	60%	62%
EUROMED	Female	622	631	768	29%	29%	26%
	Male	1,558	1,576	2,202	71%	71%	74%
F-FWD	Female		304	400		49%	52%
	Male		319	362		51%	48%
FRANCE	Female	938	948	961	32%	32%	30%
	Male	1,966	2,029	2,192	68%	68%	70%
LATAM	Female	199	203	196	17%	13%	12%
	Male	1,005	1,312	1,388	83%	87%	88%
Total	Female	3,158	3,467	3,798	32%	32%	30%
	Male	6,651	7,499	8,656	68%	68%	70%

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

ETAM	Female	2,633	2,807	45%	45%
	Male	3,238	3,416	55%	55%
Managers	Female	501	520	29%	30%
	Male	1,230	1,209	71%	70%
Workers	Female	364	471	10%	10%
	Male	3314	4031	90%	90%

Gender	Absolute Value			Relative Value		
	2016	2017	2018	2016	2017	2018

Male/Female distribution age (F-FWD and Mercurio excluded from 2016 data and Mercurio excluded from 2017 data)

60& +	Female	56	57	49	21%	18%	16%
	Male	207	252	266	79%	82%	84%
50-59	Female	545	608	584	29%	28%	26%
	Male	1,363	1,599	1,703	71%	72%	74%
40-49	Female	797	891	969	28%	28%	28%
	Male	2,015	2,313	2,508	72%	72%	72%
30-39	Female	1,130	1,241	1,160	35%	34%	31%
	Male	2,081	2,395	2,586	65%	66%	69%
20-29	Female	622	671	645	39%	36%	34%
	Male	973	1,180	1,247	61%	64%	66%
<20	Female	8	30	3	40%	41%	17%
	Male	12	43	15	60%	59%	83%

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

ETAM	Female	323	469	40%	45%
	Male	483	576	60%	55%
Managers	Female	56	89	32%	35%
	Male	121	165	68%	65%
Workers	Female	109	137	12%	12%
	Male	828	1,022	88%	88%
Total	Female	488	695	25%	28%
	Male	1,432	1,763	75%	72%

Male/Female recruitments by age and gender (excluding internships)

60& +	Female	-	1	0%	5%
	Male	14	19	100%	95%
50-59	Female	35	39	29%	19%
	Male	145	212	71%	81%
40-49	Female	86	157	27%	19%
	Male	372	415	73%	81%
30-39	Female	181	256	29%	26%
	Male	506	580	71%	74%
20-29	Female	177	240	33%	32%
	Male	374	526	67%	68%
<20	Female	9	2	44%	30%
	Male	21	11	56%	70%

Training	Unit	2016	2017	2018
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Breakdown per type of training

Virtual classroom	hours		190	402
Learning paths	hours		190	3,872
Classroom based training	hours		31,193	79,272
VISION e-learning	hours		6,467	2,704
Total	hours		38,040	86,250

Average number of training hours per gender

Female	hours	14.9	5.1
Male	hours	11.5	5.8

Access rate per gender

Female	%	30.4	44.4
Male	%	25.4	34.9

Average number of training hours per socio-professional category

ETAM	hours	12.3	5.8
Managers	hours	14.6	4.5
Workers	hours	5.5	8.1

Access rate per socio-professional category

ETAM	%	29.8	43.7
Managers	%	44.5	67
Workers	%	8.1	18.2

WORKFORCE

Turnover	%	6	6.6	7.1
Average annual temporary workforce		1567	2153	3025

Breakdown of employees by contract

Permanent	11555
Fixed Term	899

SOCIAL DIALOGUE

Collective agreements

Agreements signed	45	28	33
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15. Report of the independent third-party body

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

To the Board of Directors,

In our quality as an independent third party, accredited by the COFRAC under number n° 3-1050 (whose scope is available at www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity Gefco (hereafter "entity"), we hereby report to you on the consolidated non-financial statement for the year ended on the 31st December 2018 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 et R. 225-105-1 of the French Commercial code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement 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 said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Criteria"), the main elements of which are presented in the Statement (or which are available online or on request... [e.g., from the entity's head office]).

