

# Securing supply chains

2019 Activity and Corporate Social Responsibility Report



**GEODIS**  
KEEP RISING

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# Going the extra mile

One of the world's leading logistics experts, GEODIS supports the growth of its customers, providing them with end-to-end solutions on the cutting edge of innovation. As the business growth partner to nearly 165,000 companies, from local SMEs to multinational corporations, GEODIS specializes in optimizing its customers' supply chains. Faced with emerging new technologies, volatile demand and multiple risks and uncertainties, the Group demonstrates its agility by constantly investing and upgrading its offer to ensure efficiency, reliability and cost control.

With the complementary offer of its five Lines of Business, GEODIS delivers services through a customer-centric regional organization that provides customers with easy access to its entire portfolio of services worldwide. Customers also know they can rely on GEODIS as their responsible partner to help them respond to increasing stakeholder expectations with regard to sustainability. Whatever the challenge, GEODIS teams are ready to go the extra mile for every customer, with a shared determination to "Keep Rising."



# “Delivering a year of progress.”



**Marie-Christine Lombard**  
Chief Executive Officer of GEODIS

**In this reporting year 2019, we cannot ignore the situation that we have been enduring since February 2020 with the sudden coronavirus crisis.**

Facing the Covid-19 pandemic, our first priority has been to protect the health and safety of both our employees and partners. On the business side, the crisis has revealed how intricate and vulnerable the world economies are. It has also highlighted the strategic importance of logistics when things are disrupted

unexpectedly and on short notice. As a leading logistics company, we at GEODIS have always worked towards developing and protecting the business of our clients. This is part of our differentiating approach to sustainability: to help ensure, through our logistics and transport solutions, that our clients' supply chain is robust and resilient. No doubt that this crisis will induce companies to ask for more assistance and insurance from their logistics partner. GEODIS stands ready for this enhanced challenge.

## Performance

Despite global headwinds that impacted many of our customers, GEODIS performed well, not just financially but across all dimensions. At the levels of customer and employee satisfaction, regarding environmental measures, as well as progressing with our digital transformation... we achieved our targets. We even outperformed in some key areas, reflecting our success in retaining customers, attracting new business and controlling costs.

## Transformation

Ever-evolving markets require agility and a willingness to take risks in order to stay ahead. As digital devices become increasingly interconnected, we find new opportunities to improve operations and productivity or create new business. Our digital marketplace, Upply, has positioned us as a central player in the rapidly-changing Transport and Logistics market while we introduced demand and offer matching for road transportation through our e-booking service. In launching disruptive product offerings for e-commerce, we continue to digitize both our offer and how we operate.

## Progress

Among the highlights during a year in which we consolidated our leadership: the success of our innovative AirDirect Mexico rapid-delivery Hong Kong to Mexico service for our high-tech customers; several major contract renewals and new site openings, including 100,000 sqm for a major e-commerce company; we earned an A- rating with CDP and made further strides on sustainability.

## Keep Rising

To further strengthen our brand, we're giving voice to the inspiring stories that demonstrate our spirit in going the extra mile for our customers, surpassing their expectations. But, Keep Rising goes beyond the walls of our company, and applies as well to our partners, subcontractors and communities and all of the other stakeholders who are part of our ecosystem. It's this collective mindset, this passion to overcome any challenge, that defines both who we are today and the company we aspire to be tomorrow!

## Value creation

It's the purpose for any company. Through our performance and commitment to excellence, we're succeeding in creating value for all of our key stakeholders. It means delivering for our customers, providing our employees with fulfilling and stimulating career opportunities and providing a return to our shareholder, to whom we make a net strong cash contribution.

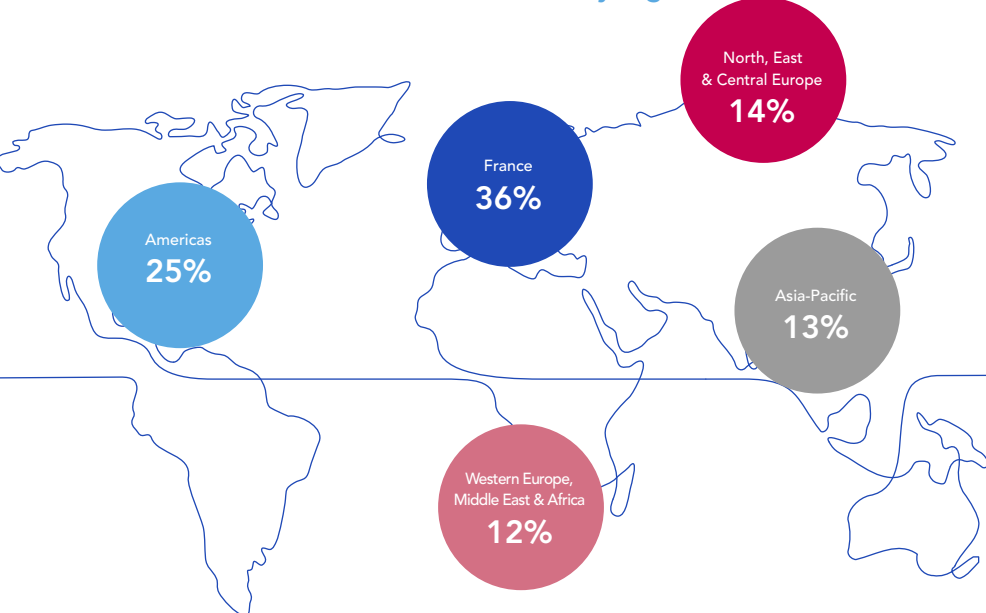
## Responsibility

This is closely tied to value creation. Yes, we seek profitable growth but we need to do so in an environmentally-friendly way. We have a really good track record as an industry leader concerned with sustainability. We endeavor to better convey all of the good work we are doing in terms of the environment and social responsibility to our clients. And we find ways to help them improve their own sustainability performance. My strong conviction: to achieve our goal to build the greatest logistics company—it is our responsibility to take care of the environment.

# Moving everything, everywhere, for everyone

A world leader in Transport and Logistics, GEODIS delivers solutions to customers through its complementary Lines of Business and five Regions, from its unique portfolio of services: intercontinental transportation, customs clearance, road freight transportation, warehousing and last mile distribution worldwide. Our mission is to help customers overcome their logistical constraints. Our vision is to be our customers' growth partner.

## A global footprint Breakdown of revenue by region



**841**  
sites located in 60 countries

**8.1**  
million sqm of warehousing space, including 25 strategic locations

**€8.2bn**  
revenue

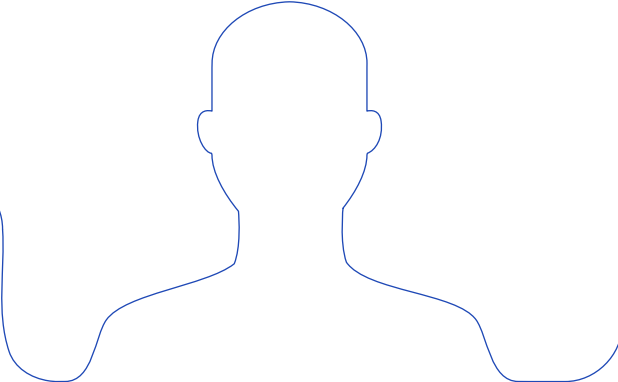
## Expertise across 7 vertical markets



## 5 Lines of Business: An end-to-end offer



**165,000**  
clients



**41,816**  
employees



# Creating value for all

Value creation is the ultimate objective for every company. Through innovation and a commitment to business excellence, GEODIS works to help customers solve their logistical constraints and optimize their supply chains. Through our ongoing digital transformation, we continue to find new ways to improve quality and efficiency while reducing costs. As we also believe that how we create value is equally important, our CSR approach is integral to our model for creating value for all stakeholders.

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# Managing our customers' end-to-end supply chain

Organizing, operating and optimizing.



# Surmounting challenges, leveraging opportunities

In a fast-changing turbulent world, companies need to anticipate and respond to major trends affecting their eco-systems and business environment.



## Embracing the digital revolution

While digital revolution is reshaping offers, markets and entire industries, companies are scrambling to respond to the implications in consumer behaviors and expectations. GEODIS is being pro-active on multiple fronts, from market e-platforms and real-time tracking dashboards to logistics robotic integration, artificial intelligence and predictive analytics to the digitalization of its core operations. All are aimed at improving performance, service quality and responsiveness to customers.

## Confronting the looming challenges of urbanization

As the growth of city populations continues unabated, public officials grappling with intensifying concerns about pollution, the health effects of congestion and quality of life are taking action. New regulatory constraints are limiting vehicle access to city centers, requiring new models. GEODIS is piloting new technologies and innovative strategies to deploy resupply inventories and provide green transport services while also serving as an expert resource to public officials in the design of viable and effective policy solutions.



## Ensuring business integrity across the value chain

With the compliance of global supply chains being tested and rising stakeholder expectations, companies need to have confidence in the partners on which they rely. Business integrity, fair and responsible practices are critical attributes with risks to reputation and license to operate at stake. As a leader in Transport and Logistics, GEODIS implements and enforces programs to ensure ethical conduct, compliance and respect for human rights by all employees and subcontractors, across its Regions and Lines of Business.



## Leveraging the power of people

How to attract, recruit, retain and hire the high-quality people needed to compete and respond to a rapidly shifting business environment is one of the biggest challenges facing companies today. Developing and training employees has become increasingly critical as digital transforms every aspect of a company's operations and offer. GEODIS works to guaranty a diverse, attractive and safe workplace, providing extensive training for employees, including for health, safety and technical skills.



## Risks & opportunities



**Beyond the megatrends** reshaping the global business environment, GEODIS focuses on risks with specific impacts on the Transport and Logistics sector. In addition to planning for and mitigating these risks, the Group seeks to turn them into opportunities, where possible.

### De-globalization

Growth in world trade that has continued since 1945 has been challenged in recent years by protectionist policies, leading to trade wars that are changing trade balances, reconfiguring value

chains and causing companies to relocate production from countries like China. GEODIS supports customers in managing these risks by offering alternative solutions to respond to each specific situation.

### Supply chain resilience

The significant increase and severity of major climatic events is testing the resilience of supply chains due to the destructive impact on transport infrastructure and/or energy supplies. However, none of these climatic crises has had an effect as global and intense as the coronavirus, which is certain to accelerate relocations, driving up supply chain costs.

### Transport's environmental footprint

With public alarm about climate change as an existential threat continuing to grow, scrutiny is increasing on the actions of

industry sectors like transport, which accounts for 25% of global greenhouse gas emissions. In addition to making further progress towards its own emissions, GEODIS is playing a leading role in advocating stronger regulation and policy in favor of the environment as well as promoting innovation and collaboration.

### Cyber threat

In 2017, 67% of businesses worldwide were the target of at least one cybercrime attack, with the average cost per attack estimated at \$2.4 million. Cybercrime damages are projected to reach \$6 trillion annually by 2021 and cyber threats are evolving faster than defensive barriers. GEODIS' leadership team works to ensure high level awareness and verify cybersecurity system effectiveness.

Source: the 2020 Official Annual Cybercrime Report by Cybersecurity Ventures

# Roadmap for continued growth



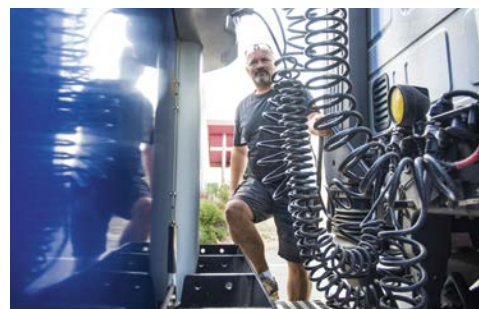
**In a business environment marked by uncertainty and disruption, GEODIS remains focused on its Ambition 2023 strategic plan to constantly improve its offer to respond to customer needs and achieve its growth objectives.**

Progress in increasing efficiency is being driven by the launch of the "Odyssey" program. This major initiative is enabling the company to continue to deliver higher productivity and performance through a comprehensive revamping and integration of all support systems and databases.

