

Orchestrating sustainable logistics solutions

2018 Activity and Corporate
Social Responsibility Report



GEODIS



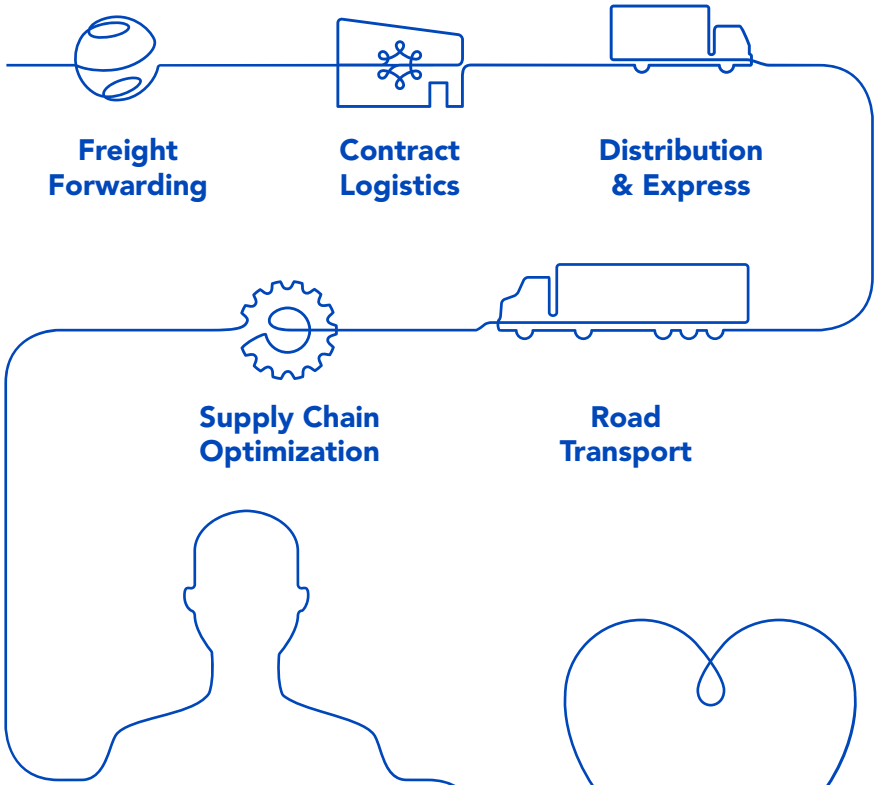
In a rapidly changing world, where logistics is becoming a key factor of competitiveness, having a clear understanding of current trends, specific market characteristics and business challenges is paramount.

To stay on top of expectations, GEODIS is on the move. With its new regional organization, coupled with the expertise of its Lines of Business, the Group aims at providing its customers with easy and full access to its unique portfolio of intercontinental transportation, customs clearance, road freight transportation, warehousing and last mile distribution worldwide.

GEODIS' high performance spirit is embodied by a fully committed team, devoted to quality and excellence. A strong innovation culture also makes the Group an essential player that defines the future of logistics while pursuing its action for economic, social and environmental performance.

Having reached the objectives of its first strategic plan "Ambition 2018", GEODIS' vision for its 2023 roadmap establishes a new foundation creating value for all of its stakeholders. Firmly committed to earning the trust of its customers as their growth partner, **GEODIS continues to move forward.**

Lines of Business



Mission

To help our customers overcome their logistical constraints

Values

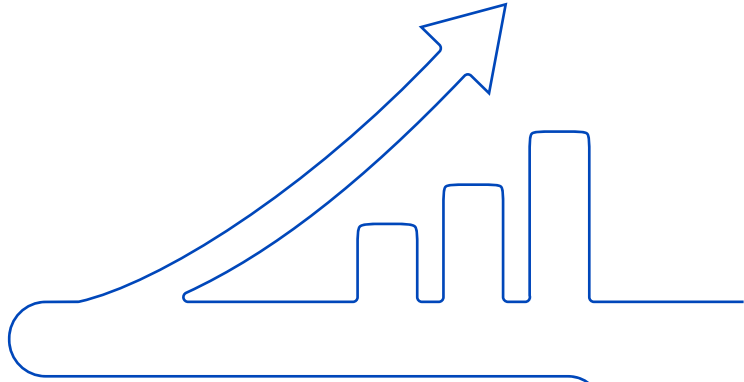
**Commitment
Innovation
Passion
Solidarity
Trust**

€8.2bn

revenue

41,000

employees

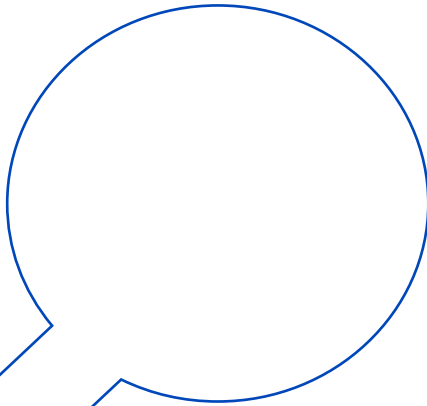


Ambition 2023

- Industry leadership
- Profitable growth, combining organic growth, targeted acquisitions and innovation
- Business excellence

Vision

To be the growth partner for our customers



Regions

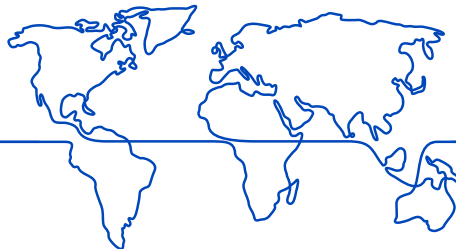
WEMEA: Western Europe, Middle East & Africa

NECE: North, East & Central Europe

APAC: Asia-Pacific

Americas: North & Latin America

France



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Centering our management system on business excellence

Our success stories

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Our robust model to create value, tuned into world evolution



Marie-Christine Lombard
Chief Executive Officer of GEODIS

Looking Back

The year 2018 has proven to be a good year for GEODIS, which has delivered strong financial results, as well as reaching critical targets on our on-going sustainability program.

Despite uncertainties of the macroeconomic context impacting our sector, such as uneven global economic growth, rising oil prices, and the mounting of protectionist measures, GEODIS delivered increased sales and profits. This is thanks to our unique portfolio of transport and logistics services and our agility in helping clients overcome their logistical constraints. Our commitment to the flawless execution of our promises, is critical for our clients when it comes to selecting a trusted business partner to distribute their products seamlessly throughout the world.

2018 was a particular year for GEODIS, as it marked the end of our “Ambition 2018” plan, launched five years ago. This plan has been successfully delivering improved financial performance year after year, reflected both in our organic growth rate, in line with the market, and in the tripling of our profit margin over the period. However, what we are proudest of at GEODIS, is that we achieved our financial

objective, while keeping our promise to be a responsible company in the way we do business. This promise is key in our Corporate Social Responsibility (CSR) approach, totally embedded in everything we do, everywhere, and all times.

This report goes into great detail to transparently portray how we are measuring our company’s impact on all of our stakeholders, and our commitment to improve it. Our CSR approach is an integral part of our promise to create value for all of our stakeholders. This is more valuable if it is sustainable and shared, based on our ingrained CSR philosophy and objectives, common to all concerned stakeholders. This approach is embedded in our 7 Golden Rules, a mantra used by our employees to run the business on a daily basis. Three out of the seven Golden Rules pertain to CSR: “Recruit, develop and retain quality people”, “Ensure the safety of our people everywhere and at any time”, and finally, “Be a good citizen”. This encompasses social, societal and environmental domains. In each of these domains, we set ambitious targets for ourselves against benchmarks. We measure results and seek higher levels in a continuous improvement objective. We believe that in the CSR sphere, no one should stand still and be content with their results.

In the yearly survey, 88% of our clients say that they are satisfied with our CSR approach. Even if there is always room for improvement, this score is a mark of strong recognition of our efforts to conduct business in a responsible manner. EcoVadis, the rating agency, has ranked our CSR program in the top 1% of all companies evaluated, and has awarded us "Gold" status.

Looking ahead

As we look ahead, we foresee continued shifts and challenges in the economy and global trade. We plan on strengthened concentration, as well as the arrival of new entrants on the competitive battlefield. Meanwhile, the megatrends that are affecting our industry will generate both challenges and opportunities. To anticipate and respond to these trends, we have set forth our new "Ambition 2023" strategic plan. Our objectives are clear: to continue our progress as one of the world's leading logistics companies by creating sustainable shared value for our customers as their growth partner. For our employees, this translates by being a responsible and caring employer, and for the rest of our stakeholders, by improving our overall performance, while caring for the world.

First, for our customers. We will continue to answer their ever-changing needs, reflecting the economic challenges ahead that impact their supply chains, requiring more agility than ever before. We aim at designing integrated logistics solutions for them, by optimizing any asset we operate or use, through enhanced automation, mechanization and robotization, and by increasing the use of big data to anticipate activity levels and reduce costs and waste in their supply chain. Additional resources to support the business will be devoted to our Innovation/Engineering department, created in 2014. Significant investments will be made in digitalization, to support our transformation towards a more agile organization. Our global footprint will be expanded to follow clients where their developments take them, with a specific focus on Central Europe, North America and high-growth Asian countries.

Second, for our employees. We are rich with expertise and many engaged employees. This needs to be preserved especially in light of the revolution ahead in logistics. Any evolution at GEODIS will be made in the context of what

With all my colleagues at GEODIS and thanks to the engagement of each and everyone, we are committed to creating sustainable shared value for all of our stakeholders.

we pride ourselves to be: a socially responsible company, aiming at leaving no one on the sideline of our business transformation. We plan to enhance the training and development efforts for our people, in order to adapt to new technologies, and the speed of transformation in our industry. This report confirms that we remain focused on recruiting, developing, and retaining quality people. These are our key assets and absolute assurance that we deliver the service quality our clients expect.

Finally, we believe that everything we do for the prosperity of our business should be done with the view of being, and remaining, a "good citizen". This is how we enter in environmental and societal domains. Our environmental goals remain unchanged. We have the ambition to reduce our CO₂ footprint by 30% by 2030. This report shows that we are on the right track and demonstrates multiple measures and initiatives we follow to further improve our environmental footprint. For the societal aspects, our regional or business management has a certain level of autonomy to engage with the local community on support programs. The closer the ownership initiative the more effective and sustainable the impact on society. You will find some great examples of solidarity work by our people in the report.

I will summarize by saying, with all my colleagues at GEODIS and thanks to the engagement of each and everyone, we are committed to creating sustainable shared value for all of our stakeholders.



Part 01

Accelerating in a changing world



Introduction in the context of megatrends

- Challenge 1 P.07
Digitalization
- Challenge 2 P.08
Urbanization
- Challenge 3 P.09
Environment
- Challenge 4 P.10
Integrity
- Challenge 5 P.11
People



To succeed in today's fast-changing world, a company must identify, understand and anticipate the major trends affecting its environment. Often interconnected, these megatrends are reshaping markets and industries and need to be addressed in an increasingly agile way.

In response to this evolution, GEODIS continues to reinvent itself, adapting its business model, its processes and tools as well as its organization to quickly evolving markets balances, customers' needs and stakeholders' expectations.

Embracing the digital transformation



The digital revolution is profoundly transforming markets and industries

Digital is impacting every aspect of our lives, including logistics. Today, our society is engaged in a world of information that involves a **global dematerialization** and system-to-system conversations, with real-time information management and new devices. The power of data is activated by algorithms, learning becomes automatic and artificial intelligence takes an increasingly

important part. Robots in particular are no longer duplicating standardized movements, but now are smart machines. The **impact of e-commerce** has reshaped **Retail, B2B** as well as **B2C supply chains**. GEODIS is taking advantage of this revolution by digitizing its core processes and creating new platforms, consequently generating improved performance and quality of service.



Challenge 2

Managing the explosion of urban growth



By 2050, two thirds of the world's population will be concentrated in cities

Increasing global urbanization and the **rising number of megacities** pose major challenges. Urban spread and increased density worsen congestion and pollution in the absence of appropriate infrastructure, while traditional logistics is being displaced from city centers. Facing new regulatory constraints at a time when **e-commerce** is driving

increasing expectations for on-demand delivery and impacts the optimization of urban distribution networks, GEODIS is implementing new smart city logistics models. These models combine a network of proximity distribution centres and a fleet of **low emissions vehicles** using natural gas or electricity.

Reducing our environmental footprint



The environmental crisis requires urgent and effective solutions

To protect public health and the planet from deteriorating air quality and inducing climate change, more stringent regulations are required, including for transport, which is a major source of **CO₂ emissions** and other pollutants such as particulate matters, SO_x (sulfur oxides), or NO_x (nitrogen oxides). These coming shifts are already taken into

account in the vehicles that GEODIS uses. With the ambition to **reduce its carbon footprint by 30% by 2030**, GEODIS is not only working to lowering its own emissions, but is also mobilized with the actors of the Transport and Logistics sector to foster collaboration, to support the introduction of new regulations and to develop innovations.



Challenge 4

Ensuring business integrity



Integrity is key to manage risk throughout the value chain and build trust

Stakeholders' expectations of how companies conduct their business are rising. They are expected to engage in **fair business practices**, to be **transparent** and to operate according to **ethical principles**. Those who are failing to meet these requirements are subject to increasingly high penalty and reputation risks. Since GEODIS

considers integrity as the foundation of the relationships of trust with its customers, it has deployed an **Ethics and Compliance program**. It applies common rules, that are embodied through a Code of Ethics, addressing business integrity and respect for human rights at all levels of the Group across its Regions and Lines of Business.

Putting people first



Companies need to integrate, protect and train their employees

In more developed economies, transport and logistics' jobs seem to be less attractive, while technology is rapidly transforming the digital supply chain landscape. Labor shortages, cross-generational issues and the impact of digitization and technology all pose challenges to recruiting, retaining and engaging a **high-quality workforce**.