Independence and quality control

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

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 provisions 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 of the policies, 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 provisions, particularly the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of the work

- Our work described below has been performed in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable in France to such engagements, as well as to the international ISAE standard 3000
 - Assurance engagements other than audits or reviews of historical financial information.

The work that we conducted allows us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- We took note of the activity of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, where applicable, the impact of this activity on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- We assessed the suitability of the Criteria with respect to its relevance, completeness, reliability, neutrality and understandability by taking into consideration with 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, as well as information regarding human rights and the anti-corruption and tax evasion legislation;
- We verified that the Statement includes an explanation for the absence of the information required by the 2nd paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- We verified that the Statement presents the business model and the principal risks associated with the activity of all the entities included in the scope of consolidation; including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and outcomes, including key performance indicators;
- We verified, where relevant with respect to the principal risks or the policies presented, that the Statement

provides the information required under article R. 225-105 II;

- We assessed the process used to select and validate the principal risks;
- We asked about the existence of internal control and risk management procedures the entity has put in place;
- We assessed the consistency of the outcomes and the key performance indicators with respect to the principal risks and policies presented;
- We verified that the Statement includes a clear and reasoned explanation for the absence of a policy regarding one or more of those risks;
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in accordance with article L. 233-16, within limitations set out in the Statement;
- We assessed the data collection process implemented by the entity 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 presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of their evolutions;
 - substantive tests 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 listed below: Gefco Argentina (one of which is Malvinas), Gefco Poland (one of which is Natolin), Gefco Italy (one of which is Pregnana), Mercurio Italy (one of which is San Polo Di Torriale) which cover between 10% and 20% of the consolidated data relating to these tests (16% of employees, 11% of energy consumption, etc.);
- We consulted documentary sources and conducted interviews to corroborate the qualitative information

(measures and outcomes) that we considered the most important presented in Appendix 1;

- We assessed the overall consistency of the Statement based on our knowledge of the entity.

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

Means and resources

Our verification work mobilized the skills of four people and took place between June 2018 and March 2019 on a total duration of intervention of about eight weeks.

We conducted about 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 purchasing.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable

regulatory provisions and that the Information, taken as a whole, is not presented fairly, in accordance with the Criteria.

Comments

Without qualifying our conclusion above and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- the methodology used to determine the ratio of the CO2 emissions avoided, reported for the first year, remains to be completed and to be better documented;
- the actions plan related to the sustainable procurement (charter, survey, audits), initiated in 2017, does not have a performance indicator yet.

Paris-La Défense, the 11th March 2019

French original signed by:
Independent Verifier

ERNST & YOUNG et Associés

Director Sustainable Development
Philippe Aubain

Partner
Jean-François Bélorgey

Appendix 1 : Information considered as the most important

Quantitative Information (including key performance indicators)	Quantitative Information (actions or results)
Social Information	
<ul style="list-style-type: none"> Turnover (%) Participation rate to the commitment survey (%) Frequency rate, accident severity rate (Nb / million hours worked) 	<ul style="list-style-type: none"> Employee commitment Remuneration Health and safety (prevention actions)
Environmental Information	
<ul style="list-style-type: none"> Share of hazardous / non-hazardous waste recovered (%) Ratio of the CO₂ emissions avoided (%) 	<ul style="list-style-type: none"> Circular economy (waste management), Climate change (significant emission sources due to activity, reduction objectives, adaptation measures)
Societal Information	
—	<ul style="list-style-type: none"> Subcontracting and suppliers (environmental and social issues)

2018 GEFCO charitable work

Selected country programs

BELGIUM 

Sponsor of 4L Trophy

GEFCO Belgium is sponsor of the 4L Trophy, a long-distance charity driving rally in which students travel across the Moroccan desert to deliver school supplies to children.

NETHERLANDS 

Donor to Doctors Without Borders

GEFCO in the Netherlands is a donor to the Dutch division of Doctors Without Borders, and also handles all of the organisations international logistics.