Improved sales efficiency and better cross-selling throughout the Group, supported by the new regional organization, positively impact volumes. All customer segments are addressed, with a special focus on small-and medium-sized businesses through the implementation of a group-wide CRM tool. Customer retention

remains at a very high level, consistent with sustained high customer satisfaction levels.

GEODIS is open to making selective acquisitions that would reinforce its leadership and complement its current structure, particularly those that strengthen its strong positions in Northern Europe, North America and Asia.



## 2013-2023 A major change in scale against the backdrop of rapid changes

### 2013

#### Turn-around

- Launch of the "Ambition 2018" strategic plan

### 2014-2015

#### Building on foundations

- Unification of all brands under the GEODIS banner
- Expanding of the global footprint and product offering through the acquisition of OHL (Ozburn-Hessey Logistics) headquartered in Nashville, Tennessee, U.S.

### 2016-2018

#### Enhancing profitability

- Launch of the digital plan
- Set-up of a new organization combining Regions and Lines of Business

### 2019

#### Launching Ambition 2023 strategic plan to reach leadership

- Deployment of the Business Excellence program
- Speeding up of cross-selling through the new organization

### 2020-2023

#### Moving forward

- Introduction of the Keep Rising new brand identity campaign
- Crafting of the Business Development growth acceleration program
- Implementation of the Odyssey program to transform GEODIS' IT systems



# A clear framework for exemplarity and progress

## Mission



## Vision



## Values



**GEODIS' ambition is to create long-term value for its clients, employees, shareholder and society at large.**

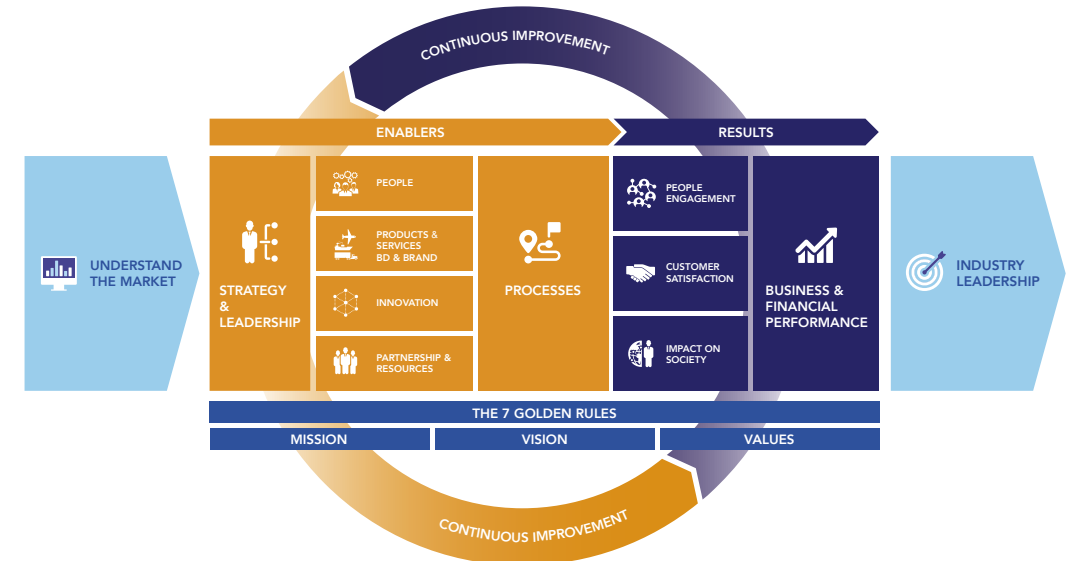
A clear vision and mission and a commitment to a set of values are the cornerstones of the company mindset and culture. Our Business Excellence model outlines, from an operational perspective, the actions that can be taken by each employee and manager on a daily basis. This model describes the expected results and GEODIS' impact on all stakeholders through a set of KPIs and also the priorities for improving continuously in order to reach excellence.

To translate this Business Excellence model into day-to-day life for its team, GEODIS has defined 7 Golden Rules and 7 Leadership Principles. The 7 Golden Rules summarize the important actions required to deliver excellent results. The 7 Leadership Principles address



the behavior of our managers needed to engage our employees. These principles are founded on the Investors In People framework that GEODIS applies to improve how we take care of our people beyond the good execution of our human resources processes and policies for recruiting, onboarding, developing and training.

## An enhanced Business Excellence management system



### Our 7 Golden Rules

- Make it easy for the client to do business with us
- Be a good citizen
- Win, retain and develop profitable clients
- Ensure the safety of our people everywhere and at anytime
- Recruit, develop and retain quality people
- Get paid for what we do
- Always deliver a perfect service

### Our Leadership Principles

- Walk the Talk
- Be a Strategy Ambassador
- Debate. Decide. Align.
- Drive Results
- Duty to Communicate
- Engage & Empower People
- Own the All

# Creating sustainable shared value

Leveraging from key resources and assets to create sustainable value for all our stakeholders.



## EMPLOYEES

- 41,816 employees
- 96.7% employees on permanent contracts
- 38% female employees
- 16.9% female top executives
- 10.7 training hours/FTE



## CUSTOMERS

- Large portfolio of 165,000 customers



## FINANCIAL

- Strong shareholding (100% SNCF, rated AA-/Aa 3 by S&P/Moody's)



## OPERATING CAPABILITIES

- 841 sites located in 60 countries
- 8.1 million sqm of warehousing space, including 25 premium sites



## ENVIRONMENTAL FOOTPRINT

- Diesel fuel consumption: 58.8 million of liters
- Electricity consumption: 236.0 million of KWh
- Natural gas consumption – Building: 132.8 million of KWh

## 7 GOLDEN RULES

- Make it easy for the client to do business with us
- Win, retain and develop profitable clients
- Always deliver a perfect service
- Get paid for what we do
- Recruit, develop and retain quality people
- Ensure the safety of our people everywhere and at anytime
- Be a good citizen

## VERTICAL MARKETS

- Retail
- Fast Moving Consumer Goods
- Industrial
- Automotive
- High Tech
- Aerospace and Defense
- Healthcare



## 7 LEADERSHIP PRINCIPLES

- Walk the Talk
- Be a Strategy Ambassador
- Debate. Decide. Align.
- Own the All
- Engage & Empower People
- Duty to Communicate
- Drive Results

## CUSTOMERS BENEFITS

- Consistent performance
- Optimization
- Solution tailored to need
- Complexity management of logistics flows
- Sustainable partnership taking into account the reduction of the environmental footprint



## EMPLOYEES

- 13,206 recruitments
- Occupational accidents 2019 vs 2014
  - Frequency rate: -8.47 pts
  - Severity rate: -0.51 pt
- Employee overall satisfaction rate: 91%



## CUSTOMERS

- Customer satisfaction rate: 87%
- Global Accounts contract renewal rate: 95.9%
- 220 sites (26% of total sites) with triple QSE certification (quality, safety, environment)
- "Leader" in Gartner's "Magic Quadrant"



## FINANCIAL

- Strong recurring annual operational cash flow: €223m
- Operational margin: €736m



## IMPACTS ON SOCIETY

- 82% of vehicles are Euro 6, electric, hybrid and natural gas
- Evolution of CO<sub>2</sub>e emissions 2019 vs 2018:
  - Scope 1: -0.3%
  - Scope 2: -2.2%
- EcoVadis assessment: Gold, 72/100
- CDP assessment: A-



# A strong governance to support our organization



**Marie-Christine Lombard**  
Chief Executive Officer



**Amaury Valicon**  
Chief Financial Officer  
Member of the Executive Board



**Albertine Hanin**  
Executive Vice President,  
Group Legal & Insurance



**Onno Boots**  
President & CEO  
of Asia-Pacific



**Thomas Kraus**  
President & CEO of North,  
East & Central Europe



**Laurent Parat**  
President & CEO of Western  
Europe, Middle East &  
Africa, and Executive Vice  
President, Contract Logistics



**Randy Tucker**  
President & CEO  
of Americas, and  
Executive Vice President,  
Contract Logistics US



**Philippe de Carné**  
Executive Vice President,  
Business Development,  
Innovation & Business Excellence



**Mario Ceccon**  
Executive Vice President,  
Human Resources



**Henri Linière**  
Chief Information Officer



**Stéphane Cassagne**  
Executive Vice President,  
Distribution & Express



**Eric Martin-Neuvill**  
Executive Vice President,  
Global Freight Forwarding



**Boris Pernet**  
Executive Vice President,  
Supply Chain Optimization



**Olivier Royer**  
Executive Vice President,  
Road Transport

## **GEODIS' ownership by SNCF provides stable shareholding and enables a long-term perspective in carrying out the Group's strategy.**

The GEODIS Management Board, which makes decisions regarding strategy implementation, is comprised of representatives from each of its Regions, Lines of Business and support functions. The multicultural team leverages its

members' extensive experience to guide the Group's activities in order to achieve its business and CSR objectives.

## **The Supervisory Board and its specialized committees**

The GEODIS Supervisory Board is composed of six members, including three independent members.

The Chairman of the Supervisory Board is a representative of SNCF.

In 2018, the GEODIS Supervisory Board established three specialized committees:

- Audit and Risks Committee
- Human Resources Committee
- Strategic Committee

The members of each of these committees are also members of the Supervisory Board. Each committee has three members (including at least one independent member).

# Living our convictions

As we work to create value in a globally competitive marketplace, how we do this is as important to GEODIS as what we do. The Group operates according to a philosophy and principles that underscore the importance of leadership and performance. Through its business excellence model, attentiveness to the views of employees and customers and its commitment to innovation, GEODIS continues to build for the future.

- 22-23 New brand narrative
- 24-27 Leadership & performance
- 28-31 Keep Rising with our customers
- 32-35 Keep Rising with our employees



# Keep Rising

To support its strategic plan and the achievement of its “Ambition 2023” growth objectives, GEODIS created a new, dynamic narrative to tell its brand story to key stakeholders, “Keep Rising.” The new brand narrative and tagline were introduced at the end of 2019 through a global communications campaign beginning with employees and customers.



**Keep Rising highlights GEODIS’ fighting spirit and determination to respond to the challenge of achieving the objectives we set for our teams and customers.**

It reflects a recognition that success is not a straight-line progression but rather the result of a tenacious focus on constantly overcoming barriers and logistical constraints to deliver for our customers.

And despite GEODIS’ leadership position within the Transport and Logistics industry, it requires the mindset of a challenger in a highly competitive global environment. It means having a vigorous, entrepreneurial spirit, one that enables us to use our resources to make bold moves in the marketplace, the continual pursuit of excellence and an ongoing commitment to teamwork.

## 3 questions to...

Thomas Kraus, President & CEO of North, East & Central Europe

# “Progress doesn’t occur in a straight line.”

### Why did GEODIS decide to launch “Keep Rising” now?

It’s a perfect follow-on to “We logistic your growth,” which was very literal and helped to define for audiences what we do. “Keep Rising” tells the story of what we aspire to be for ourselves, and for our customers. “Keep” indicates that there is already something happening; “Rising” signifies positive movement. There’s also a recognition that progress doesn’t occur in a straight line, that there are ups and downs in business and that we are committed to continuing to deliver as our customers’ growth partner, even in tough times.

### How is the Keep Rising philosophy contributing to GEODIS’ success in a highly competitive environment?

Our competitors’ ads display their equipment and talk about what they do. But, that’s not all that our business is about. The Keep Rising ad is more emotional, narrating the people part of the story. It shows people rising, overcoming obstacles and accompanying our customer, in this case a garage start-up. It’s a reality we have lived repeatedly, developing intimate relationships with our customers over years

of supporting them until we become their loyal partner, understanding their strategy and becoming profoundly involved in their supply and value chains.

### How do your employees respond to Keep Rising?

The reaction has been overwhelmingly positive. They recognize it as an expression to the outside world of what we already know about ourselves internally. And we

see signs of employees naturally embracing it on their own, signing off emails with “Keep Rising,” for example. When a brand message resonates on the inside, it shines with credibility on the outside. It also inspires. It’s an aspirational statement, but it’s also a commitment to which we’ll be held. We welcome this because being challenged by our stakeholders helps make us a better company.