As a company that relies on its teams' skills, commitment and professionalism, GEODIS emphasizes the importance of training, especially when it comes to **health and safety**. Fostering diversity and an inclusive culture, the Group also offers employment opportunities to people with low levels of qualifications.



Part 02

Creating value for our stakeholders



Partnering for
improved performance
worldwide

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end-to-end supply chain P.16
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2013-2023

A major change in scale


Against the backdrop of rapid changes in markets, GEODIS has continued to accelerate its transformation, driving its sustainable growth through constantly reinventing itself and innovating.

2013 Turn-around

- Nomination of Marie-Christine Lombard as CEO of GEODIS
- Launch of the "Ambition 2018" strategic plan
- Creation of GEODIS' mission, vision and five core values
- Introduction of the Stakeholders' Total Satisfaction program (STS), including the 7 Golden Rules

2014-2015 Building on foundations

- Unification of all brands under the GEODIS banner
- Strengthening of the Global Accounts portfolio management
- Development of a worldwide offer based on vertical markets and value proposals
- Expanding of the global footprint and product offering through the acquisition of OHL (Ozburn-Hessey Logistics) headquartered in Nashville, Tennessee, USA




70/100 – With this score, GEODIS is awarded "GOLD" by EcoVadis, among the "top 1%" of all companies evaluated in 2018, starting with 58/100 in 2009 *

*2019 assessment not yet available when this report was issued



First global carbon footprint calculation in 2010



Member of the United Nations Global Compact since 2013, the world's largest corporate sustainability initiative

2016-2018 Stepping up the profit

- Continuous growth of the operational financial performance
- Steady employees and customers satisfaction rates
- Launch of the digital plan
- Deployment of a new organization combining Regions and Lines of Business

2019-2023

Achieving industry leadership

- Introduction of the new strategic plan "Ambition 2023"
- Increased objectives for profitability
- Revenue growth goals combining organic growth, targeted mergers and acquisitions, innovations as well as launch of new ventures
- Deployment of the Business Excellence program, a new momentum to STS, the Group's previous continuous improvement approach



Ambition of
**30% reduction
of GEODIS'
greenhouse gas
emissions** by 2030
expressed in 2018



88% of customers
satisfied with GEODIS'
CSR actions, according
to the 2018 customer
satisfaction survey

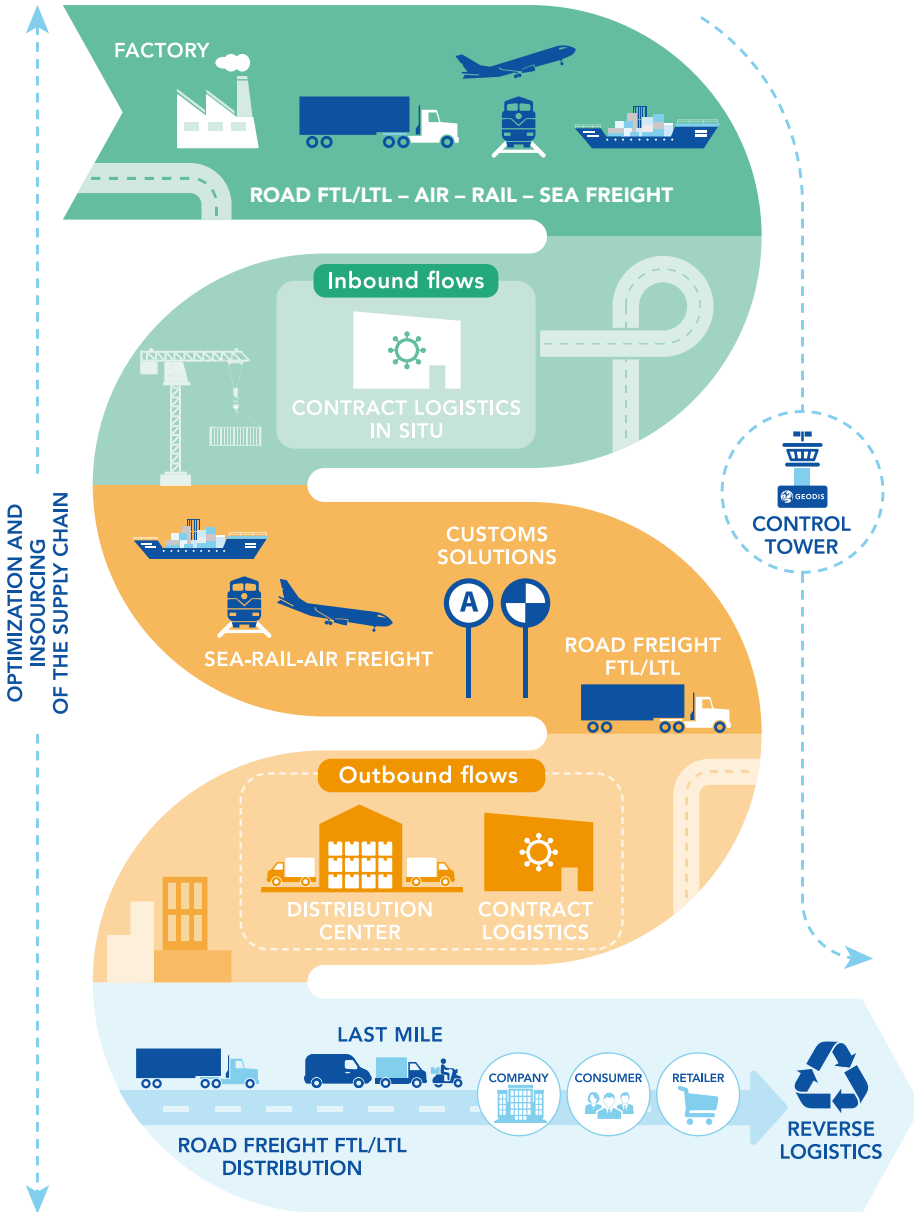


Classified
by **Gartner**
as a "**Leader**"
in its "Magic
Quadrant"
of global 3PL providers
since 2016



Managing our customers' end-to-end supply chain

Organizing, operating and optimizing.



In-depth expertise by industry segment

In order to help its customers overcome their market-specific logistical constraints, GEODIS designs and implements transport and logistics solutions tailored to their industry.

The Group's sectoral experts aim to optimize both physical and information flows at every stage of the supply chain. GEODIS' full range of services is strongly backed by a highly structured customer segmentation strategy that demonstrates the value delivered in each of its operating markets.



Retail

GEODIS helps its customers optimize their Retail supply chains by providing innovative solutions, especially for e-commerce. In order to deal with variations in demand and to adapt volumes accordingly, these solutions range from inbound quality control, packaging to consolidation at origin, as well as enhanced just-in-time transport and customs clearance processes.



Fast Moving Consumer Goods

GEODIS' solutions are made-to-measure, environmentally-friendly, and offer value-added services, while adapting to customers' every need to achieve operational excellence. As reliable tracking and alert information is essential to ensure the consistent supply of their merchandise, the Group offers information systems and tracking tools to monitor its customers' supply chain in real-time.



Industrial

GEODIS offers a complete range of multimodal and environmentally-friendly transportation solutions to meet its customers' supply chain challenges. It expertly adapts these solutions to their individual projects – even the most unusual and demanding ones – to optimize their supply flows, distribution, and after-sales service.



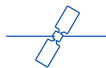
Automotive

GEODIS puts decades of expertise into its Automotive industry service, helping its customers overcome the challenges of on-demand production. The Group provides adapted and comprehensive in-house warehousing services such as pick & pack, SKD/CKD*, sub-assembly, line-feed operations and optimized door-to-door transport with real-time visibility.



High Tech

GEODIS offers agile and secure solutions for all of its High Tech logistics operations. The Group provides support throughout the product value chain, from supplying components through VMI** to their final recycling. It also ensures order management across all sales channels and direct deliveries to resellers or end consumers.



Aerospace and Defense

GEODIS' offer for the aviation, space, and defense sectors tackles the specific challenges of each stakeholder, from manufacturer to after-sales service. The Group uses its thorough knowledge of its aerospace and defense customers to create new methods and tools for optimizing these supply chains.

*semi knocked down/completely knocked down

**vendor managed inventory



Creating sustainable shared value

Leveraging from key resources and assets...



Employees

- 41,000 employees
- 96.5% employees on permanent contracts
- 37% female employees
- 13.9% female top executives



Customers

- 165,000 customers in 120 countries



Financial

- Strong shareholding (100% SNCF, rated AA-/Aa3 by S&P/Moody's)



Operating capabilities

- 830 sites in 60 countries
- 7.9 million sqm of warehousing space, including 25 premium sites



Environmental footprint

- Gazoil consumption: 62,813 million of liters
- Electricity consumption: 235.2 million of KWh
- Gas consumption: 138.1 million of KWh

...to optimize the clients' complete supply chain...

- Air and ocean freight transport
- Customs brokerage
- Warehousing and order management
- Overland road and rail transport
- Last mile delivery (express/parcel)
- Heavy load transport
- Supply chain advisory services

... while always seeking business excellence...

Our 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

... to deliver clients benefits...

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

... and create sustainable value for all our stakeholders.



Employees

- 14,136 recruitments in 2018
- 9.04 training hours per FTE (full time equivalent)
- Occupational accident:
 - Frequency rate: -7.4 pts
 - Severity rate: -0.45 pt vs 2017
- Employee overall satisfaction rate in 2017*: 87%

*next survey results to be released in June 2019



Customers & suppliers

- Customer satisfaction rate: 84%
- EcoVadis assessment: Gold - 70/100
- "Leader" in Gartner's "Magic Quadrant"



Financial

- Strong recurring annual operational cash flow: €200m



Environmental footprint

- 96% of vehicles are Euro 5, Euro 6, natural gas and electric
- Evolution of CO₂e emissions, iso-perimeter, 2018 vs 2017*
 - Scope 1: -3.14%
 - Scope 2: -2.64%
- 238 sites (29% of total sites) with triple QSE certification (quality, safety, environment)

*excluding Contract Logistics US

A strong governance

GEODIS is owned by SNCF, providing stable shareholding and enabling a long-term perspective. The Group is led by the Management Board, combining the representation of Regions, Lines of Business, and support functions. The management team is multicultural, and its members consolidate an extensive experience of all businesses in supply chains. Each of them has specific objectives in terms of CSR.

Management Board



Marie-Christine Lombard
Chief Executive Officer



Amaury Valicon
Chief Financial Officer



Randy Tucker
President & CEO of Americas



Laurent Parat
President & CEO of Western Europe, Middle East & Africa



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



Onno Boots
President & CEO of Asia-Pacific



Eric Martin-Neuville
Executive Vice President,
Global Freight Forwarding



Olivier Mélot
Executive Vice President,
Distribution & Express



Olivier Royer
Executive Vice President,
Road Transport



Boris Pernet
Executive Vice President,
Supply Chain Optimization



Stéphane Cassagne
Group Corporate Secretary



Mario Ceccon
Group Human Resources
Executive Vice President



Henri Linière
Chief Information Officer



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





Confirming our position as a global leader

Our new regional organization offers our customers easy and full access to end-to-end logistics solutions worldwide.

GEODIS seeks to develop its position as a leading provider of sustainable and innovative end-to-end logistics solutions to help its customers to succeed and grow.

The €2,600bn global 3PL market is increasing 5% annually. The outsourcing ratio varies between major regions, from 50% in APAC to more than 60% in North America, which still represents a great opportunity for the logistics players.

Prospering in this dynamic market requires a strategy that addresses the megatrends reshaping the global business environment, as well as confronting the shifting competitive battleground in the logistics industry and constantly innovating to challenge the risk of disintermediation.

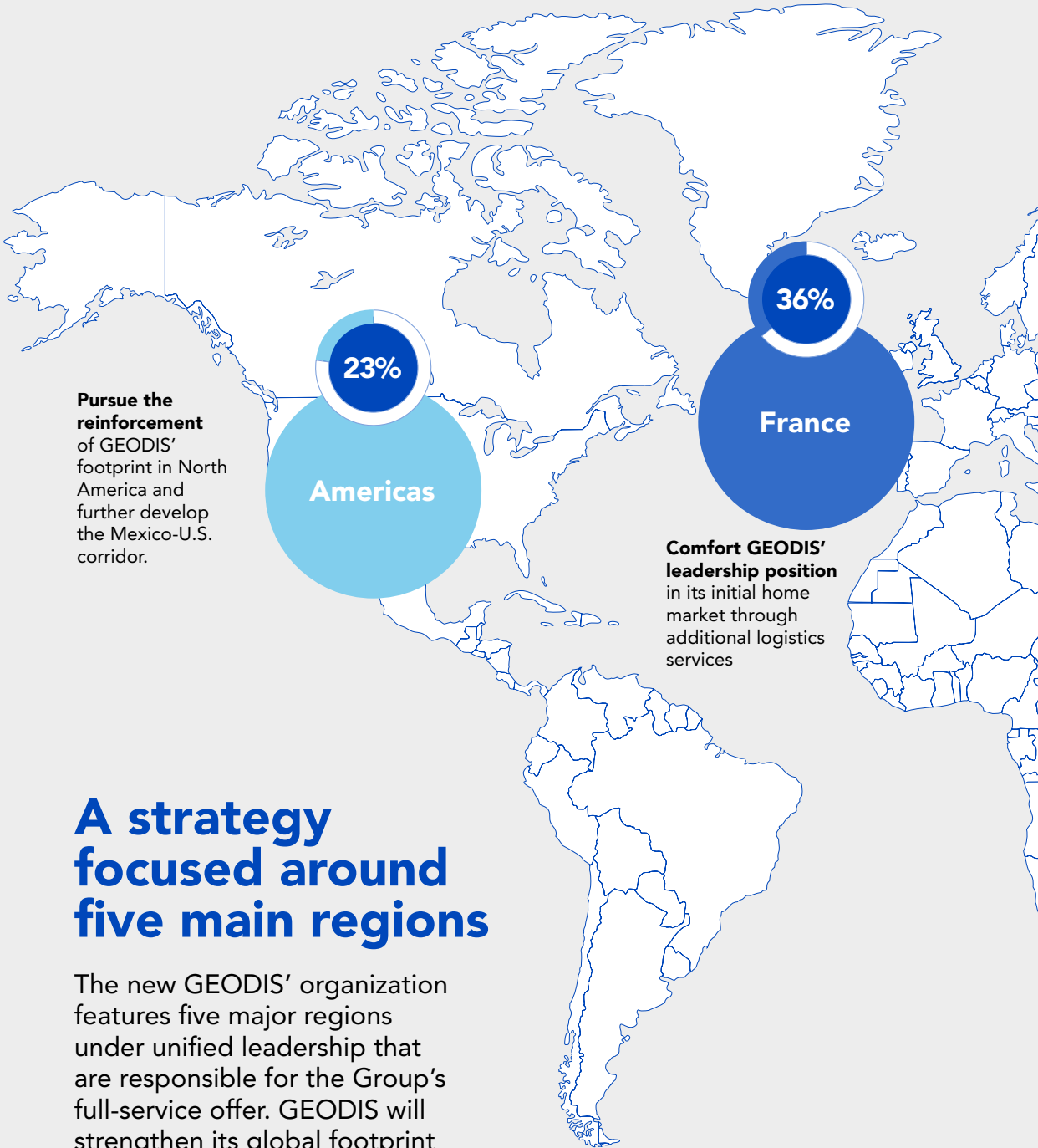
Beginning in 2013, GEODIS launched an ambitious transformation plan. Following phases of building solid foundations and growing its profitability, the Group is now focused on organic development, selected acquisitions, innovation and new ventures to achieve its 2023 objectives.