GERMANY 

Supports numerous children's charities

GEFCO in Germany supports a number of children's charities including a children's hospice, a home for traumatised children, and the Mainz Child Protection Association.

POLAND 

Supports charity Gajusz Foundation

GEFCO Poland's primary charity of support is the *Gajusz Foundation* a charity providing hospice care for terminally ill children with both stationary and mobile incapacities. The company also supports a Polish charity crowdfunding platform, an orphanage, and two dog shelters.

RUSSIA 

Supported the annual Russian Railways Charity Race

In tandem with its major shareholder, Russian Railways, GEFCO supported the annual Russian Railways Charity Race. GEFCO raised over €13,000 for a number of good causes.

CZECH REPUBLIC 

Logistics partner for 8 marathons

GEFCO was the logistics partner of the *RunCzech* running league, helping to organize 8 marathons across the country with up to 10,000 runners in each event. The company also made charitable donations to the Dobry Anđel (*Good Angel*) foundation, providing support for those with serious illness. GEFCO also supported the *Lepsi Misto* organization, improving living conditions and schools in the Kolin region.

SLOVAKIA 

Continued sponsorship of MiniTRNAVA

GEFCO continued its sponsorship of MiniTRNAVA, an educational establishment where children take on the roles of adults in a miniaturized model of Trnava city, helping them to think about adult lives and careers and learn about their city. The company also sponsored and was the logistics partner for the Trnava city half marathon.

UKRAINE 

Supports the Foundation for Disabled People

GEFCO supports the *Foundation for Disabled People* collecting distributing food and supplies to those in need, and also contributes to the *Nadezhda* orphanage in Mokrets. The company encourages positive activities from its individual employees, including blood donations to the *OHMATDET* children's hospital, and organized clean-ups of local parks and playgrounds.

BULGARIA 

Supported Hope for the Little One

In Bulgaria, GEFCO has been supporting the *Hope for the Little Ones* charity looking after infants and toddlers who are abandoned or otherwise separated from their parents. GEFCO contributions have covered the organisation's building costs for 2018, and a sponsored business run helped raised further funds and awareness for the charity.

ROMANIA 

Donated €100,000 to Save the Children

GEFCO Romania is a significant supporter of *Save the Children*, donating €100,000 in 2018. It is also a major supporter of *Parada*, a large children's charity based in Bucharest. For the first time this year, the company also began support of *Robi*, a Romanian charity helping disadvantaged rural communities.

HUNGARY 

Supported the Forest Saving non-profit

GEFCO supported the *Forest Saving* non-profit, cleaning the forests near Budapest and constructing hives for protected bee colonies. The company also collects food, warm clothes, and comfort items for old people living alone or in poverty, and developed a penpal system of communication to help the old elderly feel less isolated.

SPAIN 

Raised money for Save the Children

GEFCO Spain supported a range of initiatives across the year, raising money for *Save the Children* via a Christmas solidarity breakfast, and for *Menudos Corazones* on Valentines day – a foundation helping children with heart problems. The company also sponsors a basketball team for women over 50, and arranged for all employees to walk the famous Camino de Santiago.

UNITED KINGDOM 

52 members raised over €40,000 for Children in Need

52 members of GEFCO UK's office cycled 300 miles from Coventry in the English midlands to GEFCO's headquarters in Paris, and raised over €40,000 for Children in Need, one of the UK's foremost charities benefitting children around the world. The UK office also supports Transaid, a charity supporting the development of safe and sustainable transport around the world.

FRANCE 

Supports a range of charities

In France, GEFCO supports a range of charities with its most significant involvement being with the *Institut de l'Engagement*, a French organisation that mentors, supports, and financially aids young people with specific civic projects that they would like to realise. GEFCO also supports *Odyssea*, an annual charity run for breast cancer.

ITALY 

Supports Italian WWF and SOS Villaggi dei Bambini

GEFCO in Italy supports both the Italian WWF, and children's charity *SOS Villaggi dei Bambini*.

GREECE 

Supports Drop in the Ocean charity

GEFCO Greece supports the *Drop in the Ocean* charity, an organisation supporting volunteers trying to help with the country's refugee crisis.



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