# Driving progress through leadership and performance

When it comes to delivering on its commitments, GEODIS' team of passionate experts refers to the shared sense of responsibility for collective success as "owning the all." An essential ingredient in the Leadership Principles and integrity that guide every action of an industry leader.

**To achieve its "Ambition 2023" plan for growth, GEODIS focuses on three essential components: keep pace with a sector that is growing at 5% a year, concentrate on the logistics flows that make the most business sense for its customers and offer the best solutions to optimize their supply chain and deliver real value.**

This new strategic plan builds on the Group's upward trajectory, emphasizing continuous improvement, innovation and acquisitions:

- Our continuous improvement program sets ambitious productivity plans across all Lines of Business, with a target of 20% profitable revenue growth.
- Investment in innovation is 50% dedicated to digitalization of our core business while ensuring the success of Upply, our digital logistics marketplace.
- Acquisitions are targeted to reinforcing our position in key markets such as the U.S., Germany and China.

Underlying everything GEODIS does is its emphasis on business excellence. The link between the Group's Business Excellence model and its results is clear, reflected in the impact on the company's culture, financial performance and stakeholders' relationships.



This commitment to business excellence is reinforced through the company's 7 Golden Rules:

- Make it easy for the client to do business with us
- Win, retain and develop profitable clients
- Always deliver a perfect service
- Get paid for what we do
- Recruit, develop and retain quality people
- Ensure the safety of our people everywhere and at anytime
- Be a good citizen

The logistics market offers huge development opportunities in which GEODIS is determined to excel, focusing on its strengths and on offering logistics solutions that create value for customers.

## 3 questions to...

Randy Tucker, Executive Vice President, Contract Logistics US and President & CEO of Americas

## "Leadership produces results for customers."

### How is GEODIS recognized as an industry leader?

There are certainly obvious indicators such as being included in all major requests for proposals and being regularly selected as the partner of some of the world's leading companies. We've become the top e-commerce logistics company by honing our skills working for extremely demanding global leaders. We also can look at our financials over the past five years and our steady growth. The most powerful signal, however, is how our customers talk about us, both in terms of our regular surveys as well as in what they say to us directly. Of course, that only spurs us on to perform even better!

### As a company, how does leadership impact performance?

Leadership produces results for customers. This can mean a willingness to speak frankly, to challenge and to disrupt. For example, we went to one of our customers whose packaging created challenges in stacking and picking products. We convinced them to change their packaging, which resulted in increased efficiency and lower costs by tens of thousands of dollars. By being willing to push

for change, we improved efficiency and saved money for our customer, reinforcing its loyalty and improving our results. As we often note, the most profitable customer is the one that stays with us.

### At a people level, how does leadership influence performance?

I would go further than that and say leadership doesn't just influence performance;

it's directly responsible for it. We talk about leadership as the way that we show up to start every day; when we walk into one of our warehousing facilities with a mission to move 100,000 units that day, we do so with a mindset that we're going to overcome every barrier to ensure success. If you have this relentless commitment that is shared by everyone, that is what truly differentiates a company in a competitive marketplace.





# Building on a culture of innovation

Our customers expect that we will continuously innovate in order to create value. GEODIS' advanced innovation process is a key driver of business excellence and a differentiator in the markets in which we compete.



**Through our innovations, we improve quality and efficiency, provide new services and control costs. Innovation also enables us to come up with effective solutions to specific customer challenges such as increasing the visibility of their supply chain, ensuring just-in-time delivery or improving their corporate social responsibility (CSR) performance.**

This creative process is guided by GEODIS' innovation roadmap, which draws on resources throughout our ecosystem. Internally, we leverage the inventiveness and creativity of our own teams. Externally, we proactively scout new ideas from talented start-ups and we brainstorm

with experts in organizations such as Movin'on Lab or ALICE (Alliance for Logistics Innovation through Collaboration in Europe). Innovation also occurs through our ongoing cooperation and co-development efforts with customers.

## Harnessing the power of technology

New technologies remain a key factor to drive progress in addressing numerous challenges, ranging from workforce shortages to environmental issues. Technological advancements involving artificial intelligence AI, robotics and drones are reshaping the Transport and Logistics sector. Developments in IT are enabling real-time end-to-end visibility, driving better quality and efficiency improvements. Predictive analytics based on Big Data and algorithms are being used to get the most out of available capacities.

GEODIS continues its digital acceleration, optimizing processes and reinforcing its operational excellence. Examples include digital tools like apps to optimize vehicle itineraries, conserving energy and reducing emissions. Robotics solutions also are becoming progressively integrated in warehouses and distribution environments. They result in improved safety, flexibility, efficiency and cost-competitiveness while enhancing the workplace environment by relieving human workers of tedious repetitive tasks.

## 3 questions to...

Philippe de Carné, Executive Vice President, Business Development, Innovation & Business Excellence

## "Innovation is a key differentiator."

### What is the role of innovation in GEODIS' strategy?

Innovation is one of our five values, core to our strategy and a key differentiator where most of the Transport and Logistics business is commodity. We have been able to succeed and bolster our growth in this business through two essential levers: performance and innovation. Both are key drivers to create new products, services and features that respond to our customers' needs.

### Where does innovation occur within GEODIS?

In a word, everywhere. We define innovation very broadly: it can be a disruption like Uply, our digital marketplace. But, it can also be incremental, from the shop floor to satisfy a customer need or to increase the efficiency of a process in a LEAN approach. It's not only AI, digital and robots. It can also occur in CSR, by converting used truck tautliners into bags instead

of throwing them away. We even deploy innovative initiatives in the field of HR: our Workforce Flexibility app enabling employees in the U.S. to personally manage their own schedules, which reinforces their engagement, reduces turnover and saves labor costs.

### What are some examples of how innovation is adding value for customers?

In New York City, we created a solution to help a major foodservices chain address space and inventory issues affecting its outlets: an urban distribution center in downtown Manhattan with online reordering for rapid resupply, combined with green mobility delivery.

Another is a tool for affixing offshore wind turbine towers in a vertical position for ship transportation and installation. This results in major savings and will ease the decommissioning of old windmills at sea.

A last one I would mention is our zero emission yard truck, with an automatic cradle. It reduces our customer's carbon footprint and improves employee working conditions and safety as well as providing better cost control.



# Keep Rising with our customers



## +92%

increase in capacity to manage e-business orders

## Fulfilling booming demands

**A global leader in the personal care market and 20-year GEODIS partner sought aid in managing double digit growth on the booming Chinese market.**

The omni-channel retailer turned to us for solutions to manage skyrocketing e-business orders, respond to spikes in demand driven by seasonal promotions and ensure rapid delivery across a wide geographical territory. A related request: could we assist them by finding a way to further contribute to the government's goal of reducing air pollution?

GEODIS took action by adapting its logistics solutions to meet both the specific expectations of its client and the Chinese market. New distribution centers were opened in Shanghai and Beijing to serve the customer's stores and internet sales. Increased mechanization enabled GEODIS to manage peaks in e-commerce activity by ramping up production capacity and

efficiency. Optimization processes included organizing into non-traditional production modes such as mirrored picking and batch picking to increase productivity and reduce warehouse trips. Also introduced were "put-to-light" systems to guide operators to the locations where order items are to be dropped. To assist its client in contributing to the government's pollution campaign, GEODIS introduced the industry's first electric vehicles in China to handle deliveries from its distribution centers.

Through its high-performance solution, GEODIS enabled its customer achieve a more than 92% increase in its capacity to manage e-business orders and achievement of 100% nationwide order fulfilment within 48 hours. In addition, the introduction of electric vehicles reduces CO<sub>2</sub> and fine particulate emissions and cuts operating costs 7.5% compared with diesel-fueled vehicles.

## Supporting an around-the-world redeployment

**GEODIS crossed continents to accompany its food and beverages customer in internationally relocating its production in record time.** Moving its entire process from China to Poland had to be accomplished within a very short time frame as well as managing tripled export volume at the new facility. By March 2019, just four months after the shift began, all of the production machines and cargo stocks were transferred to Poland, and processes were in place to handle shipments globally



including the North America and Australia markets. GEODIS also re-positioned its control tower team to remain close to its customer. Being strongly embedded in the client's logistics process strengthened cooperation and enabled GEODIS to efficiently coordinate production, warehouse and 3PLs. The move showed how our client places its trust in GEODIS to support him in every field of activity, from overseas deliveries by air, sea, road and rail to out-of-gauge transport of specialized production equipment.

## 4 months

to move entire production operation from China to Poland

## Contributing to successful European expansion

**A leading U.S.-based sneaker label opening a brick and mortar store in the German capital turned to its logistics partner to support its growth and evolving requirements as it ramped up its new European presence.**



The footwear brand had an immediate need for efficient, fast and reliable e-commerce order fulfillment following the opening of its new store in Berlin and launch of its e-commerce website. In keeping with the client's CSR values to always find a better way to do things in all aspects of its business, GEODIS established a sustainable warehousing facility in the Netherlands to supply the retail stores and fulfill all e-commerce orders. Both ISO 9001-14001 and OHSAS 18001 certified, the facility integrates low-energy solutions and ambitious waste recycling targets. A one-piece flow process optimizes the number of movements, saving time and energy while improving employees' health. The warehouse also features a new order picking process with all one-piece orders picked in bulk and specifically labelled. An innovative new app for quality control uses images to check the quality of shoe elements. The centrally-located sustainable warehouse provides the client maximum efficiency and quality control for all mainland European activities.



## Playing Santa on Black Friday



**U.S. retailers have always depended on extra support for the seasonal holiday peak, their busiest and most critical period of the year. Their revenues and reputation can depend on making sure that every single order gets to the consumer on time. The growing trend of online shopping, however, has driven holiday volumes beyond expectations.**

An industry leader in fulfilment and distribution in the e-commerce sector, GEODIS works closely with its retail clients to make sure their end customers aren't disappointed. Innovations such as robots and radio-frequency technology as well as warehouse redesign and automation have increased speed and efficiency. GEODIS also makes sure its talented workforce has access to the most powerful environment and technologies to be as successful as possible. Examples include learning management systems and mobile workstations, and GEODIS' warehouse management system to optimize slotting and picking layouts.

GEODIS also increased its 2019 holiday season workforce in the U.S. by 60%, or more than 7,000 people.

Its robust actions enabled GEODIS to set a new shipping volume record in 2019 between Thanksgiving and Cyber Monday with 23 million units shipped in the U.S., a 30% increase from just two years earlier. "The holiday season is when GEODIS teammates really shine," says Mike Honious, Chief Operating Officer, GEODIS in Americas. "Our people take great pride in doing their part to help Santa spread joy across the world. We're thrilled to serve our clients in closing out 2019 with such a strong performance."

**30%**

increase in units shipped

## Codesigning responsible packaging solution

**A leading global automaker sought a way to optimize the packaging for the manual gearbox that it produces in very large volumes at a single plant in India.** The packaging had to meet rigorous specifications to protect the heavy, bulky gearboxes against corrosion during or after lengthy sea transport. GEODIS partnered with a local supplier to customize an innovative reinforced cardboard packaging resistant to the elements and optimized for the physical dimensions of the gearboxes. This ingenious technical solution, designed especially for the client, did not exist previously on the market. The packaging's customized design provides a fill rate improved by more than 35% and reduces costs by eliminating return of the packaging. This specific material can be recycled, which complies with the CSR values GEODIS shares with its client. This initiative reflects the Group's commitment to provide ever more inventive and efficient solutions and strengthens the partnership with its client.



**"GEODIS demonstrated its expertise in proposing a disruptive and collaborative approach that optimized the process, reduced costs and improved environmental performance."**

Vincent Franklin, Vertical Market Manager Automotive, GEODIS in India

## Offering scalable and agile solutions

**A new client turned to GEODIS for a rapid and powerful solution to improve quality and satisfaction to its end customers.** Frequent product launches and volume spikes as high as 270% during peak season was creating

inefficiencies in inventory management processes that impacted order accuracy. GEODIS reacted quickly by implementing a continuous cycle count program with real-time slotting capability during peak periods. Coupled with GEODIS-introduced LEAN management techniques, the solution improved the client's productivity as well as inventory and order accuracy. The campus-based network also offered the ability to scale the operation according to the customer's requirements. The result is better service for end customers, with the average time to ship an order during the peak season cut from eight days to less than one day and a two-day reduction in overall transit time.