To increase its market share and better serve as growth partner to its customers, GEODIS created a new organization in 2018, which complements the value-adding relevance and efficiency of its expert Lines of Business.

This revitalized organization provides customers with easy and full access to GEODIS' unique global portfolio of end-to-end logistics solutions that includes intercontinental transportation, customs clearance, road freight transportation, warehousing and order management, last mile distribution as well as advisory services to optimize and even insource their supply chains.

In its new organization, the five Lines of Business remain the cornerstone of GEODIS' comprehensive expertise



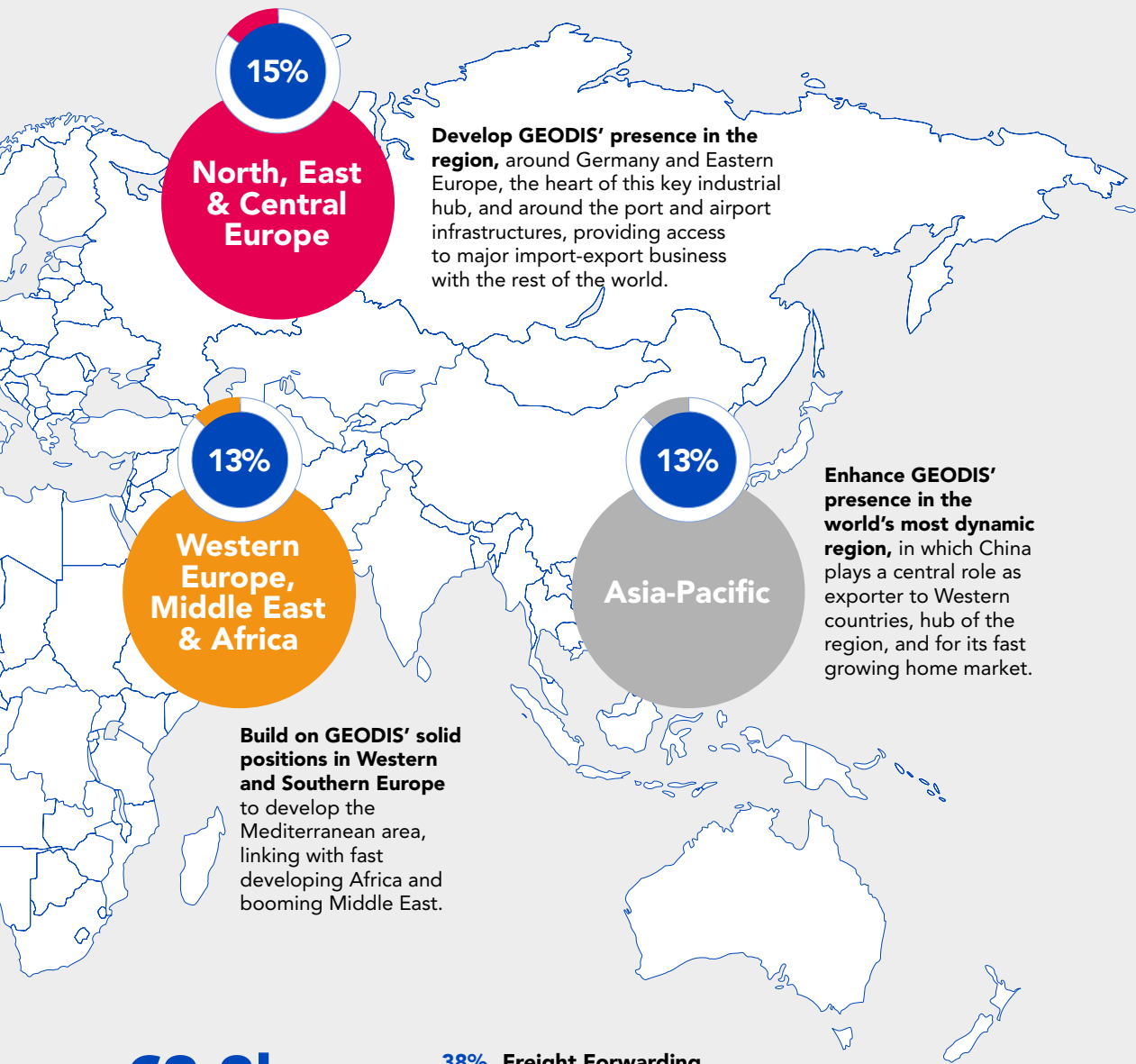


Pursue the reinforcement of GEODIS' footprint in North America and further develop the Mexico-U.S. corridor.

Comfort GEODIS' leadership position in its initial home market through additional logistics services

A strategy focused around five main regions

The new GEODIS' organization features five major regions under unified leadership that are responsible for the Group's full-service offer. GEODIS will strengthen its global footprint through acquisitions and continuous investments in its existing infrastructures.



€8.2bn
revenue in 2018

- 38%** Freight Forwarding
- 29%** Contract Logistics
- 19%** Distribution & Express
- 10%** Road Transport
- 4%** Supply Chain Optimization



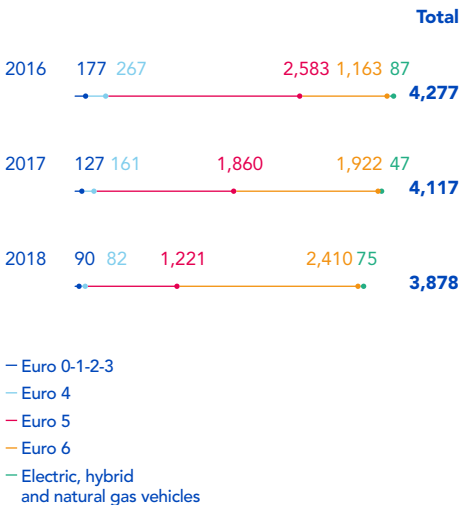
CSR key performance indicators

2018 non-financial reporting methodology

The auditor EY has conducted a second review of the reporting process of selected GEODIS' 2018 key CSR indicators. Details on the methodologies used (scope, data collection and consolidation, choice of indicators, methodological limits, monitoring and verification of indicators), and correspondence with the Global Reporting Initiatives (G4 – Sustainability Reporting Guidelines) are available on geodis.com under the CSR section together with the moderate insurance report issued by EY and the audited indicators.

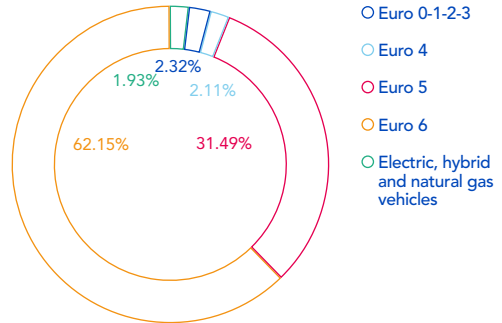
Evolution of the GEODIS' vehicle fleet worldwide

(number of vehicles)



Mix of the GEODIS' road vehicle fleet worldwide

(in 2018)



This Euro fleet does not include the Freight Forwarding Line of Business that is only available in Gross Vehicle Weight Rating and represents 1.5% of the GEODIS' fleet in GWR.

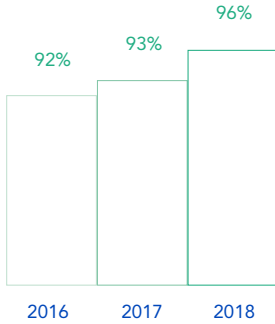
+16 pts

Evolution of Euro 6 share in the total road vehicle fleet 2018 vs 2017

3,878

Total owned vehicle fleet worldwide at the end of 2018

Evolution of the Euro 5, Euro 6, electric, hybrid and natural gas vehicles

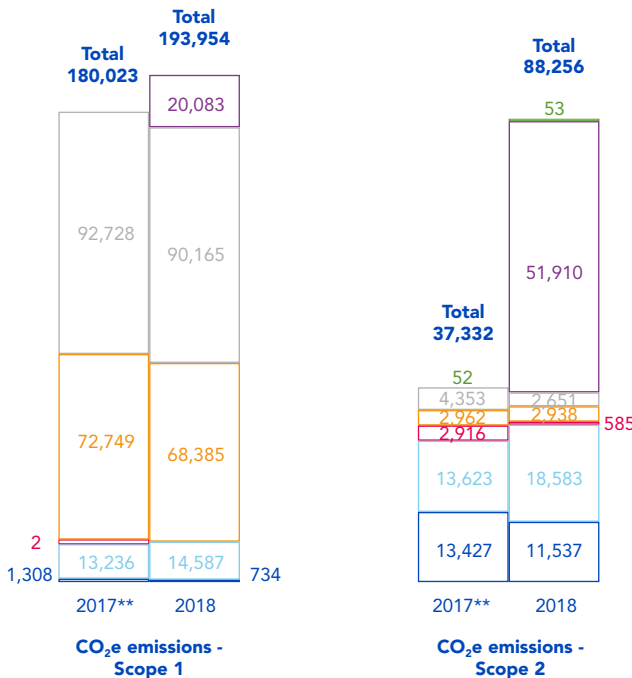


96%

of GEODIS' vehicles are Euro 5, Euro 6, electric, hybrid and natural gas at the end of 2018

GEODIS' CO₂e emissions per Line of Business

(in metric tons of CO₂e - Scopes 1 and 2* - Worldwide - 2017 2018)



*scope 1: direct emissions from stationary or mobile sources (gas or fuel)
scope 2: indirect emissions associated with electricity production

**excluding Contract Logistics US

GEODIS' 2018 total production of renewable energy (KWh)

From photovoltaic energy

211,371

From wind energy

3,600

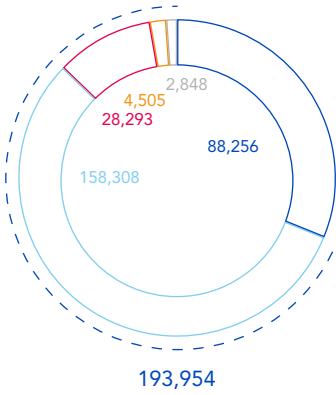
Total

214,971

- Freight Forwarding
- Contract Logistics
- Supply Chain Optimization
- Distribution & Express
- Road Transport
- Contract Logistics US
- Corporate & Holdings

GEODIS' 2018 CO₂e emissions

(in metric tons of CO₂e - Scopes 1 and 2 - Worldwide)



SCOPE 1

- Emissions from gasoil consumption
- Emissions from natural gas consumption from the heating of buildings
- Emissions from gas consumption from materials handling vehicles
- Emissions from gas consumption from vehicles

SCOPE 2

- Emissions from electricity consumption

Tons of CO₂e avoided as a result of road to rail modal shift

2017

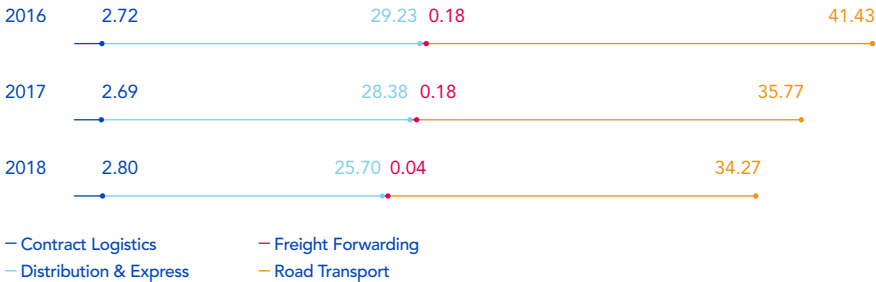
20,446

2018

18,904

Annual worldwide gasoil consumption per Line of Business

(in million of liters)



2018 average gasoil consumption/100 km vs 2017

Road Transport

-0.76%

Distribution & Express

-0.6%

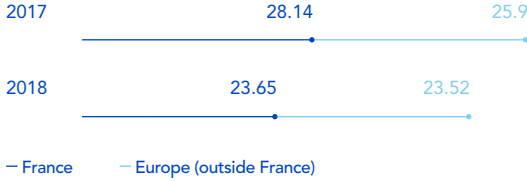
Estimated share of non-hazardous waste generated by GEODIS' activity and recovered in 2018

(worldwide)