**"Our peak performance year-over-year has been stunning in terms of quality and attention to detail."**

Client's Chief Operations Officer

# Keep Rising with our employees



## Career highlights

**Regional Director,**  
Touraine-Anjou,  
Distribution & Express  
France 2020

**Director of Agencies,**  
Le Mans / Alençon / Laval  
Distribution & Express  
France 2014 – 2019

**Logistics Director,**  
West France  
Distribution & Express  
2007 – 2013

**Industrial and Methods  
Director,** Saint Berthevin,  
Contract Logistics  
France 2000 – 2006

## “The opportunities we are given to try new approaches is a win-win proposition.”

Idir Ait Arkoub, Regional Director, Touraine-Anjou, Distribution & Express Line of Business

With a background in research and education, including at France’s prestigious CNRS, Idir’s ability to adapt and natural curiosity led him to take on new responsibilities as an IT project manager during his 20-year career with GEODIS. His experience includes managing and resolving complicated logistics needs for some of the company’s biggest telecommunications and retail clients, which he says appeals to his competitive nature.

“I’ve always been attracted by the challenge of overcoming obstacles and achieving objectives. From the days of practicing judo and playing soccer in my youth, I’ve always been motivated to try to do better and to out-perform competitors.”

Today, he shares that sporting perspective with the 800 people he manages in France’s Tours region and with whom he emphasizes the importance of teamwork to winning and retaining clients, reaching goals and finding ways to create value. He says it’s a philosophy that fits well with the company’s Keep Rising spirit.

“GEODIS gives us the space to dare to try things and to do things differently in order to overcome challenges. It values our diversity as people and recognizes that this is a source of the creativity that allows the company to succeed for its clients and for its employees to grow as well. It’s truly a win-win proposition!”

## “If you put something into this company, you get something out of it.”

Casper Hedemann, Regional Airfreight Director, North, East & Central Europe

Casper began as a trainee, working in the import and export departments, before accepting a permanent position in 2009 as a gateway supervisor. In 2012, he was promoted to Nordic Gateway Manager Air, then in 2015 to National Airfreight Director for Sweden before taking his current role in 2018.

One of the qualities that makes GEODIS special is how it ensures that we can grow with the company. Even early in my career, GEODIS gave me a lot of responsibility and let me learn by doing. The company also prepares its managers to lead teams and provides opportunities for external networking and continuing education. The confidence that GEODIS shows in its employees strengthens our motivation. Basically, if you put something in, you get something out of it. It’s an approach that enables us to Keep Rising collectively, but also as individuals, both personally and professionally.



## “We’re a learning organization – you’re allowed to make mistakes.”

Kevin Stock, SVP Engineering & Operational Excellence for Contract Logistics, Americas



After starting in Operations in 2006, Kevin helped expand GEODIS’ warehouse presence in the Northeast region from two to 12 by 2012. With his Industrial Engineering degree, he was given the opportunity to add engineering to his responsibilities as he rose through the ranks to his current role.

“I feel that my personal traits are well-aligned with the Keep Rising spirit. I try to remain level-headed and open minded in order to make sound business decisions with the best outcome in mind. I’ve been able to develop with GEODIS as a result of the opportunities made possible by our double-digit growth and the great leaders who put their trust in me. GEODIS is a learning organization. As long as you have the right intent – to improve things for our customers, our teammates, our company – you’re allowed to make mistakes. It’s how we learn and improve as a business. The lessons we learned early-on about opening new warehouses for customers is why GEODIS excels at it today.”



## “We get incredible support from the managers.”

Yvette Pang, General Manager, Japan



### Career highlights

**General Manager,**  
Japan 2020

**Managing Director,**  
Hong Kong & South  
China  
2019 – 2020

**Head of Sales,**  
Hong Kong, South &  
West China  
2013 – 2018

**Key Account Manager,**  
Greater China  
2006 – 2013

**Born in Hong Kong, Yvette Pang studied in the UK prior to embarking on her career in 2006 with a company acquired two years later by GEODIS. She took on increasing responsibilities in Hong Kong and South China and in March 2020 was appointed General Manager for GEODIS in Japan.**

Having joined the company through an acquisition, Yvette has personal experience with a particular GEODIS strength: integrating new employees. “GEODIS absolutely knows how to get the best from every person. The Group welcomes incoming teammates and gives them the same platform to develop that it provides to all employees. We’re encouraged to learn, both internally through e-learning tools like G-Campus and from external sources to become better at coaching and leading. It reflects the two-way commitment between GEODIS and its

people that makes us such a strong company.”

As a country leader, who is both foreign-born and female in a traditionally male-dominated business culture, Yvette recognizes she is a model for how GEODIS seeks to break down barriers in a rapidly-changing world.

“We get incredible support from the managers, including helping us to develop our skill sets and mature as leaders. In addition, resources like the global GEODIS Women’s Network give us the opportunity to learn from each other and build the networks we need to succeed.”

Yvette calls Keep Rising a powerful positive reminder of the importance of having a fighting spirit. “For many Asians, ‘rise’ is one of the first English words that we learn as part of ‘sunrise.’ And, like the sunrise, it’s every day that we need to do our best, for our clients, our company and ourselves.”

## “I continue to evolve and grow with the company.”

Rabih Khellad, IT Contract Logistics, Western Europe, Middle East & Africa

**After starting his career at GEODIS as a student as a forklift driver and warehouse operator, Rabih became an operational manager, before moving into a managerial role within IT Contract Logistics, where a tool he has developed, “WMS Mobile,” has been recognized with internal innovation award.**

“My career in GEODIS has given me the opportunity to travel and work in numerous countries and with multiple businesses. Across them all, I have seen among our people the same modesty, selflessness and determination as we carry out our projects. In a business where technology is an increasingly important driver of quality and profitability, I’ve learned the importance of thinking out of the box to overcome obstacles and find new solutions. After more than 20 years with GEODIS, during which I’ve learned to manage people and create WMS tools, I’m still continuing to evolve and grow with the company.”



## “I feel like I’m learning every day.”

Olivier Gateau, Great East Cluster Director, Road Transport Line of Business



**With experience in operational and commercial positions at the Contract Logistics and Distribution & Express Lines of Business Olivier has been responsible for the international operations in Eastern Europe for Road Transport since 2016.**

“I’ve been fortunate in my career with GEODIS to always feel tested to bring out my best. I’ve learned from a series of inspiring leaders and worked with great colleagues who share the same motivation to always stretch ourselves to the utmost. Whether it’s working on new deals with clients, implementing challenging projects or integrating new teammates from acquired companies, it’s a fast-paced environment in which I feel like I’m learning every day. And, while our increased revenue proves the success we’ve realized, the true measure is how well we’re achieving our Golden Rule: “Make it easy for the client to do business with us.”



# Acting for a better tomorrow

GEODIS' objective to create sustainable shared value reflects our commitment to all of our stakeholders. For our customers, it is to be their growth partner. For our employees, it is to be a responsible employer. For society, it is to be a positive force, acting ethically and contributing to a stronger social fabric while protecting the environment. The meaning is clearly captured in one of our 7 Golden Rules: "Be a good citizen."



38-43 Environment  
44-47 Social  
48-51 Community  
52-59 CSR key performance indicators



# Protecting our planet

As part of our commitment to work for a better tomorrow, GEODIS' environmental CSR objective is to mitigate and reduce the impact of our business activities on the environment and to contribute to the fight against climate change.



own environmental footprint as well as the actions of our suppliers. As an industry leader, we also work with other Transport and Logistics companies and take an active advocacy role to push improvements in our industry's performance.

### Three spheres of action



### Minimizing GEODIS' environmental impact

Regarding our own operations, we have set an ambitious target to achieve a 30% reduction in CO<sub>2</sub> emissions (including scopes 1, 2 and 3) by 2030. To reach this objective, the first step is to measure our carbon footprint by calculating our greenhouse gas (GHG) emissions inventory, including direct and indirect emissions.

### A STRONG CSR CULTURE THAT EVOLVES OVER THE YEARS

<b>1990</b> First environmental certification	<b>2007</b> Creation of our Sustainable Development Department	<b>2009</b> First Sustainable Development Report	<b>2010</b> First global carbon footprint	<b>2014</b> Launch of our Ethics and Compliance Department	<b>2018</b> Announcement of our ambition to reduce our CO <sub>2</sub> emissions by 30% by 2030	<b>2019</b> Recognized as Smart Freight Leader - Highest EcoVadis score ever achieved	<b>2020</b> Highest CDP score ever achieved
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We are constantly improving our own process while also contributing to the alignment of international standards.

Our actions to reduce GHG emissions and improve GEODIS' carbon efficiency include reducing our energy use and fuel consumption, providing eco-driving training, optimizing our vehicle fleet, developing new solutions such as biofuels and exploring alternative energies.

### Enhancing performance across our operations

GEODIS also innovates to optimize transport networks and flows and fulfill the growing demand for multimodal railroad solutions. Other solutions include the use of megatrucks, the design of innovative packaging, and the measurement of volumes (rather than only weight) to increase the density of storage and transport solutions that result in less CO<sub>2</sub> emissions per kg per mile.

# 72/100

EcoVadis rating, Gold level recognition

# 88%

of customers are satisfied with GEODIS' CSR performance 2019 internal pulse survey

**"GEODIS has one of the strongest and most actively implemented CSR strategies among the global 3PL providers in Gartner's Magic Quadrant."**

Source: Gartner's 2018 survey

Our initiatives include improving energy consumption in GEODIS buildings. For example, the Group is switching to LED lamps and connected sensors to optimize the lighting of buildings and dramatically decrease energy use. Another technology is a warehouse temperature control system to reduce gas consumption by controlling heating across several temperature zones simultaneously. In addition, GEODIS conducts campaigns to raise awareness among its teams of energy saving opportunities and implements other energy efficiency programs.

GEODIS also seeks to bring down pollutant and harmful emissions and optimize the use of natural resources by applying a "reduce, reuse, recycle" approach. This includes minimizing waste at origin, adopting recycling and repackaging solutions. 60% of non-hazardous waste generated from GEODIS' activities worldwide were recovered in 2019.

# Quantifying and reducing emissions

To progress towards its environmental and greenhouse gas emissions goals, GEODIS focuses first on accurately computing its carbon footprint, then acts strongly to reduce it.



## 82%

of the fleet consisted of Euro 6, electric, hybrid and natural gas vehicles in 2019

## Emissions measuring

Accurately measuring emissions from activities is a prerequisite to achieving improvement. GEODIS has developed its own framework, a state-of-the-art tool called Blue<sub>2</sub> for calculating emissions of greenhouse gases and other pollutants across all GEODIS transport activities worldwide, both internally and for its clients. This initiative provides a transparent and reliable means of quantifying each transport mode's GHG emissions as well as pollutants from freight transport services and logistics chains.

The Blue<sub>2</sub> tool is based on globally recognized standards and calculation tools. It combines operational or primary data from GEODIS'

fleet and network, carrier program data (ie: Clean Cargo) and modeled data. It is consistent with the EN16258 standard and the French regulation and has been interfaced with EcoTransIT World software since 2012, which is the first tool accredited by the Smart Freight Centre to be compliant with the GLEC Framework.

## Implementing new approaches to avoid and reduce emissions

GEODIS is committed to providing solutions to its clients to lower their carbon footprint with the aid of available technologies at every step of the supply chain.

These actions begin with physical solutions. As part of the SNCF group, and being one of the biggest players on the China-Europe rail link, GEODIS develops the use of rail for multimodal transports both at the country and intercontinental levels. The Group is also able to replace road transport with barges on inland waterways, or with short-sea vessels.

GEODIS pays particular attention to the efficiency of its own fleet. Its policies include the rapid renewal of its truck fleet to comply with the latest standards and using the latest technologies in terms of fuel efficiency. Average speeds are being reduced and drivers are carefully monitored and follow regular training sessions on eco-driving. Where regulations permit, the Group uses megatrucks, which have significantly lower emissions and costs.

## Introducing changes large and small

GEODIS has been actively promoting electric vehicles over the last decade. One hundred battery electric vehicles (BEVs) have been used by its Distribution & Express Line of Business for

## One of the biggest players on the China-Europe rail link.

## Biogas-powered trucks

The development of our natural gas truck fleet allows the use of biogas instead of fossil gas. This gas, methane, comes from different types of biomass (manure, municipal waste, intermediate crops) and has a very low carbon balance. The investments made in production and the expansion of the distribution network make the cost of this energy very competitive compared to diesel and facilitate adoption by our customers.



## Carbon offsetting to contribute to the fight against climate change

Despite efforts to avoid and reduce them, some greenhouse gas emissions remain unavoidable. Offsetting these emissions is possible through different types of projects, from investing in the production of renewable energy

to planting trees or replacing old vehicles in developing countries. GEODIS is currently identifying projects and trustworthy players to offset part of its own emissions and offer solutions to its customers in 2020.

"last mile" urban deliveries. As their technology is now updated, the Group is looking forward to the next generation of vehicles.

GEODIS also works to bring down its environmental footprint by optimizing the flows of goods, developing network design optimization tools that can be used at a strategic level to make decisions such as determining the location of plants, gateways and distribution centers. They can also be used at a tactical level through approaches such as improving the load factor of trucks, avoiding empty kilometers, giving a broader choice of cleaner carriers, achieving a proper balance between air and sea and providing a specific network design for urban delivery in dense city centers through consolidation centers.



# Advancing solutions with industry stakeholders

Solving the world's most intractable challenges requires collaboration and the involvement of broad industry groups, an area in which GEODIS plays a leadership role.

## Advocating stringent standards on vehicles emissions

GEODIS has been a leading voice at the European Union, supporting actions to impose tighter emissions controls on heavy duty vehicles. These efforts paid off in 2019 with the adoption by the European Commission of new regulations requiring truck manufacturers to reduce average CO<sub>2</sub> emissions by at least 30% by 2030. GEODIS has also endorsed a recent letter to the Commission supporting the development of zero-tailpipe-emissions vehicles in cities.

## Partnering across all modes

GEODIS works to advance emissions reduction initiatives and improve the efficiency of subcontracted transport with a wide range of industry stakeholders. These include truck manufacturers, OEMs, energy providers, trade associations and NGOs and encompass all modes of transport.

For road transportation, GEODIS supports the energy transition of its partners and uses contractual requirements to further encourage progress. We committed in the EVE program and its EVcom scheme launched by ADEME (French agency active in the implementation of public policy in the areas of environment, energy and sustainable development) in September 2019.

The objective is to bring together road transportation and supply chain logistics players around the same goal to reduce GHG emissions.

With regard to shipping by sea, we work through the Clean Cargo, which is dedicated to reducing the environmental impact of shipping. Through its participation, GEODIS contributes to enhancing the environmental performance of the maritime transport sector and to fostering collaboration towards progress on the industry action plan to decarbonize shipping.

To decrease emissions from air cargo, GEODIS is one of the founding member of the Sustainable Airfreight Alliance to improve the sustainability of air shipments. Among the initiatives are tracking and reducing CO<sub>2</sub> emissions from air freight and promoting responsible freight transport through a buyer-supplier collaboration between shippers, freight forwarders and air freight carriers.

**GEODIS has contributed to the Sustainable AirFreight Alliance (SAFA) since its creation in 2018.**

## Focus: moving to zero emission vehicles

“Getting new zero emission vehicles on the market in higher numbers is vital to reducing emissions from the Transport and Logistics sector.”



The consequences from climate change for the Transport and Logistics industry are multiple. Increasingly frequent climate extremes are making transport more hazardous and unpredictable. Extreme weather and climate also affect food production and supply lines, which in turn affects transport. As EU data shows transport emissions continuing to rise, more is needed from the sector. GEODIS works with key industry stakeholders like Transport & Environment (T&E)\* in order to lower greenhouse emissions throughout its industry sector. A perspective from James Nix, Freight and Climate Manager at T&E.

## What should be the reduction targets for the Transport and Logistics industry?

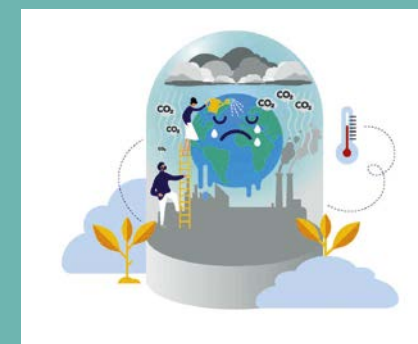
By 2030 new trucks must emit at least 30% less CO<sub>2</sub> compared to 2019/2020. When this target is reviewed in coming years, trailers will get targets of their own, smaller trucks will be brought within the standards and emission reduction targets for vans will be strengthened.

## What are the most effective ways of achieving these targets?

Once powered by renewables, vans and trucks have negligible climate emissions. Electric vans and trucks are today the most common form of freight vehicles with no emissions from the tailpipe. In terms of electricity supply, more than 98% of the new generating capacity being added to the EU grid is renewable.

## What's vital to do now?

Ensuring new zero emission vehicles are produced and placed on the market in



higher numbers. This creates a virtuous circle: higher output of electric vans and trucks, lower production costs and more competitive purchase prices. It also means greater use of recharging infrastructure and more money circulating in Europe's economy to buy domestically-generated wind, solar and stored energy.

\* Transport & Environment is a European umbrella for non-governmental organizations working in the field of transport and the environment, promoting sustainable transport in Europe

# Making people our priority

As a company that relies on the skills, commitment and professionalism of its employees to succeed in an increasingly competitive environment, GEODIS remains focused on the recruitment, retention, development and engagement of its teams.

**Employees are central to the GEODIS business model. This is reflected in its Golden Rule: "Recruit, develop and retain quality people."**

The Group has established human resources processes, an organization and tools to invest in and provide employees with training and career development opportunities.

The Group's 7 Leadership Principles support its ambition of becoming an industry leader by developing a community of leaders to guide GEODIS towards the achievement of its objectives. The Group also strives to disseminate its strategy clearly and regularly among the teams and carries out an annual employee satisfaction survey.



**"Women now constitute a third of our management board in APAC, up from zero just a little over a year ago. It shows our commitment to diversity and inclusion. It is also strong evidence of the range of talented women who are now attracted to the world of logistics. At our country management level across the region, 40% of the team are women."**

Onno Boots, President & CEO of Asia-Pacific

## Promoting diversity and equal opportunity

Fostering diversity and an inclusive culture, the Group also offers employment opportunities to people with low levels of qualifications. It works to increase the gender balance of its workforce and management teams, based on the GEEIS (Gender Equality European & International Standard) label. In 2019, the GEODIS Women's Network was relaunched with a focus on increasing the number of women in management.



The annual GEODIS Women's Network summit took place October 24, 2019 in Paris, France and gathered 70 participants



## Listening to our employees' voices

In North America, several key findings emerged from the most recent annual employee satisfaction survey. First, the 86% participation rate shows the high level of employee engagement in this feedback process. And, while the 93% satisfaction rate is high, it also indicates the opportunities and need for further improvement. In drilling down into the specific results, managers have been able to

identify strengths on which to build, such as the confidence in GEODIS' future direction and pride in belonging. Areas highlighted as needing attention include communicating better internally, building bridges between functional groups and recognizing outstanding performance. Action plans have been launched in these and other areas as GEODIS continues to strive to be the best possible employer.

The Group also ensures a welcoming workplace environment in which people living with disabilities are fully integrated. Activities during the year among Regions and Lines of Business involving employees with disabilities included hosting conferences, working with associations that help to find potential subcontractors who employ people with disabilities and promoting greater awareness by sponsoring contests. In France, GEODIS also supported the DuoDay initiative and partnered with Agefiph (Association de gestion du fonds pour l'insertion des personnes handicapées), an organization promoting integration and employment of people with disabilities in private sector companies.

## Providing a safe workplace

GEODIS also leverages innovation to improve the attractiveness of its workplace and jobs. Digitalization is enabling employees to work better and more efficiently and to acquire new skills while the integration of robots is leading to safety improvements and freeing employees from the performance of tedious, repetitive tasks. As GEODIS continues to shape tomorrow's supply chain, transform itself and serve its customers through innovations such as the use of data and predictive analytics, employees also are learning and growing.

# 20,870

Full time employees are covered by the Investors In People certification at worldwide level

# 91%

satisfaction of employees globally 2019 internal survey

## Recruitment, training and talent management

At the heart of GEODIS' recruitment and retention strategy is our employee value proposition. For recruitment, this is supported through an active social media communication and participation at job fairs. We also partner with specific schools and job boards to better target suitable candidates and keep our recruitment process as effective as possible. Training has always been a priority in GEODIS. Every year we ensure that training is achieved and assessed by employees through an annual evaluation. Of particular importance in the area of training is health and safety.

Recently, we launched the G-university, with training dedicated to senior managers through a specific Harvard program.



# Ensuring occupational health and safety

GEODIS believes it is its #1 role to provide employees with a safe workplace and to do everything it can to ensure their health and well-being.

**The ongoing importance that GEODIS attaches to the safety of its employees and partners is underlined in the Golden Rule to “Ensure the safety of our people everywhere and at any time.”**

The corporate policy on protection of people against occupational accidents and safety awareness is constantly reinforced through training, communications and team challenges.

Among the main steps towards minimizing incidents in 2019 was the communication of the financial consequences of accidents, showing the higher contributions to social security required in many countries when accidents occur. A key message: this is money that could be used instead on training and prevention.



## Raising awareness, emphasizing ergonomics

Safety Days held throughout the year within our Regions and Lines of Business also helped to reinforce top-of-mind awareness of safety issues, including specific risks such as the carrying of heavy loads and the need for special care around vehicles.

Other constant initiatives to decrease accidents include mandatory training programs, zero accident prevention plans, instructional videos, poster campaigns, conferences and safety challenges.

GEODIS also continues its research and design of ergonomic solutions to reduce heavy work and associated health issues like the risk of musculoskeletal disorders, including the use of exoskeletons. The Group also introduced new equipment such as autonomous robots for fulfilment, double center rider electric pallet jacks, the electrical yard truck (in partnership with Blyyd), equipped with a cabin accessible with only two steps to avoid accidental falls and back pain, facilitating and securing handlings, and innovative solutions such as self-powered lifting devices (see focus).



## Driver safety campaign

An innovative new monthly poster campaign was launched by the Distribution and Express Line of Business in 2019 to raise employees' awareness regarding health and safety issues throughout its network. To emphasize the importance of the message, the campaign used extremely graphic and easy to understand images showing the consequences of inattention and carelessness.

## Focus: enhancing worker safety

“I’ve changed my day-to-day movements and I’m a little more mindful about bending with my knees instead of my back.”



“At first, I wondered if the device would be a nuisance but now, I’m not even conscious of it. In the morning, I come in, attach it to my vest and I’m good to go. I’ve changed my day-to-day movements and I’m a little more mindful about bending with my knees instead of my back. Whenever I make a movement the device doesn’t approve of, I keep in mind that next time I should bend a little differently, maybe not twist as hard or twist at such an angle.”

Jack Wesley, Freezer Supervisor, GEODIS, in Americas

## Applying technology to protect employee health and safety

Ergonomic-related injury risks contribute to roughly 50% of GEODIS' overall injury frequency. These injuries are affected by a number of factors, including employee behaviors, workstation and facility design and training and engagement programs. To reduce these risks, GEODIS constantly evaluates new technologies.

In the U.S., a device to track employee movement and notify them in real-time when their activity is potentially dangerous is already helping reduce workplace incidents. The tool, created by a startup, is about the size of a smart phone and was tested with employee volunteers at several sites to measure risk factors that could contribute to employee injuries and to decrease them. It is programmed to buzz when a wearer makes dangerous movements, for

example, bending too deeply to pick up a box or twisting too far to set one down.

The primary target users for the device are employees working in warehouse locations that complete work tasks at higher risk to ergonomic related injuries. These include material handlers, who handle manual unloading/loading of packages, among their responsibilities. The trackers could supplement existing safety programs by noting employees who need extra coaching while also helping to identify locations in operations that could be redesigned to reduce the risk of injury. A recent study found that users of the device suffer 20-50% fewer injuries.