60%

Electricity consumption of the Contract Logistics activity

(in KWh/sqm - France & Europe)
Excluding CL US



Electricity consumption of Group buildings

(in million of KWh - Worldwide)

2017

143.3

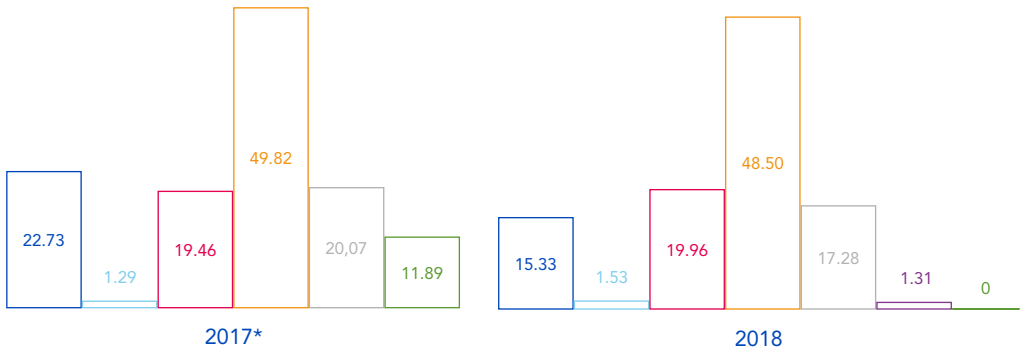
2018 (including CL US)

235.2

Safety: frequency rate of occupational accidents

(worldwide)

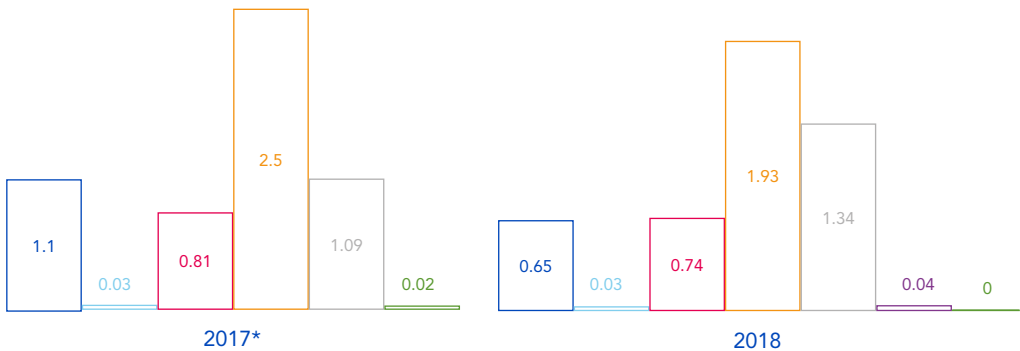
Corresponding to GRI4: LA7



Safety: severity rate of occupational accidents

(worldwide)

Corresponding to GRI4: LA7

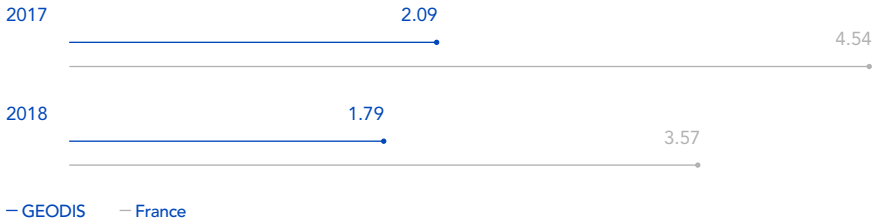


— GEODIS — Freight Forwarding — Contract Logistics — Distribution & Express
— Road Transport — Contract Logistics US — Corporate & holding

*excluding Contract Logistics US

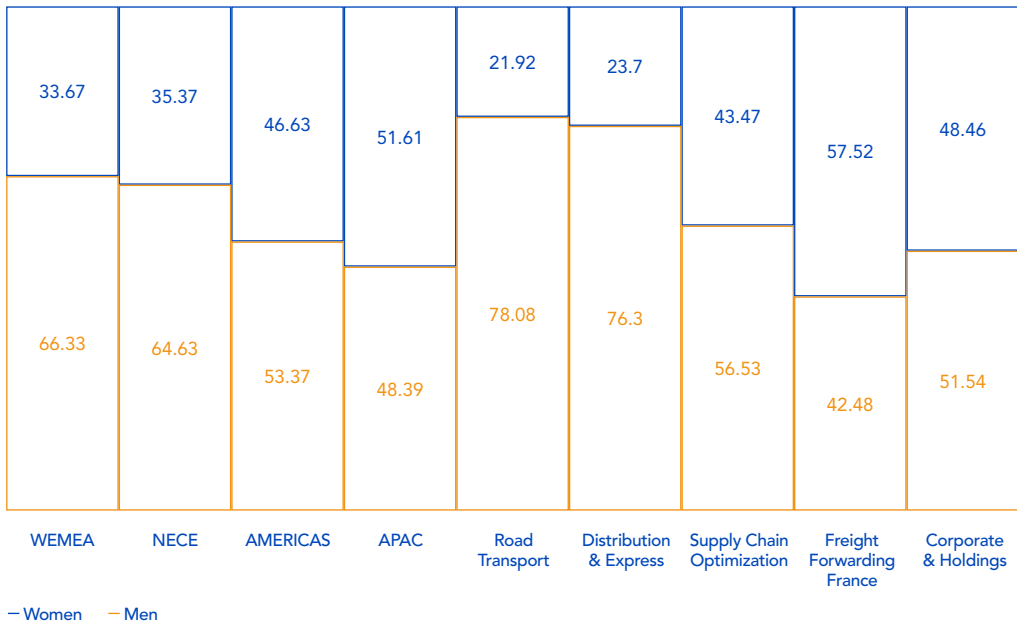
Share of disabled workers

(FTE share, full-time equivalent)

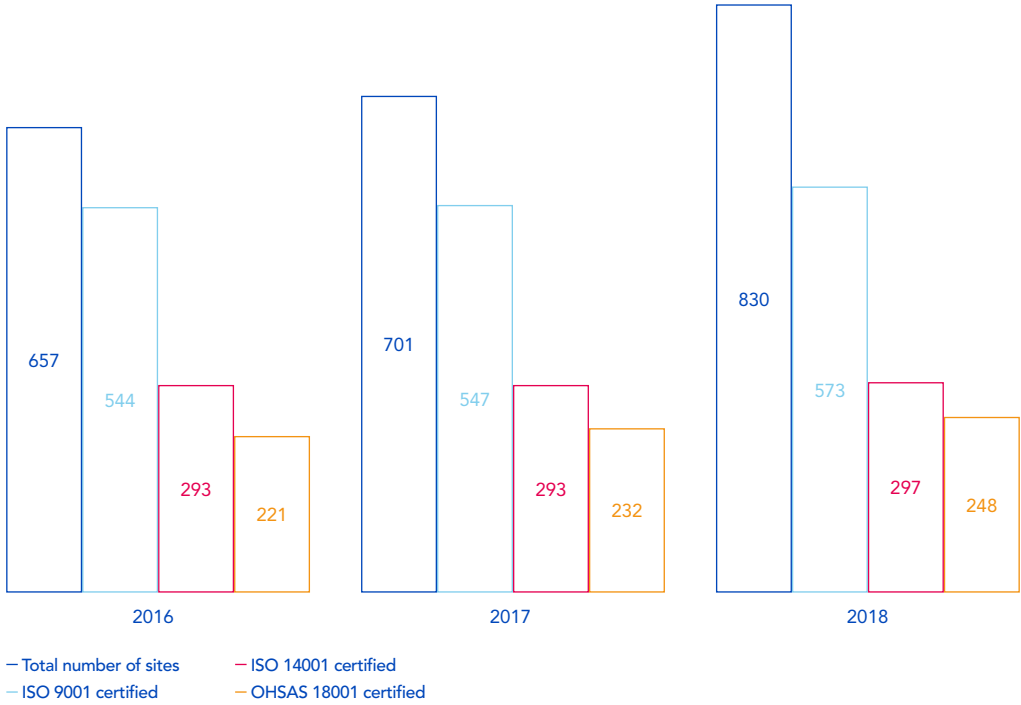


Gender distribution by Region and Line of Business in 2018

(as a percentage of ETP - Worldwide)

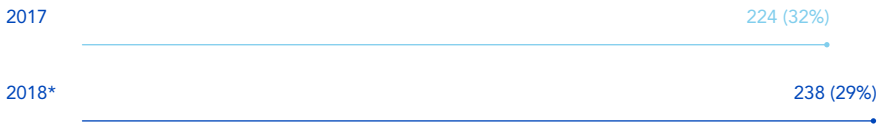


Certifications of GEODIS' sites



Triple QSE certification

(total number of sites)



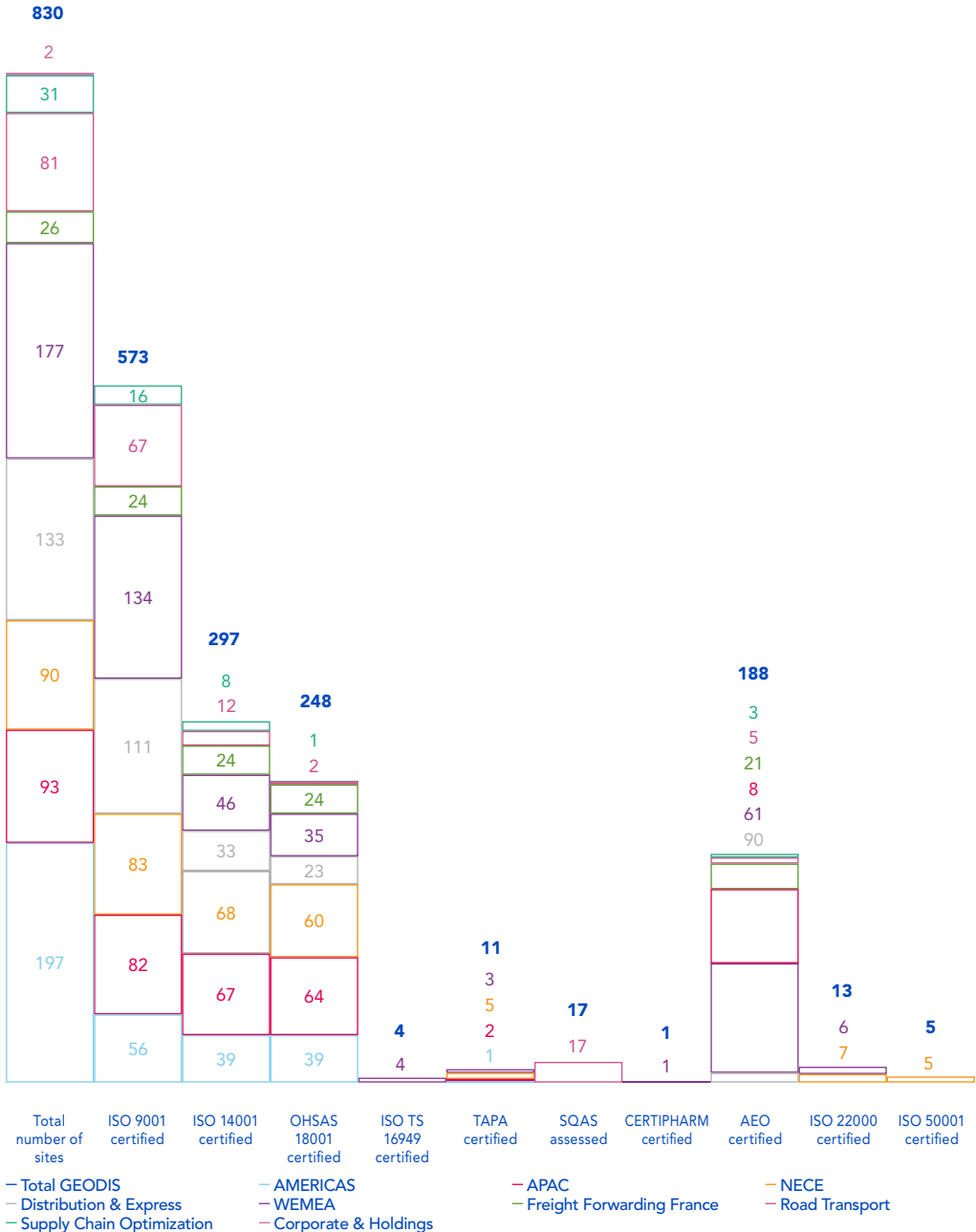
*including Contract Logistics US sites



Region: GEODIS' certifications in 2018

(number of sites certified)