Source: Oliver Wyman's 2019 report "The industrial athlete and next-leveling safety in the workplace"

# Giving back to our communities

As part of being a responsible company, GEODIS seeks to have a positive impact on society and in local communities.



Forty GEODIS' employees, among them, Gabe Fleming, volunteered for the Jimmy & Rosalynn Carter Work Project sponsored by Habitat for Humanity in 2019 in Nashville, Tennessee

**Among the many charity events organized or sponsored by the Group and its employees are those devoted to providing support for people most in need, childcare, health and natural disaster response.**

Examples of employee activities throughout the world include toy collections at Christmas, donation drives to aid the homeless, reducing the use of plastic bottles, beach clean-ups, book drives and fundraising through sports events.

Interventions come in multiple forms, including donations to non-profit associations from employees and management whether of funds, skills volunteering or materials and equipment. Recipient organizations include both local organizations and national and international groups, like United Way, Habitat for Humanity, Second Harvest food bank and the Ronald McDonald House in the U.S., Soles for Souls in Singapore, Fondation des Femmes in France, the Auckland City Mission in New Zealand and Red Noses in Germany.

## Adapting responses to local needs

GEODIS fosters community engagement, volunteering and solidarity through the day-to-day commitment of its teams to support local communities. Employee activities range from beach cleaning in Vietnam to hospital volunteering in the U.S., book drives for students in China to drives to provide orthopedic aids to the disabled in Serbia and to bike fundraising in Canada.

Other examples of initiatives include a program in Mexico to help employees pay off their student loan debts, the GEODIS Compassion Fund (see box), and a program to learn English in the U.S. (see focus).

## Extending a helping hand to employees

GEODIS established the Compassion Fund to assist employees who have been affected by unforeseen circumstances that create a significant financial hardship outside of their control. Eligible hardships include natural disasters, extended, debilitating, or acute illness/injury, death of a family member, and other unforeseen situations. Employees who are granted monetary assistance through an approved Compassion Fund claim receive a physical check from GEODIS for the award amount.



Amber Satchell, Timekeeping Administrative Assistant, GEODIS in Americas, recipient of the Compassion Fund and Theresa Marsic, Senior Operations Manager, CaseStack, Grand Prairie, Texas

## Focus: English Language Learners (ELL) program

“This program has a perpetually positive impact on the lives of our teammates and their families.”



“The English Language Learners program was born from a shared purpose of creating opportunities through operational excellence and engagement. This program has a perpetually positive impact on the lives of our teammates and their families.”

Travis French, Vice President, Operations  
GEODIS in Americas, Contract Logistics

## Investing in our employees

**Faced with the challenge of attracting qualified job candidates, GEODIS in the U.S. is providing employees who speak little or no English with language classes.**

The courses are an opportunity for GEODIS to help employees develop professionally while also improving their quality of life on a personal level. The program was launched in 2018 and featured instructor-led classes that meet twice per week over a 12-week period. The maximum number per class was limited to 25 to allow for more instructor to pupil attention and maximize individual learning. Participants learn conversational English to better express themselves, whether in work situations or during doctor's appointments, parent/teacher conferences or routine shopping trips.

improved safety and retention and better-prepared citizens. Our hope is that we not only improve the ability of team members to navigate their acclimation to GEODIS and a new life in America, but that we inspire them both to keep on learning and to teach others as we have taught them.



“This program continues to be an outstanding success, benefiting our people in both their personal as well as their professional lives. We also see the positive impact on retention as 91% of employees who started the program in May 2018 are still with us today.”

Benefits include workers able to interact and contribute more easily,

Jim Suber, Region HR Director,  
Indianapolis Campus-GEODIS



# A commitment to playing by the rules

Business integrity and trust are at the heart of GEODIS' relationships with its stakeholders. Considering the trust we have earned to be critical to our ability to operate successfully, our Ethics and Compliance program is fully embedded in the Group's business strategy.



## 60/100

2019 EcoVadis assessment for the topic business ethics

## 92%

of customers are satisfied of GEODIS in terms of ethics & compliance 2019 internal pulse survey

### Responding to high expectations

GEODIS expects all of its employees to act in all circumstances in compliance with the laws and regulations in force in the countries where it is present. The Group operates in an increasingly restrictive, complex and rapidly evolving regulatory environment. Having a global footprint gives these two topics a great sensitivity.

In addition to stakeholders' rising expectations of how companies behave, there are significant sanctions for failure to live up to these expectations. An inability to engage

in fair business practices or to be transparent poses serious risks to a company's reputation that can take shape immediately in today's interconnected world. Those unwilling to meet their responsibilities to the public good and fair play also can be subject to punitive financial penalties and legal jeopardy.

### Deploying the compliance policy

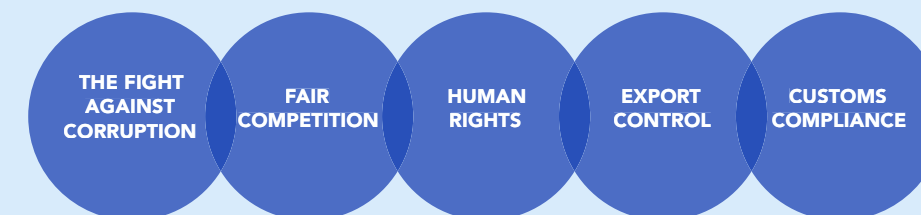
The Group Compliance department reports to the Chairman of the Executive Board and the Supervisory Board's Risk Committee. A network of correspondents contributes

### A CONTINUOUS IMPROVEMENT PROCESS TO DEVELOP TRUST AND INTEGRITY



### COMPLIANCE TARGETS

The GEODIS Compliance approach is based on a global policy covering:



to the operational deployment of the approach within the Group to:

- Define and develop compliance programs
- Establish and deploy rules and procedures through a reference document, the Blue Book
- Promote a culture of compliance, ethics and business integrity
- Support teams and provide expertise in these areas
- Represent the Group before customers, public authorities and other stakeholders.

A series of actions help to build a compliance culture within the Group through awareness and training. Compliance Week reaffirms GEODIS' commitment to compliance with employees and is reinforced through media such as posters and video messages.

### Focusing on export control

Export control seeks to protect GEODIS from involvement in illicit operations (prohibited goods), in connection with sensitive countries (embargo) or persons (individuals or legal person) included on sanctions lists. Export control is an essential component of the business relationship with our customers and service providers to guarantee the security of the supply chain and the preservation of the interests of GEODIS and its stakeholders.

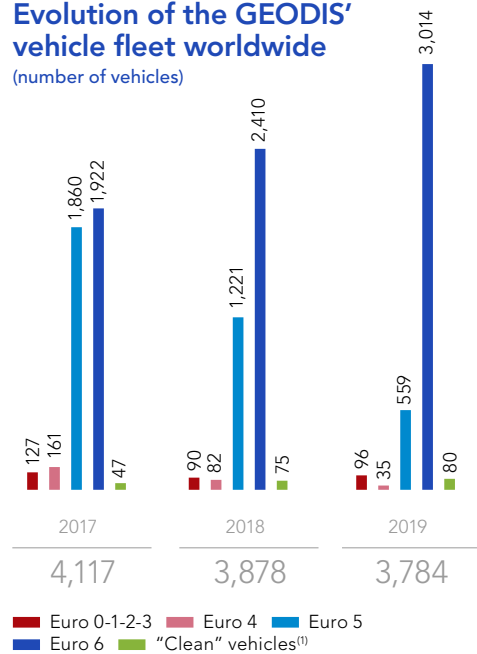
### 2019 key facts

- Export control procedure revised and distributed to account for changes in regulations, particularly those relating to sanctions against Iran
- Internal customs control repository and the self-assessment questionnaire (116 questions) updated, including 11 new customs rules, among which one related to the security of subcontracted customs operations
- Internal customs control campaign launched in all countries where GEODIS operates (+100 legal entities)
- New e-learning solution rolled out covering the Group's Code of ethics for more than 10,000 employees
- New awareness campaign and e-learning course regarding export control covering 13,000 employees

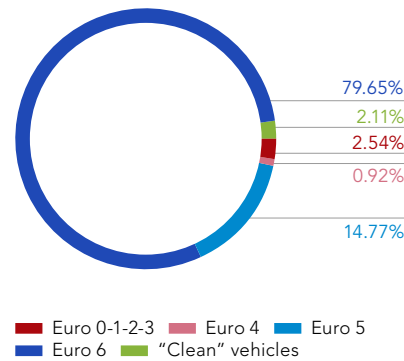
# CSR key performance indicators

The auditor EY has conducted an independent review of the reporting process of selected GEODIS' 2019 key CSR indicators. Details on the methodologies used (scope, data collection and consolidation, choice of indicators, methodological limits, monitoring and verification of indicators) are available on geodis.com under the CSR section together with the moderate insurance report issued by EY.

**Evolution of the GEODIS' vehicle fleet worldwide**  
(number of vehicles)



**Mix of the GEODIS' road vehicle fleet worldwide in 2019**



(1) Electric, hybrid and natural gas.

**+18 pts**

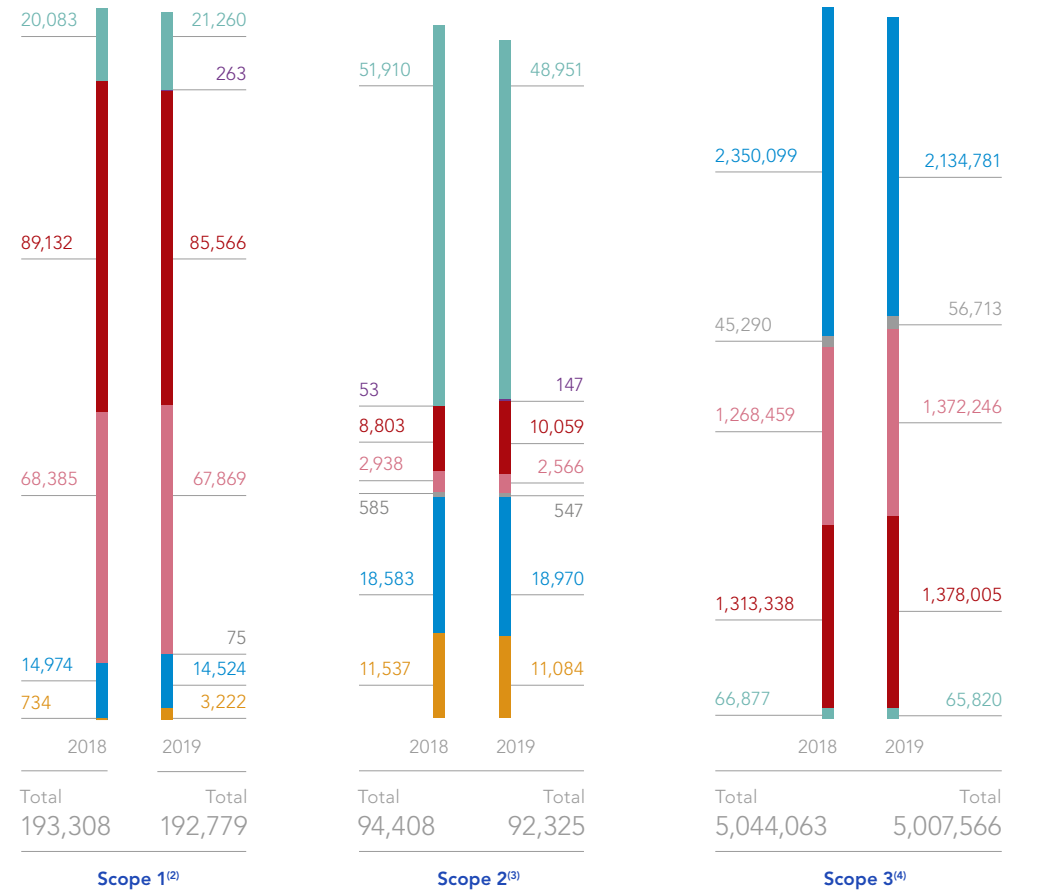
Evolution of EURO 6 share in the total road vehicle fleet 2019 vs 2018