Corresponding to GRI4: EN31

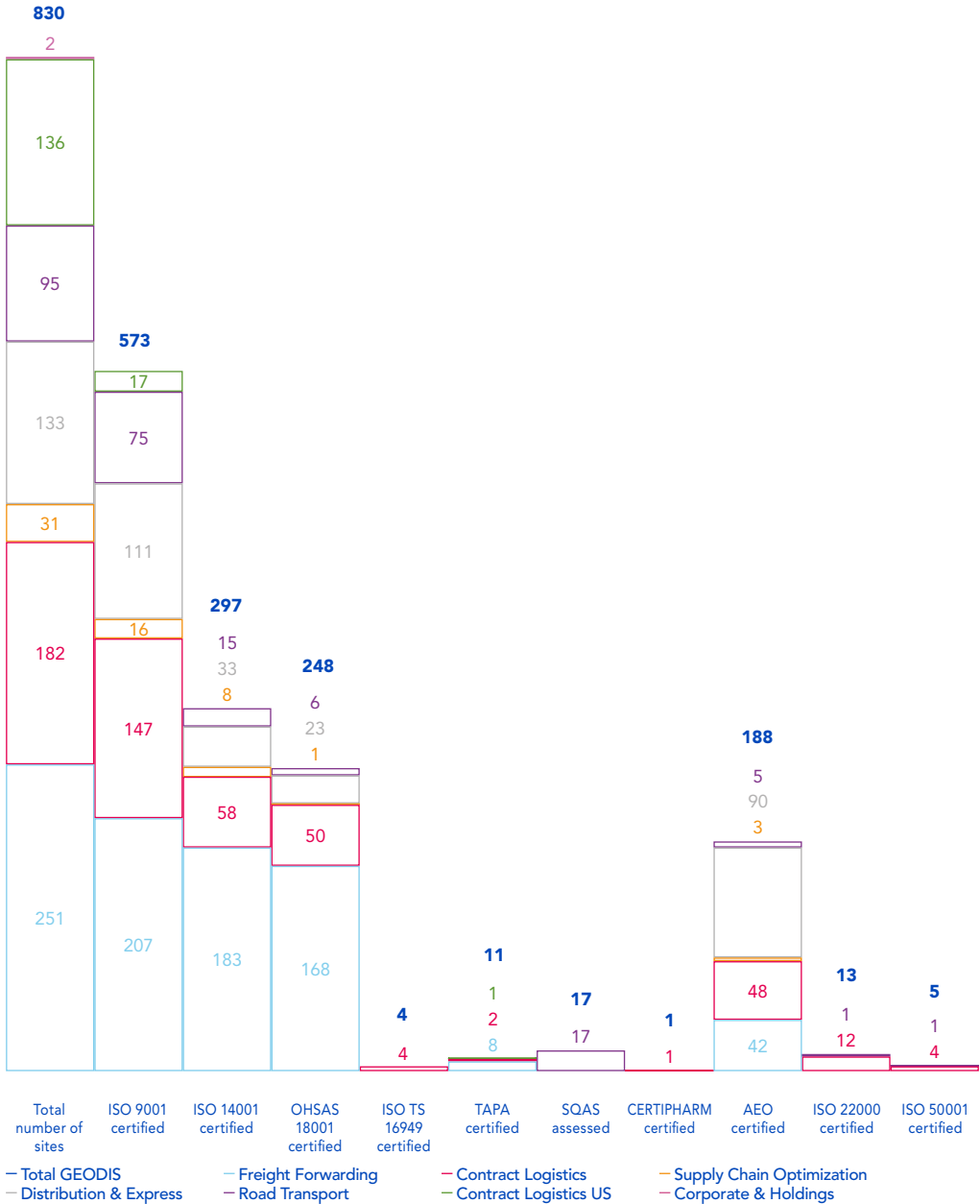


ISO 9001: quality, ISO 14001: environment, OHSAS 18001: safety, ISO TS 16949: quality in the automobile sector, TAPA (Transported Asset Protection Association): cargo security, SQAS (Safety and Quality Assessment Series): quality and safety in the chemical sector, Certipharm: quality in the health sector, AEO (Authorized Economic Operator): customs formalities, ISO 22000: food safety, ISO 50001: energy management

Activity: GEODIS' certifications in 2018

(number of sites certified)

Corresponding to GRI4: EN31



Part 03

Centering our management system on business excellence



Our success stories

- **Organizing, operating and orchestrating our customers' supply chain** P.36
- **Driving performance through innovation** P.46
- **Caring for our people** P.54
- **Living our commitment to the environment and the community** P.60



— A global presence

Organizing, operating and orchestrating our customers' supply chain



A customer-centric approach

The GEODIS' total value proposition is built on understanding customers' needs, designing the best solutions to help them overcome their logistical constraints and executing consistently across the world.

Listening first

Driven by a customer-centric approach, GEODIS has set-up a proactive client strategy. It relies first on listening to their requirements and understanding their unique challenges. These challenges vary according to their size and geographical footprint, their growth rate and the industry they belong to.

Gaining valuable industry-specific insights

GEODIS has structured its expertise around six main vertical markets and developed specific processes to be close to business and improve customers' economic, operational and environmental performance. Taking into account these industry-specific logistics challenges could range from just-in-time line side deliveries in the Automotive industry, speed to market for High Tech, end consumer satisfaction for e-commerce activities not only for Retail and FMCG but also for other verticals. This illustrates that industry knowledge is key when it comes to designing and offering extensive customized solutions that help customers gain the competitive edge in their market.



Boris Pernet
Executive Vice President,
Supply Chain Optimization

■ ■ Our global strategy of innovation and digital transformation is twofold: while continuing to digitize our core business and to invest in our strategic assets to enhance both customer experience and productivity, we capitalize on our experience as the pioneer in 4PL to take it one step further and create a true digital marketplace. ■ ■



Strengths of a sustainable growth partner

- Being customer focused, listening first, gaining valuable industry-specific insights
- Combining a global presence with reliable partnerships
- Seeking business excellence, which includes a continuous improvement approach
- Masterizing processes and systems
- Leveraging on people
- Preserving business integrity
- Strengthening CSR leadership
- Answering the e-commerce challenges



Agile solutions to face rapid changes

The challenges linked to the rapid growth of e-commerce force GEODIS to be even more agile in order to provide adapted and innovative solutions. The Group's worldwide presence allows to relocate or rebalance the global manufacturing and distribution network, manage international trade flows and offer alternative solutions like sea, rail and air transportation.

Embracing logistics disruptions

Digital is transforming and disrupting markets, industries and companies around the world. Traditional business models are struggling while other companies experience exponential growth. New expectations are being driven by the movement of goods, rising need for widespread requirements for real-time visibility and transparency. Expanding e-commerce is driving demand for ever-faster delivery processes, causing disruptions in distribution networks.

The revolution in logistics does not come only from digitalization and e-commerce. Political forces recently changed the balance of trade flows and required from GEODIS to support its clients in a very agile manner to redesign the distribution networks, relocate landing points on continents, set-up customs clearance permits and processes, and reconfigure warehousing facilities.

Moreover, volatility in the demand as well as manufacturing accidents require a high reactivity from GEODIS to guarantee business continuity at an acceptable cost to its clients. Orchestrating the supply chain means to be able to balance and redirect flows between all transport means: air, the fastest but also the most expensive, sea, the cheapest but the longest, and rail which is benefiting of new developments between Asia and Europe, where GEODIS is one of the main players.

Managing each step in the customers' supply chain

In orchestrating its customers' supply chain, GEODIS provides solutions that cover every step and respond to all of their challenges. With its end-to-end capabilities, the Group is able to develop the tools and processes needed to seamlessly and efficiently manage their supply chain, and to ensure quality and cost control from door-to-door.



260

million flows processed
in 2018

5.4

million orders handled in GEODIS'
warehouses during the 2018 Black Friday

Excellence is key

As excellence in everything GEODIS does is key to deliver sustainable results and reach industry leadership, the Group adopted a Stakeholders' Total Satisfaction program in 2013. GEODIS now moves a step forward by implementing a Business Excellence model. This enhanced approach links the results produced for its stakeholders (People engagement, Customer satisfaction, Impact on society, Business and financial performance) with levers, or "enablers".

With this model that also drives a continuous improvement loop, GEODIS aims at fully leveraging the talent of its employees through a clear and shared strategy and world-class management. Well-designed products and services around clients' needs are supported by highly digitalized business processes and systems, operational excellence and lean techniques.

Committing to business integrity

The foundation of GEODIS' partnership relationship with its customers is trust. Customers need to have confidence that they can rely on the companies with which they do business, to demonstrate their commitment to responsible and ethical business conduct. The same is true for other GEODIS' partners such as government authorities in charge of regulating the Group's activities and for other stakeholders who support its license to operate.

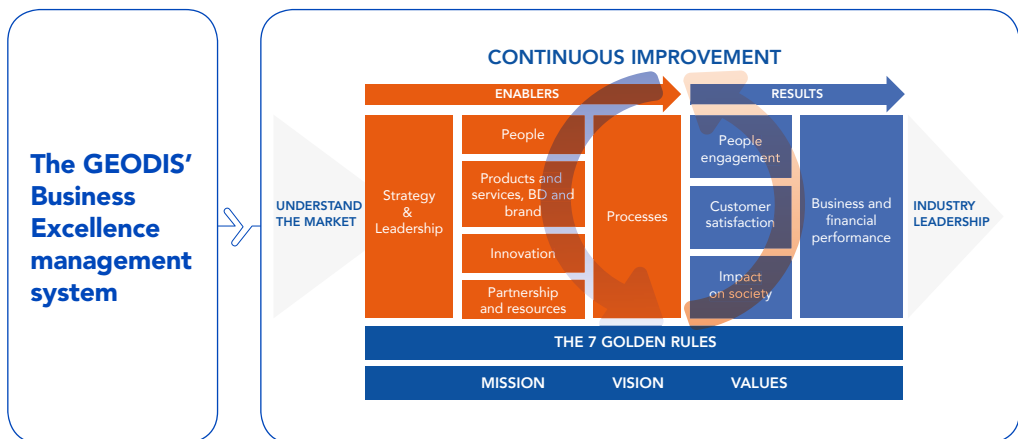
Eight categories of actions of GEODIS' compliance program

- Tone at the top
- Policies & Guidelines
- Training & Communication
- Autonomy & Resources
- Risk assessment
- Induction & Disciplinary
- Control of third parties
- Whistleblowing

GEODIS' Ethics and Compliance program is therefore central to its stakeholder relationships and a key element of its business strategy. A global policy applies common rules in terms of business integrity, corruption and human rights at all levels of the Group worldwide. This commitment extends to all employees, suppliers and subcontractors.

Partnering

GEODIS aims at partnering with customers through long-term relationships. Contracts are longer term, go beyond price considerations and encompass sharing of strategic investments and risk. Distinguished from transactional relationships, these true partnerships are based on mutual trust and enable the partners to move forward in co-defining, co-designing and co-investing in enduring supply chain solutions that deliver sustainable value and serve both parties' shared interests.



Integrated, customized and value-creating solutions

Optimizing each step of the customer supply chain is GEODIS' core competency. To achieve this, the Group relies on its five Lines of Business, the cornerstone of its expertise. Leveraging this expertise, it is able to offer customized solutions that differentiate its services and provide real value to customers, from supply chain optimization, intercontinental transportation and customs clearance to road freight transportation, warehousing management and distribution to handling repackaging and providing quality control to ensuring just-in-time delivery to Automotive assembly lines.



Distribution & Express

With a presence throughout Europe, GEODIS is the number four parcels and express solutions operator, and is number one in France for 24 to 48-hour deliveries across the continent. It specializes in last mile delivery, as it provides customers with solutions tailored to their shipments as well as to their own clients, the final consignees.

It offers key advantages such as transport organization optimization, a broad spectrum of product handling services, recognized service quality, close proximity to Customer Relationship services and completely mastered last mile delivery. It also benefits from a total and direct connection with the Group's Freight Forwarding network for intercontinental shipments.



Contract Logistics

GEODIS is one of the key players in the contract logistics market worldwide. From warehousing and distribution center management to deliveries for industrial production lines, it offers a wide range of services enhanced with innovative solutions. They extend from order management and inbound quality control to repackaging, parts assembly and just-in-time line side delivery. Its goal is to manage flows in a profitable way, while reducing inventory costs, increasing stock rotations, and improving overall supply chain efficiency.



Road Transport

GEODIS is the road transport leader in Europe when it comes to full and partial truckloads. In this sector, it offers a comprehensive range of specialized solutions for Chemical, Industrial, and Automotive products as well as for mass distribution. GEODIS has the ability to secure freight capacity for customers during peak seasons, including under the currently complex capacity conditions in Europe and particularly for demanding markets such as the beverage industry.



Freight Forwarding

Through its Freight Forwarding Line of Business, GEODIS manages globally a 60-countries network. It offers multimodal transport solutions (Sea, Air, Road and Rail) combined with high value-added services including IRIS, its online booking and tracking system which can be fully integrated with customer systems. Its unique expertise in customs operations ensures high-level compliance and security and expedited execution

brokerage. It provides clients with the optimal shipment of their goods – in terms of delivery time, cost and environmental impact – regardless of the departure or delivery points. Its Industrial Projects activities also develop specific, tailor-made services, particularly for large-scale, specialized and extraordinary international projects in the Oil & Gas, Mining, Petrochemical, Rail and Energy sectors.

Supply Chain Optimization

As a worldwide logistics company, GEODIS brings clients an effective skill set to design and operate a variety of logistics chain management models. It provides consulting services, such as logistics chain diagnostics and network design, supply management through managing the bidding process, flow management, supply chain advisory and insourcing (4PL). With GEODIS' support, a supply chain can be transformed from a cost center into a strategic asset.



Improving efficiency
by optimizing packing operations
of e-commerce orders.

Performance

Delivering a most- technologically advanced solution

Leading aroma therapy retailer, Bath & Body Works, chose GEODIS to manage its e-commerce operations at its Carlisle, Pennsylvania, facility, which serves the entire U.S. East Coast.

Based on GEODIS' experience at one of the customer's sister plants, the Carlisle teams knew there was potential to optimize the efficiency of the carton packing operation. They implemented a series of initiatives, including installation of specifically designed "put-to-light" walls, a lighting system that increases the efficiency of the 112 pack stations.



Packed cartons move swiftly through the facility along 4.8 km of conveyor systems to other areas for addition of protective packaging, sealing and labeling before being deposited directly into delivery trucks. The new automated system resulted in a 84% increase in packing efficiency in just 10 weeks.

35,500
sqm

84%
efficiency increase

Delivering wind farm equipment to a small Caribbean island with barging and road transport constraints.

Complexity

Managing a challenging out-of-gauge delivery for Enercon France

The first project for Enercon France in the French Antilles was also one of the most complex it has ever handled. Organizing the barging and road transport of equipment for its wind farm to the island of La Desirade presented highly complex challenges. Ferry transport of employees, difficulties for the suppliers to bring equipment, coordination with local authorities and the weather were among other complications.

The only freight forwarder with experience executing wind farms in the region, GEODIS engineered a solution and then implemented it over a six-week period. With support from the local GEODIS' teams in Guadeloupe and Martinique and technical support from wind energy transport specialists, the project team succeeded in moving the equipment on time and on budget through tight control of the operation.