**3,784**

Total owned vehicles worldwide at the end of 2019

## GEODIS' CO<sub>2</sub>e emissions by scope

(in metric tons of CO<sub>2</sub>e - Scopes 1, 2 and 3 - Worldwide - 2018 2019<sup>(1)</sup>)



- Contract Logistics US
- Corporate & Holdings
- Road Transport
- Distribution & Express
- Supply Chain Optimization
- Contract Logistics
- Freight Forwarding
- Subcontracted air transport
- Subcontracted rail transport
- Subcontracted ocean transport
- Subcontracted road transport
- Others<sup>(5)</sup>

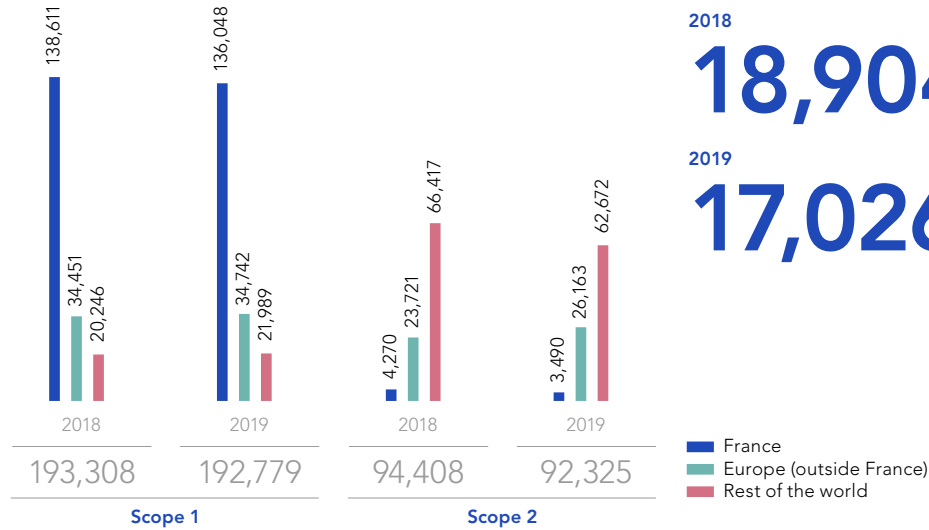
- (1) Due to the resolution of reporting mistakes in countries, the GEODIS 2018 data for electricity and natural gas consumption has been revised upwards vs the data published in last year's report along with the revision downwards of diesel fuel consumption.
- (2) Scope 1: direct emissions from stationary or mobile sources (gas or fuel).
- (3) Scope 2: indirect emissions associated with electricity production.
- (4) Scope 3: all indirect emissions (not included in scope 1 and 2) that occur in the value chain.
- (5) Upstream emissions from energy consumption + business travel emissions.

Emissions from Road Transport subcontracted by Contract Logistics activities are currently not included in our GHG inventory but will be in the coming years. They are currently estimated at less than 5% of our scope 3 emissions.



### Evolution of GEODIS' CO<sub>2</sub>e emissions

(in metric tons of CO<sub>2</sub>e - Scopes 1 and 2 - Worldwide - 2018-2019\*)  
Correspondence GRI4-EN15 and GRI4-EN16

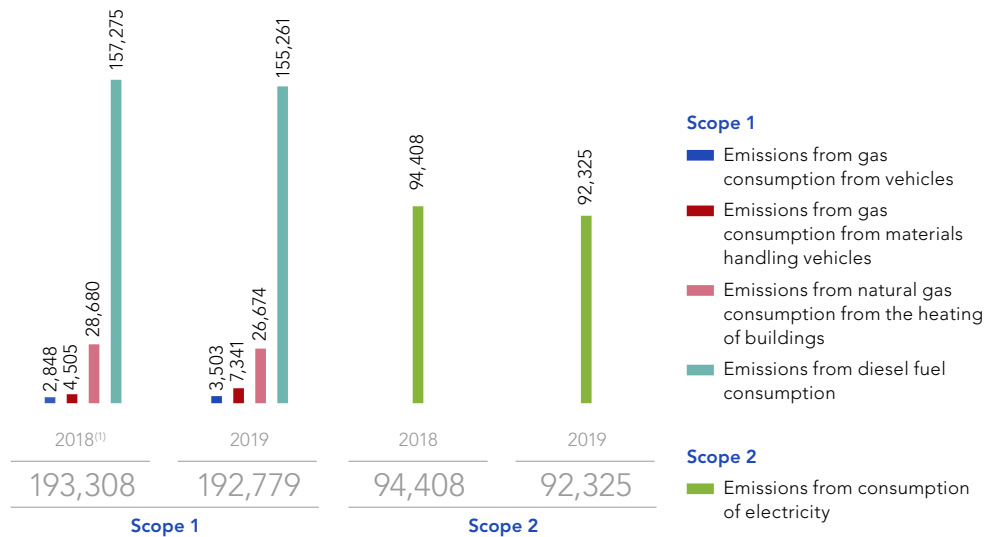


### Tons of CO<sub>2</sub>e avoided as a result of road to rail modal shift

2018  
**18,904**  
2019  
**17,026**

### Evolution of GEODIS' CO<sub>2</sub>e emissions by source

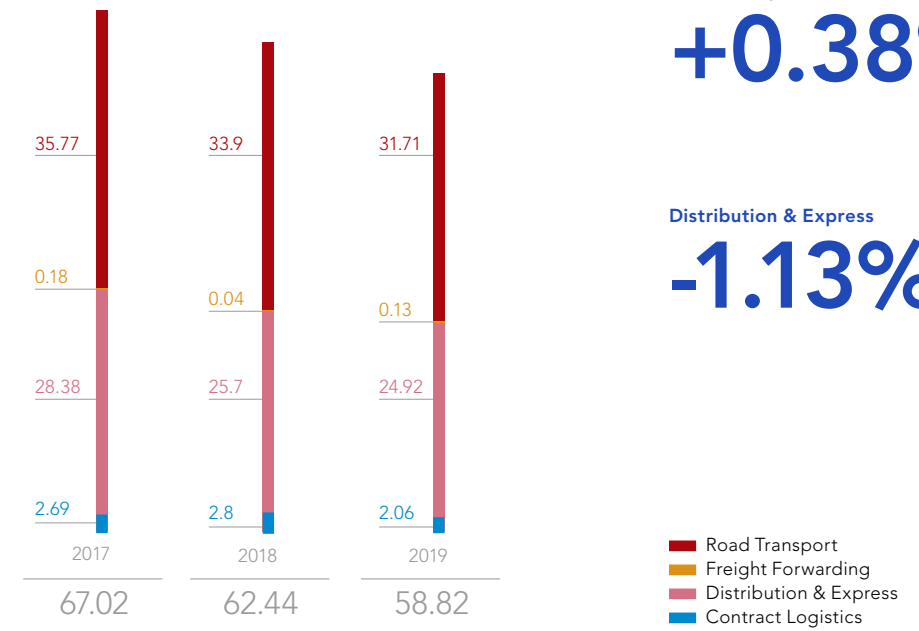
(in metric tons of CO<sub>2</sub>e - Scopes 1 and 2 - Worldwide - 2018-2019<sup>(1)</sup>)



(1) Due to the resolution of reporting mistakes in countries, the GEODIS 2018 data for electricity and natural gas consumption has been revised upwards vs the data published in last year's report along with the revision downwards of diesel fuel consumption.

### Annual worldwide diesel fuel consumption per Line of Business

(in million of liters)  
Correspondence GRI4-EN3



### 2019 average diesel fuel consumption/100 km vs 2018

Road Transport  
**+0.38%**  
Distribution & Express  
**-1.13%**

### Estimated share of non-hazardous waste generated by GEODIS activity and recovered in 2019

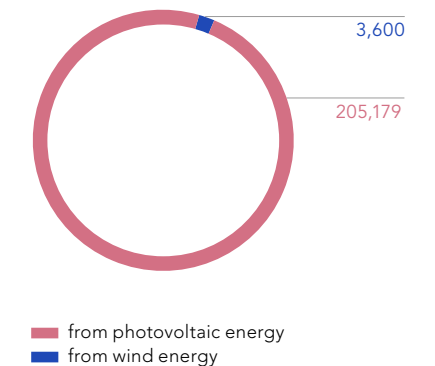
(worldwide)

**60%**  
Recovered waste  
(in tons - Worldwide)  
**64,715**

### Total production of renewable energy in 2019

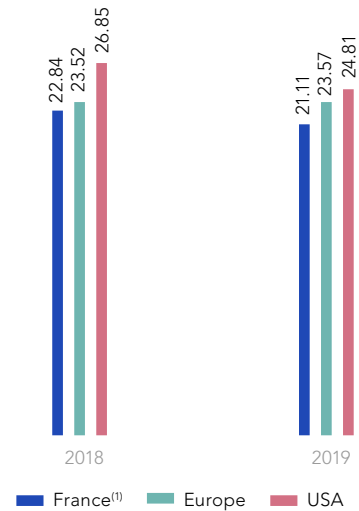
(KWh)

Total: 208,779



### Electricity consumption of the Contract Logistics Line of Business

(in KWh / sqm)



(1) Analysis at iso-perimeter, excluding sites opened or closed in 2019.

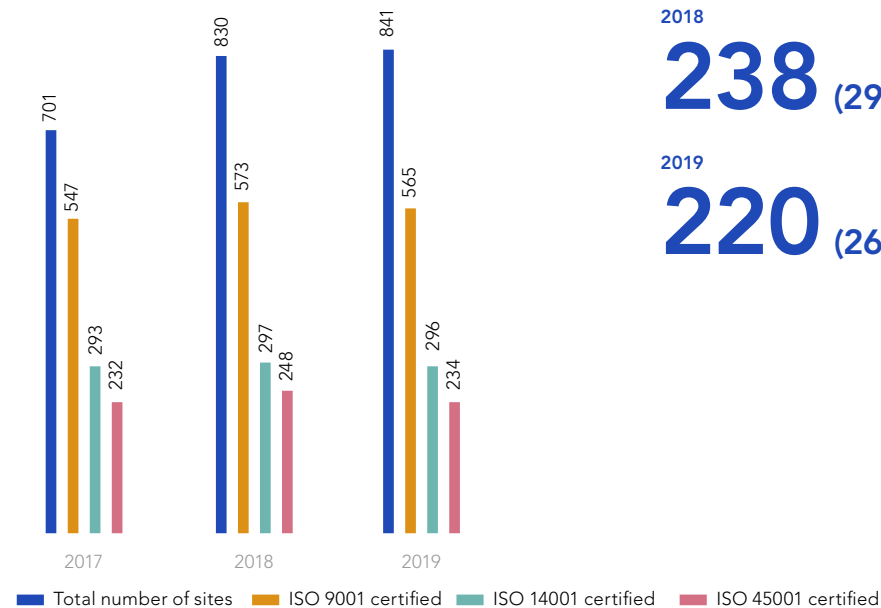
### Electricity consumption of Group buildings

(in GWh - Worldwide)



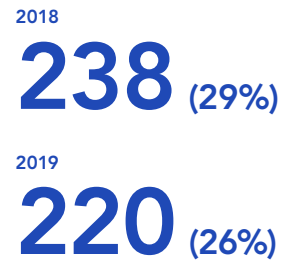
### Evolution of GEODIS' sites certifications