■ ■ This was our customer's first project in the region for a renewable energy developer so ensuring its success was crucial. ■ ■

Luke Mace
Senior Vice President,
Industrial Projects

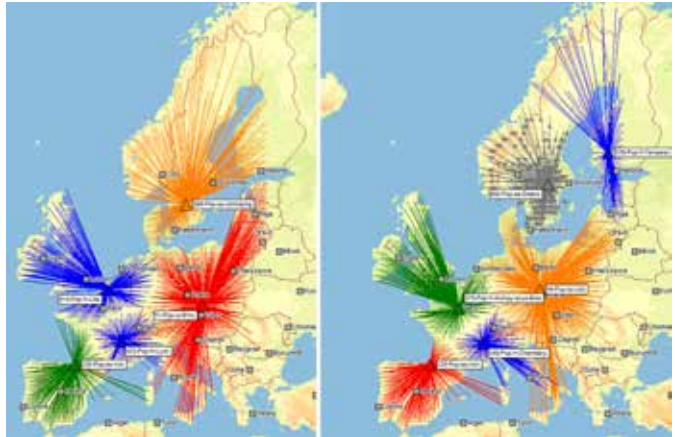


Redefining a distribution network across 34 countries in Europe.

Optimization

Creating lasting value by assessing existing distribution network

Following its completion of a successful network design study in Brazil, GEODIS was chosen again by a major global manufacturing customer to provide new advisory services in Europe. The mission: analyze and optimize the distribution of insulating wall and ceiling materials across 34 European countries. GEODIS' Solution Design experts worked for several months in full collaboration with a customer team to develop a system to improve the availability of products and enable faster deliveries.



The study required anticipation of future markets to optimize the positioning of inventories across Europe. After estimating the number of current and potential future customers in targeted urban areas, the GEODIS' specialists modeled 21 possible scenarios. They also identified potential synergies between the 11 different distribution centers and warehouses

spread across the continent, some of which are dedicated to a single customer's brand.

GEODIS analyzed where products from multiple subsidiaries could be pooled at common sites as well as how certain regional warehousing centers for specialized products and the main distribution centers located near production plants could be kept in place ●●●



••• to limit transport, reducing costs and environmental impact. From the 21 simulations conducted, the customer chose a scenario that saves one to two days of delivery to offer an optimal service - 90% of deliveries on the first day, 99% on the second day. Scenario 3, retained by the customer takes into account the consumption basins according to 85% of current urban areas and 15% of future urban areas.

Following the study's completion, the experts

provided their medium- and long-term advice to support the customer throughout the various implementation stages for the new network.

The success of the studies in both Brazil and Europe confirms the ability of GEODIS' teams to understand a customer's complex ecosystem and provide value through the optimization of its global supply chain.

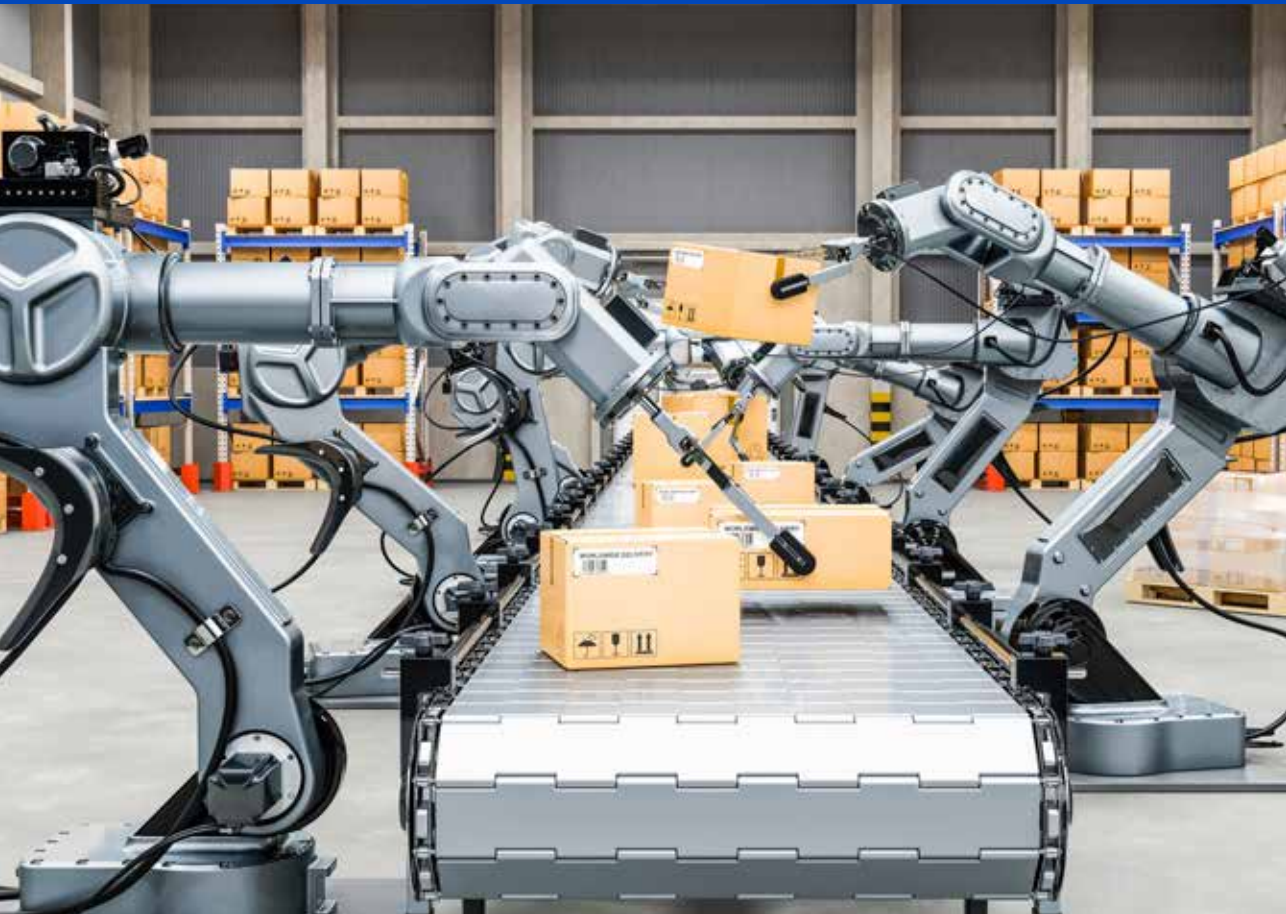
■ GEODIS was selected with the expectation that we would bring a full and objective understanding of our customer's needs. According to our customer, all of our recommendations demonstrated a high level of expertise. ■■

Anne-Elisabeth Duchesne
Vice President Vertical Market
FMCG



— A central pillar

Driving performance through innovation



Exploring new areas

Demand-side trends and disruptive technologies are continuing to reshape logistics and supply chains. Augmented reality, the Internet of Things (IoT), blockchain, 3D printing, drones, robots and autonomous vehicles are among the buzzwords impacting the industry. GEODIS, however, focuses on specific innovations to develop a clear roadmap.

Supporting and contributing to our customers' growth

A central pillar of GEODIS' business strategy, innovation is driven by customer needs and expectations. The Group innovates continuously to create value, help customers to solve their logistical constraints and optimize their supply chains. GEODIS has entered a digitalization transformation covering the full spectrum. Its acute understanding of customer challenges enables the Group to develop and implement solutions that provide end-to-end real-time visibility, reduce costs and improve quality and efficiency. This approach has proven successful as GEODIS shows improvements in agility and in customer economic, operational and environmental performance.

Relying on a clear roadmap and methodology

Guided by its innovation roadmap, designed in 2016, GEODIS draws on the inventiveness and creativity of its own teams as well as proactively seeking ideas from expert external sources and talented startups. The Group's actions to leverage and apply data, new technologies, digitization, artificial intelligence (AI) and robotics solutions, and to harness the energy transition to address urban delivery challenges have made GEODIS one of the leading drivers of innovation in the Transport and Logistics sector.

Many projects are engaged in close cooperation and in a co-development mode with the customers. The process of innovation begins with listening to their needs and proactive scouting and testing of technological innovations.

Innovation trends are continuously monitored, and new information is gathered through an ongoing business watch and activities such as ad-hoc partnership with technology startups.

This proactive approach connects the Group to external ecosystems and to participating in think-and-do-tanks such as Alice (Alliance for Logistics Innovation through Collaboration in Europe) and the Movin'on Lab. Process improvement opportunities are identified and applied as part of GEODIS' Business Excellence approach. Engineering and Information Systems teams are involved early on, working closely with operations.

The Innovation Central department fosters this ongoing cycle, identifying and promoting, through an annual contest, incremental innovations coming from the field while directly managing projects requiring higher investments.



Philippe de Carné

Executive Vice President, Business Development, Innovation & Business Excellence

■ ■ **Our customers expect that we will continuously innovate to create value for them, by improving quality and efficiency, adding new services and finding solutions to their challenges, whether increasing visibility, ensuring just-in-time delivery or helping them reduce their environmental footprint.** ■ ■



Adding value through new technologies

New technologies are enabling significant changes in the Transport and Logistics sector. They represent a lever for progress in addressing major social (like well-being at work) and societal challenges such as climate change and the switch to green energy. Information technologies are being used to improve visibility and maximize the use of available capacities. Predictive analytics techniques based on next-generation algorithms and big data are sources of efficiency improvement. For GEODIS, new technologies are making it possible to improve performance, quality and productivity and expand the range of services it offers its customers while reducing the environmental footprint. They play an important role in staying competitive in markets where cost control is fundamental.

Digital acceleration

The Group's digital transformation, initiated in 2017, underwent strong acceleration in 2018.

Digitalization is changing every stage of its business, the processes and the talents it requires. In acquiring new skills and implementing new services and ways of operating, the Group is optimizing its processes, increasing its agility and reinforcing its operational excellence. GEODIS deploys apps and other specific technological tools to optimize itineraries, reduce mileage and thus lower its emissions. These devices allow real-time optimization of transport routing plans for linehaul and last mile to avoid traffic jams and include new delivery points. The Group has also launched same day deliveries through technology-enabled crowdsourcing.

Moreover GEODIS develops the use of large masses of data and powerful algorithms to dramatically improve the quality of forecasts to enable capacity and manpower planning for both warehousing and trucking, thus ensuring an effective management of peak periods.



Randy Tucker
President & CEO of Americas

■ ■ The process of disintermediation is already underway in logistics, which faces the same level of disruption created elsewhere by platforms that match supply and demand without the need for a middle man. In response, GEODIS is positioning itself as both a solution provider with extensive assets and a market maker at the heart of a new business model in logistics. ■ ■

125 robots

during standard operations
at the end of 2018

175

during peak
(+ 50 leased)

Data accumulation made possible by the deployment of increasingly inexpensive IoTs (Internet of Things) allows collection of geolocation data and physical parameters of transported goods.

GEODIS has deployed API (Applications Programming Interface) and RPA (Robotic Process Automation) for system connectivity to handle routine tasks, freeing up valuable resources to focus on delivering highly valued services. The overall conversion from paperless processes, enables gain in efficiency, quality, responsiveness and information processing costs. GEODIS showed a more disruptive approach with the launch of Upply, a 100% digital international marketplace, to pool capabilities and determine the best match between supply and demand (matching and booking).

Aside from its vehicle fleet, GEODIS' buildings are other assets subject to innovation on which the Group is working by applying, for instance, renewable energy technologies such as LED lighting.

From mechanizing to robotizing

One of the most visible ways new technologies are impacting the Transport and Logistics sector is through robotics solutions. Robots' presence in warehouses and distribution environments is becoming increasingly important. Major reasons driving the development of robotics are that cost-competitive solutions exist while new generations of robots are more and more autonomous, adaptable and smart. The need for competitiveness in the e-commerce economy is leading customers to accept larger investments. Extensive utilization of mechanization and automation through installation of conveyors,



sorting and picking systems has been followed for these reasons by a fast growing robotization of the processes.

Robotics solutions are increasing productivity and accuracy of picking in warehouses as well as providing greater flexibility for managing adjustments up or down in volume flows. In addition, robots can be used for dreary repetitive work, improving the attractiveness of the workplace environment for employees. They also facilitate the onboarding of new employees who require less training due to the reduced number of human-machine interfaces.

Robots also are being used for non-core processes such as cleaning, security and stock counting. Urban deliveries challenges raise interest for robots in cities. As the first closed-circuit autonomous vehicles are used by GEODIS, the Group is developing the future use cases and exploring the way to deploy fully-automatized and robotized urban fulfilment and delivery infrastructures.

Innovating for the environment

Part of GEODIS' innovation roadmap has a direct impact on the environmental footprint. This is particularly true when it comes to testing new engines and alternative fuels or new ways to reduce energy consumption by the redesign of the trucks. It also concerns the extended use of electric motors, and new mode of eco-driving coaching enabled by technology.



Turning to startups to gain new ideas and remain at the cutting edge of innovation.

Hackathon

Launching a disruptive sprint towards innovation

GEODIS recognizes the need to think out of the box when it comes to innovation. The Group's experts are prepared to be challenged and worked with startups to create the smart warehouse of tomorrow during a two-day hackathon

focused on two areas:

- How to better forecast the number and volume of orders to optimize human and equipment resources;
- How to visualize in a direct and intuitive manner the performance improvements opportunities in racking and picking zones.

The November 2018 event produced inspiring ideas for predictive models to improve efficiency and performance. Two winners were chosen from the 13 startups that participated in the challenge, showing the potential to generate innovative solutions when a company opens the door to new ideas.



2 winners

Mastering demand prediction
to adapt and optimize both
resources and capacities.

Predicting

Leveraging historical data to improve forecasting of variability in beverage demand

Multiple factors influence fluctuations in beverage consumption, including weather, holidays and events. Adapting warehousing and transportation to this variability has traditionally been calculated manually based on historical data. Inaccuracy of forecasts impacts efficiency, services to customers and financial results. At the operational level, the goal is to know as soon as possible and

as accurately as possible the volumes passing through a site every day, in order to give managers more time to organize themselves and to ensure the availability of transportation assets.

GEODIS implemented a specific supply chain management tool to forecast periodic demand. Four years of data were aggregated from its TMS (transport management system) for its 13 main customers with seasonal volumes and analyzed to determine trends according to different criteria. Monthly and weekly predictions of the number of trucks needed for operational sites were proposed. The initial results showed that the solution provided a prediction that was 25% more accurate than manual predictions, improving service, saving money, reducing environmental impact and delivering both valued information and analysis to customers.

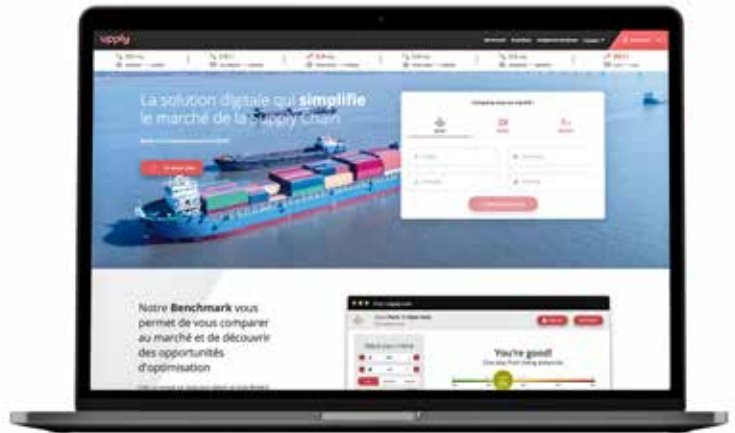


Responding to the challenges of disintermediation by launching a new digital supply chain marketplace.

Disruptive

Investing in Upply, an innovative digital platform

To respond to the demands of an increasingly fast-paced supply chain market, GEODIS invested in Upply, a source for neutral and transparent digital information serving all parties. The SmartScan feature dispenses instant freight quotes and offers data-driven insights. By combining anonymous and encrypted information extracted from daily activity, the marketplace's proprietary algorithms reveal prices and trends at a given moment. In a competitive and volatile logistics market, these insights allow users to understand where



they can benefit from market conditions, combine modes of transportation and secure capacity at global level.

For GEODIS, pioneering a more efficient and transparent market enables industry professionals to unleash their full business potential and positions. It also places the Group as a solution provider at the heart

of a new business model in logistics that eliminates boundaries between markets, countries, customers and providers.

This is a true example of GEODIS' ability to stimulate new and compelling ideas and implement them, with a real intrapreneurship spirit.

Introducing collaborative robots to improve e-commerce fulfilment operations.

Robots

Improving productivity and service quality through robotics solution

In the U.S., GEODIS deployed a fleet of mobile collaborative robots (in partnership with Locus Robotics) at its warehouse in Indianapolis, IN, to improve order picking for an online distributor of women's clothing.

The initiative also eases the strain on labor during peak seasons. The location handles over 30,000 items and had been using a manual picking process that is complex and leaves little room for error. The pilot project included 30 autonomous robots deployed in the 13,000 sqm site. The results were extremely positive, with 80% of the units picked by the robots and improvements in efficiency and accuracy. The physical demand also was reduced by eliminating the need to pull pick carts and decreasing overall travel.

The new system doubled employee productivity and reduced training time for new employees by 50%. GEODIS is expanding the pilot to additional warehouses.

2 x
improvement
in productivity

Award winner

of the Robotics category at the NextGen Supply Chain Conference, on April 2018, in Chicago, IL.



— A responsible employer

Caring for our people



Investing in our people

Transport and Logistics is an industry in which historically people with low qualifications are welcomed. This is why providers play a social role, offering a diversified job to all. As employees are at the heart of its model, GEODIS put in place a dedicated Golden Rule “Recruit, develop and retain quality people” in order to have a clear definition of what is expected from them. It allows to implement the right human resources (HR) processes, organization and tools and to offer career development opportunities as per the abilities and ambitions of employees.

GEODIS’ HR initiatives are also supported by the Investors In People’s (IIP) framework, an independent, not-for-profit company that helps organizations to lead, support and manage people well for sustainable results. The 7 Leadership Principles were launched in 2018 to help achieve the Group’s ambition of becoming an industry leader through a sustainable manner that requires a special community of leaders that will guide GEODIS to the highest industry ranking. The Group also strives to disseminate its strategy clearly and regularly among the teams and carries out an annual employee satisfaction survey.

Developing the employees’ skills

Training and development align employees with GEODIS’ expectations and evolutions in its business, procedures and systems. They also support the Group’s policy of proactively creating career opportunities and promoting people from within. Training occurs through the employees’ careers in various areas. For example, in the Transport and Logistics industry, health and safety training is critical and mandatory for numerous

occupations and is related to the rigorous operational and safety standards, regulatory procedures and compliance policies that GEODIS applies. Moreover, teams are trained for the use of new technologies and tools. Training blends traditional approaches with innovative techniques such as game-learning and technology-enabled methods like e-learning.

In addition to responding to market forces and its customers’ expectations, innovation is enabling GEODIS to improve the attractiveness of its workplace and jobs. Digitalization is enabling employees to work better and more efficiently and to acquire new skills. 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 (evolving from less repetitive to more added-value tasks).

Promoting diversity

The Group is committed to doing business responsibly and its employees are pro-actively engaged in tackling environmental, social and societal challenges. It works to promote diversity and inclusion, including improving gender balance based on the GEEIS (Gender Equality European & International Standard) label and to increasing opportunities for people with disabilities and the long-term unemployed. GEODIS does not tolerate discrimination in hiring or career progression.

9.04

training hours per FTE
(full-time equivalent)
at the end of 2018

Our 7 Leadership Principles



Walk the Talk



Be a Strategy Ambassador



Debate. Decide. Align.



Own the All



Engage & Empower People



Duty to Communicate



Drive Results



Training geographically-dispersed employees from a range of different cultural backgrounds.

e-learning

Deploying customized and flexible training at global level

GEODIS considers training as an absolute necessity and has high level of requirements. It therefore provides a wide diversity of training to employees, from compulsory training for a number of occupations to specific training to meet regulatory compliance requirements. Providing in-class training to large numbers of employees on mission-critical topics is not always practical or cost-effective. To meet this need, GEODIS has deployed e-learning platforms offering access to a variety of courses to employees throughout the world.

These digital platforms answer to most of the training needs and can be very easily adapted. The modules, available in several languages, are either designed in-house or developed externally. They cover different areas like tools, new technologies or specific topics like compliance or regulations such as customs procedures...

E-learning allows a gamification approach of training, more attractive to young generations. In addition, the platforms provide easy-to-access dashboards, simplifying the follow-up of the developments programs either for trainee, managers or human resources.



Health and Safety, an absolute priority



The importance of safety to GEODIS is reflected in a specific Golden Rule to “Ensure the safety of our people everywhere and at any time.” Each of the Group’s Line of Business has developed a strong culture of occupational health and safety on work sites and on the road. Safety awareness and the importance of being constantly alert is reinforced through training, communications and team challenges. GEODIS also works continuously to optimize materials, equipment and tools. The Group’s overall approach to protecting people is governed by its Corporate Policy on protection of people against occupational accidents. Issued by the Corporate CSR department and approved by the Executive Committee, the policy applies to managers of all Group entities. The policy requires Lines of Business to ensure a safe environment for anyone working on or entering their sites, as well as to people operating on behalf of GEODIS outside of its locations, such as drivers, business travelers and staff operating on third-party premises.

Zero accidents

Actions by Lines of Business continue to ensure progress in support of GEODIS’ zero accidents workplace health plan. At Road Transport for instance, the “zero

accidents” program started with an audit of sites where workplace accidents and absenteeism were analyzed. Concrete actions were then put in place to prevent them, backed by strong procedures and tools, as well as dedicated support for high-accident sites. Instructor teams worked with employees to focus on specific needs and to create short video clips addressing best practices in workplace safety. The initiative is showing results, as demonstrated by a 34% decrease in the accident frequency rate since 2014. In March 2018, Road Transport rewarded 14 award-winning sites - out of 45 total sites - for having achieved the zero accidents goal.

Risk management and safety training

Complementing the general safety awareness training provided to all employees, GEODIS develops specialized training to address specific risks. For example, in 2018, the Freight Forwarding Line of Business developed 13 new health & safety training modules that were made accessible to all its network. Courses covered a wide range of topics, such as preventing slips, trips, and falls, defensive driving, electrical safety, emergency actions or even fire protection. In 2018, the Distribution & Express Line of Business launched a new safe driving training program on work-related roads, underlining that risks can often be avoided through rigorous procedures and paying particular attention to clearly identified vigilance indicators. An occupational health doctor monitors vigilance indicators, especially for drivers transporting merchandise at night.

Awareness campaigns

Organization of Safety Days helps to maintain visibility for safety issues and raises awareness among all employees on specific topics, especially emphasized risks when carrying heavy loads and exiting vehicles. One of several initiatives conducted in 2018 was the updated VIC-featuring poster campaign (“victory over workplace accidents”). It is a one-eyed mascot who embodies daily vigilance to remind teams of health and safety best practices in the logistics sites of the WEMEA region.



End of 2018, priority is given by the Distribution & Express Line of Business to preventing road risks through the launch of an extensive action plan aiming at reducing the number of accidents. 2019 marks the acceleration of this priority by the deployment of an internal communication campaign to raise awareness and inform managers and drivers of road safety issues and relevant best practices.

Daily concern

Examples of actions within the WEMEA region for example, to make safety a daily preoccupation include safety briefings at the beginning of each day for employees on sites, as well as visual communication of safety results through on-site display panels. Other actions include safety guidance during induction periods, personal protective equipment, adjusting hand pallet trucks and picking bays to avoid incorrect movements and introduction of automatic freight elevators as well as WiFi-controlled bridge cranes.

Subcontractors' involvement

The Group also implemented a qualification process for choosing partners for transport of heavy or large loads through difficult zones based on strict safety criteria and an assessment of the subcontractors' level of maturity. GEODIS' teams work with the subcontractors to ensure compliance with HSE (health, safety, and environment) standards and to provide ground supervision throughout the project.

30%

of sites worldwide were ISO 45001 (former OHSAS 18001) certified by the end of 2018 (a total of 248 sites)

88%

of employees satisfied with health and safety issues, according to GEODIS 2017 employee survey (next survey results to be released in June 2019)



Régis Lesieux

Director Business Excellence & CSR,
North, East & Central Europe

■ ■ For us, at GEODIS, innovation is not only about being leaner and more efficient but it is also about making our workplace safer and healthier with solutions that reduce or eradicate exposure to occupational risk as well as hardship at work. ■ ■

Innovations' human impact

In addition to improving productivity and efficiency, innovations help GEODIS fulfill its commitment to the well-being and comfort at work of its teams. The Group seeks to reduce heavy work through ongoing research and design of ergonomic solutions like handling aids such as furniture lifts, roll-lifts, cradles on wheels to reduce the risks of injury. Electric powered

pallet trucks are being used to carry heavy and bulky loads in staircases. A hybrid forklift that can follow operators, navigate autonomously and be driven manually can reduce accidents while increasing carton-picking productivity. Robotics solutions are also reducing repetitive manual tasks by employees, improving both productivity and quality of life.

Preventing serious injury by investing in best operating equipment.

Safety

Ensuring employee safety and comfort

To avoid injuries on electric pallet jacks (EPJ's) during material handling and high frequency case picking, the Environment Health and Safety department and several GEODIS' departments in the U.S. worked to develop a new double center rider electric pallet jack, which ensures the safety of employees as well as improves comfort and ergonomics. The jack features a spacious compartment, enabling the operator to remain in a natural standing position, with 270-degree visibility. Other improvements include a padded compartment for knees and back, an anti-fatigue platform, an easy braking and speed control through hand and feet

controls, power steering, making it easier to turn, a forward warning blue light and an improved horn.

GEODIS has begun introducing the new equipment for new accounts and is replacing its existing fleet of front-end EPJ's. New employees are able to quickly adapt to the equipment. In addition to injury prevention and improved productivity, actions such as this positively affect GEODIS' ability to recruit and retain employees.



■ ■ **The new center rider will increase operators ease and confidence and improve the way they do their job on a day-to-day basis, which will lead to better retention and engagement for GEODIS and for our customers as well.** ■ ■

John Harris,
Senior Director, Human Resources, Americas



— **A leadership role**

Living our commitment to the environment and the community



According to the "ITF Transport Outlook 2017", CO₂ emissions from transport could increase 60% by 2050, despite the significant technology progress assumed in the Outlook's baseline scenario. If no additional measures are taken, CO₂ emissions from global freight could increase by 160%, as international freight volumes grow threefold in the baseline scenario, which builds on OECD* trade projections. The transportation sector is currently responsible for the fastest growth in CO₂ emissions. Fully aware of its impact on individuals, the environment and society, GEODIS has committed to a strong and resolute CSR approach for more than ten years supported by the Golden Rule "Be a good citizen". It affects its employees, customers, suppliers and subcontractors as much as it affects society as a whole.

Commitment from the top

Placing CSR at the heart of its strategy, GEODIS brings together a dedicated corporate team which represents its Regions, Lines of Business and support functions. These true ambassadors of the CSR policy in the field foster the sharing of best practices and action plans and monitor indicators' progress. The Group also encourages its suppliers and subcontractors to integrate this same approach, specifically via a responsible purchasing policy and relies on specialized external partners to evaluate them. Finally, GEODIS opts for co-construction with its customers, partners and providers in order to continuously explore new, more virtuous and sustainable solutions.