Correspondence GRI4: EN31



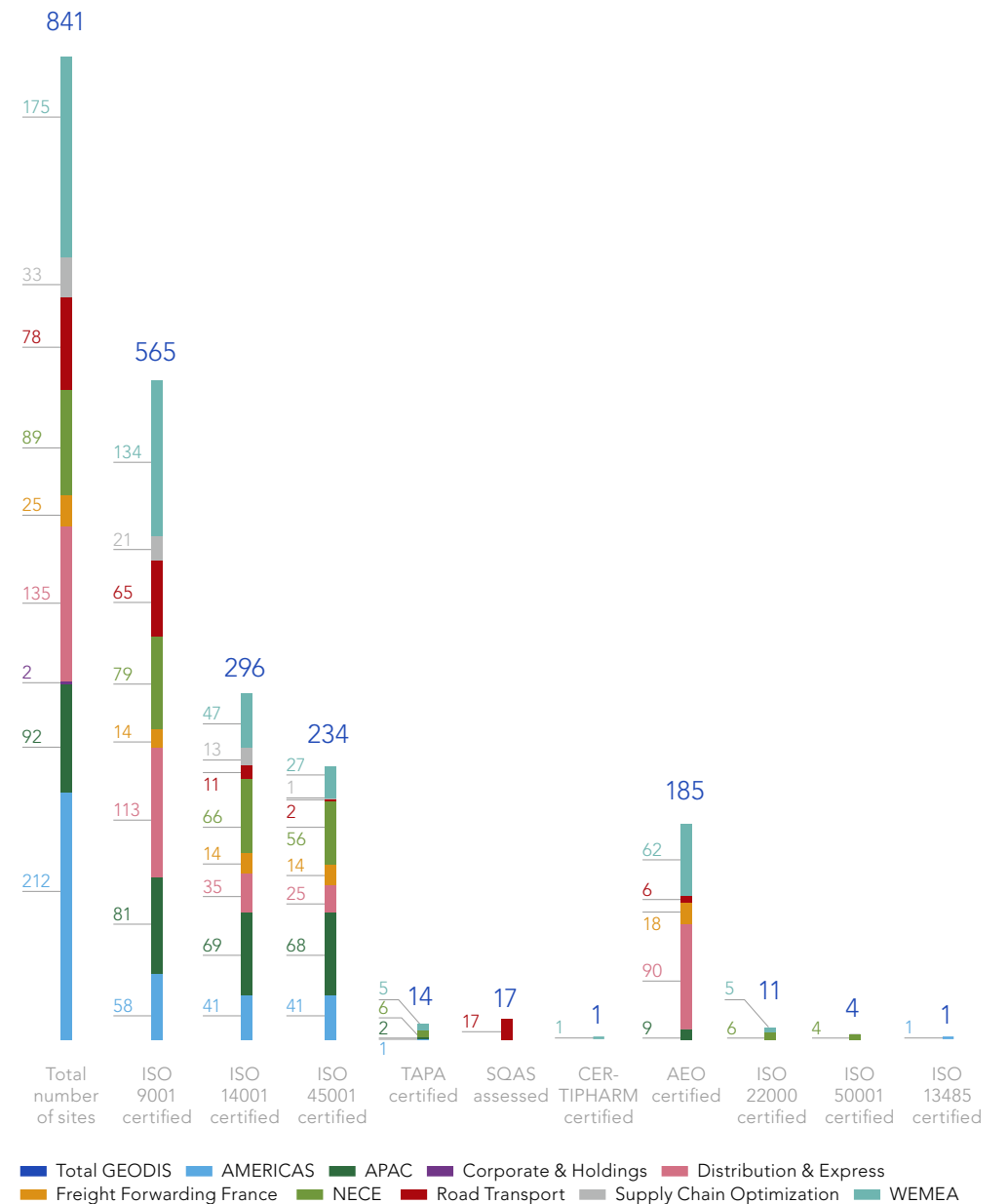
### Triple QSE certification

(total number of sites)



### 2019 certifications

(number of certified sites)

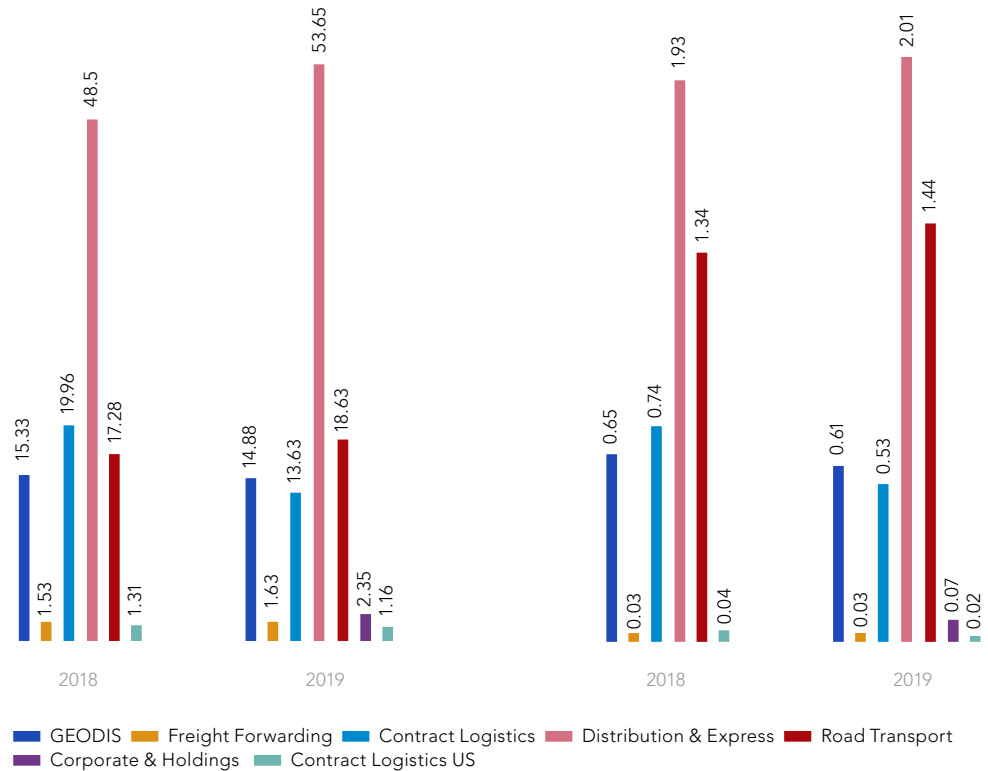


ISO 9001: quality, ISO 14001: environment, OHSAS 45001: safety, TAPA (Transported Asset Protection Association): cargo security, SQAS (Safety and Quality Assessment Series): quality and safety in the chemical sector, Certipharm: quality in the health sector, AEO (Authorized Economic Operator): customs formalities, ISO 22000: food safety, ISO 50001: energy management, ISO 13485: medical devices, quality management systems, requirements for regulatory purposes.



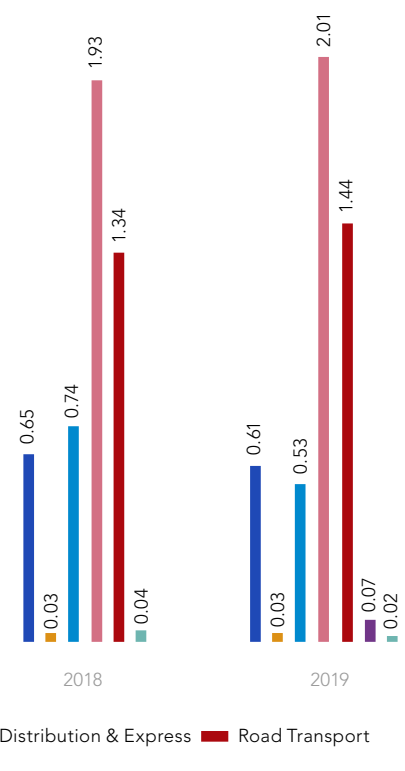
### Safety: frequency rate of occupational accidents

(worldwide) Correspondence GRI4: LA6



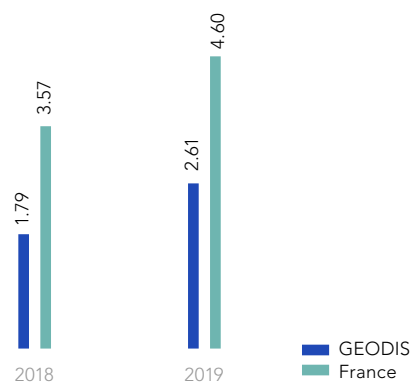
### Safety: severity rate of occupational accidents

(worldwide) Correspondence GRI4: LA6



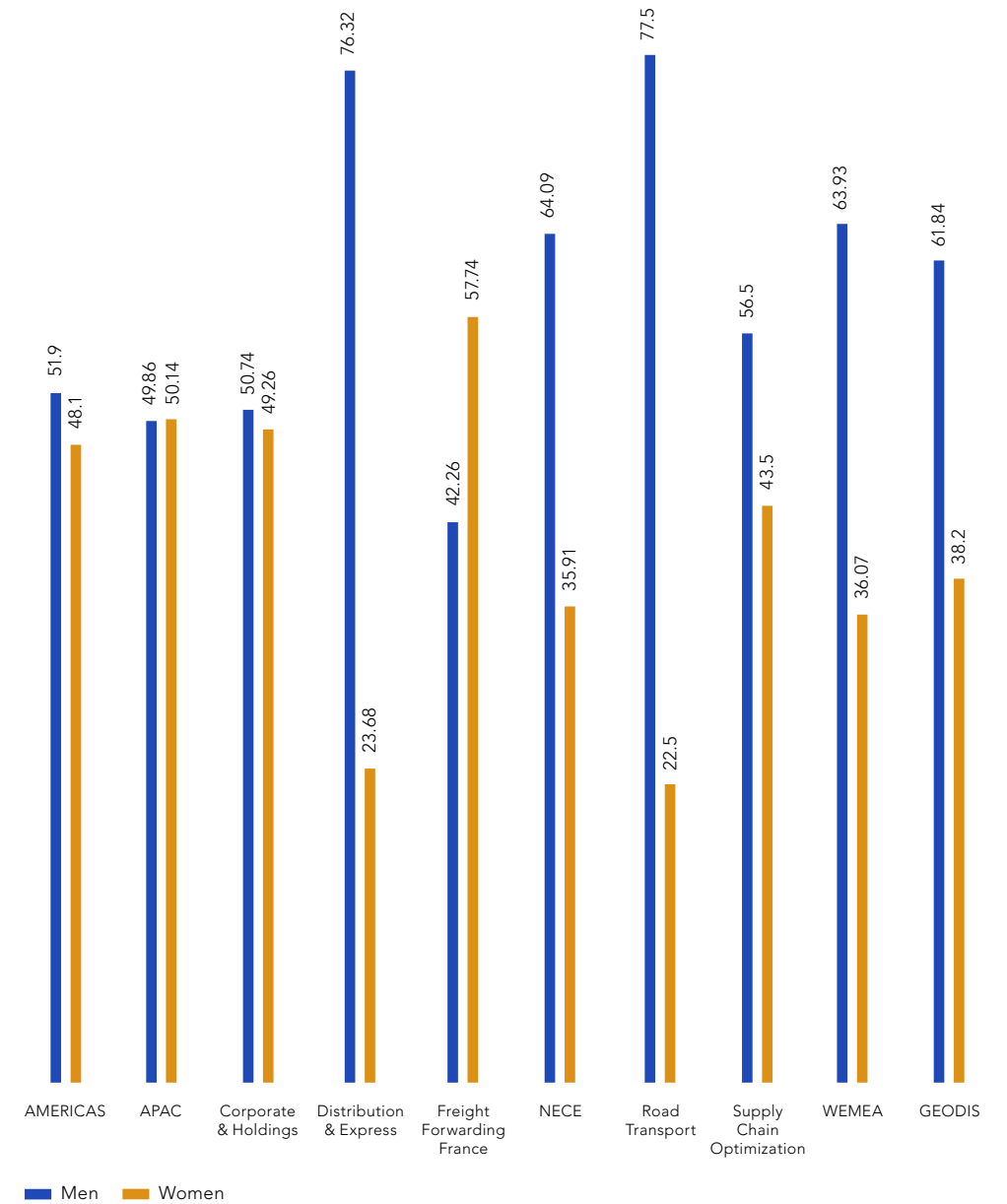
### Share of disabled workers in 2019

(FTE share, full-time equivalent)



### Gender distribution in 2019

(as a percentage of ETP - Worldwide)



### **Report scope**

The accomplishments shown in this report concern 2019 and the first quarter of 2020. The auditor EY has conducted an independent review of the reporting process of selected GEODIS' 2019 key CSR indicators. Details on the methodologies used (scope, data collection and consolidation, choice of indicators, methodological limits, monitoring and verification of indicators) are available on [geodis.com](http://geodis.com) under the CSR section together with the moderate insurance report issued by EY.

### **Acknowledgments**

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