Clear and strong policy

To achieve its goal of becoming a CSR leader in the Transport and Logistics industry and a sustainable growth partner for its customers, the Group is committed to mitigating and lowering its impact on the environment and contributing to the fight against climate change, improving its carbon efficiency and optimizing the consumption of natural resources. A major employer and economic player, GEODIS has established numerous initiatives to continuously improve its social and societal impact. It prioritizes safety and promotes well-being and equal opportunities for its employees and for the community. Finally, with a conviction that

responsibility gets its value only when it is shared by everyone, GEODIS has the requirement to act in a responsible manner in all circumstances, thanks to a voluntary Ethics and Compliance policy. The Group closely evaluates the effects of its CSR initiatives and communicates with stakeholders on a regular basis about its results and progress. Several questions on GEODIS' CSR strategy are included in annual customer and employee satisfaction surveys. The Group is guided by international benchmarks and norms, including ISO, IIP, EcoVadis and GEEIS.

Mobilization with the industry stakeholders

GEODIS' activities extend to its leadership within the Transport and Logistics industry, in which it participates in the development and dissemination of standards consistent with CSR principles. The Group participates actively in various initiatives, including "green freight" programs (SmartWay in the U.S., Canada and Mexico, Clean Cargo), technology innovation platforms in Europe (ALICE – Alliance for Logistics Innovation through Collaboration in Europe – , Movin'On Open Lab). In 2018, it was one of the founder of the new Sustainable Airfreight Alliance (SAFA) which is a buyer-supplier collaboration between shippers, freight forwarders, and air freight carriers to track and reduce carbon dioxide emissions from air freight and promote responsible freight transport.

*Organisation for Economic Co-operation and Development, International Transport Forum, "ITF Transport Outlook 2017"

Highly-ranked in prestigious EcoVadis third-party assessment

GEODIS' CSR approach was ranked among the "top 1%" among all companies evaluated in 2018 by EcoVadis, a collaborative platform that assesses the performance of companies through 21 criteria involving environmental, social and ethical issues and sustainable procurement.

Based on a score of 70/100, the Group holds "Gold" status for the quality of its performance. The rating reflects factors such as GEODIS' structured approach to CSR, including quantified commitments, tangible actions on issues, detailed reporting and performance indicators.



A strong and tangible commitment



GEODIS is committed to controlling and reducing the environmental impact of its activities and contributing to the fight against climate change throughout the logistics chain. The Group has been taking action since 2008 to reduce its emissions of greenhouse gas (GHG) and pollutants. At the heart of its CSR strategy is an ambition to lower its GHG emissions by 30% by 2030. While this objective is straightforward, there is no single means for achieving it. Instead, progress is being made through separate initiatives that work in harmony to reduce GEODIS' overall carbon footprint and full life-cycle emissions.

Integrating new energy sources

A key element of GEODIS' efforts to reduce emissions is increasing the use of renewable energies. In addition to introducing currently available cleaner energies into its fleets, such as natural gas (NG), biogas, biodiesel and electric, the Group is exploring new prospective alternative energies such as hydrogen. In France, for example, GEODIS already has the country's second largest

electric vehicle (EV) fleet and is increasing the number of both trucks and delivery vans powered by natural gas. In urban areas, the environmental footprint of road transport is expressed in two main dimensions. The first one relates to GHG emissions (mainly CO₂) and the second one concerns pollutant emissions like fine particles, sulfur oxides and nitrogen oxides. GEODIS develops the substitution of diesel for NG in cities and long distance. Electrical solutions for duty trucks are studied, but it is important to recognize that there is still a lack of relevant offer in the manufacturers' catalog.

Finding solutions for urban challenges

With urban freight accounting for 40% of pollution in cities and municipalities increasingly restricting traffic in downtown areas, GEODIS is finding innovative logistics solutions that decrease pollution and improve quality of life for residents. For example, clean city solutions include the development of alternative fleets (CNG and electric), GPS navigators and Personal Digital Assistants for drivers, the scheduling of deliveries outside of normal working hours, which also has enabled reduction of trucks, and simulation tools. The Freight Simulator tool analyzes million of data points every month to provide customers in France with the most economical and eco-friendly transportation plan. Just like Mobicop app, which also optimizes transport plans, reduces mileage, finds the best itinerary options and contributes to reducing the environmental footprint.

Highly-ranked by CDP*, a worldwide organization measuring environmental impact

In 2019, GEODIS has received a score of B- which is within the "Management" scoring level. This assessment is higher than the transport

services average of D, and higher than the Europe regional average of D.

*Former Carbon Disclosure Project

As demand for urban logistics space to serve last mile deliveries is growing in tandem with e-commerce orders, the Group also develops full transport and logistics ecosystems such as smart property solutions. They combine the use of clean transport modes with dedicated last mile cross-docking warehouse. In 2018, GEODIS cofounded a consortium of companies coming from different industries to develop a new transport infrastructure dedicated to last mile delivery in dense urban environments.

Optimizing use of natural resources

To reduce consumption of electricity, gas and water resources at its sites around the world, GEODIS implements its environmental management system based on ISO 14001 standards. In 2019, the Group is opening a new BREAAAM-certified*, smart, connected 32,000 sqm warehouse with 100% LED lighting. Operating costs will be optimized using connected digital tools. Another example is its work on reverse logistics, one of the areas where GEODIS has recognized expertise. In managing after-sales and returns logistics with proven reverse supply chain know-how, GEODIS helps customers to optimize their reverse flows



The main pillars of GEODIS' Oxygen program

The Group accelerated the Oxygen progress in 2018. Launched in 2010, the program is a key element to reduce GHG emissions and to be a force for change in Transport and Logistics sector's low carbon efforts. Applied at every level of the organization, Oxygen is structured around four

areas of improvement: measurement, through an annual global carbon emissions inventory; reductions and improvements in GEODIS' carbon efficiency; partnerships with major subcontractors to reduce indirect emissions; and solutions to help customers reduce their carbon footprint.

and ensures excellence in their product life cycle management. The Group also promotes pooling of resources to avoid multiple purchases and collaboration between customers and partners to encourage increased recycling. The Supply Chain Optimization Line of Business' Product End-of-Life Management offer helps to ensure the recycling of electric and electronic waste. For example, one "hybrid recycling project" transformed scrapped laptop LCD screens into electronic photo frames and dual monitors, demonstrating GEODIS' reverse logistics capabilities.

*Building Research Establishment Environmental Assessment Method

30%
 GEODIS' ambition for reduction in its greenhouse gas emissions on scopes 1, 2 and 3 by 2030 (base year: 2017, like for like)

93%
 of GEODIS' GHG emissions are indirect, generated by subcontractors in 2018



Reducing the environmental impact of freight transport through mobilization with the industry stakeholders.

Advocacy and collaboration

Playing a leading role to drive change

February 2019, Smart Freight Centre (SFC) recognized ten companies, among which GEODIS, who are demonstrating leadership in moving beyond reporting to implement solutions that reduce emissions, as well as collaborating and advocating for sector-wide action. GEODIS uses three levers to put Smart Freight Leadership into practices.

Smart Freight GLEC

The Group has adopted the GLEC Framework* and has embedded the methodology in its in-house GHG emissions calculation tool covering all transport modes that is integrated in its Transport Management System (TMS). Adoption

was made easier as the GLEC Framework builds on the fact that GEODIS was already using the European standard EN 16258, the French Decree 2017_639, EcoTransIT World tool, and Clean Cargo. The Group has also set an ambition of a 30% reduction in its GHG emissions by 2030 from 2017.

Smart Freight Solutions

The Group integrates climate solutions in its offering to clients, like the use of natural gas and electric vehicles or

the provision of rail-road services. The Group also provides its clients with a calculation of the carbon footprint of their received services.

Smart Freight Collaborate

GEODIS advocates for stronger policy on sustainable logistics in Europe for example through its 10-year collaboration with ADEME in France. In 2018, the Group supported the Transport & Environment campaign to set ambitious CO₂ standards for trucks and participated to a study by European Climate Foundation and Cambridge Econometrics which highlights the full benefits the European economy could reap by accelerating the switch towards greener trucking.



*SFC established the Global Logistics Emissions Council (GLEC), which developed the GLEC Framework (the global method for calculation and reporting of logistics emissions)

Encouraging the shift towards lower-polluting rail transport of goods from conventional modes.

Multimodal

Making Europe-China rail transport a true alternative

Since the introduction of its first freight trains in 2012, GEODIS' China-Europe rail service has been demonstrating the advantages of transporting goods by rail between China and Europe. Through significant infrastructure investments and high security standards, the service has succeeded in overcoming timing and cost challenges to provide customers with true clean transport alternatives to



conventional modes. GEODIS today is one of the top three operators, with more than 6,000 trains connecting 56 Chinese and 49 European cities. Rail transport provides several benefits, especially in terms of lead time and costs. GEODIS uses the Trans Siberian Route (TSR) and the even faster Trans-China Route (TCR), as they are the most frequented

transit corridors from China to Europe and vice versa. The result is a service that provides 1/3 the lead times of ocean freight at 1/5 the cost of airfreight. Moreover, due to its comparatively low levels of CO₂ and other emissions, transportation by rail represents an environmentally-friendly mode of transport between China and Europe.

Top 3

GEODIS' ranking for intercontinental railfreight

1/20

CO₂ emissions reduced by a factor of 20 compared to air transport

61

lanes between Europe and China



Acting responsibly locally



For GEODIS, sustainable performance entails taking a long view and thinking of the company as an integral stakeholder in society. The Group's objectives therefore include improving its social and societal impact by promoting the well-being and development of its employees and the community, an approach supported by the Golden Rule "Be a good citizen."

This perspective encompasses GEODIS' actions to ensure the health and safety of people, promote gender equality, integrate people with disabilities and act in solidarity to support local communities.

Fostering community engagement and volunteering

Solidarity is one of GEODIS' core values and is experienced daily. The Group encourages its teams to support local communities through their commitment and day-to-day actions. The Group

places a particular emphasis on actions to fight against exclusion and promote the conservation of natural resources. Examples of focus areas for GEODIS' initiatives include solidarity, support for disadvantage populations affected by malnutrition, homelessness or poverty, and aid to children. The Group's Regions, Lines of Business and CSR department work together to ensure the effective implementation of these efforts.

For example, in 2018, the teams of the Freight Forwarding Line of Business in Thailand provided logistical support to transport urgently needed pumping equipment to help rescue a teenage soccer team and their coach trapped in a cave. Employees in the U.S., partnered with the NGO Habitat for Humanity to build a house for a local GEODIS' employee. In France, a collection of clothing, food and household goods was organized to help families impacted by floods in the Aude region, with donations transported in GEODIS' trucks.

Supporting people with disabilities

As part of its diversity and inclusion commitment, GEODIS works to offer opportunities to people with disabilities and to improve their daily life. Examples of specific actions include recruitment, integration and support of people with disabilities or the long-term unemployed, awareness training and subcontracting to workshops employing disabled people. In France, employees participated in events such as DuoDay, within a Road Transport agency, Workers with Disabilities Week and meetings with "Made in TH" ambassadors (a service company that helps promoting inclusion of disabled people in the workplace) inside Contract Logistics warehouses, initiatives to increase awareness of disabilities at work.

Developing occupational integration or reintegration

Through its "Tremplin" program launched in 2016, GEODIS aims at integrating people who have been out of the world of work for a long time (long-term unemployed, unemployed people under 26 with no qualifications, unemployed people undergoing a career change) on a permanent basis. The jobs offered are warehouse workers, forklift drivers, dock workers and order pickers.

GEODIS also deployed a "GeoVet" program in the U.S. to promote the reintegration of war veterans through employment. It establishes the Group as an employer of choice for veterans exiting the military and fosters the talent of front line military leaders.



Mario Ceccon
Group Human Resources
Executive Vice President

■ ■ At GEODIS, "Being a good citizen" goes far beyond being a responsible employer, offering jobs and fostering diversity. It is also connecting and supporting our community locally. ■ ■



A €10,000 donation to Humanity & Inclusion

During the 2018 GEODIS' global customer survey, the Group pledged to provide €1 per completed questionnaire to Humanity & Inclusion* (the new name of Handicap International), as part of a partnership agreement signed for the fifth consecutive year. Nearly 8,000 clients

completed the questionnaire and GEODIS rounded its donation up to €10,000 emphasizing its support to this important cause.

*Humanity & Inclusion is a 36-year-old independent and impartial organization working in situations of poverty and exclusion, conflict and disaster.



Indicators audited by EY

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- Share of women in the Group workforce (in %)
- Gazoil consumption of the vehicle fleet (in liters)
- Electricity consumption of the buildings (in million of kWh)

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- Frequency rate of the occupational accidents
- Share of Euro 5, 6, electric, hybrid and vehicles powered by natural gas (in %)

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- Share of Euro 5, 6, electric, hybrid and and vehicles powered by natural gas (in %)
- Greenhouse gas emissions - scopes 1 and 2 (in tons of CO₂e)

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- Greenhouse gas emissions - scopes 1 and 2 (in tons of CO₂e)
- Gazoil consumption of the vehicle fleet (in liters)
- Electricity consumption of the buildings (in million of kWh)
- Estimated share of the recovered non-hazardous waste (in %)

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- Electricity consumption of the buildings (in million of kWh)
- Frequency rate of the occupational accidents

Page 30

- Share of women in the Group workforce (in %)

Report scope

The accomplishments shown in this report concern 2018 and the first quarter of 2019.

The audit firm EY has conducted a second review of the reporting processes of selected GEODIS' key 2018 CSR indicators. The moderate insurance report is available on geodis.com under the CSR section together with the audited indicators, details on the methodologies used (scope, data collection and consolidation, choice of indicators, methodological limits, monitoring and verification of indicators), and correspondence with the Global Reporting Initiatives (G4 – Sustainability Reporting Guidelines).

The list of the audited indicators is also provided on page 68.

Acknowledgments

GEODIS' 2018 Activity and Corporate Social Responsibility Report was produced by the Group's CSR department, with the support of the Marketing and Communications department and thanks to the participation of the Regions, Lines of Business as well as all the Group's support functions. We would like to thank everyone who contributed.

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